

CHARTERED SECRETARY

THE JOURNAL FOR GOVERNANCE PROFESSIONALS



*International
Women's Day*



**THE INSTITUTE OF
Company Secretaries of India**

भारतीय कम्पनी सचिव संस्थान

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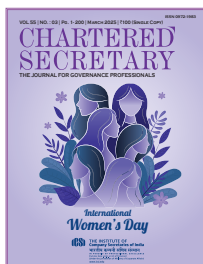


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EDITORIAL

The month of March marks the celebration of women's achievements and their unwavering contribution to the society, with the 'International Women's Day' falling on 8th March, 2025. On this occasion, this issue of Chartered Secretary Journal is covering a special section on Indian Women Leaders with this year's theme '**Accelerate Action**', covering messages of some successful recent women leaders who have made a mark in the society.

The profession of Company Secretaries has witnessed a transformative shift in gender representation over the years, with women now accounting for nearly 50% of ICSI's membership, which highlights the increasing role of women in corporate governance and strategic advisory positions.

Evolving over time, the profession of Company Secretaries has transcended due to the changing dynamics of the economy. The impetus of Central and State Governments to bring amendments in laws for ease of doing business has ushered in, transparency in the regulatory framework of the country.

With the advancement of the start-up ecosystem in the country, the role of Company Secretaries is augmented to guide the business owners and management in setting up Corporations. Apart from the traditional compliance function, a Company Secretary (CS) is now advising businesses on matters related to commercial disputes, sustainable business, CSR, risk management, business analysis, etc.

In the above parlance, this month's theme "**Opportunities for Company Secretaries: Exploring the Unexplored**" delves into uncharted waters, paving the way for growth of the profession through interesting sub-themes.

The article in Global Connect section titled, '**Greenwashing in the Financial Market: A Deep Dive into ESG, Climate Financing, and IFSCA efforts to combat Greenwashing**'

and the articles titled '**Collaboration and Stakeholder Engagement—relevance and significance**', '**Sustainable Practices: Integrating Ethical Responsibility into Daily Life and Professional Education**', '**Monitoring and Assessment of Corporate Social Responsibility projects**', '**Opportunities for Company Secretaries: Exploring the Unexplored in Start-up Compliance Advisors: Handholding New Ventures**', '**Company Secretaries as Start-up compliance advisors**', '**Opportunities for Company Secretaries: exploring untapped and evolving areas**', reflect on the various opportunities for Company Secretaries in unexplored areas.

The two articles titled, '**Data Privacy & Cybersecurity: A Governance Imperative**' and '**Empowering Governance, Securing Data: The evolving role of Company Secretaries in Data Privacy and Cybersecurity**' aptly draw attention of the reader on cybersecurity threats and regulatory mechanism to be implemented by Company Secretaries. The article titled '**Decarbonizing the Energy Sector: A CS Perspective**', throws light on approaches to decarbonization and the key strategic role of CS.

The expanding role for Company Secretaries in maritime law is explored in the articles on '**Unlocking India's Blue Economy beyond Shores: Maritime Law as a Catalyst for sailing towards Sustainability**', and '**Seas of Opportunities: Company Secretaries Steering Maritime Compliance**.'

In the Research Corner section of the Journal, the article '**Industry Standards for RPT Disclosures: A Game Changer for Corporate Governance**', provides insights into the Industry Standards, recently issued by SEBI.

CS Asish Mohan
(Editor - Chartered Secretary)



- 1-2. ICSI delegation led by CS Dhananjay Shukla, President, The ICSI met with Shri Ram Nath Kovind, Hon'ble Former President of India.
- 3-4. CS Dhananjay Shukla, President, The ICSI & CS Pawan G Chandak, Vice President, ICSI met with Smt. Nirmala Sitharaman, Hon'ble Minister of Finance and Corporate Affairs, to apprise her on the significant role of CS in secretarial, financial and statutory compliance domain.
- 5-6. ICSI delegation led by CS Suresh Pandey, Central Council Member, The ICSI met with Shri Kiren Rijju, Hon'ble Minister of Parliamentary Affairs and Minority Affairs and apprised him about the role of Company Secretaries in easing tax compliance in the country.
- 7-8. ICSI delegation led by CS Dhananjay Shukla, President, The ICSI met with Shri H. D. Kumaraswamy, Hon'ble Minister of Heavy Industries and Steel to apprise him on how Company Secretaries can enhance India's tax compliance framework and improve the economic efficiency.



9-10. ICSI delegation led by CS Manish Gupta, Former President, The ICSI met with Dr. Amar Singh and Shri Benny Behanan, Hon'ble Members of Lok Sabha to discuss the contribution of Company Secretaries in building an efficient tax administration.

11. ICSI delegation led by CS Suresh Pandey, Central Council Member, The ICSI met with Shri Bhartruhari Mahtab, Hon'ble Member of Lok Sabha to discuss how Company Secretaries can ensure a smoother and more efficient tax ecosystem.

12. ICSI delegation led by CS Dhananjay Shukla, President, The ICSI met with Shri Deepender Singh Hooda, Hon'ble Member of Lok Sabha and apprised him about Company Secretary's competence in tax laws that can help reduce compliance bottlenecks and benefit both, Businesses and Government.

13-14. CS Manoj Kumar Purbey, Central Council Member, The ICSI met with Shri Eatala Rajender, Hon'ble Member of Lok Sabha and apprised him about the role of Company Secretaries in creating an efficient tax system.

15-16. ICSI delegation led by CS Rajesh Tarpara, Central Council Member, The ICSI met with Shri Hasmukhbhai Somabhai Patel, Hon'ble Member of Lok Sabha to discuss how CS contributes in enhancing the country's tax ecosystem.



17-18. ICSI delegation led by CS Rajesh Tarpara, Central Council Member, The ICSI met with Dr. Hemang Joshi, Hon'ble Member of Parliament to apprise him about the role & responsibility of Company Secretaries in a Company's tax compliance & management.

19-20. ICSI delegation led by CS Dhananjay Shukla, President, The ICSI met with Shri Jagdish Shettar & Dr. Jayanta Kumar Roy, Hon'ble Members of Parliament to discuss how Company Secretaries can cater to the growing demand for skilled professionals in the wake of creating an efficient tax administration system.

21-22. CS Asish Mohan, Secretary, The ICSI met with Shri Kalanidhi Veeraswamy, Hon'ble Member of Lok Sabha to discuss the contribution of Company Secretaries in the growing tax administration.

23-24. ICSI delegation led by CS Dhananjay Shukla, President, The ICSI met with Shri Lalji Verma, Hon'ble Member of Parliament, Lok Sabha and apprised him about the competency and expertise of Company Secretaries in taxation.



- 25-26. ICSI delegation led by CS Dhananjay Shukla, President, The ICSI met with Shri Mukeshkumar Chandrakaant Dalal, Hon'ble Member of Lok Sabha, to discuss how Company Secretaries can ensure a smoother and more efficient tax ecosystem.
27. ICSI delegation led by CS Manish Gupta, Former President, The ICSI met with Shri N K Premachandran, Hon'ble Member of Lok Sabha to discuss the role and responsibility of Company Secretaries in streamlining compliance and taxation.
28. ICSI delegation led by CS Dhananjay Shukla, President, The ICSI met with Shri P P Chaudhary, Hon'ble Members of Parliament, to discuss how Company Secretaries can cater to the growing demand for skilled professionals in the wake of creating an efficient tax administration system.
- 29-30. ICSI delegation led by CS B. Narasimhan, Immediate Former President, The ICSI met with Shri Praveen Khandelwal, Hon'ble Member of Lok Sabha to apprise him about the competence and expertise of Company Secretaries in Tax Laws and Regulations.
- 31-32. ICSI delegation led by CS Dhananjay Shukla, President, The ICSI met with Shri Rajeev Rai, Hon'ble Member of Lok Sabha to discuss the vital role of Company Secretaries in the tax regime.



33-34. ICSI delegation led by CS Dhananjay Shukla, President, The ICSI met with Shri Raju Bista, Hon'ble Member of Lok Sabha to apprise him about the responsibility of Company Secretaries in ensuring compliance with Tax Regulations.

35-36. CS Dhananjay Shukla, President, The ICSI and CS Asish Mohan, Secretary, The ICSI, met with Mr. Richard Vanlalhmangaiha, Hon'ble Member of Parliament, Lok Sabha, to apprise him about the integral role of Company Secretaries in the Indian tax system.

37-38. ICSI delegation led by CS Dhananjay Shukla, President, The ICSI met with Kumari Selja, Hon'ble Member of Parliament, Lok Sabha, and discussed the important role that Company Secretaries play in the modern taxation landscape.

39. CS Dhananjay Shukla, President, The ICSI, and CS Asish Mohan, Secretary, The ICSI met with Prof. Saugata Roy, Hon'ble Member of Parliament, Lok Sabha, to apprise him about Company Secretary's contribution to the financial and compliance landscape of India.

40. ICSI delegation led by CS Manish Gupta, Former President, The ICSI met with Shri Sudhir Gupta, Hon'ble Member of Lok Sabha to apprise him about how Company Secretaries are enhancing tax governance.



41. ICSI delegation led by CS Manish Gupta, Former President, The ICSI met with Shri Vijay Vasanth, Hon'ble Member of Lok Sabha to discuss the contribution of Company Secretaries in building an efficient tax administration.
- 42-43. ICSI delegation led by CS Dhananjay Shukla, President, The ICSI met with Hon'ble Member of Parliament, Shri Vishnu Dayal Ram to discuss the progressive role of Company Secretaries as tax professionals.
- 44-45. ICSI delegation led by CS Dhananjay Shukla, President, The ICSI met with Shri R N Parbat, Member CBDT to discuss the growing taxation landscape and the role of Company Secretaries in it.
- 46-47. CS Dhananjay Shukla, President, The ICSI and CS Pawan G. Chandak, Vice-President, The ICSI met with Shri Raman Chopra & Shri Pankaj Jindal, Joint Secretaries, TPL division CBDT to discuss how Company Secretaries can further strengthen the tax ecosystem.



48-49. ICSI delegation led by CS Dhananjay Shukla, President, The ICSI met with Shri Gopal Murli Bhagat, Deputy Chief Executive and Shri Brajeshwar Sharma, Senior Advisor, from the Indian Banks' Association, Mumbai to discuss opportunities for Company Secretaries in Banking.

50. ICSI delegation led by CS Dhananjay Shukla, President, The ICSI met with Mr. Ashishkumar Chauhan, MD & CEO NSE Ltd. to discuss collaboration in areas of mutual interest.

51. ICSI delegation led by CS Dhananjay Shukla, President, The ICSI met with Ms. Kamala K, Chief Regulatory Officer BSE Ltd. to explore partnering opportunities in areas of shared interest.

Meeting with SEBI Officials



52-55. ICSI delegation led by CS Dhananjay Shukla, President, The ICSI met with Shri Ashwani Bhatia, Shri Ananth Narayan G and Shri Amarjeet Singh, Whole Time Members SEBI to apprise about Company Secretary's contribution in Capital Markets and discuss potential collaboration in mutually beneficial areas.

56-59. ICSI delegation led by CS Dhananjay Shukla, President, The ICSI met with Ms. Ruchi Chojer, Ms. G Babita Rayudu, Shri Manoj Kumar, Shri Shashikumar Valsakumar, Shri Pramod Rao, Executive Directors, SEBI to apprise about Company Secretary's contribution in Capital Markets and discuss potential collaboration in mutually beneficial areas.



60-61. ICSI delegation led by CS Dhananjay Shukla, President, The ICSI met with Shri B N Sahoo, Shri Govindayapalli Ram Mohan Rao, Executive Director, SEBI to apprise about Company Secretary's contribution in Capital Markets and discuss potential collaboration in mutually beneficial areas.

62. ICSI delegation led by CS Dhananjay Shukla, President, The ICSI met with Shri Jeevan Sonparote, Chief General Manager, SEBI to apprise about Company Secretary's contribution in Capital Markets and discuss potential collaboration in mutually beneficial areas.

63-64. ICSI delegation led by CS Dhananjay Shukla, President, The ICSI met with Dr. R. Balasubramaniam, Chairman, Social Stock Exchange Advisory Committee & Member, Human Resources, Capacity Building Commission to discuss potential collaboration in areas of mutual interest.

65. Pune Chapter of WIRC of ICSI felicitated CS Pawan G. Chandak, Vice-President, The ICSI, during 35th Two Days Residential Workshop on Critical Issues in Corporate Laws 2025 on February 21-22, 2025 at Mahabaleshwar, Dist.- Satara.

66. CS Pawan G. Chandak, Vice-President, The ICSI interacted with the students followed by the felicitation of successful students of December 2024 session on February 26, 2025 organised by Pune Chapter of The ICSI.



67-68. Bengaluru Chapter of SIRC of The ICSI organized Members Interaction meeting with CS Dhananjay Shukla, President, The ICSI & CS Pawan G. Chandak, Vice-President, The ICSI, CS Nagendra D Rao, Former President, The ICSI and CS Dwarakanath C., Central Council Member, The ICSI on March 1, 2025 at the Chapter Premises.

69-70. CS Dhananjay Shukla, President, The ICSI, CS Pawan G. Chandak, Vice-President, The ICSI and CS Dwarakanath C., Central Council Member, The ICSI visited Bangalore University on March 1, 2025. CS Sheik Latheef, Registrar, Bangalore University & Prof. Srinivas C, Registrar (Evaluation) were present for the said meeting. They had a formal interaction about developing academic collaboration among ICSI & Bangalore University in taking various initiatives for the growth and development of the profession.



71-78. Mysuru Chapter of SIRC of The ICSI organized President's Meet on March 2, 2025. CS Dhananjay Shukla, President, The ICSI & CS Pawan G. Chandak, Vice-President, The ICSI, CS Nagendra D Rao, Former President, The ICSI and CS Dwarakanath C., Central Council Member, The ICSI and CS Krishne Gowda, Chairman, Mysuru Chapter graced the meeting.

79-80. Mysuru Chapter of SIRC of The ICSI organized a Press Conference on March 2, 2025. CS Dhananjay Shukla, President, The ICSI & CS Pawan G. Chandak, Vice-President, The ICSI, CS Nagendra D Rao, Former President, The ICSI and CS Dwarakanath C., Central Council Member, The ICSI addressed the conference.



81-82. Full Day Research Conclave on the theme 'Loans & Investments' organized by Gurugram Chapter of The ICSI on February 22, 2025 at Gurugram. CS Dhananjay Shukla, President, The ICSI was the Chief Guest and Shri Bharat Madan, Whole Time Director and CFO, Escorts Kubota Limited was the Special Guest at the programme.

83. EIRC of The ICSI organised a Half Day Workshop on "Decoding of Union Budget - 2025" on February 1, 2025.

84. CS Anuj Saraswat, Chairman, EIRC of The ICSI met with Shri R Kesavan, Regional Director, RBI, Kolkata on February 26, 2025.

85. CS Anuj Saraswat, Chairman, EIRC of The ICSI met with Shri Shrawan Kumar, Chief Commissioner, CGST, Kolkata Zone on February 27, 2025.

86. CS Anuj Saraswat, Chairman, EIRC of The ICSI met with Shri Surajit Roy, Addl Director and Ex-Officio Additional Secretary, School Education, Govt. of West Bengal on February 27, 2025.



87-88. CS Dhananjay Shukla, President, The ICSI and CS Pawan G. Chandak, Vice President The ICSI met with ICSI members at the "Interactive Felicitation Ceremony" at ICSI-WIRC Office Premises on February 24, 2025.

89. 09th Batch of Classroom CLDP held on February 12, 2025 at SIRC of The ICSI. Dr. CS CA CMA Divya Abhishek was the Chief Guest. CS Mohan Kumar A, Central Council Member, The ICSI graced the occasion.

90. NIRC of The ICSI hosted a seminar on Securities Law - Mandatory Disclosures & Discussion on SEBI (LODR), 2015 & SEBI (PIT) Regulations, 2015 on February 15, 2025.

91. Bhubaneswar Chapter of EIRC of The ICSI organised a Workshop for Insolvency Professionals on February 21, 2025 at the Chapter Office premises.

92. Thane Chapter of WIRC of The ICSI organised its 3rd batch of the CLDP, a 15 days Class-room mode for Professional passed students from January 22 to February 7, 2025.

93-94. Discussion on Union Budget held on February 6, 2025 at ICSI-SIRC House, Chennai. Dr. CS CA CMA Divya Abhishek & CA Shankar Narayanan V were the Keynote speakers.



95. Salem Chapter of SIRC of The ICSI organized a one day conference on the theme "Inculcating Sustainability, Innovating Strategic Plans and Decoding Budget" on February 1, 2025 at Salem.
96. Noida Chapter organized the first session of the ICSI Debating Society on February 4, 2025. CS Sarabjeet Kaur, the Resource person hand held the students.
97. 23rd EDP Classroom Mode of Noida Chapter of NIRC of ICSI conducted on February 4, 2025 in the presence of Eminent Speaker CS Vishakaha Harbola, CS Gaurav Keswani, Chairman, and CS Sachin Mavi, Vice-Chairman, Noida Chapter.
98. ICSI delegation led by CS Rajesh Tarpara, Council Member, The ICSI met with Mr Amit Thakar MLA , Vejalpur, Ahmedabad.

Glimpses from ICSI CCGRTs



- 1-2. ICSI-CCGRT Kolkata organised its first Residential Conference on the topic "Compliance Management, Non-Compliance and Remedies" on February 22-23, 2025. CS Ranjeet Pandey, Former President, The ICSI, CS Sandip Kumar Kejriwal, Central Council Member, The ICSI and CS Savithri Parekh, Company Secretary and Compliance Officer, Reliance Industries Limited graced the occasion.
3. CS B. Narasimhan, Immediate Former President, The ICSI along with the 29th RCLDP participants at ICSI-CCGRT, Mumbai.
- 4-5. ICSI-CCGRT, Hyderabad organized its 18th batch of RCLDP from February 4-19, 2025. CS (Dr.) Vasudev Chivukula, Freelancer & Author and CS Venkata Ramana R., Central Council Member and Convenor, ICSI-CCGRT, Hyderabad graced the programme.

7th ICSI Leadership Summit held on February 8-10, 2025 at New Delhi





ICSI Leadership Awards

Best Region - SIRO : Award for achieving maximum percentage of targets for admissions in Classroom Teaching for CSEET and Executive & Professional Programme conducted during Calendar Year, 2024



Best Region - NIRO : Award for scoring maximum marks as per the evaluation criteria during Student Month in the Calendar Year, 2024.



Best Region - NIRO : Award for achieving maximum percentage of targets for registration in Executive & Professional Programme in the Calendar Year, 2024



Best Region - NIRO : Award for achieving maximum percentage of targets for registration in CSEET in the Calendar Year, 2024



Best Region - EIRO : Award for achieving maximum percentage of targets for Career Awareness Programs conducted during the Calendar Year, 2024



Best Region - WIRO : Award for adding maximum number of Members in Company Secretaries Benevolent Fund (CSBF) in the Calendar Year, 2024



Best Chapter : Award for achieving maximum percentage of targets for admissions in Classroom Teaching for CSEET and Executive & Professional Programme conducted during Calendar Year, 2024

Diamond Grade – Bengaluru



Platinum Grade – Hyderabad



Gold Grade – Kochi



Silver Grade – Thrissur



Best Chapter : Award for scoring maximum marks as per the evaluation criteria during Student Month in the Calendar Year, 2024.

Diamond Grade – Gurugram



Platinum Grade – Hyderabad



Gold Grade – Panipat



Silver Grade – Belagavi



Best Chapter: Award for achieving maximum percentage of targets for registration in Executive & Professional Programme in the Calendar Year, 2024

Diamond Grade – Pune



Platinum Grade – Indore



Gold Grade – Patna



Silver Grade – Varanasi



Best Chapter: Award for achieving maximum percentage of targets for registration in CSEET in the Calendar Year, 2024

Diamond Grade – Pune



Platinum Grade – Bhopal



Gold Grade – Patna



Silver Grade – Mangaluru



Best Chapter: Award for achieving maximum percentage of targets for Career Awareness Programs conducted during the Calendar Year, 2024

Diamond Grade – Bengaluru



Platinum Grade – Nagpur



Gold Grade – Kochi



Silver Grade – Mangaluru



Best Chapter - Bengaluru: Award for adding maximum number of Members in Company Secretaries Benevolent Fund (CSBF) in the Calendar Year, 2024



Best Chapters : Award for generating more than 10 lacs operational Surplus after deduction of the grants provided by the HQs

Kochi



Pune





"Don't focus on perfection, but rather on the progress."
- John Assaraf



Dear Professional Colleagues,

The world, as we live in today, is in a constant state of flux. The fact that this very statement has been quoted by many a learned men and women – has been deliberated across various national and international platforms – and has also been the theme, basis and foundation of plenty of discussions – corroborates the candor and realism attached therein.

But where on one hand, there is a constant stream of change, the beauty lies in the fact that there is scope for change and it is this change that brings with it the opportunity of growth, of development, of learning, of exploration, innovation, discoveries... the list is endless.

It is with this understanding that this edition of the Chartered Secretary Journal through its Articles explores the lesser treaded areas – ones that can be professionally fulfilling and intellectually enriching.

The last few years have witnessed us sailing through completely unknown seas and oceans. If the advent of digital transformation brought in computers almost half a century ago, the Artificial Intelligence has not only lent it a different angle but sped up the process of transformation. The practices and procedures in all spheres of human activity are witnessing a paradigm shift. The patterns are changing and so are the mannerisms. But what is common across generations – is growth, the desire to scale greater heights, cover farther grounds; and with that the urge to carve a much greater name.

ICSI LEADERSHIP SUMMIT – SANKALP 2025

"When you are called to lead, you are called to serve. You become the servant because leadership is all about being of service to others."

- Gifford Thomas

Continuing with the thought of carving a name for ourselves, the Institute of Company Secretaries of India treasures its unique legacy – one that has been built on the strength of the efforts of all the past leaders and their Teams. The ICSI Leadership Summit is our "Sankalp" to take that legacy forward.

Each year, as the new President and Vice President swear-in, in the same instant, new people take to the Office of Chairpersons of Regional Councils and Chapters across the length and breadth of the ICSI spread Pan India. Each of them, undoubtedly carries with them, their dreams, visions and aspirations for the Institute, profession and professionals.

The Summit provides us with an inimitable opportunity, a cohesive platform, to not only include and align those dreams and visions, and integrate them into one well-spun goal; but also to sculpt few major and aplenty minor plans of action.

This year, as the ICSI representatives from across the nation joined us in the heart of the capital city of India, during 08-09-10 February, 2025; the zeal, the optimism and the passion was beyond palpable. Not only did we find ourselves smiling at the exceptionality of suggestions, but the feeling of oneness portrayed by all Regional Offices, CCGRTs and Chapters, provided us with the comfort that the reins of the profession are in the right hands.

With the changing times, we also tried to change the pattern of the deliberations at the Summit. This year we

took a two-pronged approach to discussing futuristic action. With the aim of building well-informed Teams at ground level, the significant aspects of operation and functioning were discussed in deep detail by the respective heads of Directorates with the Chapter In-charges – developing their acumen on aspects like ICSI Programme Guidelines, Purchase Policy, Infrastructure Management, Financial Planning, and so on...

With our Chapters and their Teams, acting as conduits, between the Headquarters and the stakeholders Pan India, the representatives were, encouraged to share in their inputs, ground realities, suggestions for the betterment of the profession, and recommendations to foster better and stronger ties between them and the stakeholders and us & them.

Having received more than 500 suggestions in total, I would consider the entire exercise immensely fruitful. And while keeping a count, a simultaneous process has been initiated – of not just collating and safekeeping these submissions, but understanding their practicalities and acting upon them in a phased manner.

As I extend my best wishes to all the teams, placing my full and complete faith in them and their abilities to take our vision forward; I would also like to take this moment to congratulate all the Regions and Chapters bagging the Awards, for their exemplary performance. May your achievements inspire others to dream more, achieve more...

For as Barack Obama said and I quote,

“Leadership is all about building relationships, understanding people, and inspiring them to be their best.”

QRRT AND ICSI SERVICE CHARTER :

**कच्चिदर्थं विनिश्चित्य लघुमूलं महोदयम्।
क्षिप्रमारभसे कर्तुं न दीर्घयसि राघव॥**

I trust that you quickly decide on matters, start the work soon without unnecessary delays, and complete it efficiently with minimal costs.

It is during the course of the Leadership Summit that there was a common understanding arrived at. Being equally sensitized towards the members and students, it was a shared realization that given the ever increasing number of members and students and their wide ranging issues, challenges and concerns – a dedicated attempt is necessitated for the resolution of the same. It is with this thought and intent that the Leadership Summit was considered as the moment opportune to launch a unique, empathetic and considerate initiative of the ICSI – the QRRT and ICSI Service Charter.

Quick Response and Resolution Time is an ICSI attempt to provide TTT - Transparent, Timely and Trackable Resolution System for queries raised by members and students of ICSI. The Charter enlists definite timelines depending on the nature of the query. Each query on receipt will be acknowledged and a Service ID will be generated for easy trackability. The idea is to provide hassle-free solutions to our members and students and to streamline the query resolution process as well.

Taking a cue from the above shloka, which in fact is a word of guidance from Lord Ram to Bharat; we as a Team are both hopeful and confident, that as a first of first initiative of the year, through QRRT, we would be able to provide the ease and comfort to our closest stakeholders in their communications with ICSI; for it is in our unity as an institution that the profession stands strong to lead the way...

INTERNATIONAL WOMEN'S DAY : CELEBRATING WOMEN EMPOWERMENT

**अतुलं तत्र तत्तेजः सर्वदेवशरीरजम्।
एकस्थं तदभून्नारी व्याप्तलोकत्रयं त्विषा॥**

The incomparable radiance that was born from all gods and pervaded the 3 worlds, came to one place and took the form of a woman.

As I open the Internet, the United Nations website reads, “On 8th March 2025, join us to celebrate International Women's Day under the theme, ‘For ALL women and girls: Rights. Equality. Empowerment’.” The theme calls for action that can unlock equal rights, power and opportunities for all and a future where no one is left behind.

And as we join hands & prepare to celebrate the Day in full fervour, there is a sense of elation, pride and contentment. Elation of the fact, that we hail from a country, where each Yuga, each generation, each time and each historic event has been marked by the presence and active participation of women. The pride stems from the strength, valour, intellect and acumen portrayed by these women and those around us faring through each day of their life.

The contentment, on the other hand, is a gift of this profession, which boasts of a near 50% participation of women in our member, students and employee numbers as well. The profession has given many a women the opportunity to be financially independent, to find their calling, to make their way into corporate Board Rooms, to lead decision making processes – but most importantly to take pride in themselves, as to who they are.

Not for a moment has the profession, distinguished or discriminated between professionals on the grounds of gender – but treated each of them as equal – opening

doors of opportunity purely on the basis of caliber and thus paved the way for empowerment in the modern times.

It is this empowerment that we intend to cherish and celebrate at the 3rd National Women's Conference on the 28th and 29th of March, 2025. And what better way to pursue and relish this celebration than in the heart of the city of Ahilyabai Holkar – a beloved figure of Indian history, renowned for good governance.

As we await to welcome you in the cleanest city of the country, Indore, I would expect each female professional to take great pride in her femineity as well as the profession and to make the most of this wonderful occasion.

With this I salute each one of you for your hard work, grit and patience that you have so portrayed during your journey, and hope that you will use and utilize your professional achievements and accomplishments to serve and uplift fellow women who may not be as empowered.

Let us all together, lead the nation to glory !!!

ICSI BOARD MENTORSHIP PROGRAMME : INCLUSIVE LEARNING

यद्यदाचरति श्रेष्ठस्तत्तदेवेतरो जनः ।
स यत्प्रमाणं कुरुते लोकस्तदनुवर्तते ॥

You should perform your duties to set an example for the good of the world. Whatever actions great persons perform, common people follow. Whatever standards they set; all the world pursues.

Quoting the exact shloka, as I said while extending my invite through the brochure of the event, I feel immensely delighted to revel in the success of the first two editions of the ICSI Board Mentorship Programme, and simultaneously invite you, your Board members, your Client Companies and their leadership to one of the most coveted events of ICSI.

An initiative of the Institute of Governance Professionals of India (which is a section 8 company promoted by ICSI), the core and sole aim of the Mentorship Programme is to create a platform, a stage, a place, a conducive environment – to discuss the nuances of risk management, corporate laws, strategic planning, and effective leadership – all under one roof.

But what renders the event, its uniqueness is our attempt to render this learning process inclusive and interactive, all while relishing the gifts of nature. As we take the 3rd edition of the ICSI Board mentorship Programme to one of top-most cities of the country, Srinagar, I invite the Directors and the Directors-in-

making, to join us in rendering the event, knowledge enriching, intellectually stimulating and immensely memorable...!

INCOME-TAX BILL 2025 : BREAKING GROUNDS FOR GREATER COMPLIANCE

बरषत हरषत लोग सब करषत लखै न कोइ ।
तुलसी प्रजा सुभाग ते भूप भानु सो होइ

Just as the sun draws water from the earth, which then turns into clouds and returns as rain on the earth, bringing prosperity. Our tax system should be similar in nature.

The month of February marked the beginning of preparation for a new era with the Income-tax Bill, 2025. This new bill, tabled in Lok Sabha by Finance Minister Nirmala Sitharaman on February 13, seeks to replace the existing Income Tax Act, 1961 and introduce changes that affect different categories of taxpayers, including individuals, businesses, and non-profit organisations.

During the course of the past 15 days or so, which would include the second half of the month, ICSI delegations have had meetings, greetings and conversations with various Ministers, Members of Parliament, to share the ICSI views and suggestions – the most recent opportunity been accorded by Smt. Nirmala Sitharaman, Hon'ble Minister of Finance and Corporate Affairs, for which we are eternally grateful.

But more importantly, the intent of these meetings was to create a far deeper understanding of the roles played and responsibilities being discharged by the Company Secretaries in the altering dynamics of the Indian legislative scenario.

As we extend our commendations to the Hon'ble Finance Minister and the entire Team of Officials who have worked tirelessly and relentlessly to give to the nation a new reformed law, we are hopefully expectant, that the times ahead will find us playing a much greater role therein.

The month of March brings with it the joyous festival of colours and as I extend my heartiest wishes of the festival impending, I hope that it fills your lives with immense exhilaration, fun, frolic and happiness...

Happy Holi !!!

Yours Sincerely



CS Dhananjay Shukla
President, ICSI

LIST OF STANDING AND NON-STANDING COMMITTEES FOR THE YEAR 2025

S. No.	Name	Position
1	Executive Committee	
	1 CS Dhananjay Shukla	Chairman
	2 CS Pawan G Chandak	Member
	3 Shri Inder Deep Singh Dhariwal	Member (Govt. Nominee)
	4 CS B Narasimhan	Member
	5 CS Manish Gupta	Member
	6 CS Chennur Dwarakanath	Member
	7 CS Sandip Kumar Kejriwal	Member
2	Finance Committee	
	1 CS Dhananjay Shukla	Chairman
	2 CS Pawan G Chandak	Member
	3 CS A Mohankumar	Member
	4 CS Manoj Kumar Purbey	Member
	5 CS Praveen Soni	Member
	6 CS R Venkata Ramana	Member
	7 CS Rajesh Tarpara	Member
3	Examination Committee	
	1 CS Dhananjay Shukla	Chairman
	2 CS Pawan G Chandak	Member
	3 CS B Narasimhan	Member
	4 CS Ashish Karodia	Member
	5 CS NPS Chawla	Member
	6 CS Rupanjana De	Member
	7 CS Suresh Pandey	Member
4	Financial Services Committee	
	1 CS B Narasimhan	Chairman
	2 CS Ashish Karodia	Member
	3 CS Chennur Dwarakanath	Member
	4 CS Manoj Kumar Purbey	Member
	5 CS Rajesh Tarpara	Member
	6 CS Rupanjana De	Member
	7 CS Suresh Pandey	Member

S. No.	Name	Position
5	Corporate Laws & Governance Committee	
	1 CS Manish Gupta	Chairman
	2 Dr. Ashok Kumar Mishra	Member (Govt. Nominee)
	3 CS A Mohankumar	Member
	4 CS Ashish Karodia	Member
	5 CS Chennur Dwarakanath	Member
	6 CS R Venkata Ramana	Member
	7 CS Rajesh C Tarpara	Member
6	Professional Development Committee	
	1 CS Dhananjay Shukla	Chairman
	2 Shri Sanjay Shorey	Member (Govt. Nominee)
	3 CS B Narasimhan	Member
	4 CS Manoj Kumar Purbey	Member
	5 CS Praveen Soni	Member
	6 CS R Venkata Ramana	Member
	7 CS Rajesh Tarpara	Member
7	Training & Educational Facilities Committee	
	1 CS Pawan G Chandak	Chairman
	2 Shri Balamurugan D	Member (Govt. Nominee)
	3 CS Manish Gupta	Member
	4 CS A Mohankumar	Member
	5 CS Ashish Karodia	Member
	6 CS Chennur Dwarakanath	Member
	7 CS NPS Chawla	Member
8	CS Suresh Pandey	Member

S. No.	Name	Position
8	Practicing Company Secretaries Committee	
	1 CS Praveen Soni	Chairman
	2 CS Manish Gupta	Member
	3 CS A Mohankumar	Member
	4 CS Chennur Dwarakanath	Member
	5 CS Rupanjana De	Member
	6 CS Sandip Kumar Kejriwal	Member
	7 CS Suresh Pandey	Member
9	Information Technology Committee	
	1 CS Manoj Kumar Purbey	Chairman
	2 CS Manish Gupta	Member
	3 CS Praveen Soni	Member
	4 CS R Venkata Ramana	Member
	5 CS Rajesh Tarpara	Member
	6 CS Rupanjana De	Member
	7 CS Suresh Pandey	Member
10	Chapter Development & Coordination Committee	
	1 CS Sandip Kumar Kejriwal	Chairman
	2 CS A Mohankumar	Member
	3 CS Ashish Karodia	Member
	4 CS Chennur Dwarakanath	Member
	5 CS NPS Chawla	Member
	6 CS R Venkata Ramana	Member
	7 CS Suresh Pandey	Member
11	PMQ Course Committee	
	1 CS Rajesh Tarpara	Chairman
	2 CS A Mohankumar	Member
	3 CS Ashish Karodia	Member
	4 CS Chennur Dwarakanath	Member
	5 CS NPS Chawla	Member
	6 CS Praveen Soni	Member
	7 CS R Venkata Ramana	Member
12	Placement Committee	
	1 CS Suresh Pandey	Chairman
	2 CS A Mohankumar	Member
	3 CS Manoj Kumar Purbey	Member
	4 CS NPS Chawla	Member
	5 CS Praveen Soni	Member
	6 CS Rupanjana De	Member
	7 CS Sandip Kumar Kejriwal	Member

S. No.	Name	Position
13	ICSI-CCGRT Management Committee	
	1 CS Dhananjay Shukla	Chairman
	2 CS Manish Gupta	Member
	3 CS Chennur Dwarakanath	Member
	4 CS Ashish Karodia	Member, Convenor (Mumbai)
	5 CS R Venkata Ramana	Member, Convenor (Hyderabad)
	6 CS Sandip Kumar Kejriwal	Member, Convenor (Kolkata)
14	Regulations & Elections Reforms Committee	
	1 CS Chennur Dwarakanath	Chairman
	2 CS Manish Gupta	Member
	3 CS Ashish Karodia	Member
	4 CS R Venkata Ramana	Member
	5 CS Rupanjana De	Member
	6 CS Sandip Kumar Kejriwal	Member
	7 CS Suresh Pandey	Member
15	International Affairs Committee	
	1 CS Rupanjana De	Chairman
	2 CS B Narasimhan	Member
	3 CS A Mohankumar	Member
	4 CS Ashish Karodia	Member
	5 CS Manoj Kumar Purbey	Member
	6 CS NPS Chawla	Member
	7 CS Sandip Kumar Kejriwal	Member
16	Professional Research and Publication Committee	
	1 CS R Venkata Ramana	Chairman
	2 CS B Narasimhan	Member
	3 CS Chennur Dwarakanath	Member
	4 CS NPS Chawla	Member
	5 CS Praveen Soni	Member
	6 CS Rajesh Tarpara	Member
	7 CS Rupanjana De	Member

This Month That Year



1991

ICSI – DPE Joint Professional Development Programme: Suresh Kumar (Secretary, Deptt. Of Public Enterprises) addressing. Other seen are (L to R) T.P. Subbaraman and R. Krishnan.

PATNA CHAPTER: Foundation Day Celebrations – Hon'ble Governor of Bihar Dr. A.R. Kidwai lighting the lamp to mark the inauguration in the presence of (L to R) P.K. Sharma, D.N. Pandey and D. Mazumdar.



1994



1997

SIRC – Hyderabad Chapter [RIGHT] Visit of Union Minister for Labour to Chapter Office – Hon'ble M. Arunachalam (Union Minister for Labour) being escorted by committee members **[LEFT] Study Circle Meeting on Credit Rating** – Sitting (L to R) L. Jayaraman, P.V.S. Jagan Mohan Rao, D.Hanumanta Raju, N. Ramgopal Rao (Branch Manager, CRISIL) and S. Ramakrishnan.

NIRC – [LEFT] Annual Function: Sitting (L to R) Sajiv Agarwal, Ashok Kumar Goyal, Dr. K.R. Chandratre, Pavan Kumar Vijay, D.K. Prahlada Rao, Nesar Ahmad and S.V. Goyal **[Right] Meeting with Chapters' Chairmen** – Group photo.



1997



**THE INSTITUTE OF
Company Secretaries of India**

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)

Vision

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

Motto

सत्यं वद। धर्मं चर। इत्येकं श्रेष्ठं त्वयाः कथ्यते।

Mission

"To develop high calibre
professionals facilitating
good corporate governance"

Participation is Open
to all Members
(Male & Female)

REGISTRATIONS OPEN

Avail Early
Bird offer till
20th March, 2025

8 CPE Credits (Structured) for ICSI Members

3rd National Women's Conference

Theme:- Transforming the Future: Women's Role in Sustainable Development

Venue:- Brilliant Convention Centre, Indore, Madhya Pradesh

March 28-29, 2025 (Friday & Saturday)



DELEGATE REGISTRATION FEE* (Non-Residential)

Particulars	Early Bird Registration (4th March, 2025 to 20th March, 2025)	Registration (on or after 21st March, 2025 including on the spot registration)
Members of ICSI	INR 3500	INR 4000
Students/Accompanying Spouse/Child (5 years and above)/ Sr. Member (60 years and above)	INR 3000	INR 3500
Non-Members	INR 5000	INR 6000

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

- The above fee includes Lunch (2), Dinner (1), Morning / Evening Conference Tea, Coffee, and Conference Kit;
- The delegate fee for accompanying Spouse and Children does not include Conference Kit;
- The delegate fee is payable in advance and is non-refundable;
- Registration for the Conference shall be through online mode only. Please note that payments will not be accepted through demand draft, cheque, cash, etc;

Registration Link: - <https://tinyurl.com/yy6t9v3j>

CS Dhananjay Shukla
President
The ICSI

CS Pawan G. Chandak
Vice President
The ICSI

CS Ashish Karodia
Council Member,
The ICSI & Programme Director

CS Asish Mohan
Secretary
The ICSI

CS Hrishikesh Wagh
Chairman
WIRC, The ICSI

CS Amit Kumar Barange
Chairman
Indore Chapter, The ICSI

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www.icsi.edu



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

Activity Highlights of February, 2025

MEETINGS WITH DIGNITARIES (GOVERNMENT OF INDIA)

- Shri Ram Nath Kovind, Hon'ble Former President of India
- Smt. Nirmala Sitharaman, Hon'ble Minister of Finance and Corporate Affairs
- Shri Kiren Rijiju, Hon'ble Minister of Parliamentary Affairs and Minority Affairs
- Shri H. D. Kumaraswamy, Hon'ble Minister of Heavy Industries and Steel
- Dr. Amar Singh, Hon'ble Member of Parliament, Lok Sabha
- Shri Benny Behanan, Hon'ble Member of Parliament, Lok Sabha
- Shri Bhartruhari Mahtab, Hon'ble Member of Lok Sabha
- Shri Deepender Singh Hooda, Hon'ble Member of Parliament, Lok Sabha
- Shri Eatata Rajender, Hon'ble Member of Parliament, Lok Sabha
- Shri Hasamukhbhai Somabhai Patel, Hon'ble Member of Lok Sabha
- Dr. Hemang Joshi, Hon'ble Member of Parliament, Lok Sabha
- Shri Jagdish Shettar, Hon'ble Member of Parliament, Lok Sabha
- Dr. Jayanta Kumar Roy, Hon'ble Member of Parliament, Lok Sabha
- Shri Kalanidhi Veeraswamy, Hon'ble Member of Parliament, Lok Sabha
- Shri Lalji Verma, Hon'ble Member of Parliament, Lok Sabha
- Shri Mukeshkumar Chandrakant Dalal, Hon'ble Member of Parliament, Lok Sabha
- Shri N K Premachandran, Hon'ble Member of Parliament, Lok Sabha
- Shri P P Chaudhary, Hon'ble Member of Parliament, Lok Sabha
- Shri Praveen Khandelwal, Hon'ble Member of Parliament, Lok Sabha
- Shri Rajeev Rai, Hon'ble Member of Parliament, Lok Sabha
- Shri Raju Bista, Hon'ble Member of Parliament, Lok Sabha
- Mr. Richard Vanlalhmangaiha, Hon'ble Member of Parliament, Lok Sabha

- Prof. Saugata Roy, Hon'ble Member of Parliament, Lok Sabha
- Kumari Selja, Hon'ble Member of Parliament, Lok Sabha
- Shri Sudhir Gupta, Hon'ble Member of Parliament, Lok Sabha
- Shri Vijay Vasanth, Hon'ble Member of Parliament, Lok Sabha
- Shri Vishnu Dayal Ram, Hon'ble Member of Parliament, Lok Sabha

MEETINGS WITH SEBI OFFICIALS

The ICSI Delegation led by CS Dhananjay Shukla, President, ICSI met with the following Whole-time Members and Executive Directors, SEBI and apprised them about the vital role of Company Secretaries in Capital & Financial Markets:

- Shri Ashwani Bhatia, Whole Time Member, SEBI
- Shri Ananth Narayan G, Whole Time Member, SEBI
- Shri Amarjeet Singh, Whole Time Member, SEBI
- Ms. Ruchi Chojer, Executive Director, SEBI
- Ms. G Babita Rayudu, Executive Director, SEBI
- Shri Manoj Kumar, Executive Director, SEBI
- Shri Shashikumar Valsakumar, Executive Director, SEBI
- Shri Pramod Rao, Executive Director, SEBI
- Shri B N Sahoo, Executive Director, SEBI
- Shri Govindayapalli Ram Mohan Rao, Executive Director, SEBI
- Shri Jeevan Sonparote, Chief General Manager, SEBI

MEETINGS WITH OTHER DIGNITARIES

- Shri R N Parbat, Member, CBDT
- Shri Raman Chopra, & Shri Pankaj Jindal, Joint Secretaries, TPL division CBDT
- Mr. Ashishkumar Chauhan, MD & CEO NSE Ltd.
- Ms. Kamala K, Chief Regulatory Officer BSE Ltd.
- Shri Gopal Murli Bhagat, Deputy Chief Executive, Indian Banks' Association, Mumbai
- Shri Brajeshwar Sharma, Senior Advisor, Indian Banks' Association, Mumbai
- Dr. R. Balasubramaniam, Chairman, Social Stock Exchange Advisory Committee & Member, Human Resources, Capacity Building Commission

7th ICSI LEADERSHIP SUMMIT – 2025

7th ICSI Leadership Summit - 2025 was successfully organized at Hotel Crowne Plaza, Rohini, New Delhi during February 8-10, 2025. The Summit was attended by the Council Members, the ICSI, Members of the Four Regional Councils, Chairmen of the Chapters of the Institute, Senior Management and officials of the Institute. Aimed at fostering greater ties, the Summit encouraged individuals to share their ideas and innovative solutions. The Summit provided a forum to ensure that everyone is working towards a common vision. ICSI Directory 2025 was released during the occasion. The activities undertaken included Orientation Program, Motivational Session, Health Talk, Walkathon, Yoga Session, Presentation by HODs, Chairmen of Chapters, Chairmen of Regions; Sharing of key initiatives by Central Council Members. Thereafter a President's Meet with entire Leadership Team of the Country was also organised.

BEST REGION AND BEST CHAPTER FOR THE YEAR 2024

Categories	Region	Diamond	Platinum	Gold	Silver
Maximum % of targets for admission in Classroom Teaching for CSEET conducted	SIRO	Bengaluru	Hyderabad	Kochi	Thrissur
Maximum % of targets for admission in Classroom Teaching for Executive & Professional Programme conducted	SIRO	Bengaluru	Hyderabad	Kochi	Thrissur
Maximum marks as per evaluation criteria during Student Month	NIRO	Gurugram	Hyderabad	Panipat	Belagavi
Maximum % of targets for registration in Executive & Professional Programme	NIRO	Pune	Indore	Patna	Varanasi
Maximum % of targets for registration in CSEET	NIRO	Pune	Bhopal	Patna	Mangaluru
Maximum % of targets for Career Awareness Programs conducted	EIRO	Bengaluru	Nagpur	Kochi	Mangaluru
Adding maximum number of Members in CSBF	Region : WIRO Chapter : Bengaluru				
Generating > 10 lakh operational Surplus after deduction of grants provided by HQs	Pune: ₹14.24 lakh Kochi: ₹14.43 lakh				

3rd NATIONAL WOMEN'S CONFERENCE AT INDORE – REGISTRATIONS OPEN

The Institute is delighted to organise its 3rd National Women's Conference during March 28-29, 2025 at Indore, Madhya Pradesh. The conference is aimed at promoting women inclusivity and celebrating the pivotal role women play in social, economic and cultural advancements. Both female and male delegates along with their spouse, children and other guests are welcome to join the Conference. We encourage you to register for the 3rd National Women's Conference at Indore and be an integral part of this empowering and enlightening event.

QUICK RESPONSE & RESOLUTION TIME AND SERVICE CHARTER

ICSI launched Quick Response and Resolution Time and the ICSI Service Charter at the ICSI Leadership Summit held during February 08-09-10, 2025 at New Delhi to enhance its stakeholder experience and for timely and transparent resolution of issues and grievances.

REPRESENTATIONS SUBMITTED

Date	Particulars	Authority
February 07, 2025	Request to authorise Company Secretaries in Practice to conduct concurrent audit	Reserve Bank of India
February 12, 2025	Request to include the qualification of Company Secretary for recruitment of specialist cadre officers in public sector banks	Indian Banks Association
February 20, 2025	Challenges faced by the Corporates and Professionals after the introduction of The Karnataka Stamp (Amendment) Act, 2023	Smt. Nirmala Sitharaman, Hon'ble Minister of Finance and Corporate Affairs
February 17, 2025	Request to include Executive level Company Secretaryship Qualification in SAHAKAR MITRA: NCDC's Scheme on Internship Programme (SIP)	Shri Pankaj Kumar Bansal (IAS), Managing Director, National Cooperative Development Corporation, Hauz Khas Delhi
February 17, 2025	Request for inclusion of the profession of 'Company Secretary' in the definition of "Accountant" given under Section 515(3)(b) of The Income-Tax Bill, 2025	Submitted to Smt. Nirmala Sitharaman, Hon'ble Minister, Ministry of Finance and Ministry of Corporate Affairs
February 20, 2025	Requesting for inclusion of the profession of 'Company Secretary' in the definition of "Accountant" given under Section 515(3)(b) of The Income-Tax Bill, 2025	Shri Pankaj Chaudhary, Hon'ble Minister of State for Finance, Ministry of Finance
	Request for seeking inclusion of the profession of 'Company Secretary' within the meaning of the Company Secretaries Act, 1980 in the definition of "Accountant" given under Section 515(3)(b) of The Income-Tax Bill, 2025	All members of Select Committee of Lok Sabha constituted to examine the Income Tax Bill, 2025

VIEWS AND SUGGESTIONS SUBMITTED

Date	Particulars	Authority
Feb 10, 2025	Consultation Paper on Review of Framework for Social Stock Exchange	SEBI

WEBINAR ON MCA-21 V3: LOGIN & REGISTRATION

DATE	TOPIC	SPEAKERS
Feb 27, 2025	MCA-21 V3: Login & Registration	<p>Sh. Sidhil Sasi, Deputy Director General, MCA</p> <p>ITI Team Members:</p> <p>Ms. Richa Gupta, Ms. Vijaya Gumpena, Ms. Seema Malhotra, Ms. Sheetal Randive, Mr. Chandra Singh, Mr. Balram Thakur, Ms. Chandreyee Dutta</p> <p>Moderators:</p> <p>CS Rajesh Tarpara, Central Council Member, ICSI</p> <p>CS Surbhi Jain, ICSI</p>

ANNOUNCEMENT OF PMQ RESULTS

Result for PMQ Examination on Corporate Governance, Internal Audit and Arbitration held in December 2024 was released on 25th February 2025.

REGISTRATIONS OPEN FOR PMQ COURSES

The registrations for the Post Membership Qualification (PMQ) Courses in subjects like *Direct Tax, Internal Audit, Arbitration and Corporate Governance* - December 2025 batch are open till June 30, 2025.

ONLINE CLASSES CONDUCTED

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

- Certificate Course on Forensic Audit- Batch 8
- Certificate Course on IFSCA- Batch 1
- Certificate Course on ESG- Batch 1
- Certificate Course on Independent Director- Batch 8
- Certificate Course on Mediation- Batch 1
- Certificate Course on CSR- Batch 11
- Certificate Course on POSH- Batch 8
- PMQ Course on Corporate Governance
- PMQ Course on Arbitration
- PMQ Course on Internal Audit

CRASH COURSE

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

February 17-21, 2025	2 nd Batch of Crash Course on NBFC Compliances	130 members registered
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PEER REVIEW CERTIFICATES ISSUED

During the month February 2025, Peer Review of around 75 Practice Units was completed and accordingly Peer Review Certificate issued. The updated list of Peer Reviewed Units and can be accessed at www.icsi.edu/media/webmodules/List_Peer_Reviewed_Practice_Units.pdf

E-LEARNING FACILITY

The E-learning services has been configured for Crash courses on NBFC and Crash course on Artificial Intelligence in order to help members the ease of anywhere anytime access for Knowledge enhancement. PMQ Courses registration for December 2025 attempt has been made live in areas of Direct Tax, Internal Audit, Corporate Governance and Arbitration. Knowledge on Demand Registration for updated content of Internal Audit, Corporate Governance and Arbitration has also been made live. Pre-Examination Test has been configured for June 2025 attempt. Online CRT courses assessment configuration and scheduling completed for June 2025 attempt. Online ODOP facilitated for all eligible students.

FORMATION/RENEWAL OF ICSI STUDY CIRCLES

The ICSI has been promoting the Formation/Renewal of Study Circles for creating knowledge upgradation avenues through professional discussion and deliberation. Study Circle formed/renewed in February 2025 for the FY 2025-26 were as under:

Region	Name of the Study Circle	Formation/Renewal
WIRC	Adani (Corporate) Study Circle of ICSI	Formation
WIRC	Kandivali Study Circle of ICSI	Renewal

PLACEMENT OPPORTUNITIES FOR COMPANY SECRETARIES

The ICSI stands committed to help all the associated companies and availing the services extended by the cell to conduct their recruitment drives for the position of Company Secretary/ CS Trainee in a time bound, hassle-free and mutually beneficial manner, and to help the members and students in getting the right placement offer. The Institute receives requests from various offices of the Government/ PSUs/ Banks/ Corporates regarding the positions of Company Secretary/ CS Trainee from time to time and resumes of eligible Members and Students are sent to them.

(February 2025)

No. of Corporates/ MCA and other Government Bodies/ PSUs/ PCS Firms that Posted Jobs on the ICSI Placement Portal	200
No. of Openings available on the ICSI Placement Portal	400

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

STATUS OF REGISTRATIONS AND POSTINGS AT THE PLACEMENT PORTAL

(As on February 27, 2025)

Registered Users			Total no. of Vacancies
Members	Students	Corporates	Jobs / Trainings
20,265	29,615	7,229	4,075

ICSI SECTION 8 COMPANIES**ICSI INSTITUTE OF INSOLVENCY PROFESSIONALS**• **WORKSHOPS**

Date	Subject	Speaker(s)	YouTube link
05/02/2025	Navigating the Insolvency Process: Authorized Representative & Bankruptcy Trustee Perspectives	IP John Vincent A.	youtube.com/watch?v=n3yHYLAD1bo
06/02/2025		CS and IP Partha Kamal Sen	youtube.com/watch?v=Moq1gQi1RIY
15/02/2025	Recent IBC Case Laws & Amendments	CA & IP Divya Somani	youtube.com/watch?v=RMf7pnXOrL4
		Dr. Shravan Kumar Vishnoi (CS and IP)	youtube.com/watch?v=7k1kQztgRqE

• **WEBINARS**

Date	Subject	Speaker(s)	YouTube link
01/02/2025	Individual settlement vis-a-vis withdrawal of CIRP	CS and IP Vinit Nagar	youtube.com/watch?v=nkQYcmianPA
20/02/2025	Navigating Professional Ethics - A Guide for Insolvency Professionals	CS and IP Suhasini Ashok B.	youtube.com/watch?v=OP3vyryoSF4
28/02/2025	Navigating Personal Guarantors under IBC	Ms. Harmeet Kaur (IP & CS)	youtube.com/watch?v=Juru3fW33IU

• **ROUNDTABLE**

Date	Subject	Speaker(s)	YouTube link
12/02/2025	IBBI Discussion Paper: Streamlining Processes under the Code	Advocate and IP Ashish Makhija	youtube.com/watch?v=2YtqdZNTKF4

• **JOINT PROGRAMMES**

Date	Jointly with	Event
February 21, 2025	IBBI, IIIP ICAI and IPA ICAI	Workshop for Insolvency Professionals

ICSI REGISTERED VALUERS ORGANISATION

Date	Programme	Topic	Faculty	
February 18-24, 2025	50 Hours Online Educational Course	Valuation of Securities or Financial Assets	Dr. Ajay Garg Mr. Chaitanya jee Srivastava CS K. Chandra Sekhar CS Kanishk Arora CS Preeti Garg CS Rajesh Mittal	CA Raveesh Chaudhary CS Sandeep Kothari CA Sumit Dhadda CS Rajiv Garodia CMA Murali Raman CA Tarun Mahajan CS Harish Chander Dhamija

ICSI INTERNATIONAL ADR CENTRE

The ICSI International ADR Centre (Commercial Arbitration) Rules, 2025 have come into effect from 30th January, 2025. The Rules lay out guidelines pertaining to aspects like Commencement of Arbitration Proceedings, Consolidation Mechanism, Appointment of Arbitrator(s), Constitution of the Arbitral Tribunal, Change of Arbitrators, Conduct of the Arbitration Proceedings and so on. The three Schedules cover provide Format of Request for Arbitration, Format of Declaration by Arbitrator, and Schedule of Fee and Expenses.

The detailed document is placed at <https://bit.ly/ICSIIAC-CommercialArbitrationRules2025>

INSTITUTE OF GOVERNANCE PROFESSIONALS OF INDIA

- **3rd ICSI Board Mentorship Programme scheduled to be held during April 02-05, 2025 at Srinagar, Jammu & Kashmir**

In view of the success of the 1st and 2nd edition, the 3rd ICSI Board Mentorship Programme of the IGPI is scheduled to be organized during April 02-05, 2025 at Srinagar (Jammu & Kashmir). The 4-day residential Programme is aimed at enhancing the skills and updating the knowledge of Industry Leaders, present and future directors, Senior Management, and strategic decision-makers, keeping in sight the altering dynamics of the Indian business ecosystem and the ever growing and transforming role of directors on the Boards of Indian companies.

ICSI CCGRTS

ICSI-CCGRT KOLKATA

- *Residential Conference on “Compliance Management, Non-Compliance and Remedies”*

CCGRT Kolkata organised its first Residential Conference on “Compliance Management, Non-Compliance and Remedies” on February 22-23, 2025. This programme was designed in such a way that thorough and insightful discussions on each topic can be organised amongst a small group of 25-30 participants.

CS Parvatheesam Kanchinadham, Corporate Secretary and Chief Legal Officer (Corporate and Compliance), Tata Steel	Roles and Responsibilities of Directors Secretarial Compliance Management and Audit under Companies Act, 2013
CS Savithri Parekh, Company Secretary and Compliance Officer, Reliance Industries Limited	Securities Laws Compliance Management and Audit under SEBI Laws
CS Ranjeet Pandey, Past President, ICSI	Non-Compliance – Consequences and Remedies under Corporate Laws and Securities Laws

- *Debating Society: Build up Session on February 22, 2025*

The Debating Society of CCGRT Kolkata successfully organised a mock debate as a build-up session for the mentees on February 22, 2025. Mentees presented well-researched arguments on the topic “Old Tax Regime is Better Than the New Tax Regime for Most of the Population in India” having been expertly guided by their mentors. They were allotted 5 mins time for submission on either side of motion and additionally 2 minutes for rebuttal after conclusion of all submission.

ICSI-CCGRT MUMBAI

- *29th RCLDP organised during February 06-21, 2025*

The 29th batch of the Residential Company Secretary Leadership Development Program (RCLDP) took place from February 06 to 21, 2025, at ICSI-CCGRT in Mumbai, with 29 participants from various states. CS Shashikala Rao, Practising Company Secretary from Mumbai, inaugurated the program as the Chief Guest. The Valedictory ceremony on February 21, 2025, was graced by CS Anupama Pai, Head of Legal & Company Secretary at Bharat Serums & Vaccines Ltd. During a special session, the batch had the privilege of interacting with CS B. Narasimhan, Immediate Former President, ICSI.

- *Seminar on ‘Shareholders Agreement, Share Purchase Agreement & PIT Regulations’ on organised on February 15, 2025*

ICSI-CCGRT, Mumbai, organized seminar on “Shareholders Agreement, Share Purchase Agreement & PIT Regulations” on February 15, 2025. The seminar was inaugurated by CS B. Narasimhan, Immediate Former President, ICSI. The seminar was conducted by CS Shrikant Bhosekar, Retd. Chief General Manager, HPCL & CS Sameer Chavan, CS & Compliance Officer, Inventurus Knowledge Solutions Limited. Around 105 members attended the seminar.

- *4th Debate session of Debating Society of ICSI-CCGRT, Mumbai organised on February 08, 2025*

The ICSI-CCGRT, Mumbai Debating Society conducted its fourth debate session on February 08, 2025, on the topic ‘Regulatory Compliance vs. Ease of Business: Is Compliance Hindering MSME Growth in India?’ Participants engaged in insightful discussions, critically analyzing the current regulatory framework for MSMEs. The debate facilitated a comprehensive exchange of perspectives, highlighting the balance between regulatory requirements and business growth for MSMEs in India. Various incentive schemes with a particular emphasis on the Udyam Registration Portal were also discussed.

ICSI-CCGRT HYDERABAD

- *18th batch of RCLDP from February 04-19, 2025*

ICSI-CCGRT, Hyderabad organized its 18th batch of residential Corporate Leadership Development Program from 4th February 2025 to 19th February 2025. 24 participants from all corners of the country participated in the program. CS (Dr.) Vasudev Chivukula, Freelancer, Training and Development, Author, Hyderabad graced the inaugural ceremony as the Special Guest. During

the valedictory of the program, CS R Venkata Ramana, Central Council member and Convenor, CCGRT, Hyderabad graced the program.

ICSI REGIONAL OFFICES

ICSI-EIRO

- 01/02/2025 : Half Day Workshop on “Decoding of Union Budget – 2025
- 26/02/2025 : Meeting with Shri R Kesavan, Regional Director, RBI, Kolkata
- 27/02/2025 : Meeting with Shri Shrawan Kumar, Chief Commissioner, CGST, Kolkata Zone
- 27/02/2025 : Meeting with Shri Surajit Roy, Addl Director and Ex-Officio Additional Secretary, School Education, Govt. Of West Bengal
- STUDENT PROGRAMS
 - 6th Webinar mode CLDP commenced from February 28, 2025.
 - Valedictory of 27th EDP organised on February 18, 2025.

ICSI-SIRO

- 06/02/2025: Discussion on Union Budget. Keynote Speakers: Dr. CS CA CMA Divya Abhishek & CA Shankar Narayanan V.
- STUDENT PROGRAMS
 - 9th Batch of 15 Days Non-Residential CLDP culminated on February 12, 2025. Chief Guest was Dr CS CA CMA Divya Abhishek and CS Mohan Kumar A., Central Council Member Participated. No. of Participants: 19

ICSI WIRO

- 16/02/2025: ICSI-WIRC associated with ICAI-WIRC arranged Capital Market Cricket Tournament at TSG Sports Arena, Sheth Gopalji Hemraj High School, MG Road, Sukarwadi, Borivali East, Mumbai. The event was organized on a self-sustainable basis. The team also included participants from NSE, BSE, and MCA. The event provided a fantastic opportunity to interact and network with key regulators in an informal and engaging setting.
- 23/02/2025: Program on “IPO, Provisions, Procedures and Intricacies”.
- 29/01/2025: Placement Drive organised for HPCL (Hindustan Petroleum Corporation Ltd for the Member of WIRC Region. No. of Participants : 11.
- STUDENT PROGRAMS
 - 55th Batch of EDP organised during February 03-21, 2025.
 - 56th Batch of EDP organised from February 20, 2025 to March 11, 2025.
 - 27th Batch of 15 days Classroom Mode CLDP organized from February 24, 2025 to March 13, 2025.

- ICSI Debating Society conducted on February 22, 2025. No. of Participants: 17.

CAMPUS TRAINEE DRIVE

- Campus Trainee Drive was organised for its 54th EDP Batch on January 22, 2025. No. of Participants : 55.
- Campus Trainee Drive conducted for students of 55th EDP batch on February 22, 2025. No. of Participants: 51.

STUDY CIRCLE MEETINGS

February 7, 2025	Makarand M. Joshi & Co. (Corporate) Study Circle	Financial Statements – Precautions before closure of Financial Year
February 14, 2025	Anand Study Circle	General Care & Compliances
February 20, 2025	Sangli Study Circle	Analysis & Impact of Union Budget 2025: Key Insights & Business Implications
February 22, 2025	Jamnagar Study Circle	Navigating the Budget 2025: Key Takeaways and Analysis
February 24, 2025	JSW Group (Corporate) Study Circle	Amendments in SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 - Recent and Proposed

WIRC'S GROUP INSURANCE SCHEME (GLIC)

The GLIC Scheme was introduced for the benefit of members with effect from 01st October, 2006 and many members from the Region are enrolled as members of the scheme.

ICSI-NIRO

- 02/02/2025: Seminar on Union Budget 2025 at New Delhi. Guest speakers : Dr. Girish Ahuja (Eminent Tax Expert) and CS Bimal Jain (Founder, A2Z Taxcorp LLP).
- 03/02/2025: Saraswati Pooja celebration at NIRC premises, Prasad Nagar, Delhi. Traditional rituals and prayers were performed to honor Goddess Saraswati, the deity of knowledge, music, and arts.
- 06/02/2025: Online quiz on Secretarial Standard-1 (SS-1) pertaining to Meeting of the Board of Directors.
- 15/02/2025: Seminar on Securities Law - Mandatory Disclosures & Discussion on SEBI (LODR), 2015 & SEBI (PIT) Regulations, 2015
- STUDENT PROGRAMS
 - 51st Batch of 15 Days Classroom EDP organized during February 04-21, 2025.
 - 52nd Batch of 15 Days Classroom EDP commenced from February 20, 2025.
 - 30th Batch of 15 Days Classroom Mode Non-Residential CLDP commenced on February 18, 2025.

- 12th CLDP conducted in webinar mode during February 11-28, 2025.
- Online Financial Literacy Quiz hosted for students on February 04, 2025 to enhance the financial knowledge and awareness.
- ICSI DEBATING SOCIETY

ICSI-NIRC conducted four sessions in the month of February 2025 as under:

Date	Session	Topics
06-02-2025	Session-1	Introduction to Debating and Internal Mooting Competitions Objective: Introduce students to the basics of debating and internal mooting competitions. Content:
13-02-2025	Session-2	<ul style="list-style-type: none"> - Overview of debating formats and rules. - Introduction to internal mooting competitions. - Structure and format of moot court sessions. - Importance of legal research and preparation of memorials.
20-02-2025	Session-3	<ul style="list-style-type: none"> - Delivery of oral arguments. Activities: <ul style="list-style-type: none"> • Lecture and discussion.
27-02-2025	Session-4	<ul style="list-style-type: none"> • Demonstration of a moot court session. • Group activity: Research and prepare a simple memorial. Homework: Research a given legal topic and prepare arguments.

ICSI EMPLOYEES

- Sessions during the 7th ICSI Leadership Summit
7th ICSI Leadership Summit was organized during February 08-10, 2025 at Crown Plaza, Rohini, Delhi. Various sessions were organized during the summit for the Senior Management and Chapters team on 8th February, 2025 a motivational program was conducted by Mr. Praveen Narang, Corporate Trainer. On the second day i.e., 9th February, 2025 a Health talk for Senior Management was organized by Dr. Mukesh Goel, Sr. Consultant, Indraprastha Apollo Hospital, Delhi. On the last day i.e., 10th February, 2025, a yoga session was carried out by CS Sudhir Jain, Yoga Instructor.
- Health Talk on the topic "Managing Physical & Emotional Pain"
A Health talk on the topic "Managing Physical & Emotional Pain" was organized on 25th February, 2025 for the employees posted at HQ, Lodi Road. The session was presented by Dr. Aanchal Sharma, Senior Consultant and HOD, Department of Pain Medicine & Palliative Care, BLK-MAX. All the employees posted at HQ, Lodi Road participated in the session.

ICSI STUDENTS

DECLARATION OF CS EXECUTIVE & PROFESSIONAL PROGRAMME RESULT

The Result of CS Executive & Professional Old (2017) & New Syllabus (2022) for December 2024 Session of Examination was declared on February 25, 2025. The result along with individual candidate's subject-wise break-up of marks has been made available on the Institute's website: www.icsi.edu

FACILITATION AND RELAXATION

CS Mittr Scheme:

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

ICSI Students Education Fund Trust (SEFT):

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

Introduction of Welcome Back Scheme via Re-Registration Policy

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

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

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

Key Benefits:

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

As a result, 647 students registered in Professional Programme since May 2014. The detailed information is available at: icsi.edu/docs/Webmodules/REREGISTRATION.pdf

- **Successful configuration of June 2025 Enrolment Setup for Executive & Professional New Syllabus (2022), Professional Old Syllabus 2017**

The system has been successfully configured to enrol students for June 2025 session of examination. Subsequently Enrolment Setup also activated for Executive Old (2017) & New Syllabus (2022) & Professional Old Syllabus (2017) students.

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

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

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

The Institute has decided that the students of Professional Programme (2017) (Old syllabus) shall be allowed one more attempt as per the following schedule :

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

- **Dedicated Helpline Number for Student Queries**

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

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

Many students started their CS Course with enthusiasm and ambition, but due to some personal reasons, the students discontinued their studies after passing the Executive. However, completing CS Course can be one of the best decisions they will ever make for their future. Considering this we are regularly communicating with the students via bulk mail/bulk sms who have passed Executive but not registered for Professional to complete their CS Course. As a result, more than 9270 students registered in Professional Programme up to February 2025.

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

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

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

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

- **ICSI Samadhan Diwas**

ICSI successfully conducted the 52nd Samadhan Diwas, on Wednesday, February 12, 2025. Samadhan Diwas is a unique initiative of the ICSI wherein "on-the-spot" resolution is provided on issues/grievances of trainees and trainers. The purpose of the Samadhan Diwas is to facilitate the stakeholders to resolve their queries on the spot. In the Samadhan Diwas students get opportunity to present their cases and directly interact with the ICSI officials.

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

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

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

The last examination under Executive Programme (Old Syllabus) has been conducted during December, 2024 Session. From June, 2025 Session onwards, all students under Executive Programme (Old Syllabus) shall be compulsorily required to switchover to Executive Programme (New Syllabus). No further extensions will be granted for the Executive Programme under the 2017 (Old) Syllabus. Announcement hosted at: www.icsi.edu/media/webmodules/CumpolsorySwitchOver454241472154414584.pdf

- **Transcripts & Education Verification**

It has been observed that on completion of Course the professionals are also applying for Foreign Courses / degrees /or immigration based on CS Qualification. 16 such Transcripts were issued.

Likewise, on request of the employer/PSU/government authorities and other Education verifier agencies, 5 Education Verification requests of CS students were processed.

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

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

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

The Institute has decided that the students enrolling into the Company Secretary Course under New Syllabus, 2022 shall be eligible for paper-wise exemption (s) based on the higher qualifications acquired by them. Accordingly, necessary announcement including process of claiming paper-wise exemption has been shared for information to all concerned: www.icsi.edu/media/webmodules/ATTENTION_STUDENTS_RECIPROCAL_EXEMPTION_NEW_SYLLABUS_2022_Updated.pdf

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

The Institute decided to issue Professional Programme Pass Certificate online via DIGILOCKER. The same initiative was Launched at 50th National Convention of ICSI at Kolkata with the support of the National e-Governance Division (NeGD), Ministry of Electronics and Information Technology (MeitY), Govt of India. The students who passed on or after June 2021 Session of Examination can download Professional Pass Certificate from DIGI Locker.

- **Real Time Guidance for Students**

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

- *Executive Switchover:* icsi.edu/media/webmodules/ExecutiveFAQ_SW_24082023.pdf
- *Professional Switchover to New Syllabus:* www.icsi.edu/media/webmodules/Executive_FAQ_SW_23022023.pdf

TRAINING OPPORTUNITIES

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

No. of Corporates/ MCA and other Government Bodies/ PSUs/ PCS Firms that Posted Training and Semi qualified Job Opportunities on the ICSI Placement Portal	249
No. of Training/Semi qualified Opportunities available on the ICSI Placement Portal	559

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

COMPANY SECRETARY EXECUTIVE ENTRANCE TEST (CSEET)

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

- **CSEET Registrations Open for May 2025 Session**

Registrations for CSEET have been opened for May 2025 Session scheduled to be held on May 03, 2025. Last Date of Registration: April 15, 2025

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

ICSI will be conducting online Centralized classes for the students registered for May 2025 Session of CSEET. Faculties with vast experience will be taking these classes.

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

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

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

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

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

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

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

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

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

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

KNOWLEDGE UPGRADATION

- Student Company Secretary and CSEET Communique**

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

- Research Tab under Academic Portal for students**

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

- Recorded Video Lectures**

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

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

- Info Capsule**

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

CAREER AWARENESS

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

	Region	Name of Institution	Date	Venue
1.	SIRC	Sri Kanyaka Parameswari College	04-02-2025	Chennai
2.	NIRC	SKV Pooth Kalan	10-02-2025	Delhi
3.	NIRC	GGSSS Vivek Vihar Phase-2	10-02-2025	Delhi
4.	WIRC	Thakur College of Science and Commerce	12-02-2025	Kandivali
5.	WIRC	Ramniranjan Jhunjhunwala College of Arts, Science & Commerce	13-02-2025	Ghatkopar
6.	SIRC	SRM Arts & Science College	13-02-2025	Kattankulathur
7.	WIRC	Pillai HOCL College of Arts, Science & Commerce	20-02-2025	Rasayani
8.	NIRC	Swami Shraddhanand College, Delhi University	21-02-2025	Delhi

- Participation of ICSI in Education Fair 'Delhi University Literature Festival, 2025'**

ICSI participated in an Education Fair titled as 'Delhi University Literature Festival, 2025' organised by Delhi University during February 21-23, 2025 at Shri Ram College of Commerce. The event witnessed eminent speakers including Mr. Shiv Khera, Mr. Rajdeep Sardesai, Mr. Sohel Seth etc. It was a unique opportunity to meet and guide thousands of students of Delhi University and Other Colleges/Universities concerning CS Course as around 50,000 students attended the event.

- Career Guidance Sessions conducted**

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

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

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

DIGITAL ICSI

- Implementation of system for accessing single item with QR Code facility in the e-Cart system for ICSI Publications.
- Implementation of Real Time MIS System for
 - Hourly financial transactions of SMASH portal.
 - RO/Chapter's Annual Income Expenditure details.
 - Location wise statistics of permanent Employees.
 - Location wise statistics of Contractual Employees and Consultants.
 - Region wise chapter's grading.
 - Region Wise statistics of CSBF members.
 - Location-Wise display of statistics of Current Students on an Indian Map.
- Development and Implementation of Online facilities/ services for
 - 3-Day Orientation Programme (TDOP) Registration Integrated with Executive Registration w.e.f. 1st Feb 2025.
 - 3 Day Orientation Programme (TDOP) Dashboard for Admin users of ROs and Chapters.
 - Monthly Activities Reporting System (MARS) for ROs and Chapters.
 - Invoice Tracking Management System (ITMS) under ERP for the directorates.
- Migration of network from Multiprotocol Label Switching (MPLS) to Internet Lease Line (ILL) for VC systems at NIRO of ICSI.

ICSI WEBINAR

WEBINAR ON

MCA-21 V3: Login & Registration
held on February 27, 2025



Speaker:
Sh. Sidhil Sasi
Deputy Director
General, MCA



Speaker:
Richa Gupta
LTI Team Member



Speaker:
Vijaya Gumpena
LTI Team Member

Speaker:
Seema Malhotra
LTI Team Member

Speaker:
Sheetal Randive
LTI Team Member

Speaker:
Chandra Singh
LTI Team Member

Speaker:
Balram Thakur
LTI Team Member

Speaker:
Chandreyee Dutta
LTI Team Member



Moderator :
CS Rajesh Tarpara
Central Council Member
The ICSI



Moderator :
CS Surbhi Jain
The ICSI



*International
Women's Day*
*'Accelerate
Action'*

Women Leadership

From the struggle for independence to contemporary times, Indian women have broken barriers, challenged societal norms, and evolved in their field to become influential personalities. Over the years, India has witnessed the emergence of numerous strong and inspiring women leaders who have been instrumental in changing the face of Indian women in Global front. These women broke all gender barriers with their determination and will, succeeded in their field, and have set an example of women empowerment. On the occasion of International Women's Day celebrated every year on 8th March, ICSI salutes the achievements of Indian women leaders. This section also covers views of Women Professionals on the theme, '**Accelerate Action**'.



Rani Lakshmi Bai - The Queen of Jhansi (1835-1858)

She Led the revolt of 1857 against British rule. She was the epitome of courage and bravery. Rani Lakshmi Bai was an important name in the Freedom Struggle against the British.

Savitribai Phule (1831-1897)

She was a social reformer and pioneer of education for women in India. She was one of the first female teachers in India who opened several schools for girls. She also played a key role in the Satyashodhak Samaj ("Society of Truth Seekers"), a society founded by Jyotirao Phule in 1873 to promote social equality.



Hossain, Roquiah Sakhawat (1880-1932)

Litterateur, educationist, social reformer, who played a pioneering role in awakening Muslim women. Roquiah's writings called upon women to protest against injustice and break the social barriers that discriminated against them. Abarodhbasini (The Secluded Women, 1931) is a spirited attack on the extreme forms of purdah that endangered women's lives and thoughts. Her other noted works include Matichur (essays 1st vol 1904, 2nd Vol. 1922), Sultana's Dream (satire, 1908), Padmarag (novel, 1924).

Sarojini Naidu (1879 – 1949)

She Participated in the Indian nationalist movement and became a follower of Mahatma Gandhi and his idea of swaraj. She was appointed the President of the Indian National Congress in 1925 and later became the Governor of the United Provinces in 1947, becoming the first woman to hold the office of Governor in the Dominion of India. Her work as a poet earned her the sobriquet 'the Nightingale of India', or 'Bharat Kokila' by Mahatma Gandhi because of the color, imagery, and lyrical quality of her poetry. Published in 1912, 'In the Bazaars of Hyderabad' remains one of her most popular poems.



Kamaladevi Chattopadhyay (1903 – 1988)

As a social reformer, she played a crucial role in bringing back handicrafts, theatre and handlooms to help in uplifting the socio-economic status of the Indian women. Many of the iconic cultural institutions in India today exist because of her vision, these include the National School of Drama, Sangeet Natak Akademi, Central Cottage Industries Emporium, and the Crafts Council of India. Kamaladevi played a prominent role in political reforms and India's freedom struggle.

Indira Gandhi (1917-1984)

She was the first and only lady who held office of the Prime Minister of India from January 1966 to March 1977. She was associated with Kamala Nehru Memorial Hospital, Gandhi Smarak Nidhi and Kasturba Gandhi Memorial Trust. She was the Chairperson of Swaraj Bhavan Trust. She was also associated with Bal Sahyog, Bal Bhavan Board and Children's National Museum in 1955. She was the recipient of Bharat Ratna in 1972. Her famous publications include 'The Years of Challenge' (1966-69), 'The Years of Endeavour' (1969-72), 'India' (London) in 1975; 'Inde' (Lausanne) in 1979 and numerous other collections of speeches and writings.

**Kiran Mazumdar-Shaw (1953)**

A vibrant Business Leader, She is the executive chairperson and founder of Biocon Limited and Biocon Biologics Limited. In 2014, she was awarded the Othmer Gold Medal for her outstanding contribution to the progress of science and chemistry. She was on the Financial Times 2011 top 50 women in business list. In 2019, she was listed as the 68th most powerful woman in the world by Forbes. She was named EY World Entrepreneur of the Year 2020. As of 2024, she is ranked 91st wealthiest in India.

**Kalpana Chawla (1962 – 2003)**

She was an Indian American astronaut and aerospace engineer who was the first woman of Indian origin to fly to space. Chawla was posthumously awarded the Congressional Space Medal of Honor, the NASA Space Flight Medal, and the NASA Distinguished Service Medal. Several buildings, spacecraft, and extraterrestrial landmarks are named in her honor.

**Indra Nooyi (1955)**

She is an Indian-born American business executive who was the chairman and chief executive officer (CEO) of PepsiCo from 2006 to 2018. Nooyi has been consistently ranked amongst the world's 100 most powerful women. In 2014, she was ranked at number 13 on the Forbes list, and the second most powerful woman on the Fortune list in 2015 and 2017. She sits on the boards of Amazon and the International Cricket Council, among other organizations.

**Mithali Raj (1982)**

She is an Indian former cricketer who captained the national team from 2004 to 2022. She is the highest run-scorer in women's international cricket. She is the only female cricketer to surpass 7,000 runs in Women's One Day International (WODI) matches. She is the first player to score seven consecutive 50s in ODIs. She also holds the record for most half-centuries in WODIs. In 2005, Raj became the permanent captain of India. She is the only female player to have captained India in more than one ICC ODI World Cup final, doing so in the 2005 and 2017.

**Kiran Bedi (1949)**

First Female IPS Officer and a former tennis player who became the first woman in India to join the officer ranks of the Indian Police Service (IPS) in 1972 and was the 24th Lieutenant Governor of Puducherry from 28 May 2016 to 16 February 2021. She remained in service for 35 years before taking voluntary retirement in 2007 as Director General, Bureau of Police Research and Development.

**Mother Teresa (1910-1997)**

An Albanian-Indian Catholic nun, founder of the Missionaries of Charity. From 1931 to 1948 Mother Teresa taught at St. Mary's High School in Calcutta, but the suffering and poverty she glimpsed outside the convent walls made such a deep impression on her that in 1948 she received permission from her superiors to leave the convent school and devote herself to working with the poorest of the poor in the slums of Calcutta. Although she had no funds, she depended on Divine Providence, and started an open-air school for slum children. Soon she was joined by voluntary helpers, and financial support was also forthcoming. This made it possible for her to extend the scope of her work.



Views of Women Professionals on 'ACCELERATE ACTION'



Justice T Rajani

Member Judicial- NCLT, Amravati Bench

ACCELERATE ACTION is the theme of this year's Women's Day. The word accelerate means to increase the rate, to move more quickly. But 'how' is the question that boggles us. We have adequate laws, providing for remedies and appropriate punishments and laws which give huge leeway to women, in proving their cases before the courts.

There are needy women who do not have means to fight in the courts. Legal aid is available to women. Awareness should be created to make women develop easy access to courts so that they can redress their grievances. Protection of Women from Domestic Violence Act provides several remedies to women, like protection orders, residence orders, custody orders for children and compensation orders. The implementation of the laws which are in favour of the women should be done in true spirit.



CS Lakshmi Gurung

Member Judicial, NCLT Mumbai

Being a woman, I understand the strength and weaknesses of a woman; Being a professional woman, I understand the professional approach and balancing of work life balance. Being a part of justice delivery system, I understand the expectations of the Society. Within a woman is the power to create, nurture, develop and transform.

On this Women's Day, I call upon all to unite to accelerate action for women in the workplace for an inclusive culture where women can openly share their views with respectful and understanding colleagues. Country can develop faster when the women play significant and powerful roles in their profession. Many women have broken glass ceiling and now sky is the limit. Accelerating action for women in the workplace requires a comprehensive and strategic approach that focuses on addressing systemic barriers, creating inclusive environments, and promoting gender equality in every aspect of work. In nutshell, let's work towards promoting equitable recruitment, training on inclusive leadership, building a culture of inclusion, conducive environment for women with respect.



CS Savithri Parekh

Company Secretary & Compliance officer of Reliance Industries Ltd.

30 plus years of professional experience in a variety of sectors including Manufacturing, Outsourcing Services, Private Equity, Media, Pharmaceuticals, Textile and Chemicals. Member of few of the working groups constituted by SEBI.

Everyday is special for it provides you one more chance to better yourself. This international women's day is an opportunity for me to share my thoughts with all of you. The fast-changing regulatory landscape has given our profession a much better chance to stand out and be noticed.

I am very happy to note the large number of women and future leaders in our profession. Women personify grace and believe in inclusive growth. Let us help in creating a culture of mentoring and work together to build a stronger organisation by helping to embed compliances in business practices thereby adding value without increasing costs disproportionately.



CS Divya Momaya

Founder of MentorMyBoard- A governance tech startup working in impact space.

A Company Secretary with 21 years of experience.

My brand got an appreciation by active Hon'ble Finance Minister of India, Smt Nirmala Sitharaman ji. My vision is of building a strong community of 100000 directors to co create good corporate governance keeps me inspired and motivated.

Dear Women of Strength,

You are not just a participant in change—you are its architect. The world doesn't move forward without you, and your growth is not just your own; it is the foundation upon which generations will stand.

Break Free from Comfort Zones

Growth begins where comfort ends. Too often, we as women find ourselves confined—by expectations, by traditions, by the quiet voice in our head that tells us to be cautious. But you are not meant to play small. Whether it's in your career, your business, or your personal aspirations, you must push beyond the family. Take the risks, step into leadership, and claim the opportunities you deserve.

You Don't Have to Walk Alone

No woman rises alone, and you shouldn't have to either. The most successful women don't just build careers—they build support ecosystems. Surround yourself with people who believe in your dreams, who challenge you to grow, and who remind you of your worth when you forget it yourself. Remember, family is not just about tradition—it's about evolution. A strong family is one that grows together, where support flows both ways, and where ambition is celebrated, not compromised.

Your Success is an Investment in the Future

Every milestone you achieve, every barrier you break, every challenge you overcome—it's not just for you. It's for your daughters, your nieces, the young women who look up to you, and even for the men who will learn what true equality looks like. Your success shifts mindsets, changes conversations, and rewrites the rules.

The Time to Act is Now

You don't need more time—you need to decide. Decide that you will no longer wait for permission. Decide that you will own your journey, make bold choices, and create the life you truly desire.

So go ahead—speak up in that boardroom, scale that business, invest in yourself, and take the leap. The world needs more women like you—strong, courageous, and unapologetically ambitious.

Here's to you—building, leading, and creating the future, one bold step at a time.



Dr. Hema Achal Date

Professor Analytics and Data Science

INDIAN INSTITUTE OF MANAGEMENT (IIM), MUMBAI

33 years of professional experience.

Board Member- IIM Mumbai Board of Governors

Dean Alumni and International Affairs

Chair Center of Excellence in Logistics and Supply Chain Management

Chair of Women Development Cell

Accelerate Action: Empowering Women for a Transformative Future

Focusing on the need to Accelerate Action in the context of International Women's Day, highlights the urgency of bridging the gender gap and the necessity of taking bold, decisive steps toward equality. It underscores the importance of breaking down systemic barriers and biases that hinder women's progress in both personal and professional spheres. By fostering collective momentum and driving impactful change, we can significantly speed up the path to gender parity, ensuring a more inclusive and equitable future for all.

As Dean of Alumni & International affairs at IIM Mumbai, I have been instrumental in building corporate collaborations that create opportunities for women, equipping them with the skills and networks needed for leadership in a globalized world. Also, as Chair for the Center of Excellence in Logistics and Supply Chain Management, I have actively enhanced women's participation by organizing industry interactions, and knowledge-sharing sessions in these fields. Mentorship plays a crucial role in breaking barriers. At IIM Mumbai, I lead initiatives that connect students with Industry stalwarts, helping them build confidence and succeed in competitive industries. Creating a supportive and inclusive environment is essential for true empowerment. As Chair for the Women Development Cell (WDC) at IIM Mumbai, I worked to introduce impactful initiatives, including MSME exhibitions that provided a platform and support for women entrepreneurs, helping them showcase their ventures and expand their networks. Empowering & accelerating growth will be truly meaningful when women will feel secured & safe at their workplace and at every walk of their life.



Prof. Dr. Vidya Hattangadi

Director, Maratha Mandir's Babasaheb Gawde Institute of Management Studies

23 years industry experience in managerial cadre and 23 years' experience as Professor of Management Studies.

Member of the Senate of Swami Ramanand Teertha Marathwada University. Columnist of a fortnightly column in Financial express. Authored profound topics in management studies. Guided 20 successful PhDs in various universities nationally and internationally and presently guiding 15 researchers on very contemporary topics in management nationally and internationally.

Accelerate Action is a worldwide appeal to acknowledge women's enablement for workable strategies, resources, and activity that positively impact advancement in all walks of life, and to support and elevate their implementation. I personally believe that women are Shakti (strength) the essence of vibrancy, health, good feeling and vitality overall. Good health gives a glow to life. Three main forms of Shakti are Gyana – the power to know, Iccha – the will power and Kriya is the power to act or perform. These three Shakti's can be thought of as intent, formulation and manifestation.

If we determinedly take measures to empower women in supporting their full participation in society, business, and knowledge then major challenges such as poverty, inequality, violence against women and girls, and insecurity will be addressed significantly. Raising women's participation increases economic growth. By ending enforced paucity of women in decision making, we will sustainably and significantly reduce acute poverty worldwide.

When it comes to longevity, surviving illness and coping with trauma, women are more powerful. Despite the ample economic evidence available globally that women's economic empowerment promotes sustainable development, the world requires to wake-up from slumber of gender inequality. Economically empowering women may be one of the most impactful strategies required today, both in terms of growth and job creation.



CS Anuradha Jayaraman

Presently an Independent Director in Prithvi Exchange (India) Limited and Resident Director in 2 Foreign subsidiaries.

Kavimani Desika Vinayagam Pillai, a renowned Tamil Poet (1876-1954) has said that, "Mangayarai pirappatharke nalla madhavam seithida vendumamma", meaning that, "To be born as a Female, one should have done lot of Penance".

"Yatra naryastu pujiyante ramante tatra Devata, yatra itaastu na pujiyante sarvaastatrafalaah kriyaah" is a famous sloka from Manusmriti which means that where Women are honoured, divinity blossoms there, and where women are dishonoured, all action no matter how noble remain unfruitful.

Though this has been stated by the poets and in Vedas, if we look at the way, the women were treated, until 50 years ago, we will realize that, it has taken a long time, to get this fact established. It is only with constant hard work, and untiring efforts, that women today have accelerated their growth in almost every field.

This year's Women's Day theme on "Accelerate Action" indicates:

- ❖ the need for steps to ensure, the women are given the support on priority and are not left behind;
- ❖ the need to address global setbacks, that disproportionately affect women;
- ❖ the need for urgent action, to help women, recover from setbacks;
- ❖ the need to protect their right to equal opportunities and resources;

I as a professional feel that, it is also the fundamental duty of those who have the capacity to accelerate and grow, to contribute to the Nation's growth, and not just be the recipients of support by the Government.

There is a saying that "if the surface is moving, and you are moving along with the surface, you are at the same place but if you have to make progress, your speed must be, more than the speed, at which the surface is moving.

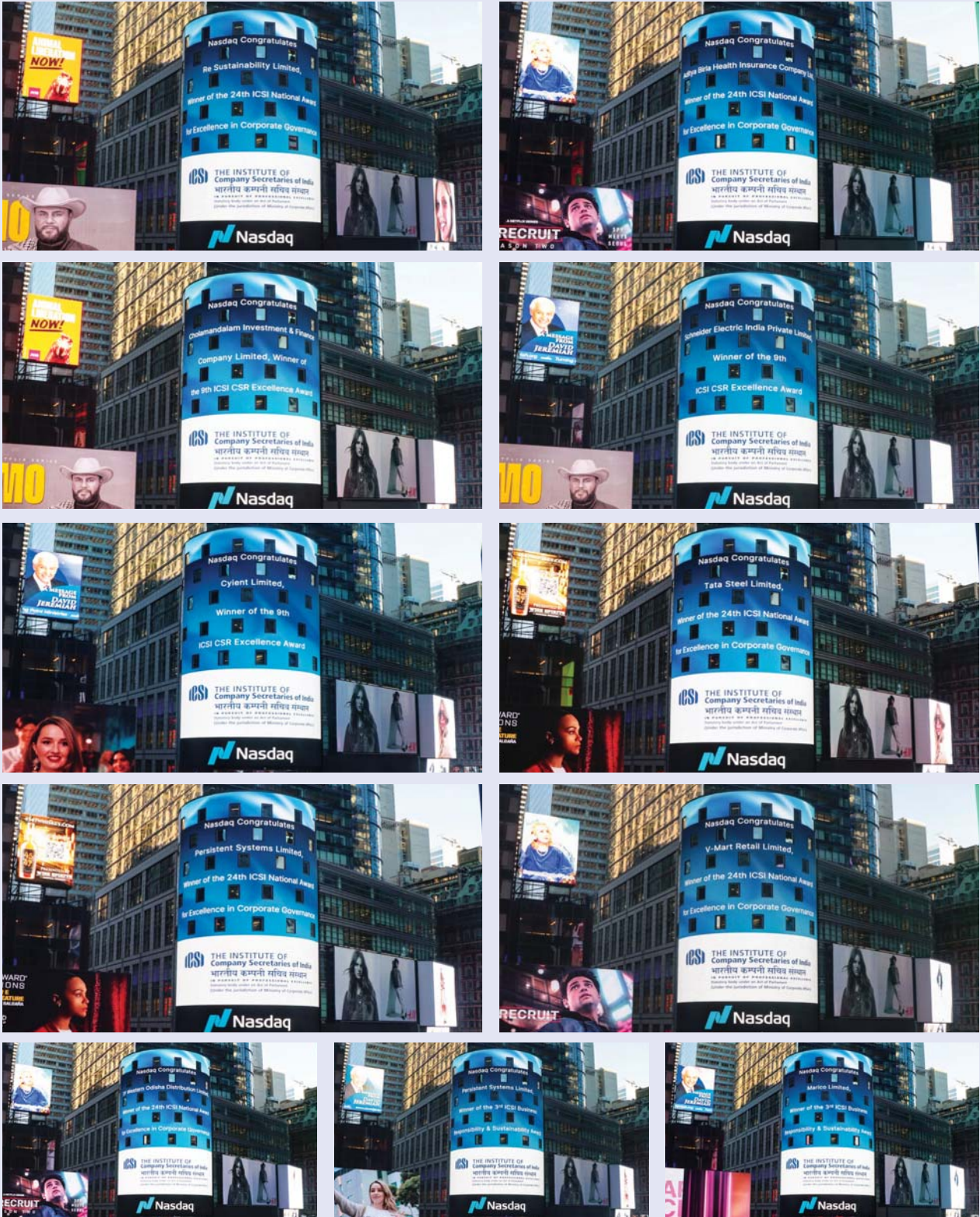
In scientific terms, there are three ways an object can accelerate:

- (i) a change in velocity,
- (ii) a change in direction,
- (iii) or a change in both velocity and direction.

As a Professional, we should be willing to adopt any or all of the above ways to accelerate our profession as well.

Changing both Velocity and Direction demands, development of leadership qualities as well.

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**THE INSTITUTE OF
Company Secretaries of India**

भारतीय कम्पनी सचिव संस्थान

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

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

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

Sincerely,

Team ICSI

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2. The article must be original contribution of the author.
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4. The article must not have been published elsewhere, and must not have been or must not be sent elsewhere for publication, in the same or substantially the same form.
5. The article should ordinarily have 2500 to 4000 words. A longer article may be considered if the subject so warrants.
6. The article must carry the name(s) of the author (s), designation, professional affiliation, location, e-mail id & PP size photograph on the title page only and nowhere else.
7. The articles go through blind review and are assessed on the parameters such as (a) relevance and usefulness of the article (from the point of view of Company Secretaries), (b) organization of the article (structuring, sequencing, construction, flow, etc.), (c) depth of the discussion, (d) persuasive strength of the article (idea/argument/articulation), (e) does the article say something new and is it thought provoking, and (f) adequacy of reference, source acknowledgement and bibliography, etc.
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Greenwashing in the Financial Market: A Deep Dive into ESG, Climate Financing and IFSCA Efforts to Combat Greenwashing

The Article throws light on the challenges of Greenwashing in Environmental, Social and Governance (ESG) investing and climate financing. The field has undergone extraordinary metamorphosis, evolving from a peripheral interest to an institutional subject to a formidable multi-trillion-dollar force concerning all stakeholders. The article also highlights the global regulatory regime of greenwashing in the financial markets.



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INTRODUCTION

The Evolution of ESG and Climate Financing Over the Last Decade

“The greatest enemy of knowledge is not ignorance; it is the illusion of knowledge.” – Stephen Hawking

Consider entrusting your capital to a “green” fund, convinced that your investment is a bulwark against ecological ruin—only to unearth the disconcerting truth that it sustains the industries you sought to thwart.

Over the past decade, the realm of Environmental, Social, and Governance (ESG) investing and climate financing has undergone extraordinary metamorphosis, evolving from a peripheral interest to an institutional subject to a formidable multi-trillion-dollar force concerning all stakeholders. The *Global Landscape of Climate Finance 2024* report¹ by the Climate Policy Initiative reveals that climate finance reached an impressive USD 1.46 trillion in 2022, with projections exceeding USD 1.5 trillion in 2023.

As an affirmation to this, the Climate Bonds Initiative² notes that the market for Green, Social, Sustainability and Sustainability-Linked (GSS+) bonds swelled to USD 5.4 trillion by the close of Q3 2024. Yet, amid this virtuous

ascent, a sinister undercurrent emerges -*Greenwashing*. This article on greenwashing discusses it in the following phases:

- The meteoric rise of ESG and climate financing.*
- The pervasive challenge of greenwashing.*
- Global regulatory efforts to curb its risks.*
- The pioneering approach of the International Financial Services Centres Authority (IFSCA) in tackling this deception.*

CLIMATE FINANCING

Climate financing, in particular, has gained traction as governments and corporations commit to net-zero targets. Green bonds, sustainability-linked loans and ESG-labeled debt securities have emerged as key instruments, with issuers raising trillions of dollars to fund renewable energy, carbon reduction, and social impact projects. Regulatory bodies worldwide, recognizing the potential of finance to drive sustainability, have introduced disclosure mandates and taxonomies to standardize and legitimize these efforts. Meanwhile, institutional investors, pension funds, and retail clients have increasingly integrated ESG criteria into their decision-making, pushing asset managers to innovate and market “sustainable” financial products.

¹ <https://www.climatepolicyinitiative.org/wp-content/uploads/2024/10/Global-Landscape-of-Climate-Finance-2024.pdf>

² https://www.climatebonds.net/files/reports/cbi_mr_q3_2024_01c.pdf

THE GREEN TIGHTROPE: NAVIGATING THE PERILS OF PROMISE AND PITFALLS

However, this rapid expansion has not come without challenges. Below is a summary of various challenges that have accompanied the rise of sustainable finance. The table highlights the interconnected nature of these challenges, with each feeding into the others, creating a complex landscape for stakeholders.

Sr. No	Category	Specific challenges
1	Regulatory Environment	Fragmented regulations, lack of unified frameworks
2	Data and Analytics	Data quality, measurement difficulties, inconsistent ratings
3	Standardization and Trust	Lack of definitions, greenwashing, transparency issues

The rise of climate and ESG financing is a double-edged sword, offering immense potential but fraught with significant hurdles. Addressing these challenges requires co-ordinated global action, improved data infrastructure, and innovative financial instruments coupled with constant supervision to ensure that the promise of sustainability is not just a mirage.

THE SHADOWS BENEATH THE GREEN BOOM: SETTING THE STAGE FOR GREENWASHING

What is Greenwashing?

By now a well-known concept, Greenwashing refers to the deceptive practice of making unsubstantiated, exaggerated, or misleading claims about the sustainability benefits of a product, service, or entity. In the context of the financial market, it involves financial institutions, asset managers, or issuers promoting investments as environmentally or socially beneficial, often labeled as “green,” “sustainable,” or “ESG-compliant” without sufficient evidence or alignment with actual sustainability outcomes. This can include overstating the environmental impact of a fund, selectively reporting ESG metrics, or concealing negative externalities like continued fossil fuel investments. Below are some examples of greenwashing in international financial markets.

1. An established asset management arm of an International Bank, faced allegations of greenwashing in 2021-2023 after claiming its funds were heavily ESG-integrated. A whistleblower, who is a former head of sustainability, revealed that despite marketing claims of using an ESG integration for investment decisions, ESG factors were minimally considered. The AMC has agreed to a \$19 million fine to settle the charges, marking the largest-ever greenwashing penalty imposed on an asset manager by the SEC.
2. In 2023, a well-known international bank classified a \$10 billion revolving credit facility to a Global Oil and Natural Gas producer as “social and environmental” financing within its \$150 billion sustainability target.

Climate financing, in particular, has gained traction as governments and corporations commit to net-zero targets.

Critics, including environmental groups, labeled this as greenwashing, arguing that the Global Oil and Natural Gas producer, modest carbon intensity reduction goals (9-13% by 2025) and continued oil and gas expansion contradicted sustainability claims.

GREENWASHING CHALLENGES

Greenwashing can undermine the credibility of the sustainable finance market and hinder the transition to a low-carbon economy³. If investors cannot trust the environmental claims made by companies, they may lose faith and become reluctant to invest in sustainable products, slowing the flow of capital to genuinely sustainable projects⁴. Additionally, it may mislead stakeholders and risk a regulatory backlash.

GREENWASHING IN THE FINANCIAL MARKET: INSIGHTS FROM GLOBAL REGULATORY GUIDANCE

As greenwashing has gained prominence, regulatory bodies worldwide have issued reports and recommendations to address it. Below, we examine key findings and strategies from the International Organization of Securities Commissions (IOSCO), Securities and Exchange Board of India (SEBI), Financial Conduct Authority (FCA) UK, International Capital Market Association (ICMA), and Australian Securities & Investments Commission (ASIC).

IOSCO

IOSCO published a report on “Supervisory Practices to Address Greenwashing⁵” in December 2023 and a paper on “IOSCO Good Sustainable Finance Practices⁶” in November 2022 identifying good practices to counter the risk of greenwashing. The good practices identified by IOSCO are focused on product-level disclosures

which cover areas like naming, labeling and classification of sustainability-related products, investment objectives, and strategies disclosure, monitoring of compliance and sustainability-related performance of products.

SEBI

SEBI has introduced guidelines for green debt securities to avoid occurrences of greenwashing by emphasizing fund utilization, continuous monitoring, and disclosure requirements. Further, vide circular dated February 03, 2023, SEBI also issued a circular⁷ on “Dos and don’ts relating to green debt securities to avoid occurrences of greenwashing”.

FCA UK

FCA UK has also come up with the Anti greenwashing rule for all FCA-authorized firms. The rule requires that references made to the sustainability characteristics of a product or service are (i) consistent with the sustainability characteristics

³ <https://www.frontiersin.org/journals/sustainability/articles/10.3389/frsus.2024.1362051/full>

⁴ https://www.academia.edu/119479225/Unveiling_the_truth_greenwashing_in_sustainable_finance

⁵ <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD750.pdf>

⁶ <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD717.pdf>

⁷ https://www.sebi.gov.in/legal/circulars/feb-2023/dos-and-don-ts-relating-to-green-debt-securities-to-avoid-occurrences-of-greenwashing_67828.html

Greenwashing in the Financial Market: A Deep Dive into ESG, Climate Financing and IFSCA Efforts to Combat Greenwashing

of the product or service and (ii) clear, fair, and not misleading. FCA also came up with guidance⁸ to help firms understand and comply with the anti-greenwashing rule.

ICMA

ICMA⁹ published a report on market integrity and greenwashing risks in sustainable finance in October 2023 and identified four areas of concern of greenwashing concerning sustainable bonds viz. lack of ambition, strategic inconsistency, mismanagement of wider sustainability risks, and actual deception.

ASIC

ASIC issued an “information sheet 271”¹⁰ in June 2022 on avoiding greenwashing while offering or promoting sustainability related products. It focuses on disclosure requirements and investor protection measures.

COMMON PARAMETERS TO MITIGATE GREENWASHING RISK

Parameter	IOSCO	SEBI	FCA (UK)	ICMA	ASIC
Clear Definitions/Labels	Yes	Yes	Yes	Yes	Yes
Transparent Disclosures	Yes	Yes	Yes	Yes	Yes
Third-Party Verification	Yes	Yes	-	Yes	Yes
Alignment with Standards	Yes	Yes	Yes	Yes	Yes
Use of Proceeds Clarity	Yes	Yes	Yes	Yes	Yes
Impact Reporting	Yes	Yes	Yes	Yes	Yes
Regulatory Oversight	Yes	Yes	Yes	-	Yes

Across these bodies, transparency, alignment with recognized frameworks, and robust disclosures are universal priorities. SEBI and ICMA emphasize third-party reviews, while IOSCO and FCA focus on regulatory enforcement. ASIC uniquely ties greenwashing to consumer law, reflecting a broader accountability lens.

IFSCA EFFORTS TO COMBAT GREENWASHING

IFSCA Circular Principles to Mitigate Greenwashing in ESG-Labeled Debt Securities

On November 21, 2024, IFSCA issued a circular titled “*Principles to Mitigate the Risk of Greenwashing in ESG Labelled Debt Securities in the IFSC.*” Aimed at issuers of financial instruments at IFSCs, the circular outlines five key principles:

A. *Being True to Label* - Avoid misleading labels and terminology

Issuers must align ESG-labeled securities with recognized frameworks (e.g., ICMA Principles) and avoid misleading terminology. Additionally, offer documents should specify how proceeds contribute to sustainability goals.

⁸ <https://www.fca.org.uk/publication/finalised-guidance/fg24-3.pdf>

⁹ <https://www.icmagroup.org/assets/documents/Sustainable-finance/Market-integrity-and-greenwashing-risks-in-sustainable-finance-October-2023.pdf>

¹⁰ <https://asic.gov.au/regulatory-resources/financial-services/how-to-avoid-greenwashing-when-offering-or-promoting-sustainability-related-products/>

B. *Screen the Green* - Transparency in methodology for project selection and evaluation

Issuers shall disclose in the offer documents ESG objectives, project selection processes, and fund allocation plans, avoiding vague or generic statements to describe investment screening criteria.

C. *Walk the talk* - Managing and tracking the use of proceeds

The issuer should outline procedures along with internal control to ensure that funds are directed only towards projects or activities as defined in the offer document.

D. *Overall Impact* - Quantification of Negative Externalities

The issuer should quantify the negative externalities associated with ESG debt utilization. This could include metrics for residual environmental impacts or potential environmental risks associated with the financed projects.

E. *Be alert* - Monitoring and Disclose

Issuers of green debt securities should continuously monitor and disclose the environmental impact of their projects financed by the issuance.

GREENWASHING - COMPARATIVE ANALYSIS OF IFSCA CIRCULAR WITH GLOBAL REGULATORY EFFORTS

- **IOSCO:** IFSCA's emphasis on external reviews and impact reporting mirrors IOSCO's call for verifiable disclosures and oversight, though IFSCA is more prescriptive about annual reviews.
- **SEBI:** The IFSCA circular builds on SEBI's third-party verification and disclosure mandates but adds specificity on negative externalities and project-level impact, reflecting a deeper focus on transparency.
- **FCA (UK):** While FCA (UK) focuses on labels and anti-greenwashing rules, IFSCA goes further by requiring detailed tracking systems and external validation, offering a more hands-on approach.
- **ICMA:** IFSCA aligns closely with ICMA's voluntary principles, providing further guidance and adding quantitative impact assessment, which strengthens accountability.
- **ASIC:** Both emphasize clarity in claims, but IFSCA's structured principles and mandatory reviews contrast with ASIC's broader, principle-based guidance.

CONCLUSION

Greenwashing is not merely a regulatory hurdle; it is a mirage that lures investors into a desert of false promises, leaving sustainable ambitions parched. The evolution of ESG and climate financing reflects humanity's hope for a greener future, but the shadow of greenwashing reveals a stark truth: not all that glitters green is gold. Bodies like IOSCO and regulators like SEBI and IFSCA are arming investors with tools — transparency, verification, and accountability—to pierce this illusion. Yet, the most profound defense lies in the investor. The fight against greenwashing is not just about compliance, it's about reclaiming the soul of sustainable finance. □



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



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

Vision

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

Motto

सत्यं वद। धर्मं चर। इष्टार्थं कुरु तत्पथैः श्रेष्ठैर्बुधैर्कृतम्

Mission

"To develop high calibre professionals
facilitating good corporate governance"

3rd ICSI BOARD MENTORSHIP PROGRAMME



2nd to 5th April, 2025



Srinagar, Jammu & Kashmir



President's Message

यद्यदाचरति श्रेष्ठस्तत्तदेवेतरो जन्ः ।
स यत्प्रमाणं कुरुते लोकस्तदनुवर्तते ।।

You should perform your duties to set an example for the good of the world. Whatever actions great persons perform, common people follow. Whatever standards they set; all the world pursues



The Indian Scriptures have laid as much focus on good leadership as they have on the upholding of 'dharma' or law. Many a great kings of the Indian land have left a mark, and build their legacies on the very foundations of their governance ideologies. And it is this rich history of this magnanimous nation, that has given us a timeless lesson, that 'good leadership begets good governance'. However, there has been a constant tussle on the thought as to whether 'True leaders are Born or Made' and given the number of examples witnessed – both in corporate arena and beyond, there seems to be a good divide on the thought. There have been Leaders who have been born into families with legacies of great leaders and then there have

been those, living life anonymously, until making a bang-on presence. And then there is a league of men and women, who have been thrust upon with leadership positions, but are still finding there way.

At the Institute of Company Secretaries of India, we believe that there is no such skill that cannot be developed or inculcated. Also, there is no such skill that does not required to be honed constantly with newer knowledge.

It is with this intent, that the Institute of Governance Professionals of India (a section 8 company promoted by ICSI) had launched the ICSI Board Mentorship Programme with the sole intent of guiding, handholding and honing the leadership skills, corporate acquaintance and an overall environ awareness amidst the ever-transitional dynamics of the Indian as well Global corporate and legal arena. Our aim and focus is to mentor those who are entrusted with the responsibilities to lead.

Whether you are a Director or a Director-to-be, a senior management personnel with active participation on the Board or even a practicing professional guiding from backstage – if you are a decision maker, this Programme is for YOU !!!

With this we invite you to join us in the mystical land of Srinagar, as we pursue learning, strategic decision making, creative challenge troubleshooting and much more in the company of like minded businessmen, industrialists, directors and professionals, at the 3rd ICSI Board Mentorship Programme during April 02-05, 2025.

The City of Sun awaits you !!!

Warm regards,

(CS Dhananjay Shukla)

President, The Institute of Company Secretaries of India
Chairperson, Institute of Governance Professionals of India

About Institute of Governance Professionals of India

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

About Institute of Company Secretaries of India

The Institute of Company Secretaries of India (ICSI) is a premier professional body, established under an Act of Parliament (The

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

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

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



Who should attend?

- Board Members
- Independent Directors
- Key Managerial Personnel
- Business Leaders
- Professionals
- Senior Management
- Industry Experts

Programme Highlights

Stakeholder's aspirations have significantly changed the market landscape. Directors need

to understand the magnitude of changes and learn strategies to deal with them. The ICSI Board Mentorship Programme is designed to cultivate practical, industry-relevant skills that empower individuals to effectively lead and inspire teams in the realms of Corporate Governance and sustainability. This programme aims to enhance leadership capabilities, personal resilience, risk management expertise, cross-functional competencies, and strategic thinking skills, equipping participants to navigate the complexities and challenges of the modern corporate landscape.

KEY TAKEAWAYS



**Insights from
Senior Industry
Leaders and
Renowned
Professionals**



**Enhancing
Preparedness
for Future
Challenges**



**Navigating the
Board's Legal and
Regulatory
Landscape**



**Practical
Approaches to
Real-World
Challenges**



**Opportunities
for Peer - to - Peer
Learning and
Collaboration**



**Engaged,
Experiential,
and Interactive
Learning
Experiences**



**Developing
Expertise in
Governance and
Sustainability
Practices**



**Joint
Certificate
from
ICSI & IGPI**



**10 CPE
Hours for
ICSI
Members**

PROGRAMME MODULES



MODULE: I

Environmental, Social and Governance (ESG) way to Corporate Sustainability

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

MODULE: II

Conceptual Understanding: Corporate Governance & Regulatory Framework

- Role & Responsibilities of Directors
- Success and Failure of Corporate Governance in Corporate World
- Governance from Ancient Scriptures
- Understanding Unpublished Price Sensitive Information
- Sanctions, Violations, and Enforcement: Consequences of Insider Trading in India
- Compliances and Best Practices
- Case Studies



MODULE: III

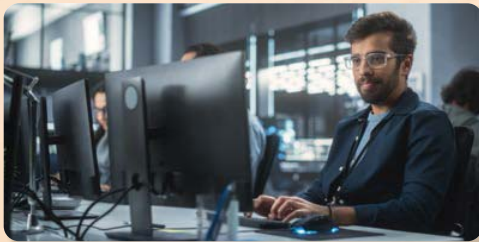
Inspection, Inquiry and Investigation (3I)

- Legal Framework
- Conduct of Inspection and Inquiry
- Liability of Officers for fraud
- Search and Seizure
- Investigation of ownership of company
- Case Studies

MODULE: IV

ICSI Secretarial Standards on Board and General Meetings

- Secretarial Standard on Meetings of the Board of Directors (SS-1)
- Secretarial Standard on General Meetings (SS-2)



MODULE: V

Corporate Social Responsibility (CSR)

- Applicability, Framework, Activities and Implementation
- Impact Assessment, Reporting & Disclosure
- Discovering Opportunities for Investments, Innovations and Collaboration through CSR
- Case Studies



Glimpses of ICSI Board Mentorship Programme



1st ICSI Board Mentorship Programme



2nd ICSI Board Mentorship Programme

TOURIST ATTRACTIONS AT SRINAGAR, JAMMU & KASHMIR

Tulip Garden



Gulmarg



Mughal Garden



Gondola Ride



Dal Lake





Delegate Fees and Registration Procedure

Delegate Registration Fee: ₹65,000 plus GST (For Residential – Single Occupancy Basis) and ₹55,000 plus GST (For Residential – Double Occupancy Twin Sharing Basis)

Spouse and children can also accompany the delegate for nominal additional cost of ₹35,000/- plus GST per person.

The above fee includes Accommodation, Breakfast, Lunch, Dinner, Morning Tea, Evening Tea, Programme Kit and Sight Seeing. Free pick and drop facility for the group of

delegates at the decided time schedule between Srinagar Airport to Hotel Grand Mamta, Srinagar.

Accompanying children must be above 18 years of age.

Registration for the Programme should be through online mode only. Please note that payment will not be accepted through DD, Cash, Cheques etc.

The Institute reserves all rights to make any change in the programme, in case of any unforeseen situation/ restriction imposed by Government.

The fee is payable in advance and is non-refundable

Apply through the online link:
<https://bit.ly/ICSI-III-BMP-2025>
and submit the complete application.



All registered candidates will receive a confirmation email with programme details.
For any query/ clarification, please contact:

Tel: 011 – 45341034

Email: mrinal.madhur@icsi.edu

Testimonials from Participants of 2nd ICSI Board Mentorship Programme

"Upon landing in Port Blair, I was greeted by the refreshing air and excellent weather. The smooth pickup at the airport and seamless room allotment at the resort set a positive tone for the experience. After a brief rest, we proceeded to lunch, and the excitement began to build.

The session kicked off with a full house, and everyone was eager to learn and unlearn. The program was thoughtfully designed, allowing ample opportunities for learning while also providing time to explore the stunning landscapes of the islands. I left with a more solidified understanding of my various roles in the workplace.

All the speakers were exceptional, and it was inspiring to see such energy and enthusiasm from participants, even during late hours. This is a true testament to the success of the program. I had the pleasure of meeting many talented and passionate individuals, which made the experience even more enriching. Thank you to everyone involved, and I wish you all continued success in your future endeavours!"

– Anjubala Purushottam, Managing Director & CEO, LIC Pension Fund Limited

I had attended the 2nd ICSI Board Mentorship Programme held at Port Blair. It was very well organized. The speakers had very good knowledge of the subject and the sessions were very informative, interactive and well presented. I think it's very useful for Senior Level Executives and Non-CS also, who are part of the Board of Directors. It is very helpful in compliance to Companies Act provisions. I am very thankful to ICSI for organizing such programme.

– Manoj Kumar, CFO & GM (Finance), Power Transmission Corporation of Uttarakhand Limited

"I wholeheartedly appreciate the tremendous efforts put forth by the entire team to organize a truly perfect conference. It was a remarkable blend of education, networking, fun, sightseeing, patriotism, and self-expression, among many other enriching experiences.

I was particularly impressed by the team's flexibility in accommodating the requests of all members, which made the event even more enjoyable. The lectures were insightful, and the overall programme was outstanding, reflecting the meticulous planning and dedication that went into this event."

– Anurag Chauhan, Director, General Counsel & Company Secretary, Head of ESG, Axis Max Life Insurance Limited

"I would like to express my heartfelt gratitude to the organizers of the 2nd ICSI Board Mentorship Programme for their exceptional efforts in designing a program that is very much vital for senior management. The event was meticulously organized, and the speakers brought a wealth of subject matter expertise and practical knowledge that greatly enriched the experience.

I feel honored to have participated and have gained a deeper understanding of compliance and non-compliance with Companies Act, as well as the latest rules and regulations pertaining to the responsibilities of the Board of Directors and Key Managerial Personnel. I look forward for such more programmes in future and wish the ICSI team all the best in their upcoming initiatives."

– Iman Ali Mondal, Chief Operating Officer & Deputy General Manager, National Jute Manufactures Corporation Ltd.

"I would like to extend my heartfelt gratitude to entire team for their exceptional arrangements. Your personal efforts to ensure that all members felt comfortable are truly appreciated. The experience was not only enjoyable but also enriching, as we forged meaningful friendships and engaged in highly productive study sessions. Thank you once again for making this experience so memorable."

– J C Soni, Financial Consultant, Veepee Group of Companies, West Africa

"As we approach the dawn of January 10th, 2025, we are preparing to leave for the airport, reflecting on the past four days filled with joyous moments and unforgettable experiences.

Meeting new yet incredibly friendly people was a delightful bonus that enriched our journey. Like everyone else, we thoroughly enjoyed the beauty of the Andaman Islands, felt the poignant history of its prisoners, and revelled in the blessings of the abundant natural surroundings. A special thank you to the entire team for making this experience so memorable. Your efforts truly made a difference!"

– Asit M. Patel, Director, Chandan Metal Products Pvt. Ltd.

Articles Part - I

Unlocking India's Blue Economy beyond Shores: Maritime Law as a Catalyst for sailing towards Sustainability

74

CS (Dr.) Divyesh Patel, FCS; Dr (Prof.) Naresh Patel

Maritime Governance addresses the Blue Economy towards sustainability. The borderless nature of the sea makes it challenging to contain environmental phenomena such as sea level rise or security threats like piracy and terrorism. Hence it necessitates cooperation among interdependent states. This growing interconnectivity highlights the need for comprehensive and collaborative governance frameworks to ensure sustainable and secure maritime operations. The article throws light on India's Blue Economy landscape and its relationship with Sustainable Development Goals to ensure sustainable and secure maritime operations.

Company Secretaries as Start-up Compliance Advisors

79

CS Sainath Aakuthota, FCS

With the launch of Start-Up India initiative, the Indian government has been actively fostering an environment conducive to start-up growth. Through this initiative, it aims to reduce regulatory burdens, offer tax benefits, and provide funding avenues. As Start-up Compliance Advisors, Company Secretaries are skilled in guiding new ventures while complying with regulatory, legal, and tax obligations they face during their formation and operational life cycle. They help business owners understand the required registration process, manage day-to-day compliance, and keep the business on track with the evolving legal landscape.

Seas of Opportunities: Company Secretaries Steering Maritime Compliance

84

CS Dhvani Jarmarwala, ACS

The article explicates the International Maritime regulations and the Indian Maritime Laws. By aligning with global maritime conventions, India maintains competitiveness in the global market, safeguards marine ecosystems, ensures safe shipping and secures international trade routes. As India's role in global trade grows, maritime laws are vital in supporting the safe and efficient operation of the shipping industry and promoting sustainable growth in its port and shipping sectors. Company Secretaries have a vital role to play in implementing regulatory compliance, corporate governance, environmental and sustainability compliance, risk management and legal disputes, and maritime safety and security compliance.

Empowering Governance, Securing Data: The evolving role of Company Secretaries in Data Privacy and Cybersecurity

91

CS Gaurav Kumar Vohra, FCS

The complexities in data driven economy have brought about a surge in cyberattacks, data breaches, and a complex patchwork of privacy regulations that businesses must navigate. With sensitive information being collected, stored, and shared across digital platforms, the risk to businesses' security and reputation is higher than ever. Against this backdrop, Company Secretaries with their expertise are uniquely positioned to lead their organizations in navigating the complexities of data protection laws and cybersecurity risks. The author highlights the emerging role of Company Secretaries as Data Protection Officers (DPO) and their role in creating awareness through training employees on cybersecurity and data privacy.

Opportunities for Company Secretaries: Exploring the Unexplored in Start-up Compliance Advisors: Handholding New Ventures

96

CS Dharminder Gulati, ACS

This article systematically examines the underutilized potential of Company Secretaries, particularly in their role as Start-up Compliance Advisors. As start-ups continue to be instrumental in fostering economic expansion, the imperative for robust regulatory adherence and strategic legal consultancy has intensified. Given their profound expertise in corporate legislation, governance structures, and regulatory mandates, Company Secretary functions as a strategic facilitator ensuring operational continuity by identifying and mitigating legal and regulatory contingencies.

Sustainable Practices: Integrating Ethical Responsibility into Daily Life and Professional Education

101

CS (Dr.) Dipika Gupta, ACS

This article brings to fore the importance of building the foundation of sustainability and integrating it with the education system to equip future generations with the knowledge and skills essential to implement it in various contexts. According to the author, schools must instill in children values of environmental stewardship, ethical responsibility, and sustainable living. Professional institutions such as ICSI are more responsible for developing leaders who can implement these practices in organisations. Hence, children at the school level must be sensitized on the ways to incorporate sustainable practices in their daily living for the environment conservation.

Data Privacy & Cybersecurity: A Governance Imperative

105

CS Rajiv Malik, ACS

Relating with the ancient wisdom of Ramayana, the author delves into the modern day risks associated with privacy and security of data. Further, the article elaborates on the data protection laws in India and the global front. With a focus on various types of cyber threats and the insider risks to organizations, the article covers perspectives on the role of governance professionals, particularly Company Secretaries, on data privacy and cybersecurity. Their responsibility in mitigation of cyber risks, and ensuring the ethical handling of sensitive information throughout the organization is crucial.

Decarbonizing the Energy Sector: A CS Perspective

112

Dr. Dileep Kumar S. D.

This article aptly covers the current status and Trends of the Energy Sector, analysing the impact of carbon emissions, methods, approaches and challenges of decarbonization. Company Secretaries play a key strategic role in Decarbonization by integrating it with corporate governance, while ensuring risk mitigation and ESG integration, sustainable leadership with stakeholder engagement, green financing and sustainable investments.

Articles Part - II

Collaboration and Stakeholder Engagement – Relevance and Significance

116

CS (Dr.) V. Balachandran, FCS

This article examines advanced frameworks and strategies for collaboration and stakeholder engagement in India and internationally, providing insights into best practices and challenges.

Monitoring and Assessment of Corporate Social Responsibility projects

121

CS Debdip Chowdhury, ACS

The article enumerates the stages of CSR project implementation, monitoring, assessment, and evaluation with illustrations. With their knowledge and skills in regulatory matters, the Company Secretaries can effectively guide the management in implementing and supervising in-house CSR projects or projects geared through partners by establishing a special purpose vehicle.

Research Corner

P-131

Industry Standards for RPT Disclosures: A Game Changer for Corporate Governance

132

CS Pavan Kumar Vijay, FCS

The Audit Committee plays a critical role in reviewing and approving RPTs. However, in the past, they faced significant challenges due to unstructured and selective RPT disclosures.

To address these challenges, promote good corporate governance and enhance disclosure requirements in Related Party Transactions (RPTs), SEBI vide Circular dated February 14, 2025 issued Industry Standards on “Minimum information to be provided for review of the Audit Committee and shareholders for approval of RPTs”, which will be effective from April 1, 2025.

Regulation 23(2), (3) and (4) of the SEBI (LODR) Regulations, 2015, mandate RPTs be approved by the Audit Committee and, if material, by the shareholders. Section III-B of SEBI's Master Circular, dated November 11, 2024, specifies the information that must be placed before the Audit Committee and shareholders for their consideration of RPTs.

To facilitate a uniform approach and assist listed entities in complying with these requirements, the Industry Standards Forum (ISF) comprising representatives from ASSOCHAM, CII and FICCI, under the aegis of the Stock Exchanges, has formulated industry standards, in consultation with SEBI.

Now, every listed entity must adhere to these industry standards to ensure compliance with Section III-B of the Master Circular, in conjunction with Regulation 23(2), (3) and (4) of the LODR Regulations.

These Standards aim to:

- Ensure full transparency in RPT disclosures.
- Introduce uniformity in reporting, eliminating selective interpretations.
- Strengthen oversight mechanisms within corporate entities.
- Empower audit committees and shareholders with structured information.

Legal World

P-141

- **LMJ 03:03:2025** In the instant case, the criminal action and the disciplinary proceedings are grounded upon the same set of facts. We are of the view that the disciplinary proceedings should have been stayed and the High Court was not right in interfering with the trial court's order of injunction which had been affirmed in appeal.[SC]

- **LW 17:03:2025** We are of the view that the High Court incorrectly exercised its writ jurisdiction as: first, it precluded the statutory mechanism and procedure under the IBC from taking its course, and second, to do so, the High Court arrived at a finding regarding the existence of the debt, which is a mixed question of law and fact that is within the domain of the Adjudicating Authority under Section 100 of the IBC.[SC]
 - **LW 18:03:2025** Further we are also of the view that Ld. NCLT has no jurisdiction to convict a person for an offence under Section 68 under Chapter VII of Part II IBC in view of the express provision contained in S. 236(1) IBC, as there exists a Special Court per Section 236 of the Companies Act, 2013. [NCLAT]
 - **LW 19:03:2025** In view of the facts and circumstances of the Reference and analysis carried out in the preceding paragraphs, the Commission does not find evidence which would suggest the presence of bid-rigging in the impugned tendering process.[CCI]
 - **LW 20:03:2025** The procurer/consumer, has the freedom to specify the kind of product or service, warranty, cartridges etc. and the same cannot be dictated to the procurer.[CCI]
 - **LW 21:03:2025** Obviously, as coming out from the provision, no conviction in a criminal proceeding is necessitated, if the misconduct alleged & proved constitutes an offence involving moral turpitude.[SC]
 - **LW 22:03:2025** The Corporation, without an iota of doubt, being in the dominant position has attempted and achieved success in stealing a march over Mahadeo by indulging in suggestio falsi and suppressio veri.[SC]
 - **LW 23:03:2025** The claim for damages of the appellant will remain confined to what is expressly provided under the Agreement in view of Section 74 of the Contract Act.[SC]
 - **LW 24:03:2025** Non-executive directors cannot be held liable under section 138 NI Act unless specific evidence proves their active involvement.[SC]
- Opening of Demat Account in the name of Association of Persons
 - Investor Charter for Stock Brokers
 - Clarification regarding Investor Education and Awareness Initiatives
 - Most Important Terms and Conditions (MITC) for Research Analysts
 - Most Important Terms and Conditions (MITC) for Investment Advisers
 - Industry Standards on “Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction”
 - Revised timelines for issuance of Consolidated Account Statement (CAS) by Depositories
 - Relaxation in timelines for holding AIFs’ investments in dematerialised form
 - Service platform for investors to trace inactive and unclaimed Mutual Fund folios- MITRA (Mutual Fund Investment Tracing and Retrieval Assistant)
 - Facilitation to SEBI registered Stock Brokers to access Negotiated Dealing System-Order Matching (NDS-OM) for trading in Government Securities- Separate Business Units (SBU)
 - Safer participation of retail investors in Algorithmic trading
 - Implementation of Section 51A of UAPA, 1967: Updates to UNSC’s 1267/1989 ISIL (Da’esh) & Al-Qaida Sanctions List: Amendments in OI Entry
 - Exposures of Scheduled Commercial Banks (SCBs) to Non-Banking Financial Companies (NBFCs) – Review of Risk Weights
 - Review of Risk Weights on Microfinance Loans
 - Review and Rationalization of Prudential Norms - UCBs
 - Reserve Bank of India (Forward Contracts in Government Securities) Directions, 2025
 - Reserve Bank of India (Prudential Regulations on Basel III Capital Framework, Exposure Norms, Significant Investments, Classification, Valuation and Operation of Investment Portfolio Norms and Resource Raising Norms for All India Financial Institutions) Directions, 2023 - Amendment
 - Government securities transactions between a Primary Member (PM) of NDS-OM and its own Gilt Account Holder (GAH) or between two GAHs of the same PM
 - Export-Import Bank of India’s GOI-supported Line of Credit of USD 120 mn to the Government of the Socialist Republic of Vietnam (GO-VNM) for procurement of High-Speed Guard Boats in the Borrower’s Country
 - Export-Import Bank of India’s GOI-supported Line of Credit of USD 180 mn to the Government of the Socialist Republic of Vietnam for procurement of 4 Offshore Patrol Vessels (OPV) in the Borrower’s Country
 - Foreign Exchange Management (Manner of Receipt and Payment) (Amendment) Regulations, 2025

From The Government P-151

- The Companies (Prospectus and Allotment of Securities) Amendment Rules, 2025
- MCA Legal Training Program - Scheme for the engagement of under-graduate law students /fresh law graduates on Pro- bono basis for assisting litigation work at the Ministry headq uarters and field offices regarding
- Regulatory framework for Specialized Investment Funds (‘SIF’)
- Timelines for deployment of funds collected by Asset Management Companies (AMCs) in New Fund Offer (NFO) as per asset allocation of the scheme
- Industry Standards on Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Other Highlights

- ❖ NEWS FROM THE INSTITUTE
- ❖ GST CORNER
- ❖ ETHICS IN PROFESSION
- ❖ CG CORNER
- ❖ MARITIME CORNER
- ❖ ESG CORNER
- ❖ GIST OF ROC ADJUDICATION ORDERS



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Mission

"To develop high calibre professionals
facilitating good corporate governance"

Golden Opportunity for Working Professionals to complete
CLDP (Corporate Leadership Development Programme)
and become a Member of ICSI

Through Online Mode / Weekend Batches

Registration starts from
12 March 2025

Classes commences from
19 March 2025

Eligibility Criteria

Category-1 :

- (i) Passed CS Professional Programme on or before 25 February 2025 &
- (ii) Exempted from short-term and long-term trainings

OR

Category-2 :

- (i) Passed CS Professional Programme on or before 25 February 2020 &
- (ii) Completed short-term and long-term trainings under New Training Structure

Options for completing CLDP

Option-1 : For Candidates who have neither enrolled nor completed any part of CLDP
30 Days Online CLDP through ICSI E-Learning Portal | Classes commences from 19 March 2025
Fees payable: Rs 50,000/-

Option -2 : For Candidates who have enrolled or completed 15 days Online CLDP as on 11 March 2025

15 Days Online CLDP through ICSI E-Learning Portal
Classes commences from 1 April 2025
Fees Payable: Rs 30,000/-

OR

15 Days Weekend CLDP in Classroom mode at CCGRTs / Regional Offices subject to minimum batch requirement
Fees Payable : Rs.30,000/-

For queries write at shruti.gupta@icsi.edu

CS Dhananjay Shukla
President, The ICSI

CS Pawan G Chandak
Vice President, The ICSI

CS Asish Mohan
Secretary, The ICSI

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सत्यं वद। धर्मं चर। *Speak the truth. Abide by the law.*

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Quick Response & Resolution Time (QRRT) and ICSI Service Charter



Benefits

- Transparent and Trackable Resolution System for Queries and Grievances raised by Members & Students of ICSI
- Resolution of Queries and Grievances as per Defined Timelines in the ICSI Service Charter

Key Features

- Definite Timelines
- Hassle-free Solution
- Acknowledgment on same working day (if received before 5.00 pm)
- Service Request ID provided to track Query/Grievance

QRRT Service Applicability Domains

✉ academics@icsi.edu

✉ cpe@icsi.edu

✉ dss@icsi.edu

✉ journal@icsi.edu

✉ member@icsi.edu

✉ store@icsi.edu

✉ training@icsi.edu

And many more

Call For ARTICLES

Call For Articles in CS Journal – April 2025 Issue



DIRECT TAXATION: TRANSITIONING TO A NEW ERA

The Income-tax Bill, 2025 is set to replace the Income-tax Act, 1961 ushering in a significant transformation in India's taxation framework. This overhaul aims to simplify tax compliance, reduce disputes, and make the taxation system more current. While retaining the facets of faceless collection of information and assessment of tax cases from the present Act, the Bill seeks to empower the central government to frame new schemes for greater efficiency, transparency, and accountability.

With the intent of creating a better understanding of what the new impending legislation aims to lay emphasis upon, the upcoming edition of the Chartered Secretary Journal will surely be raising mindful deliberations for the benefit of all the stakeholders and for the exploration of greater opportunities stemming from the said transition. We are pleased to inform you that the April 2025 issue of Chartered Secretary Journal will be devoted to the theme **Direct Taxation: Transitioning to a new era** covering *inter alia* the following aspects:

- ❖ Evolution of Taxation System in India : The journey to the Income Tax Bill, 2025
- ❖ Income Tax Bill, 2025 vs Income Tax Act 1961: Gauging the future
- ❖ Income Tax Bill, 2025 : Pathway to achieving Viksit Bharat @2047
- ❖ Virtual Digital Assets under Direct Taxation
- ❖ Tax Audit under the Income Tax Bill, 2025
- ❖ GAAR vs Corporate Tax planning under Income Tax Bill, 2025
- ❖ Artificial intelligence and Tax compliance
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ARTICLES



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- UNLOCKING INDIA'S BLUE ECONOMY BEYOND SHORES: MARITIME LAW AS A CATALYST FOR SAILING TOWARDS SUSTAINABILITY
- COMPANY SECRETARIES AS START-UP COMPLIANCE ADVISORS
- SEAS OF OPPORTUNITIES: COMPANY SECRETARIES STEERING MARITIME COMPLIANCE
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- MONITORING AND ASSESSMENT OF CORPORATE SOCIAL RESPONSIBILITY PROJECTS

Unlocking India's Blue Economy beyond Shores: Maritime Law as a Catalyst for Sailing towards Sustainability

This article focuses on concerns of estimating the Blue (Ocean) Economy and evaluating how it can be more blue (i.e. More Sustainable) by addressing factors such as sustainability, harnessing untapped opportunities and the regulatory framework of Maritime Laws in India and Abroad. The role of Company Secretaries navigating the framework of Maritime Laws in India is elaborated.



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INTRODUCTION

The decade from Year 2021 to 2030 is called as “Decade of Ocean Science” where the concept of a **Blue Economy (BE)** is gaining importance and ramped up as 40% of the world’s population lives near coastal areas, and 80% of world trade is achieved using the seas. The Blue Economy is a “**Nimble concept**” of study that spans those economic activities which depend on ecosystem services, thereby including such sectors as tourism, maritime transport, energy, water, and fishing, among others. The World Bank has defined ‘BE’ as *the sustainable use of ocean resources for economic growth, improved livelihoods, and jobs while preserving the health of ocean ecosystems*. The philosophy of the Blue Economy

(BE) was introduced by Prof. Gunter Pauli in 1994 at the **United Nations University (UNU)** to tackle the challenges of sustainable growth in the face of global warming. It advocated for new development models focused on zero waste and reduced emissions. The concept gained significant attention during the **Rio+20 Earth Summit in 2012**, where Small Island Developing States (SIDS) highlighted the shortcomings of the Green Economy model in addressing the specific needs and challenges of coastal and marine economies. Following the Rio+20 Summit, the **Indian Ocean Rim Association (IORA)** took a proactive role in promoting the Blue Economy, with India emerging as a leading advocate. At the 2015 QUAD Leaders’ Summit in Mauritius, our Hon’ble Prime Minister Mr. Narendra Modi introduced the **Security and Growth for All in the Region (SAGAR) doctrine**, underscoring the importance of the Blue Economy while advancing the broader vision of a ‘Free,’ ‘Open,’ and ‘Inclusive’ Indo-Pacific. This policy stance highlighted India’s “**Maritime Moment**” (Baruah, 2021), signalling the nation’s commitment to a proactive maritime foreign policy focused on geopolitical strategy, maritime security, and sustainable economic development. It also initiated a series of discussions, leading to the release of *India’s Blue Economy: A Draft Policy Framework* by the Economic Advisory Council to the Prime Minister (EAC-PM) in September 2020, marking a significant milestone in the development of India’s Blue Economy policy.

India, with its expansive coastline of over 7,500 kilometres, holds a prominent position in the global maritime sector. Recognizing this potential, the Government of India has identified the Blue Economy as one of the **10 core dimensions** under its **Vision for New India 2030**. This strategic emphasis reflects India’s commitment to harnessing sustainable ocean-based resources to foster economic growth, enhance maritime security, and promote environmental conservation, positioning the Blue Economy as a critical driver for future development. Hence, this article focuses on the concern of estimating the **Blue (Ocean) Economy** and evaluating how it can be **more blue** (i.e. **More Sustainable**) and address the following questions:

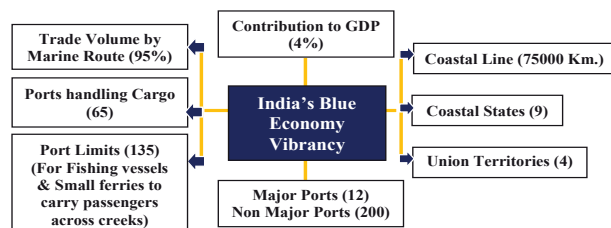
- What is the Blue Economy landscape in India towards sustainability?
- How can challenges be navigated and untapped opportunities be harnessed?
- How Maritime law address Blue Economy towards sustainability?

INDIA'S BLUE ECONOMY LANDSCAPE

For proper execution and implementation of BE, there is a need to have a proper “BE Landscape” which refers to the general environment or framework in which BE factors are considered, managed, reported and integrated into business, investment, and decision-making processes. The BE, which leverages the vast potential of oceans, seas, and coastal regions, has become a focal point in global discussions on sustainable development. The Indian Ocean Region (IOR), strategically positioned and economically significant, plays a crucial role in international maritime affairs. As the 3rd largest water body on Earth, it not only supports regional economies but also sustains millions of livelihoods. India's Blue Economy Vibrancy would be depicted in Figure-1.

Figure-1

India's Blue Economy Vibrancy



Source: Created by Author and adapted from <https://shipmin.gov.in/>

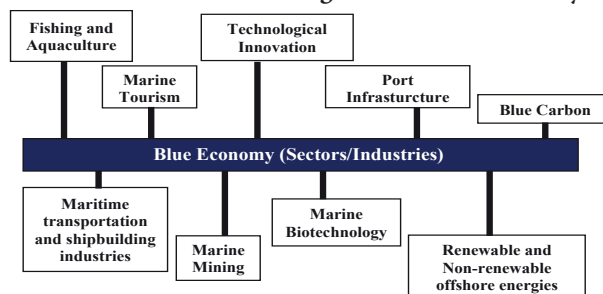
To give a quantified outlook as stated by Ministries of Ports, Shipping and Waterways, India's extensive 7,500 km coastline supports a thriving blue economy, contributing 4% to GDP and handling 95% of trade by volume. The country has 12 major ports under the Ministry of Shipping and 200 non-major ports managed by State Maritime Boards or governments. While all major ports are operational, only 65 non-major ports handle cargo, with the rest serving fishing and passenger transport.

INDIA'S BLUE ECONOMY (SECTORS/ INDUSTRIES)

Different countries have adapted the framework to suit their geopolitical priorities and unique contexts, referring to it in different terms such as the coastal economy, marine economy, or ocean economy. Blue economy in India covers many sectors & industries. Among the exhaustively long list of sectors that are fundamental in improving the blue economy mechanism of the country are water transport, fishery & aquaculture, mineral exploration, coastal management & governance. Each nation has peculiarities regarding the main economic sectors that make up the ocean economy. Addressing the Indian context, the main sectors (Figure-2) that make up the ocean economy in India would be **Marine Mining**, as India's extensive continental shelf and vast maritime expanse make it a significant source of mineral resources for the country. The International Seabed Authority (ISA) has granted India an exploration area of 75,000 square kilometres in the Central Indian Ocean—equivalent to approximately 50 times the size of the National Capital Territory of Delhi—for conducting deep-sea mining activities.

Figure-2

Sectors/Industries driving India's Blue Economy



Source: Created by Author and adapted from World Bank web source.

India's extensive coastline and favourable weather conditions offer significant potential for **Renewable and Non-renewable offshore energy**. Harnessing these resources can diversify the energy mix, reduce fossil fuel dependence, and lower emissions. The country has garnered scientific and media interest in wave and offshore wind energy. However, challenges such as the absence of a regulatory framework, environmental licensing issues, and an unclear energy concession model hinder its full-scale development. So far as **Fishing and Aquaculture** is concerned, India, the world's third-largest fish producer. . The sector supports millions

of livelihoods, with aquaculture driving domestic seafood demand. Initiatives like Pradhan Mantri Matsya Sampada Yojana (PMMSY) promote resilience, sustainability, and technological advancements in fisheries. **Maritime transportation and shipbuilding industries** are fundamental to India because its economy relies on exports of products. India's Maritime Amrit Kaal Vision 2047 aims to decarbonize shipping, promote green fuels like hydrogen and ammonia, and develop carbon-neutral ports, aligning its maritime sector with global climate goals to reduce greenhouse

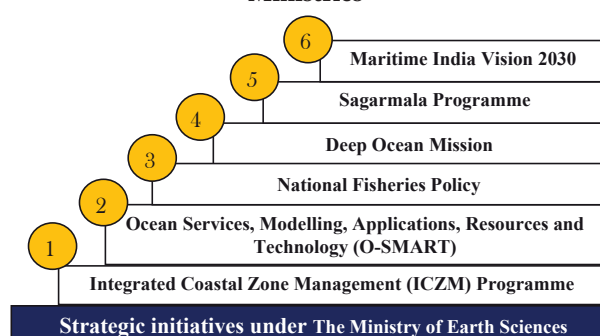
gas emissions by 2050. In fact, the shipbuilding industry is integral to both transportation and the oil and gas sector, facilitating the construction of platforms, drill ships, and specialized equipment essential for offshore exploration and production. **Tourism sector** is regarded by its complexity since it embraces a variety of activities, products and services namely food, hospitality, access to infrastructure, recreation, water sports and marinas (Camara et al., 2021; Silva et al., 2022). Hence, tourism signifies an imperative economic and social activity that creates impact through its supply chain (Soares et al., 2020). KPMG report, 2024 emphasized on **Technology Innovation Sector** which is transforming India's blue economy by addressing key challenges through innovations like Satellite monitoring, Artificial Intelligence (AI), and Blockchain. These advancements enhance marine resource management, improve weather forecasting, and ensure transparency in supply chains. Additionally, **renewable marine energy technologies**, including **tidal turbines and wave energy converters**, highlight the potential of harnessing ocean currents and waves for sustainable energy production. India's blue economy plays a pivotal role in achieving long-term sustainability by fostering the responsible utilization of

Maritime Governance necessitates cooperation among interdependent states, as the absence of physical borders at sea makes it challenging to contain environmental phenomena such as sea level rise or security threats like piracy and terrorism.

marine resources to drive economic growth while maintaining ecological balance. The Maritime Amrit Kaal Vision 2047 serves as a key policy framework aimed at port modernization, shipping infrastructure enhancement, and the advancement of renewable marine energy, with a projected investment of INR 35,000 crore by 2047. Additionally, Strategic initiatives (Figure-3) such as Sagarmala, Integrated Coastal Zone Management, and the Deep Ocean Mission contribute to the comprehensive and sustainable development of India's ocean economy, reinforcing its commitment to maritime resilience and environmental stewardship.

Figure-3

Strategic initiatives under The Ministry of Earth Sciences (MoES) in collaboration with other Ministries



Source: Created by Author and adapted from KPMG Report, 2024.

Despite its potential, India's blue economy faces several challenges that must be addressed for sustainable growth. It has been presented in Table-1.

Table-1

Key Challenges and Opportunities

Challenges		Opportunities
Challenges	How to address?	
Unsustainable (over) fishing	<ul style="list-style-type: none"> Sustainable fisheries management Stronger regulations and modern technology Helping restore fish populations and protect marine ecosystems 	<ul style="list-style-type: none"> Generate millions of Employment Economic growth Environmental conservation Biodiversity conservation
Climate Change	<ul style="list-style-type: none"> Investing in renewable marine energy Resilient coastal infrastructure 	
Waterborne pollution	<ul style="list-style-type: none"> Stringent Marine laws Innovative waste management 	
Infrastructure Constraints	<ul style="list-style-type: none"> Modernizing port infrastructure with sustainable technologies Optimizing logistics 	

INDIA'S BLUE ECONOMY AND SDGs

The Blue Economy (BE) promotes economic use of ocean resources while ensuring ecosystem sustainability, aligning with the "Decade of Ocean Science" (2021–2030). Unlike the traditional ocean economy, BE prioritizes sustainable resource use and enhancing livelihoods, fostering a reassessment of environmental, economic, and marine-biological relationships for long-term development. Therefore, the BE is necessarily associated with the Sustainable Development Goals (SDGs), established in the 2030 Agenda action plan. SDG Dashboards and Trends of India have been depicted in Table-2.

Table-2

Blue Economy and its related Sustainable Development Goals (SDGs)

Blue Economy and its related Sustainable Development Goals (SDGs)		
SDGs Overall Score		63.99/100
SDGs Index Rank		109/166
SDG No.	Details	Performance
SDG 3	Good Health and Well-Being	Moderately improving
SDG 12	Consumption & Responsible Production	Stagnating
SDG 14	Life below Water	Moderately improving
SDG 15	Life on Land	Stagnating
SDG 16	Peace, Justice and Strong Institutions	Stagnating
SDG 17	Partnerships and Means of Implementation	Moderately improving

Source: Sustainable Development Report (2024)

SDG 3 (Health and Welfare) is closely linked to the Blue Economy (BE), though this connection may not be immediately apparent, but is crucial for both the well-being of those engaged in BE activities and the sustainability of marine and coastal ecosystems. SDG 12 (Responsible Consumption and Production) is vital to the Blue Economy, ensuring sustainable use of marine and coastal resources while promoting environmentally responsible economic development. So far as SDG 16 (Peace, Justice, and Strong Institutions) and SDG 17 (Partnerships) are concerned, they are essential to the Blue Economy, ensuring good governance, transparency, and inclusive decision-making. They promote collaboration among stakeholders, combat violence and corruption, enhance security, mobilize resources, and strengthen accountability for sustainable marine resource management. One of the dire need and of importance are **SDG 14 (Life on Water) and SDG 15 (Land Life)** that play a crucial role in the BE because they are unwaveringly related to the conservation and sustainable use of marine, coastal and terrestrial resources. The execution of these goals can pointedly subsidize to the development of economic sectors based on the sustainable use of marine and coastal resources, such as fishing, aquaculture, tourism and maritime transportation (Ntona and Morgera, 2018; MacDonald et al., 2018). These needles address conservation and sustainable use of marine biodiversity, marine pollution and sustainable use of natural resources. India is **moderately improving** as per SDGs Report 2024. Maritime is therefore crucial to the national economy.

NAVIGATING THE FRAMEWORK OF MARITIME LAW

In 2014, our Hon'ble Prime Minister Shri Narendra Modi announced the “**Act East**” policy to replace the former “**Look East**” policy. Following the Rio+20 Summit, the Indian Ocean Rim Association (IORA) actively promoting the Blue Economy (BE), with India playing a pivotal role. At the 2015 QUAD Leaders' Summit in Mauritius, Prime Minister Shri Narendra Modi introduced the Security and Growth for All in the Region (SAGAR) doctrine, emphasizing the Blue Economy and reinforcing the vision of a ‘free,’ ‘open,’ and ‘inclusive’ Indo-Pacific. **This policy direction marked a significant phase in India's maritime strategy**, highlighting its growing influence in regional maritime governance and economic development. Also, in 2017, India published its new maritime strategy and changed some of its prioritized strategic areas and extended its focus beyond the Indian Ocean, prioritizing the broader Indo-Pacific region.

India plays a leading role with institutions like **Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC)** and **The Indian Ocean Rim Association (IORA)**, contributing to a secure and stable maritime environment that supports both its domestic development and international engagement. The bond of shared heritage of the region is further strengthened with this initiative reaffirming India's commitment to promoting regional cooperation in line with ‘**Neighborhood First**’ policy, ‘**Act East**’ policy and ‘**Security & Growth for All in the Region (SAGAR)**’ vision. The evolving significance of the law of the sea, the growing reliance on maritime transport and the need to secure Sea Lanes of Communication, along with advancements in maritime mining, have been key drivers to **enforce Maritime Governance**, which addresses Blue Economy towards sustainability. Maritime governance necessitates cooperation among interdependent states, as the absence of physical borders at sea makes it challenging to contain environmental phenomena such as sea level rise or security threats like piracy and terrorism. The transnational nature of activities such as fishing, offshore drilling, transportation, and the security of Sea Lanes of Communication (SLOCs) underscores the functional interdependence of various maritime sectors. This growing interconnectivity highlights the need for comprehensive and collaborative governance frameworks to ensure sustainable and secure maritime operations.

So, why do India need to adopt a legal lens when exploring the maritime industry? As examining the maritime industry through a legal lens enables informed decision-making, risk mitigation, and compliance. It fosters innovation, proactively addresses challenges, and unlocks opportunities, ensuring a resilient and prosperous maritime sector which will sail BE towards sustainability. **Maritime law, also known as admiralty law**, constitutes a comprehensive body of legal principles governing matters related to shipping, cargo transportation, customs, port regulations, and disputes within the maritime realm. It encompasses a wide spectrum of issues, including cargo damage, delayed deliveries, lost packages, ship damages, collision, and more. India's modern maritime laws trace their origins to the British colonial era. Despite restricting India's shipping industry, the British introduced key statutes shaping its legal framework, including the Indian Registration of Ships Act, 1841, Indian Ports Act, 1908, Merchant Shipping Act, 1923, and Territorial Waters

Jurisdiction Act, 1878. The Snippets of significant enactments are depicted in below Table-3.

Table-3
Maritime Enactments

International Maritime Laws	
<ul style="list-style-type: none"> United Nations Convention on Law of Sea (UNCLOS) International Maritime Organization (IMO): <ul style="list-style-type: none"> International Convention on Safety of Life at Sea (SOLAS) The International Convention for the Prevention of Pollution from Ships (MARPOL) Standards of Training, Certification, and Watch keeping for Seafarers (STCW) Maritime Trade and Commerce Laws [1] Hague-Visby Rules [2] Hamburg Rules [3] Rotterdam Rules Maritime Insurance Laws [1] York-Antwerp Rules [2] Institute Cargo Clauses 	
India Maritime Laws	
Merchant Shipping Act, 1958	<ul style="list-style-type: none"> Pivotal legislation allowed for the registration of Indian ships. Establishment of a National Shipping Board, regulations for ship manning, engagement and repatriation of seamen, passenger and cargo ship safety, collision procedures, pollution control, limitation of ship owners' liability, and civil liability for oil pollution damage.
Carriage of Goods by Sea Act, 1925	<ul style="list-style-type: none"> This Act regulates sea cargo transport under a bill of lading, defining carrier duties, liabilities, rights, and ship seaworthiness obligations.
Multimodal Transportation of Goods Act, 1993	<ul style="list-style-type: none"> This Act applies to goods transported from India using multiple modes of transport. It regulates multimodal transport operators (MTOs) and outlines their liability for delays and cargo damage.
The Admiralty (Jurisdiction and Settlement of Maritime Claims) Act, 2017	<ul style="list-style-type: none"> This Act covers all vessels in Indian territorial waters, except certain foreign non-commercial vessels. It grants High Court's jurisdiction over maritime claims, including ownership disputes, mortgages, construction, repairs, sales, and environmental damage.

Major Ports Authorities Act, 2021	<ul style="list-style-type: none"> The Act regulates 12 of India's 13 major ports, granting them autonomy in tariff setting and replacing Tariff Authority for Major Ports (TAMP). It establishes an Adjudicatory Board to resolve disputes, review PPP projects, and oversee the transition to market-driven pricing.
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Source: Prepared by Author

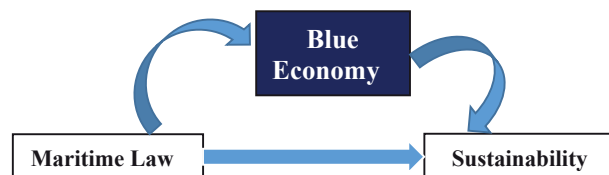
From the above table-2, it is concluded that India's maritime law has undergone significant evolution, aligning with the changing dynamics of the maritime industry and fostering investment opportunities. These legal advancements have not only transformed the country's maritime infrastructure but also strengthened its logistics sector, reinforcing India's position in global trade. By providing a structured regulatory framework, maritime law ensures security, efficiency, and sustainability in ocean resource utilization. It plays a crucial role in enabling the Blue Economy by promoting responsible shipping, environmental conservation, and seamless trade operations. As a catalyst for Blue Economy sustainability, it fosters economic growth while safeguarding marine ecosystems for future generations.

ROLE OF COMPANY SECRETARIES

Company Secretaries play a crucial role in ensuring compliance with maritime laws and regulations while streamlining communication between port authorities, government agencies, and stakeholders especially assisting in compliance for various Projects in India, vessel registration and documentation, drafting, reviewing, and executing charter party agreements for vessel chartering, securing appropriate insurance coverage for vessels, cargo, and liabilities, monitor regulatory developments related to environmental protection and advise on compliance with emission control, ballast water management, and marine pollution prevention regulations.

Figure-4

Relationship among BE, Maritime and Sustainability



CS having expertise in maritime law and international regulations, such as IMO regulations and UNCLOS, have promising opportunities to contribute to global institutions like International Court of Justice (ICJ) and the International Tribunal for the Law of the Sea (ITLOS), thereby enhancing operational efficiency and regulatory adherence that contribute to Blue Economy towards sustainability and growth. The established relationship has been depicted in Figure-4 above.

CONCLUSION

India's Blue Economy (BE) strategy represents a transformative approach that integrates economic growth

with environmental sustainability. By leveraging Marine Spatial Planning (MSP), India ensures a holistic and participatory framework for managing marine and coastal resources. MSP facilitates a balance between conservation efforts and economic activities, promoting long-term sustainability while fostering social justice and transparency. The Ministry of Earth Sciences (MoES) plays a crucial role in overseeing these initiatives, ensuring alignment with global best practices. Additionally, by incorporating innovative and environmentally conscious strategies, India's BE framework strengthens climate resilience and mitigation efforts. This comprehensive approach not only enhances economic benefits but also safeguards marine ecosystems, ensuring their viability for future generations. The integration of sustainability, governance, and technology into India's BE strategy underscores the country's commitment to responsible ocean management. Ultimately, India's BE framework can serve as a global model for fostering economic prosperity while preserving marine biodiversity and ensuring climate resilience. To conclude, Maritime Law is undoubtedly intricate and it is not an impassable fortress, debunking the myth of Simplicity in Complexity, where it contributes a lot to BE and sails towards Sustainability.

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Company Secretaries as Start-up Compliance Advisors

This article elaborates on the role of Company Secretaries as Start-up Compliance Advisors in the success and sustainability of new ventures. By ensuring that a start-up adheres to all legal and regulatory frameworks, a Company Secretary mitigates risks, fosters investor confidence and ensures smooth business operations.



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“Company Secretaries are the backbone of a Start-up’s legal and governance framework, guiding them through the complexities of compliance, risk management and growth—ensuring that every step taken is both legally sound and strategically aligned for long-term success.”

INTRODUCTION

India has become one of the most prominent Start-up hubs in the world, with thousands of entrepreneurs launching new ventures across various sectors. The Indian government has been actively fostering an environment conducive to Start-up growth through initiatives such as **Start-up India**, which aims to reduce regulatory burdens, offer tax benefits and provide funding avenues. However, despite the vibrant Start-up ecosystem, the complexities associated with legal, financial and regulatory compliance remain a significant challenge for entrepreneurs. This is where **Start-up Compliance Advisors** come into the picture.

Start-up Compliance Advisors are professionals who guide new ventures through the maze of regulatory, legal and tax obligations they face during their formation and operational life cycle. They help business owners understand the required registration process, manage day-to-day compliance and keep the business on track with the evolving legal landscape. In this process, **Company Secretaries (CS)** have a key role to play, especially when it comes to ensuring good corporate governance, adherence to company law and other regulatory frameworks.

This article aims to explore the vital role of **Company Secretaries** as **Start-up Compliance Advisors** in handholding new ventures.

THE GROWING START-UP ECOSYSTEM IN INDIA

India’s entrepreneurial spirit has always been a driving force behind its economic growth. However, the country’s Start-up ecosystem truly began to take off in the early 2000s, as advancements in technology, the internet and mobile connectivity opened up new avenues for business creation. The convergence of these factors led to the rise of India’s Start-up scene in the following ways:

1. The Digital Revolution

With the proliferation of the internet and smartphones, India witnessed a digital revolution that empowered entrepreneurs to reach customers in previously unimaginable ways. The government’s push for **Digital India**, combined with improved internet infrastructure and access to affordable smartphones, at a very low cost, laid the groundwork for numerous tech-driven Start-ups. **E-commerce, Fintech, Health tech, Edtech** and **PropTech** emerged as some of the leading sectors within India’s Start-up ecosystem, driven by the increasing adoption of digital tools and services by the Indian populace.

2. Access to Funding

In the past decade, India has seen an influx of domestic and international investors, ranging from venture capitalists (VCs) and private equity (PE) firms to angel investors and crowdfunding platforms. This has enabled Start-ups to secure significant funding at various stages of their growth journey. The rise of **unicorns** (Start-ups valued at \$1 billion or more) has further validated India’s Start-up potential. **Funding rounds** such as **Seed, Series A, Series B, and Series C**, along with increasing **Initial Public Offerings (IPOs)**, have given Indian Start-ups the resources they need to scale. This influx of funding has fueled innovations in sectors like **fintech, e-commerce** and **healthcare**.

3. Government Initiatives and Policies

The Indian government has played a crucial role in nurturing the Start-up ecosystem. With the launch of the **Start-up India** initiative in 2016, the government aimed to promote entrepreneurship by providing various incentives, including:

- **Tax exemptions** for Start-ups in their initial years of operation.
- **Ease of doing business** reforms that reduce regulatory hurdles.
- **Funding support** through government-backed schemes such as the **Fund of Funds for Start-ups (FFS)**.
- **Intellectual Property (IP) rights** support and facilitation.
- **Accelerator and incubator programs** to help Start-ups grow and scale.

Moreover, the introduction of the **Goods and Services Tax (GST)** has simplified indirect taxation, making it easier for Start-ups to operate across states. These policies have helped create an enabling environment for new businesses to flourish.

4. Growing Entrepreneurial Culture

India's younger population with over 50% of the population under the age of 25, is highly motivated to pursue entrepreneurship. This generation is tech-savvy, open to innovation and increasingly risk-tolerant. Many young entrepreneurs are inspired by the success stories of Indian unicorns. As a result, the entrepreneurial spirit is rapidly gaining momentum across the country, with many young professionals leaving their corporate jobs to start their own ventures.

Despite the favorable environment, navigating regulatory complexities is one of the most significant challenges for entrepreneurs. India's legal and tax systems are multifaceted, involving a mix of **corporate laws, taxation frameworks, labour laws**, and industry-specific compliance. Failure to comply with these regulations could result in costly penalties, loss of reputation, or even closure of the business. Therefore, it is crucial for new as well as existing ventures to seek proper guidance and advice in their early stages.

This is where **Start-up Compliance Advisors** step in. They act as mentors, guiding entrepreneurs through the initial stages of business formation and helping them establish a strong legal and compliance framework for long-term success. But it's not just about setting things up—it's about continuous compliance and governance through every phase of the venture. This is where **Company Secretaries** become an integral part of the compliance advisory ecosystem.

THE ROLE OF START-UP COMPLIANCE ADVISORS IN HANDHOLDING NEW VENTURES

Start-up Compliance Advisors are professional consultants who specialize in guiding new businesses

through the complex web of legal, regulatory, and financial requirements in India. Their role begins at the **inception of the business** and extends throughout its growth and scaling journey and fundraising requirements. Here's a breakdown of the key roles they play:

1. Choosing the Right Legal Structure

The first and most crucial step for a new venture is selecting the appropriate business structure. In India, businesses can operate under various legal frameworks, such as **Private or public Limited Companies, Limited Liability Partnerships (LLPs), One Person Companies (OPCs), or Partnership Firms**. Each structure comes with its own set of regulatory requirements and advantages.

A **Start-up Compliance Advisor** helps entrepreneurs in understand the pros and cons of each structure, factoring in their business goals, scalability, tax implications, and liability concerns. For instance, a **Private Limited Company** offers limited liability and is suitable for those who want to raise venture capital. On the other hand, an **LLP** may be more appropriate for professional/or other services provider firms as it has less regulatory burden.

2. Company Registration and Licenses

Once the legal structure is chosen, the next step is registering the business. This involves filing necessary documents with the **Registrar of Companies (RoC)**, obtaining a **Certificate of Incorporation, PAN (Permanent Account Number), GST registration**, and other regulatory approvals based on the industry sector.

A **Compliance Advisor** assists in drafting and filing the required documents and forms, such as **MoA (Memorandum of Association)** and **AoA (Articles of Association)** for private limited companies. The advisor ensures that all statutory requirements are met, minimizing the risk of delays and rejections in the registration process.

3. Taxation and filing Obligations

Start-ups in India must comply with a wide array of tax laws. Key taxes that Start-ups are liable to pay include **Corporate Tax, Goods and Services Tax (GST), Income Tax** and **Tax Deducted at Source (TDS)**.

Start-up Compliance Advisors play a crucial role in helping new businesses navigate the Indian tax system. They assist with **GST registration, filing income tax returns, TDS compliance** and ensuring that businesses benefit from available **tax exemptions** and **deductions**. Furthermore, advisors ensure that businesses are aware of the various **Start-up tax incentives** under the **Income Tax Act**, such as the **80-IAC deductions** that encourage the growth of new ventures.

4. Labour and Employment Compliance

As the business grows, Start-ups will hire employees and must ensure compliance with various **labour and employment laws** in India. These include laws such as the **Employees' Provident Fund (EPF)**, **Employee State Insurance (ESI)**, Bonus and the **Gratuity Act**.

Start-up Compliance Advisors help in new businesses set up compliant **payroll systems**, enroll employees in **EPF and ESI schemes**, and file necessary returns with the government. Ensuring that businesses comply with employment laws protects them from legal liabilities and fosters a positive employer-employee relationship.

5. Intellectual Property (IP) Protection

For many Start-ups, intellectual property (IP) is one of their most valuable assets. Protecting ideas, innovations, trademarks and copyrights is crucial to avoid intellectual property theft or infringement.

Compliance Advisors assist new ventures in registering their **trademarks, patents, and copyrights** with the **Intellectual Property India** office, thereby safeguarding their business's intellectual assets.

6. Sector-Specific Regulatory Compliance

Certain sectors in India are governed by additional regulations. For example, **fintech** companies must comply with the **Reserve Bank of India (RBI)** guidelines, while healthcare Start-ups must adhere to the **Drugs and Cosmetics Act**.

Start-up Compliance Advisors are well-versed in the sector-specific compliance requirements and help businesses to meet these additional regulatory demands. This ensures that Start-ups don't run into issues related to non-compliance that could jeopardize their operations.

7. Ongoing Compliance and Reporting

Once a business is up and running, maintaining compliance becomes an ongoing responsibility. Start-ups are required to file annual returns, hold board meetings, maintain statutory books, and submit **financial statements** to the authorities.

The compliance advisor ensures that businesses stay on top of these obligations and maintain proper corporate governance practices, avoiding potential penalties for non-compliance.

Start-up Compliance Advisors are professionals who guide new ventures through the maze of regulatory, legal, and tax obligations they face during their formation and operational life cycle.

ROLE AND IMPORTANCE OF COMPANY SECRETARIES AS START-UP COMPLIANCE ADVISORS

In the dynamic and evolving world of Start-ups in India, navigating the complex landscape of corporate laws, regulations, and governance is essential for business success and longevity. Company Secretaries (CS) play a pivotal role in this regard, ensuring that Start-ups remain compliant with the ever-changing legal requirements and corporate governance standards. Their role extends beyond just regulatory compliance—they are integral advisors, guiding businesses in establishing robust legal frameworks and mitigating risks to maintain smooth operations and investor confidence.

CORPORATE GOVERNANCE AND STATUTORY COMPLIANCE

One of the core responsibilities of a Company Secretary is ensuring effective corporate governance within an organization. Corporate governance encompasses the systems, processes and practices through which companies are directed and controlled, a Company Secretary ensures that the company adheres to the provisions of the *Companies Act, 2013* and the *Secretarial Standards* issued by the Institute of Company Secretaries of India (ICSI).

For Start-ups, establishing and maintaining sound corporate governance is vital. It helps in foster trust and credibility among stakeholders—investors, employees and regulatory authorities alike. Company Secretaries facilitate the creation of an effective board structure, coordinate board meetings, ensure that minutes are recorded accurately and ensure compliance with all required statutory

filings and disclosures. Their expertise in governance practices is instrumental in building a transparent and accountable company.

ADVISORY ON LEGAL FRAMEWORKS AND RISK MANAGEMENT

In addition to corporate governance, Company Secretaries serve as key legal advisors to Start-ups. They ensure the company complies with a wide range of corporate laws, including contract law, shareholder agreements, and other statutory regulations. This advisory role extends to areas such as shareholder rights, share transfers and dividend distribution, ensuring that all actions undertaken are legally sound.

A Company Secretary also plays a crucial role in identifying potential legal risks and helping the Start-up to mitigate them through proactive compliance management. Their counsel helps to avoid costly legal disputes with regulatory authorities, shareholders, or creditors, which is especially important for Start-ups, where resources are often limited and a legal misstep could be detrimental.



FILINGS AND DOCUMENTATION WITH REGULATORY AUTHORITIES

The role of Company Secretary includes ensuring timely and accurate filing of necessary documents with regulatory bodies such as the *Registrar of Companies (RoC)* and other relevant authorities. These filings are crucial for maintaining the company's legal standing. Company Secretaries are responsible for submitting a range of documents, including annual returns, financial statements, and director disclosures. Common forms filed by a Company Secretary include *Form MGT-7* (annual return), etc.

In an environment where regulatory compliance is closely scrutinized, a Company Secretary ensures that all paperwork is submitted on time, minimizing the risk of penalties or regulatory scrutiny.

INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION

Start-ups typically require external funding to scale their operations, which can come in the form of equity investment or debt financing. A Company Secretary is central to ensuring that all necessary documentation and compliance requirements are met during the capital-raising process. Their contributions extend to various areas, including:

- **Structuring Fundraising:** Advising on optimal structures for equity investments, managing debt financing, and handling the issuance of shares and debentures.
- **Investor Communication:** Facilitating transparent communication with investors, drafting investment

agreements and ensuring that the necessary shareholder documentation is in place.

Effective investor relations and compliance with regulatory requirements are crucial for a Start-up to establish credibility and secure further funding rounds.

ASSISTING WITH CORPORATE RESTRUCTURING AND MERGERS & ACQUISITIONS (M&A)

As Start-ups mature, they may contemplate mergers, acquisitions or corporate restructuring to grow their business or streamline operations. These transactions are often legally complex and subject to a range of compliance requirements. A Company Secretary plays a vital role in managing these processes, ensuring full compliance with the *Companies Act, 2013* and other pertinent regulations.

KEY FUNCTIONS OF A COMPANY SECRETARY DURING M&A OR RESTRUCTURING ACTIVITIES INCLUDES

- **Due Diligence:** Conducting an in-depth review of legal and financial documents to ensure that the transaction aligns with regulatory and legal standards.
- **Shareholder Approval:** Facilitating shareholder approvals for the transaction, preparing the necessary resolutions, and organizing meetings.
- **Regulatory Approvals:** Ensuring compliance with industry-specific regulations, including the *Competition Act*, *Foreign Exchange Management Act (FEMA)*, and other relevant laws, depending on the nature of the transaction.

By helping to navigate the complexities of corporate restructuring and M&A, a Company Secretary helps to safeguard the company's interests and ensure smooth transitions.

ADVISORY REGARDING TAXATION AND FINANCIAL COMPLIANCE

Start-ups often face significant challenges related to taxation and financial compliance, particularly in their early stages. A Company Secretary is invaluable in advising on tax planning, ensuring that the business maximizes available tax exemptions, and is compliant with tax-related regulations.

Some of the key services provided in this area include:

- **Tax Exemptions for Start-ups:** Ensuring that the Start-up benefits from available tax exemptions under the *Income Tax Act*, including deductions such as Section 80-IAC for Start-ups and exemptions under Section 56(2)(viib) for angel investments.
- **Filing Tax Returns:** Managing the timely filing of tax returns to avoid penalties and maintain a good standing with tax authorities.
- **Maintenance of Books of Accounts:** Ensuring that financial records are accurately maintained and compliant with accounting standards, facilitating smooth audits and tax filings. By managing tax and financial compliance, a Company Secretary helps the Start-up optimize its financial operations and avoid costly errors.

MAINTAINING STATUTORY REGISTERS AND RECORDS

A Company Secretary is responsible for maintaining critical statutory registers and records that serve as evidence of compliance with corporate laws. This includes maintaining registers such as:

- **Share Registers:** Records of shareholders and shareholding.
- **Minutes of Meetings:** Documenting board meetings, annual general meetings (AGMs) and special resolutions.
- **Directors' Disclosures:** Keeping track of director-related disclosures, including their interests, qualifications and related-party transactions.

These statutory books are vital for the proper functioning of the company and serve as evidence in case of regulatory scrutiny or legal disputes. By ensuring that these records are well-maintained, a Company Secretary helps the Start-up demonstrate compliance and avoid legal challenges.

"In the fast-paced world of Start-ups, Company Secretaries are the trusted navigators, ensuring that businesses stay on course by mastering compliance, governance, and legal frameworks, paving the way for sustainable growth and investor confidence."

CONCLUSION

Start-up Compliance Advisors are essential in helping new ventures navigate the complex regulatory and legal landscape in India. They guide businesses from registration to compliance with tax, employment, IP, and industry-specific regulations. However, the role of **Company Secretaries as Start-up Compliance Advisors** cannot be overstated. CS professionals provide ongoing guidance in corporate governance, statutory compliance, and regulatory filings, ensuring the long-term sustainability and success of the Start-up.

The role of **Company Secretaries as Start-up Compliance Advisors** in India is critical to the success and sustainability of new ventures. From the inception of the business to its expansion and scaling, a **Company Secretary** provides valuable expertise in corporate governance, legal compliance, tax laws, financial management, and investor relations. By ensuring that a Start-up adheres to all legal and regulatory frameworks, a **Company Secretary** mitigates risks, fosters investor confidence, and ensures smooth business operations.

In a rapidly evolving Start-up ecosystem, the importance of having a **Company Secretary** as a trusted compliance advisor cannot be overstated. With their deep understanding of corporate laws and regulatory frameworks, they are invaluable partners for entrepreneurs who seek to navigate the complexities of the business world while focusing on growth and innovation.

As the Indian Start-up ecosystem continues to thrive, the role of Company Secretaries will remain integral to ensuring the long-term success of Start-ups, helping them scale, raise capital, and achieve their full potential.

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Seas of Opportunities: Company Secretaries Steering Maritime Compliance

The Maritime Industry, with operations across multiple jurisdictions, require a robust and coordinated legal framework to ensure safety, environmental protection and the smooth functioning of operations. This article elaborates with case summaries on the various domestic and international laws, rules and regulations applicable to this sector. Further emphasis is given on the role of CS professionals in mitigating legal risks, ensuring accurate documentation for compliance and managing audits and assessments.



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INTRODUCTION

The maritime industry is at a cornerstone of global trade, playing a critical role in transporting goods like oil, gas and consumer products across continents. However, its vast and interconnected nature comes with significant challenges; from maritime accidents and environmental risks to security threats and labour issues. Given that vessels often operate across multiple jurisdictions, a robust and coordinated legal framework is essential to ensure safety, environmental protection and the smooth functioning of operations.

In India, with one of the longest coastlines globally, the maritime sector is crucial for economic growth, with ports handling a large share of the country's imports and exports. As India continues to integrate into the global economy, adhering to both international maritime regulations and domestic laws is vital. This alignment boosts India's global competitiveness and attracts investment in the sector.

Maritime laws in India address several critical aspects of the industry such as safety standards, environmental protection, port operations, and seafarers' rights. International conventions like the International Maritime Organization's (IMO) regulations ensure that India meets global standards. For example, the SOLAS (Safety of Life at Sea) convention sets stringent requirements for vessel construction, equipment, and crew training, significantly reducing the risks of accidents. Similarly, MARPOL

(Marine Pollution) regulations focus on minimizing pollution from ships, protecting marine ecosystems, and ensuring cleaner seas. As environmental concerns grow, compliance with such laws is now integral to corporate responsibility, especially for companies operating in Indian waters. Security also remains a top priority due to the growing threats of piracy and terrorism. The ISPS (International Ship and Port Facility Security) Code ensures that ships and port facilities have necessary measures in place to counteract such risks, safeguarding both assets and human lives.

This is where Company Secretaries (CS) play a pivotal role. In the maritime industry, CS professionals ensure that companies comply with both domestic and international regulations. Their expertise in governance, legal compliance and risk management is invaluable in guiding companies through the complex maze of maritime laws. CS professionals help to mitigate legal risks, ensure accurate documentation for compliance and manage audits and assessments.

Moreover, Company Secretaries are integral to upholding corporate governance standards. They ensure that companies operate transparently, ethically and responsibly, which is crucial in an industry where high stakes and risks are involved. By facilitating adherence to labour laws, environmental regulations and safety protocols, CS professionals contribute to the industry's sustainable growth and responsible business practices.

As India's maritime power grows, the demand for Maritime Law expertise is set to soar, placing Company Secretaries at the helm as strategic advisors. They'll be crucial in steering through the complexities of an ever-evolving, globally connected maritime landscape - ensuring compliance, driving sustainable practices and charting a course for responsible operations. Their role will be key in navigating this dynamic, high-stakes industry.

UNDERSTANDING OF INTERNATIONAL MARITIME REGULATIONS AND INDIAN MARITIME LAWS

International maritime regulations and Indian maritime laws are both essential to the safe, secure and sustainable operation of the maritime industry, ensuring that ships, ports and maritime businesses comply with established



global standards. International maritime regulations and Indian laws work together to keep India competitive in the global shipping industry, while also addressing the unique needs and challenges of its domestic maritime sector. This synergy helps India to stay at the forefront of global maritime trade, ensuring both compliance and sustainable growth.

- **International Maritime Regulations**

International Maritime Regulations are designed to provide a consistent and unified framework for the global shipping industry. These regulations are established by international organizations, the most significant of which is the **International Maritime Organization (IMO)**. The IMO is a specialized agency of the United Nations that sets global standards for the safety, security and environmental performance of international shipping. Key international maritime regulations include:

1. **SOLAS (Safety of Life at Sea):**

The SOLAS Convention is one of the most important international treaties for ensuring safety at sea. It provides comprehensive rules regarding vessel construction, equipment standards, crew training and operational procedures. Its primary objective is to ensure that ships are seaworthy and prepared to prevent accidents and respond to emergencies effectively.

2. **MARPOL (Marine Pollution):**

The MARPOL Convention aims to prevent pollution from ships by setting regulations on the

discharge of pollutants, including oil, chemicals, sewage and garbage. MARPOL has several annexes that cover specific types of pollution including oil pollution, hazardous substances and air pollution. MARPOL's enforcement is crucial for protecting marine ecosystems and ensuring cleaner seas.

3. **ISPS Code (International Ship and Port Facility Security Code):**

The ISPS Code is an international framework that addresses the security of ships and port facilities, particularly to combat threats such as piracy and terrorism. It mandates that vessels and port facilities implement security plans, conduct regular security drills and maintain strict controls over access to ports and ships.

4. **IMO 2020 (Sulphur Cap Regulation):**

The IMO 2020 regulation reduces the allowable sulphur content in marine fuels from 3.5% to 0.5%, aiming to reduce air pollution from ships. This regulation is part of the IMO's broader efforts to tackle environmental challenges in the maritime sector and reduce the negative health impacts of marine emissions.

5. **International Labour Organization (ILO) Conventions:**

The ILO sets regulations for the welfare of seafarers, including provisions for decent working conditions, fair wages and protection against exploitation. The **Maritime Labour**

Convention (MLC), 2006, ratified by most countries, including India, ensures that seafarer's rights are protected and that they are provided with a safe and healthy working environment.

• Indian Maritime Laws

India's Maritime Laws are shaped by both international conventions and its national regulations. The country has a well-established legal framework that governs maritime operations, ensuring safety, environmental protection and smooth port operations while promoting economic growth and compliance with global standards. Key aspects of Indian maritime laws include:

1. The Indian Ports Act, 1908:

This Act governs the administration of Indian ports and regulates the construction, operation, and maintenance of port infrastructure. It is aimed at ensuring the efficient functioning of the country's ports and the safe handling of cargo.

2. The Merchant Shipping Act, 1958:

The Merchant Shipping Act is a primary law regulating merchant shipping in India. It covers issues such as vessel registration, crew management, ship safety and maritime safety standards. The Act is regularly updated to incorporate changes in international maritime conventions and regulations.

3. The Prevention of Pollution from Ships (PPS) Act, 1974:

This Act implements India's obligations under MARPOL and regulates the discharge of pollutants from ships into Indian waters. It aims to protect the marine environment by preventing pollution from operational waste, chemicals, oil spills and ballast water discharge.

4. The Customs Act, 1962:

The Customs Act governs the movement of goods and cargo in and out of India's ports, regulating the import and export process. It also covers the customs duties applicable to maritime cargo and the inspection and clearance of goods at Indian ports.

5. The Indian Carriage of Goods by Sea Act, 1925:

This Act is based on the Hague-Visby Rules and governs the carriage of goods by sea between Indian ports and foreign countries. It defines the rights and liabilities of ship owners, cargo owners and carriers.

6. The Indian Maritime University Act, 2008:

The Indian Maritime University Act established the Indian Maritime University, which is responsible for providing education and training in maritime-related fields. The Act helps to meet the growing demand for skilled manpower in the maritime sector.

7. The Admiralty Jurisdiction and Ships Act, 2017:

This Act provides the legal framework for addressing maritime disputes and enforcing the rights of ship owners, passengers and cargo owners. It establishes the jurisdiction of Indian courts to hear maritime-related cases and clarifies the enforcement of admiralty law in India.

8. The Companies Act, 2013:

The Companies Act applies to shipping companies, ensuring their adherence to corporate governance, transparency and compliance with regulatory standards. Company Secretaries play a key role in ensuring compliance with both maritime and corporate laws.

International Maritime Organization's (IMO) regulations, SOLAS (Safety of Life at Sea) convention, MARPOL (Marine Pollution) regulations, ISPS (International Ship and Port Facility Security) Code, Maritime Labour Convention (MLC), 2006 and the Indian Laws significantly govern the maritime operations.

International Maritime Regulations and Indian Maritime Laws work hand-in-hand to ensure the safety, security and environmental sustainability of the global shipping industry. India's legal framework mirrors key international conventions, providing a well-regulated environment for domestic and international shipping companies. By aligning with international standards, India not only ensures compliance but also strengthens its position as a key

player in global trade.

WHY ARE MARITIME LAWS IN INDIA IMPORTANT?

India, with over 7,500 kilometers of coastline, plays a significant role in global maritime trade. India's ports handle over 90% of its international trade by volume, highlighting the importance of efficient and secure maritime operations. Maritime laws are crucial to regulating shipping, port operations, marine pollution, ship safety and seafarers' rights. Governed by domestic laws, international treaties and regional agreements, these laws ensure safety, environmental protection, and security. By aligning with global maritime conventions, India maintains competitiveness in the global market, safeguards marine ecosystems, ensures safe shipping and secures international trade routes. As India's role in global trade grows, maritime laws are vital in supporting the safe and efficient operation of the shipping industry and promoting sustainable growth in its port and shipping sectors.



- **Safety Regulations**

Safety regulations are a core component of maritime law, ensuring that vessels are constructed and maintained to minimize the risk of accidents. India follows the SOLAS (Safety of Life at Sea) Convention, which sets international standards for vessel construction, safety equipment and crew training. The Indian Maritime Administration (IMA) oversees the implementation of these standards, ensuring that all vessels operating under the Indian flag comply with these regulations.

- **Environmental Protection**

India's commitment to environmental sustainability in the maritime sector is reflected in its adherence to the MARPOL Convention. MARPOL aims to reduce pollution from ships by regulating the discharge of harmful substances, including oil, chemicals, sewage and garbage, into the sea. Indian companies involved in shipping must comply with MARPOL's stringent regulations, which require the installation of pollution prevention equipment on vessels and the proper disposal of waste at sea and in ports.

- **Port and Ship Facility Regulations**

Ports are a vital component of India's maritime infrastructure, and their operation is governed by various laws, including The Indian Ports Act, 1908. This Act regulates the construction, maintenance and operation of ports and ensures the safe and efficient movement of ships in and out of Indian ports. The Indian government has also established The Major Port Trusts Act, 1963 which gives major ports autonomy to manage their affairs and make decisions based on the changing demands of global shipping.

- **Maritime Security**

With increasing concerns over piracy, terrorism and other security threats, India has strengthened its maritime security framework. The ISPS Code, adopted by India, sets requirements for vessel and port facility security, including mandatory security drills, surveillance systems and personnel training. The role of maritime laws in ensuring security cannot be overstated, especially in high-risk regions.

COMPANY SECRETARY SCOPE IN THE LEGAL FRAMEWORK GOVERNING MARITIME OPERATIONS IN INDIA

As the maritime industry grows, the need for adhering to both national and international laws becomes more critical. Company Secretaries (CS) play a central role in ensuring maritime companies comply with complex legal frameworks. Their responsibilities span regulatory compliance, corporate governance, environmental and sustainability issues, risk management, and maritime safety and security.

- **Regulatory Compliance**

A primary responsibility of a Company Secretary in the maritime sector is ensuring compliance with various domestic and international regulations. Maritime laws are multifaceted, covering safety, environmental protection, port operations and seafarers' rights. CS professionals need to stay updated on regulations such as The **Merchant Shipping Act, 1958**, The **Indian Ports Act, 1908** and international conventions like the **SOLAS** (Safety of Life at Sea) and **MARPOL** (Marine Pollution) Conventions.

The maritime legal landscape is continually evolving to address emerging challenges such as environmental pollution, safety at sea and security threats. CS

professionals ensure companies adhere to these evolving laws, advising management on necessary changes to policies and practices. They also help maritime companies operating internationally stay compliant with foreign regulations, minimizing the risk of fines and penalties.

- **Corporate Governance**

As maritime companies expand globally, maintaining effective corporate governance is essential. CS professionals ensure the company complies with India's **Companies Act, 2013**, and international corporate governance best practices. They facilitate communication between the company and shareholders, ensuring timely dissemination of information and organize shareholder meetings in accordance with legal requirements.

CS professionals also help the Board of Directors to maintain a strong governance structure by aligning operations with legal frameworks and corporate objectives. Effective corporate governance ensures transparency, accountability and ethical conduct, promoting trust among stakeholders and enhancing long-term growth. CS professionals play a vital role in promoting good governance practices that build confidence in India's maritime industry.

- **Environmental and Sustainability Compliance**

Environmental sustainability is a growing concern for the global maritime sector. Maritime companies face increasing pressure to comply with regulations that protect marine ecosystems and reduce pollution. A CS professional is key to ensuring compliance with environmental laws such as the **MARPOL Convention**, which addresses issues like oil pollution, sewage, garbage and air pollution from ships.

Moreover, with the introduction of regulations like the **IMO 2020 Sulphur Cap**, which limits sulphur content in ship fuel, CS professionals ensure that companies implement emission reduction strategies and sustainable practices. CS professionals also assist companies in adopting greener technologies, reducing carbon footprints and aligning with the global sustainability agenda.

By ensuring compliance with environmental laws, Company Secretaries help maritime companies to stay ahead of the curve in the global push toward sustainability, enhancing their reputation and competitiveness in international markets.

- **Risk Management and Legal Disputes**

Given the inherent risks in the maritime sector—such as accidents, piracy, environmental violations, and contractual breaches—risk management is essential. A CS plays an instrumental role in identifying legal risks, implementing preventive measures and advising on risk mitigation strategies.

For example, maritime companies often enter into contracts with third-party entities like freight carriers, insurers and suppliers. Company Secretaries ensure these contracts are legally sound and in compliance with applicable laws. They help manage disputes related to cargo damage, accidents, or environmental violations by overseeing dispute resolution procedures and working with legal teams to minimize operational disruptions or reputational damage.

Contingency planning is another area where Company Secretaries contribute. They help companies to prepare for legal challenges, ensuring that necessary measures are in place to respond swiftly and efficiently, thereby mitigating potential risks.

- **Maritime Safety and Security Compliance**

The safety and security of maritime operations are paramount, particularly with growing threats such as piracy, terrorism, and cyber-attacks. **The ISPS (International Ship and Port Facility Security Code)** mandates that maritime companies adopt security measures to safeguard ships and port facilities. CS professionals are responsible for ensuring the company complies with these regulations by implementing security protocols to protect assets, vessels, and personnel.

Cyber security is also a growing concern. Maritime companies are increasingly vulnerable to cyber-attacks that can compromise operational systems and communication. Company Secretaries ensure that cyber security measures are integrated into safety protocols, ensuring compliance with national and international cyber security standards.

Additionally, CS professionals ensure compliance with the **International Safety Management (ISM) Code**, which outlines safety requirements for shipping companies. They play a role in implementing safety drills, maintaining safety documentation and ensuring that safety systems are in place to protect crew members, ships and cargo. By ensuring that safety and security protocols are followed, CS professionals contribute significantly to the company's reputation and operational efficiency.

INDIAN COMPANIES - EXPLORING MARITIME LAW THROUGH CASE STUDIES

Several prominent Indian companies have successfully navigated the complex maritime legal landscape by ensuring compliance with national and international regulations. By adhering to maritime laws, these companies have minimized risks, gained competitive advantages in the global market and maintained a strong reputation for sustainability and compliance. Here are few recent case laws that demonstrate the significance of the role of a Company Secretary during the implementation of maritime law by Indian companies.

1. **The Shipping Corporation of India Ltd. v. Union of India (2019)**

Case Summary: The Shipping Corporation of India (SCI) faced penalties imposed by the Union of India for failing to comply with maritime safety regulations. The penalties stemmed from issues related to vessel certification, crew training, and non-compliance with international maritime conventions such as the Safety of Life at Sea (SOLAS) convention. SCI's management had to take immediate steps to avoid further financial losses. The Company Secretary (CS) played a pivotal role by ensuring that SCI's operations aligned with both Indian maritime laws and international standards. The CS worked to navigate the legal requirements and liaised with the government and regulatory authorities to reduce the imposed penalties.

2. **The Essar Shipping Ltd. v. Directorate General of Shipping (2020)**

Case Summary: Essar Shipping Ltd. encountered a legal dispute regarding the validity of licenses issued for operating vessels under the Indian flag. The company faced allegations of discrepancies in documentation and failure to comply with environmental regulations concerning ballast water management. These issues led to the suspension of certain licenses and created operational disruptions. The Company Secretary (CS) was instrumental in ensuring the company's corporate records were accurate and up-to-date. The CS worked closely with the Directorate General of Shipping (DGS) to resolve discrepancies in the registration process, ensuring full compliance with international standards like the International Maritime Organization (IMO) regulations.

3. **The Adani Ports and Special Economic Zone Ltd. v. Government of India (2021)**

Case Summary: Adani Ports was involved in a case related to the implementation of new environmental standards that required significant changes to port operations, including waste management and emissions control. The Government of India introduced stricter environmental regulations under the Environmental Protection Act (EPA), which impacted the company's operations. The Company Secretary (CS) played a critical role in ensuring that the company adhered to these new standards, liaising with both government officials and environmental bodies. The CS facilitated the process of obtaining the necessary environmental clearances and permits to ensure that operations continued smoothly.

4. **The Hindustan Shipyard Ltd. v. Ministry of Defence (2022)**

Case Summary: Hindustan Shipyard Ltd. was involved in a legal matter concerning the construction of naval

ships for the Indian Ministry of Defence. The dispute arose due to delays in meeting the strict defense procurement regulations, particularly relating to adherence to maritime safety standards, as well as procurement guidelines for defense contracts. The Company Secretary (CS) was crucial in ensuring that all legal requirements were met, including compliance with government procurement policies and maritime safety regulations. The CS worked with the Ministry of Defence to resolve issues and ensure that Hindustan Shipyard adhered to all necessary protocols.

5. **The Mumbai Port Trust v. International Maritime Limited (2020)**

Case Summary: The Mumbai Port Trust was involved in a legal dispute with International Maritime Limited, regarding the breach of port access agreements. International Maritime claimed that Mumbai Port Trust had failed to honor the terms of their port access agreements, while Mumbai Port Trust argued that the breach was due to non-compliance with international maritime laws by the other party. The Company Secretary (CS) played a crucial role in reviewing contractual obligations, ensuring that Mumbai Port Trust's operations were in full compliance with both international maritime law and national port regulations.

6. **The JM Baxi Group v. Ministry of Ports, Shipping, and Waterways (2021)**

Case Summary: The JM Baxi Group faced significant challenges in the development of a port terminal due to regulatory hurdles imposed by the Ministry of Ports, Shipping, and Waterways. These legal hurdles included delays in obtaining necessary permits and environmental clearance, which threatened the timely completion of the terminal project. The Company Secretary (CS) played a vital role in ensuring that all legal frameworks governing port construction were reviewed and adhered to. The CS liaised with the Ministry to expedite the approval process and ensured compliance with environmental and construction laws.

7. **The Kochi Shipyard Ltd. v. National Green Tribunal (2021)**

Case Summary: Kochi Shipyard Ltd. was challenged by the National Green Tribunal (NGT) for failing to comply with environmental regulations during its shipbuilding activities. The allegations focused on violations of the Coastal Regulation Zone (CRZ) norms and inadequate waste management practices. The Company Secretary (CS) worked to ensure the company complied with environmental laws and took corrective actions, including submitting additional documentation to the NGT and modifying certain operational processes to align with sustainability standards.

8. **The GAIL (India) Limited v. Indian Coast Guard (2022)**

Case Summary: GAIL (India) Limited was challenged by the Indian Coast Guard over safety issues related to its floating storage units (FSUs) in Indian waters. The Indian Coast Guard raised concerns about the company's adherence to the SOLAS (Safety of Life at Sea) regulations, specifically concerning fire safety, structural integrity, and emergency evacuation procedures. The Company Secretary (CS) played a significant role in reviewing safety compliance records, coordinating with the Coast Guard, and implementing necessary corrective actions to meet the regulatory requirements.

9. **The Great Eastern Shipping Company Ltd. v. Directorate of Revenue Intelligence (2021)**

Case Summary: The Great Eastern Shipping Company faced a complex investigation by the Directorate of Revenue Intelligence (DRI), which accused the company of violating customs laws regarding import-export regulations. The allegations concerned improper documentation for ships operating under the company's name, potentially leading to significant penalties and operational disruption. The Company Secretary (CS) was crucial in managing the internal documentation process and ensuring that all required documents, including customs declarations and bills of lading, were accurate and submitted to the DRI.

10. **The Dredging Corporation of India Ltd. v. Ministry of Shipping (2020)**

Case Summary: The Dredging Corporation of India faced several challenges in securing dredging contracts for maintaining key ports in India due to procedural delays and bureaucratic inefficiencies. The company's operations were delayed by issues surrounding the approval process for dredging contracts, which involved obtaining clearances from the Ministry of Shipping. The Company Secretary (CS) played a vital role in ensuring that the company's documentation was in order and that it adhered to relevant maritime and contractual laws. The CS liaised with the Ministry of Shipping to expedite the contract approval process and ensured compliance with all tendering procedures.

SIGNIFICANCE OF COMPANY SECRETARY (CS) IN MARITIME CASES

The role of the Company Secretary (CS) in maritime disputes and regulatory matters is vital in ensuring that companies comply with complex maritime laws, international conventions, and national regulations. In all the cases outlined above, the CS acted as a key advisor, guiding the company through legal, regulatory and operational challenges. The CS was responsible for maintaining corporate governance, ensuring the

accuracy of documentation, managing communication with regulatory authorities and advising on the legal implications of various actions. Whether addressing issues related to safety, environmental compliance, licensing, or contractual obligations, the CS played a crucial role in mitigating risks, resolving disputes and ensuring that the company's operations were aligned with maritime and environmental standards. The CS's proactive and strategic involvement significantly minimized legal challenges and facilitated smooth operations for the companies involved in these cases.

CONCLUSION

Putting all together, Maritime laws are vital in governing operations in India's growing maritime industry. Company Secretaries, as custodians of compliance and governance, are key to ensuring companies adhere to these regulations. Their expertise in legal matters helps to navigate the complexities of maritime law, mitigating risks, ensuring safety and driving sustainable growth in the industry.

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Empowering Governance, Securing Data: The Evolving Role of Company Secretaries in Data Privacy and Cybersecurity

In this digital age, sensitive information is being collected, stored and shared across digital platforms, which has posed a risk to businesses' security and reputation. The article throws light on how the regulations such as the European Union's General Data Protection Regulation (GDPR), the California Consumer Privacy Act (CCPA), and India's Personal Data Protection Act are reshaping how organizations handle, process and store personal data and the expanding role of Company Secretaries in advising on organisations data protection policies and ensuring the protection of sensitive information.



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INTRODUCTION

Opportunities for Company Secretaries: Exploring the Unexplored

In today's digital age, organizations face an ever-growing array of challenges in data privacy, cybersecurity, and regulatory compliance. The shift towards a more interconnected and data-driven economy has brought about a surge in cyberattacks, data breaches, and a complex patchwork of privacy regulations that businesses must navigate. With sensitive information being collected, stored and shared across digital platforms, the risk to businesses' security and reputation is higher than ever. These challenges are further compounded by the evolving nature of cybersecurity threats, such as phishing attacks, ransomware and other sophisticated hacking methods, which can have devastating consequences for businesses and their stakeholders.

Against this backdrop, Company Secretaries are uniquely positioned to play an integral role in helping organizations address these issues. Traditionally, the role of a Company Secretary has been confined to corporate governance, ensuring compliance with regulatory requirements, and providing strategic guidance to senior management

and the Board of Directors. However, as data protection and cybersecurity become key concerns at the Board level, there is a growing need for Company Secretaries to expand their expertise into these critical areas. With their deep understanding of legal frameworks, governance structures, and compliance standards, they are well-placed to lead their organizations in navigating the complexities of data protection laws and cybersecurity risks.

Company Secretaries can offer valuable advisory support by ensuring that data protection policies are in place, assisting in risk management and incident response strategies and helping to align organizational practices with evolving global privacy regulations such as the GDPR and CCPA. By playing an active role in these areas, they not only protect the organization from regulatory fines and reputational damage but also position themselves as indispensable strategic advisors in a rapidly evolving digital landscape.

To summarise, the expanding scope of data privacy and cybersecurity presents a significant professional opportunity for Company Secretaries, allowing them to broaden their roles, contribute more strategically to the business and enhance their value within their organizations.



THE GROWING NEED FOR DATA PRIVACY AND CYBERSECURITY EXPERTISE

In today's rapidly evolving digital landscape, data privacy and cybersecurity have become paramount concerns for businesses worldwide. The increasing reliance on digital technologies to streamline operations, enhance productivity and enable innovation has created immense opportunities. However, this transformation also exposes organizations to heightened risks, especially as cyberattacks and data breaches grow more frequent and sophisticated. From ransomware attacks to phishing schemes, cybercriminals are targeting businesses of all sizes and the consequences of such breaches—ranging from financial losses to reputational damage—can be devastating.

Compounding these risks is the growing global emphasis on data protection, which has led to the introduction of stringent privacy regulations. Regulations such as the European Union's General Data Protection Regulation (GDPR), the California Consumer Privacy Act (CCPA), and India's Personal Data Protection Act are reshaping how organizations handle, process and store personal data. These regulations not only impose significant penalties for non-compliance but also require businesses to implement robust data security measures to safeguard sensitive information. Companies must adopt a proactive and comprehensive approach to data privacy, ensuring that both technological safeguards and operational processes are in place to mitigate risks and protect customer trust.

While the technical side of data privacy and cybersecurity is primarily managed by IT departments Company Secretaries are increasingly at the forefront of managing the governance, compliance and legal aspects of these challenges. Company Secretaries are tasked with ensuring that organizations meet regulatory requirements and follow best practices for data protection. This expanding role allows them to contribute significantly in shaping strategic decisions around cybersecurity policies, advising senior management and boards on compliance, and steering organizations through the complexities of evolving data protection laws. As data privacy and cybersecurity continue to be vital issues for business continuity, company secretaries have a unique opportunity to become key drivers in their organizations' risk management strategies.

THE EVOLVING ROLE OF COMPANY SECRETARIES

Historically, Company Secretaries were primarily viewed as guardians of corporate governance and compliance. Their duties encompassed a range of administrative and legal responsibilities, including organizing board meetings,

maintaining shareholder relations, ensuring the company adhered to statutory and regulatory requirements, and filing corporate documents. Their role focused on overseeing the smooth functioning of corporate governance, ensuring that the organization was in compliance with applicable laws, and advising the board on governance matters.

However, the rapidly evolving landscape of data privacy and cybersecurity has significantly transformed the role of the Company Secretary. With the increasing integration of digital technologies into business operations and the rise in cyber threats, the role now extends far beyond traditional compliance duties. Today, Company Secretaries are expected to possess a deep understanding of complex data protection regulations such as the General Data Protection Regulation (GDPR), the California Consumer Privacy Act (CCPA), and other privacy laws that have become global standards. They are also required to have knowledge of cybersecurity frameworks and risk management strategies that help safeguard organizations against potential data breaches, cyberattacks, and other online security risks.

With the digital age transforming the way businesses operate, company secretaries are now the frontline guardians of data privacy and cybersecurity, bridging the gap between governance, compliance, and innovation to safeguard both company reputation and stakeholder trust.

This evolving responsibility places Company Secretaries at the heart of their organizations' strategic decision-making processes, allowing them to play an instrumental role in managing data privacy and cybersecurity risks. As they are often the primary liaison between the Board, senior management, and external stakeholders, Company Secretaries are uniquely positioned to ensure that the organization is not only compliant with privacy laws but also equipped to respond to emerging cybersecurity threats.

To fully capitalize on these opportunities, Company Secretaries must adapt by enhancing their expertise in areas such as data protection laws, cybersecurity threats, risk management and crisis response. By expanding their skillsets in these critical areas, Company Secretaries can position themselves as key advisors who guide their organizations through the complexities of the digital landscape, ultimately strengthening the organization's resilience and governance framework.



KEY AREAS OF OPPORTUNITY FOR COMPANY SECRETARIES IN DATA PRIVACY AND CYBERSECURITY



1. Regulatory Compliance Advisory

One of the most pressing areas where Company Secretaries can make a significant impact is in advising organizations on regulatory compliance. The rapid evolution of global data privacy regulations has created an increasingly complex legal landscape for organizations to navigate. Regulations like the GDPR, CCPA, and others impose strict requirements on how companies handle and protect personal data, and non-compliance can result in severe penalties and reputational damage.

Company Secretaries, with their expertise in legal and governance matters, are well-positioned to guide organizations through these complexities. By staying updated on the latest regulatory changes and trends, company secretaries can provide valuable insights to senior management and the Board, ensuring that the organization remains compliant with applicable data privacy laws.

In addition, Company Secretaries can lead the development of data protection policies, conduct Privacy Impact Assessments (PIAs) and assist in data protection audits. By closely monitoring the regulatory landscape, they can proactively inform management about changes in the law and advise them on how to adapt company policies and processes to stay ahead of potential compliance risks.

2. Cybersecurity Risk Management

Cybersecurity is an ongoing concern for businesses of all sizes, with cyberattacks becoming more frequent and sophisticated. Company Secretaries can play a vital role in helping their organizations manage cybersecurity risks by providing strategic advice on how to integrate cybersecurity into the broader risk management framework.

Some of the key areas where Company Secretaries can contribute include:

- **Risk Identification:** By working with IT and cybersecurity teams, Company Secretaries can help in identify potential vulnerabilities within

the organization's systems, operations and infrastructure.

- **Strategic Planning:** Company Secretaries can advise the Board on integrating cybersecurity strategies into the company's overall risk management framework, ensuring that cybersecurity risks are properly assessed and mitigated.
- **Policy Development:** They can also contribute to the development of comprehensive cybersecurity policies, including incident response plans, disaster recovery protocols and business continuity strategies.
- **Resource Allocation:** In their advisory role, Company Secretaries can recommend the allocation of resources for cybersecurity initiatives, helping secure the necessary investments to protect the organization from evolving threats.

3. Data Protection Officer (DPO) Role

Under regulations like the GDPR, organizations are often required to appoint a Data Protection Officer (DPO). Given their expertise in legal compliance and governance, Company Secretaries are particularly suited to take on the DPO role. In this capacity, they can oversee all aspects of data privacy within the organization and ensure compliance with data protection laws.

Key responsibilities of a DPO include:

- Monitoring data processing activities to ensure that personal data is being handled in accordance with privacy laws.
- Conducting regular staff training on privacy and data protection best practices.
- Responding to data subject requests, such as requests for access to personal data.
- Managing data breach notifications and ensuring that the company adheres to legal requirements in the event of a breach.

In the role of DPO, Company Secretaries can leverage their deep understanding of legal frameworks and governance structures to ensure that data protection practices are implemented effectively across the organization.

4. Employee Training and Awareness

A crucial component of any data privacy and cybersecurity strategy is employee training and awareness. Since human error is often a significant factor in data breaches and security incidents, Company Secretaries can help in design and implement training programs to ensure that employees understand their responsibilities and are equipped to handle data securely.



Training programs can cover a range of topics, such as:

- Recognizing phishing attacks and other common cybersecurity threats.
- Understanding the importance of using strong passwords and multi-factor authentication.
- Safeguarding sensitive data through secure sharing practices.
- Ethical handling of customer information and compliance with privacy laws.

By fostering a culture of data security and privacy awareness, Company Secretaries can significantly reduce the likelihood of data breaches caused by human error, while strengthening the organization's overall cybersecurity posture.

5. Strategic Board Advisory

As data privacy and cybersecurity become critical issues at the Board level, Company Secretaries have the opportunity to position themselves as trusted advisors to the Board. They can play a key role in helping Boards understand the latest developments in privacy law and cybersecurity and provide guidance on how to fulfil their governance responsibilities related to data protection.

Company Secretaries can assist in the development of data security and privacy policies, ensuring that

these policies align with the company's overall risk management framework. They can also facilitate discussions between the Board and senior management on data protection issues, helping the Board make informed decisions about data governance and security.

By taking an active role in these discussions, Company Secretaries can elevate the organization's approach to data privacy and cybersecurity, helping to strengthen governance practices and enhance the organization's ability to respond to emerging risks.

6. Incident Response and Crisis Management

In the event of a data breach or cyberattack, company secretaries play a crucial role in managing the legal, operational and reputational aspects of the crisis. Their expertise in governance and compliance ensures that the organization handles the situation in a way that minimizes legal and financial risks.

Company Secretaries can help in coordinate the internal response to a breach, liaise with regulatory authorities, and oversee the preparation of notifications to affected individuals. They are also responsible for ensuring that the organization's response is in line with legal obligations and best practices, while protecting the company's reputation and ensuring that it recovers swiftly from the incident.

7. Corporate Governance and Risk Oversight

As part of their expanded role, Company Secretaries can help in strengthen the organization's overall approach to corporate governance and risk oversight. They can assist in integrating data privacy and cybersecurity into the company's risk management framework, ensuring that these issues are properly addressed at the Board level and incorporated into the organization's long-term strategy.

Company Secretaries can also ensure that data privacy and cybersecurity risks are reflected in the company's risk register, business continuity plans, and internal controls. By enhancing the organization's governance practices in these areas, Company Secretaries can help the company to navigate the complex and rapidly changing landscape of data protection and cybersecurity.

BUILDING THE NECESSARY COMPETENCIES

To fully capitalize on these opportunities, Company Secretaries must enhance their competencies in several key areas:

- **Knowledge of Data Privacy Laws:** Company Secretaries must have a solid understanding of global data privacy regulations, such as the GDPR and CCPA, as well as local data protection frameworks. Keeping up with changes in data privacy laws and industry standards is essential.
- **Cybersecurity Awareness:** While company secretaries do not need to be technical experts, they should have a foundational understanding of common cybersecurity threats and risks, such as phishing, malware and ransomware. Familiarity with cybersecurity frameworks such as ISO 27001 or NIST will also be valuable.
- **Risk Management Skills:** Company Secretaries should be adept at assessing and managing risks related to data privacy and cybersecurity, balancing legal, business and operational perspectives.
- **Collaboration and Communication Skills:** Effective collaboration with IT, legal, compliance and risk management teams is essential. Company Secretaries must be able to communicate complex data privacy and cybersecurity risks clearly to Boards and senior management.

CONCLUSION

As organizations increasingly recognize the critical importance of data privacy and cybersecurity, the role of the Company Secretary has evolved to become more integral to business strategy and operations. Traditionally, Company Secretaries were responsible for ensuring corporate governance and compliance with legal requirements. However, the rapid pace of technological advancements and the growing risks associated with data breaches and cyberattacks have significantly expanded

their responsibilities. Today, Company Secretaries must play a central role in navigating the complexities of data protection laws, cybersecurity frameworks and risk management strategies.

By enhancing their expertise in these areas, Company Secretaries can help their organizations stay ahead of evolving regulatory requirements and protect sensitive data from cyber threats. As businesses face mounting pressure to comply with regulations such as the GDPR, CCPA, and other data privacy laws, Company Secretaries can provide invaluable guidance to senior management and Boards in ensuring compliance and mitigating the risks associated with data handling and security. Furthermore, with the rising incidence of cyberattacks targeting businesses globally, Company Secretaries are increasingly expected to take on leadership roles in developing and overseeing cybersecurity policies, preparing for crisis situations and ensuring that effective response strategies are in place.

This expanded role not only enhances the strategic value of Company Secretaries but also opens up new and exciting career opportunities in one of the most rapidly growing fields in modern business. The demand for professionals who can bridge the gap between governance, legal compliance and cybersecurity is at an all-time high. By building competencies in areas such as data privacy laws, cybersecurity threats and risk management, Company Secretaries can position themselves as key contributors to their organizations' long-term success.

As the future of business governance continues to become more digital, Company Secretaries are uniquely positioned to lead organizations through this transformation. Their ability to integrate data privacy and cybersecurity into the governance framework will be essential in ensuring that these critical areas are prioritized at every level of the organization, safeguarding both its assets and reputation in an increasingly interconnected world.

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Opportunities for Company Secretaries: Exploring the Unexplored in Start-up Compliance Advisors: Handholding New Ventures

Company Secretaries serve as an engine for inclusive growth in Start-ups and have fueled the Start-up ecosystem right from the early stages of advising on incorporation to setting up of the ventures. The article throws light on the role of company secretaries in advising entrepreneurs for incorporation and on various policy matters.



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INTRODUCTION

The function of a Company Secretary (CS) has undergone a remarkable transformation, expanding far beyond the conventional domains of corporate compliance and governance. While adherence to statutory regulations remains foundational, contemporary economic and regulatory dynamics have unlocked a plethora of avenues where Company Secretaries can exert significant influence. One such emerging frontier is **Start-up Compliance Advisory**, a domain wherein CS professionals can offer invaluable guidance to nascent ventures, ensuring their adherence to intricate regulatory frameworks while optimizing legal and operational efficiency.

This article systematically examines the underutilized potential of Company Secretaries, particularly in their role as **Start-up Compliance Advisors**. As Start-ups continue to be instrumental in fostering economic expansion, the imperative for robust regulatory adherence and strategic legal consultancy has intensified. Given their profound expertise in corporate legislation, governance structures and regulatory mandates, Company Secretaries are uniquely equipped to provide these indispensable services. Furthermore, their scope extends to risk mitigation, financial consultancy, contractual governance and liaison with regulatory bodies, positioning them as indispensable architects of the Start-up ecosystem.

THE EXPANDING ROLE OF COMPANY SECRETARIES

Traditionally, the responsibilities of a Company Secretary have been confined to corporate governance, statutory compliance and company law administration. However, governmental initiatives such as **Make in India, Start-up India and Digital India** have precipitated an expansion of this role, encompassing strategic and advisory capacities.

In the present landscape, a Company Secretary functions as a **strategic facilitator**, ensuring operational continuity by identifying and mitigating legal and regulatory contingencies. Given the pivotal role of Start-ups in driving economic innovation, CS professionals find themselves uniquely positioned to assist these enterprises in navigating their compliance obligations. Beyond the scope of statutory adherence, Company Secretaries can facilitate structural business scalability, enhance investor confidence and establish robust legal frameworks that pre-emptively mitigate operational vulnerabilities.

START-UP COMPLIANCE ADVISORY: A CRUCIAL DOMAIN

Start-ups, inherently driven by innovation and rapid growth, frequently lack the regulatory acumen required to ensure full compliance with the law. This creates a critical need for **Company Secretaries to act as compliance strategists**, ensuring that businesses align with statutory requirements while maintaining their operational focus. The increasing complexity of regulatory mechanisms governing business operations in India further underscores the importance of this advisory role.

KEY COMPLIANCE DOMAINS FOR START-UPS

1. Business Formation and Structuring

- ♦ Evaluating and advising on the optimal legal structure (Private Limited Company, LLP, Sole Proprietorship, or Partnership).
- ♦ Facilitating incorporation and registration with the Ministry of Corporate Affairs and other statutory bodies.

- ♦ Drafting and structuring foundational legal documents, including Memorandum of Association (MoA) and Articles of Association (AoA).
- ♦ Establishing shareholding patterns, governance mechanisms and founders' agreements.
- ♦ Procuring sector-specific regulatory approvals.

2. Registrations and Licensing

- ♦ Coordinating PAN, TAN and GST registrations.
- ♦ Enabling eligibility and application under the Start-up India initiative.
- ♦ Ensuring MSME registration for preferential policy advantages.
- ♦ Securing Import-Export Code (IEC) for businesses engaging in cross-border trade.
- ♦ Facilitating specialized licenses such as FSSAI (food industry), RBI approvals (NBFCs) and SEBI clearances (investment funds).

3. Regulatory Compliance Management

- ♦ Ensuring adherence to the Companies Act, 2013.
- ♦ Filing of annual returns, board resolutions and financial disclosures.
- ♦ Managing statutory meetings, corporate minutes and governance policies.
- ♦ Advising on labour regulations, environmental norms and sector-specific compliance mandates.
- ♦ Assisting Start-ups pursuing public funding with SEBI-mandated disclosures.

In addition to regular compliance in Start-ups, Company Secretaries can offer their advisory services in Start-ups such as Fintech, E-commerce & Digital Platforms, Healthcare & Pharmaceuticals, Edtech & Online Learning, Blockchain & AI Enterprises that require specialized regulatory insights.

4. Intellectual Property Rights (IPR) Protection

- ♦ Facilitating Trademark, Copyright and Patent registrations.
- ♦ Crafting intellectual property strategies for proprietary technology and branding security.
- ♦ Advising on licensing agreements, IP valuation, and infringement protection.

5. Funding and Investment Compliance

- ♦ Structuring compliance frameworks for various investment models (Angel Investment, Venture Capital, Private Equity, etc.).
- ♦ Ensuring adherence to FEMA and FDI regulations.

- ♦ Drafting and negotiating investment agreements, shareholder pacts, and convertible instruments.
- ♦ Securing requisite approvals for foreign investment inflows and fund repatriation.

6. Contractual Governance

- ♦ Drafting and executing legally binding agreements, including vendor contracts, employment agreements and NDAs.
- ♦ Structuring enforceable clauses for partnership arrangements, service contracts and franchising arrangements.
- ♦ Overseeing contractual risk assessment and dispute mitigation.

7. Corporate Governance and Ethical Compliance

- ♦ Establishing governance policies to reinforce ethical business practices.
- ♦ Integrating Corporate Social Responsibility (CSR) frameworks.
- ♦ Advising on risk assessment, Anti-Money Laundering (AML) compliance, and corruption-prevention mechanisms.
- ♦ Ensuring transparency and accountability in stakeholder engagements.

8. Exit Strategies and Business Dissolution

- ♦ Structuring exit mechanisms, including mergers, acquisitions and IPO strategies.
- ♦ Advising on insolvency and bankruptcy proceedings in compliance with the Insolvency and Bankruptcy Code (IBC).
- ♦ Conducting legal due diligence for business acquisitions and equity transitions.

SIGNIFICANCE OF COMPANY SECRETARIES IN START-UPS

Start-ups often encounter compliance difficulties due to resource constraints and regulatory unawareness. The integration of a **Company Secretary as a compliance advisor** offers the following benefits:

- Mitigation of legal liabilities and financial penalties.
- Enhancement of investor confidence through transparent governance.
- Facilitation of structured business expansion and scalability.

- Strengthening of corporate governance mechanisms.
- Strategic guidance on tax optimization, regulatory audits, and global market entry strategies.

EMERGING SECTORS WITH HIGH COMPLIANCE DEMAND

While all Start-ups necessitate compliance advisory, the following industries demand specialized regulatory insights:

- **Fintech Start-ups:** The evolving business landscape presents numerous opportunities for Company Secretaries (CS) beyond traditional corporate compliance roles, particularly in emerging sectors such as fintech Start-ups. With the rapid growth of financial technology, regulatory complexities are increasing, creating a demand for professionals who can ensure legal compliance, corporate governance, and risk management. Company Secretaries can play a crucial role in guiding fintech firms through regulatory frameworks like RBI guidelines, data protection laws and Anti-Money Laundering regulations. Additionally, they can assist in structuring business models, drafting agreements, securing intellectual property rights and facilitating fundraising through private equity and venture capital. Other unexplored areas include advisory roles in ESG (Environmental, Social and Governance) compliance, regulatory technology (RegTech), digital lending policies, and cryptocurrency regulations. By leveraging their expertise, Company Secretaries can position themselves as strategic advisors in the fintech ecosystem, ensuring sustainable business growth while maintaining regulatory integrity.
- **E-commerce & Digital Platforms:** The role of Company Secretaries (CS) is rapidly evolving, presenting numerous unexplored opportunities, particularly in emerging sectors like e-commerce and digital platforms. With the exponential growth of online businesses, regulatory compliance, data protection, and governance have become critical concerns, creating a strong demand for CS professionals. They can assist e-commerce firms in adhering to corporate laws, handling intellectual property rights, ensuring compliance with the Information Technology Act and managing consumer protection regulations. Additionally, digital platforms require expertise in drafting policies, structuring contracts and ensuring adherence to evolving fintech and cyber security laws. The increasing focus on ESG (Environmental, Social and Governance) compliance further expands opportunities for CS professionals to guide businesses in sustainable corporate governance. By leveraging their expertise in regulatory frameworks and corporate governance, Company Secretaries can carve a niche in these rapidly growing domains, offering strategic advisory services and ensuring legal compliance in the dynamic digital ecosystem.
- **Healthcare & Pharmaceuticals:** Company Secretaries (CS) have numerous opportunities to explore beyond traditional corporate governance roles, particularly in emerging sectors like healthcare and pharmaceuticals. With the rapid growth of the healthcare and pharmaceutical industries, the need for compliance with regulatory frameworks, intellectual property protection, corporate governance and ethical business practices is more critical than ever. A CS can play a crucial role in ensuring adherence to the various regulations set by bodies like the Drugs Controller General of India (DCGI) and the Central Drugs Standard Control Organization (CDSCO), while also advising on mergers, acquisitions, and collaborations. Furthermore, as healthcare companies expand globally, the expertise of CS professionals in cross-border compliance and corporate structuring becomes essential. Their involvement can also extend to managing complex financial structures, handling joint ventures, and ensuring transparency in clinical trials and research ethics, providing a unique opportunity to tap into this rapidly expanding and highly regulated sector.
- **Edtech & Online Learning:** Company Secretaries (CS) have a unique opportunity to expand their role in the evolving sectors of EdTech and online learning. As education increasingly moves online, CS professionals can offer services related to corporate governance, compliance and legal advisory for EdTech Start-ups and established platforms. These platforms often need guidance on data privacy laws, intellectual property, and corporate structuring, areas where CS professionals can provide valuable expertise. Furthermore, with the rise of online learning for professional courses, CS professionals can contribute by offering specialized training programs for aspiring Company Secretaries or other corporate professionals. This creates a dual opportunity—supporting EdTech companies in legal compliance and contributing to the growth of the industry by sharing knowledge and skills with learners globally.
- **Blockchain & AI Enterprises:** The role of Company Secretaries (CS) is evolving with the rise of emerging technologies, presenting significant opportunities in unexplored areas like Blockchain and AI Enterprises. Blockchain technology, with its decentralized and secure framework, is gaining traction across various industries and CS professionals can play a crucial role in ensuring compliance, managing corporate governance and overseeing regulatory adherence in blockchain based transactions and smart contracts. Similarly, AI enterprises, with their growing reliance on data-driven decision-making and automation, offer new avenues for CS professionals to engage in areas like data privacy, cyber security and ethical governance. The evolving regulatory landscape around AI and Blockchain also presents an opportunity for CS to provide advisory services; ensuring organizations stay compliant with evolving laws and industry standards.



By staying ahead of these technological trends, Company Secretaries can position themselves as key enablers in the future of business governance.

EXPANDING THE CS ROLE IN START-UPS

The role of Company Secretaries (CS) in Start-ups is increasingly gaining importance, as Start-ups face growing regulatory requirements and need sound corporate governance to scale effectively. Here's a potential future trajectory for expanding the CS role in Start-ups:

1. Advisory in Corporate Governance

- **Strategic Guidance:** Start-ups often lack a structured governance framework in their early stages. A CS can provide crucial advice on best practices in corporate governance, ensuring compliance with statutory requirements, and establishing internal controls.
- **Board Governance:** Helping Start-ups set up an effective board structure, ensuring transparency and drafting board resolutions.

2. Regulatory Compliance and Risk Management

- **Corporate Compliance:** Start-ups need to be aware of various regulations from multiple agencies, including the Ministry of Corporate Affairs, Securities and Exchange Board of India (SEBI), and the Income Tax Department. A CS can ensure timely compliance with company laws, tax regulations and other statutory requirements.
- **Risk Mitigation:** Guiding on business risk management practices and compliance risks, which is

crucial for Start-ups in navigating complex regulations as they grow.

3. Funding and Valuation

- **Private Equity and Venture Capital:** Start-ups often raise funds from private investors, and a CS can be involved in drafting and negotiating shareholder agreements, ensuring compliance with securities laws and managing investor relations.
- **Valuation and Due Diligence:** A CS with a Registered Valuer qualification can assist Start-ups during funding rounds, valuation exercises and due diligence processes, ensuring fairness and transparency.

4. Intellectual Property (IP) and Contracts

- **IP Protection:** Helping Start-ups protect their intellectual property through appropriate legal structures and contracts.
- **Contract Management:** Drafting, reviewing, and ensuring compliance with contracts, such as partnerships, vendor agreements, and employee contracts.

ESG (ENVIRONMENTAL, SOCIAL AND GOVERNANCE) ADVISORY

As Start-ups scale, they face increasing pressure from investors and the public to implement sustainability and social responsibility practices. A CS can assist with setting up ESG frameworks, ensuring compliance with sustainability regulations, and reporting on ESG metrics.

MERGERS AND ACQUISITIONS (M&A)

Transaction Support: Start-ups often look to scale via mergers, acquisitions, or joint ventures. A CS can manage the legal processes, due diligence, and documentation during such transactions.

EXIT STRATEGIES AND IPO READINESS

- **Exit Planning:** Advising Start-ups on exit strategies like selling to a larger company, Initial Public Offerings (IPOs), or mergers.
- **IPO Guidance:** Preparing Start-ups for IPOs, ensuring compliance with the Securities Exchange Board of India (SEBI) regulations and assisting with financial disclosures.
- **Automation and AI in Compliance:** Start-ups are tech-savvy and can benefit from automating compliance tasks. A CS can help integrate AI and compliance software tools to streamline regulatory reporting and governance.
- **Networking with Investors and Advisors:** Start-ups benefit from the networking opportunities that a CS can provide, especially in connecting with investors, legal advisors, and industry experts.
- **Structuring and Tax Optimization:** As Start-ups scale, they face challenges in structuring the organization for tax efficiency. A CS can assist with tax planning and structuring the company's expansion, including the integration of subsidiaries or joint ventures.

CHALLENGES IN START-UP COMPLIANCE ADVISORY

Despite the substantial opportunities, several challenges persist:

- **Building Trust:** As a new practice, gaining the trust of potential clients can be challenging.
- **Networking:** A Company Secretary needs to expand their network significantly, often relying on referrals or introductions from other professionals.
- **Established Firms:** Competing with larger firms may have more established reputations, experienced staff, and a broader range of services.
- **Pricing Pressure:** To compete with established firms, you may face pressure to offer lower prices, which could undermine profitability and lead to burnout.
- **Compliance Changes:** Regulations and laws, can change frequently, which requires constant learning and keeping up to date with compliance.
- **Regulatory Burdens:** Navigating the labyrinth of statutory requirements and ensuring clients remain compliant can be a heavy responsibility, particularly with new businesses that may be unaware of all the regulations they must follow.

- **Resource Management:** Managing the workflow, deadlines, and client expectations can be overwhelming, especially when the team is small or just starting.
- **Administrative Load:** As the sole practitioner or a small team, handling the administrative side of the business (billing, legal documentation, etc.) can take time away from actual advisory work.
- **Establishing Credibility:** When starting out, establishing credibility is very crucial since you may not have enough past work/projects that showcase your abilities.
- **Client Testimonials:** It takes time to accumulate positive reviews or case studies, which are important for gaining future clients.
- **Liability Exposure:** Being the primary advisor on compliance matters means that any oversight can lead to significant legal and financial risks.
- **Cost Management:** Managing operational costs while maintaining competitive pricing can be a balancing act, especially when there's limited capital at the start.
- **Investment in Tools:** Investing in technology for document management, legal research, and compliance tracking can be expensive.
- **Staying Updated:** As the financial and legal landscapes evolve, staying up-to-date on software and tools for compliance management is essential but can also be costly.
- **Balancing Multiple Clients:** Juggling multiple clients with different requirements can be a challenge, especially if they're at different stages of their business lifecycle.
- **Personal Time vs. Workload:** As a Start-up, you might find yourself working long hours, which can affect your work-life balance.

CONCLUSION

The Indian Start-up ecosystem is undergoing unprecedented expansion and the regulatory landscape is becoming increasingly sophisticated. By positioning themselves as **compliance architects and strategic advisors**, Company Secretaries can leverage these **unexplored opportunities** to establish themselves as indispensable enablers of entrepreneurial success.

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Sustainable Practices: Integrating Ethical Responsibility into Daily Life and Professional Education

Sustainability efforts to survive in long-term should be viewed as a continuous commitment ingrained in our daily routines. The habits formed during childhood have a lasting impact. Therefore, instilling the values of sustainability from an early age is crucial. This article delves into the importance of integrating sustainability into daily practices and professional education, focusing on how the role of Company Secretaries can help steer businesses towards a sustainable future.



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INTRODUCTION

Sustainability has evolved from a noble ideal to an urgent global imperative. As the impact of climate change, resource depletion, and environmental degradation become increasingly evident, the need for sustainable practices in every sector of society has never been more urgent. The concept of sustainability now extends beyond environmental preservation to encompass social and economic dimensions, highlighting the interconnectedness of these elements in fostering long-term well-being for all. Ensuring a sustainable future requires more than just compliance with regulations or Corporate Social Responsibility initiatives; it necessitates a cultural shift that integrates sustainable practices into the daily lives of individuals and the professional ethos of organizations.

This paradigm shift calls for a transformation in how sustainability is taught and practiced across all levels of society. Educational institutions, beginning with early schooling, must instill the values of environmental stewardship, ethical responsibility and sustainable living. By integrating these principles into curricula, we can cultivate future generations who not only understand the importance of sustainability but are also equipped with the skills to implement it in various contexts. Professional education plays a critical role in this process, especially in fields where decision-making impacts the environment and society, such as business, law, and governance.

One such area where sustainability is gaining momentum is in the field of corporate governance, particularly within the Company Secretaries (CS) program. Company Secretaries are key players in ensuring that businesses operate with transparency, ethical integrity and a commitment to social and environmental responsibility. By embedding sustainability principles into the CS curriculum, future leaders are better prepared to guide organizations towards practices that align with the broader goals of sustainable development. This article delves into the importance of integrating sustainability into daily practices and professional education, focusing on how the role of Company Secretaries can help steer businesses towards a sustainable future.

SUSTAINABILITY AS A DAILY PRACTICE

Sustainability must be perceived not as an occasional effort but as a continuous commitment ingrained in our daily routines. From conserving energy and reducing waste to making informed consumption choices, individuals can significantly contribute to a sustainable future. The habits formed during childhood have a lasting impact; therefore, instilling the values of sustainability from an early age is crucial.

Educational institutions play a pivotal role in this regard. By incorporating sustainability into the school and college curricula, we can cultivate a generation that is not only aware of environmental challenges but also equipped with the skills and knowledge to address them. Practical activities such as recycling projects, energy conservation campaigns, and community service can reinforce theoretical knowledge and foster a culture of sustainability.

Moreover, incorporating technology and innovation in educational practices can further enhance the learning experience. For instance, using digital platforms to track and reduce carbon footprints can make sustainability tangible for students. Gamification of sustainability challenges can also engage students more effectively, making learning about environmental conservation both fun and impactful.

PRACTICAL DAILY ACTIONS

- **Reducing Plastic Use:** Simple actions such as using reusable bags, bottles, and containers can significantly reduce plastic waste.

- **Energy-Efficient Appliances:** Encouraging the use of energy-efficient appliances and switching to renewable energy sources at home can reduce carbon footprints.
- **Sustainable Fashion:** Supporting brands that prioritize sustainable practices in their supply chains can promote ethical consumption.

INTEGRATING SUSTAINABILITY INTO PROFESSIONAL EDUCATION

Professional education, particularly in fields like Company Secretaries, has a significant influence on shaping leaders who can drive ethical and sustainable business practices. The Institute of Company Secretaries of India (ICSI) has commendably included various sustainability-related topics in its current course.

REFLECTING SUSTAINABILITY IN THE CS CURRICULUM

The current CS curriculum covers critical aspects of sustainability, such as Environmental, Social and Governance-Principles and Practice, Company Law, Securities Laws, Setting up of Business, Industrial and Labour Laws etc. These topics provide a robust foundation for understanding the importance of sustainability in the corporate context.

ADVANCED EDUCATIONAL STRATEGIES FOR SUSTAINABILITY

As the global need for sustainable practices continues to rise, educational systems worldwide are stepping up to integrate sustainability into their curricula. Various countries have implemented innovative and effective educational strategies to not only raise awareness but also empower students with the skills and knowledge necessary to promote sustainability in their professional and personal lives.

GLOBAL EXAMPLES

Across the globe, several countries have successfully implemented educational programs that promote sustainability through diverse approaches. In Finland, for example, sustainability is woven into the national curriculum at all levels of education, from primary schools to universities. Finnish students are taught environmental ethics, climate change, and the importance of social responsibility, fostering a deep sense of ecological stewardship. Similarly, in Costa Rica, sustainability is a core component of the country's educational philosophy, with schools integrating nature-based learning, environmental research and the promotion of local, sustainable practices. These global examples demonstrate the power of education in cultivating a sustainable

mindset from a young age, ultimately contributing to the creation of future leaders who prioritize the environment.

DIGITAL TOOLS

Digital tools and platforms are becoming integral to modern primary educational strategies. Interactive apps, online courses, and virtual learning environments offer students dynamic, engaging ways to learn about sustainability. There are many digital platforms that provide information on climate change, sustainable development, and green business practices, often featuring experts in the field. Additionally, apps like "Ecosia," a search engine that plants trees for every search. By utilizing these digital tools, students are not only exposed to crucial sustainability concepts but can actively engage with the material, making the learning process both practical and enjoyable.

A new app "JouleBug," which helps organisations track and reduce their carbon footprint, turn sustainability into a fun and interactive learning experience.

COLLABORATIVE PROJECTS

One of the most powerful ways to enhance sustainability education is through collaborative, international projects. By working on global sustainability initiatives, students gain exposure to diverse environmental issues and solutions from different parts of the world. Programs like the United Nations' "Global Classroom" or "Eco-Schools" encourage students to participate in sustainability projects that span multiple countries, fostering a sense of global citizenship and shared responsibility. These collaborative

projects can include joint research on climate change, developing sustainable agriculture models, or even creating solutions to reduce plastic pollution. The cross-cultural exchange of ideas not only broaden students' perspectives but also builds essential skills in teamwork, leadership, and problem-solving, which are crucial for addressing complex global challenges.

Together, these advanced educational strategies—global examples, digital tools, and collaborative projects—provide a holistic approach to teaching sustainability. They inspire students to take ownership of their role in creating a more sustainable future, while equipping them with the knowledge and skills to make a meaningful impact. By incorporating these strategies into educational systems worldwide, we can nurture the next generation of sustainability leaders who are capable of tackling the pressing environmental challenges of our time.

BRIDGING GAPS IN THEORY AND PRACTICE

One of the significant challenges in sustainability education is ensuring that what is learned in theory is effectively applied in practice. This issue is addressed in the CS curriculum by introducing illustrations, case

Integration of Sustainability Principles into Curriculum is the responsibility of the education system for development of a Sustainable Future. Sustainability is gaining momentum in the field of corporate governance, particularly within the Company Secretaries (CS) program.

studies and elective papers. A multi-faceted approach, adopted by ICSI for the development of its students and members can provide a pathway for other educational institutions & organisations.

1. **Continuous Professional Development:** Offering continuous professional development (CPD) programs focusing on sustainability can help professionals in stay abreast of new practices and regulatory changes. These programs can also provide a refresher on how to integrate sustainability into daily operations.

CPD programs can include advanced courses on emerging topics such as green finance, sustainable supply chain management, and carbon accounting. These courses can be designed to cater to professionals at different career stages, ensuring relevance and applicability.

CPD programs should include real-world case studies and practical training to ensure professionals can implement sustainability initiatives effectively. Online learning platforms can provide accessible, up-to-date content on evolving sustainability trends and regulatory frameworks.

2. **Ethical Leadership Training:** Training programs focused on ethical leadership can empower professionals to lead by example. Ethical leaders are more likely to inspire their teams to adopt sustainable practices, creating a ripple effect throughout the organization.

Such training can cover areas like decision-making under ethical dilemmas, fostering a culture of integrity, and building stakeholder trust through transparency. Role-playing scenarios can be particularly effective in developing these skills.

3. **Corporate Culture and Policies:** Organizations must foster a culture that prioritizes sustainability. This can be achieved by embedding sustainable practices into corporate policies and ensuring that employees at all levels understand their role in achieving sustainability goals.

Developing comprehensive sustainability policies that address key areas such as resource efficiency, waste management, and social responsibility is crucial. These policies should be communicated effectively to all employees, with regular training sessions to ensure understanding and compliance.

THE ROLE OF COMPANY SECRETARIES IN PROMOTING SUSTAINABILITY

Company Secretaries occupy a unique position in the corporate hierarchy, acting as a bridge between the board of directors and various stakeholders. This role places them in an ideal position to advocate for and implement



sustainable practices. By leveraging their expertise in governance and compliance, Company Secretaries can ensure that sustainability is not just a buzzword but a core component of the organization's strategy.

1. **Policy Formulation and Implementation:** Company Secretaries can lead the development and implementation of sustainability policies. These policies should align with the Sustainable Development Goals (SDGs) and address key areas such as environmental conservation, social responsibility, and ethical governance.

By conducting regular policy reviews and incorporating stakeholder feedback, Company Secretaries can ensure that sustainability policies remain relevant and effective. They can also spearhead initiatives such as sustainability audits to assess and improve the organization's environmental and social performance.

2. **Stakeholder Engagement:** Engaging with stakeholders, including investors, employees, and customers, is crucial for the successful implementation of sustainability initiatives. Company Secretaries can facilitate this engagement, ensuring that all parties are aligned with the organization's sustainability objectives.

Stakeholder engagement can include activities such as sustainability forums, regular updates on sustainability initiatives, and collaborative projects with community organizations. These activities can help build strong relationships and foster a shared commitment to sustainability.

3. **Sustainability Reporting:** Transparent and accurate sustainability reporting is essential for building trust with stakeholders. Company Secretaries can oversee the preparation of these reports, ensuring compliance with national and international standards and showcasing the organization's commitment to sustainability.

High-quality sustainability reports should provide a comprehensive overview of the organization's Environmental, Social and Governance (ESG) performance. They should also include clear goals, progress updates and future plans, demonstrating a commitment to continuous improvement.

KEY GOVERNMENT POLICY INFLUENCE

Government policies and international agreements play a crucial role in shaping corporate sustainability practices. Policies such as carbon pricing, subsidies for renewable energy, and regulations on waste management can drive businesses towards more sustainable operations.

India's National Action Plan on Climate Change (NAPCC): A framework focusing on eight missions, including renewable energy, energy efficiency, and water conservation, to combat climate change.

- **Paris Agreement:** The Paris Agreement is a landmark international accord that aims to limit global warming to well below 2 degrees Celsius. By committing to this agreement, countries are required to implement national strategies for reducing carbon emissions, which in turn influences corporate practices.
- **National Policies:** Different countries have adopted various policies to promote sustainability. For example, the European Union's Green Deal aims to make Europe the first climate-neutral continent by 2050. Such policies provide a framework for businesses to align their operations with sustainability goals.
- **Corporate Environmental Responsibility (CER) Regulations:** Various governments' have introduced regulations requiring businesses to reduce carbon emissions and improve resource efficiency.
- **Sustainable Finance Policies:** Many countries are promoting green bonds and sustainable investment funds to channel financial resources into eco-friendly projects.

FUTURE TRENDS AND INNOVATIONS

Emerging technologies are poised to fundamentally transform business practices with a strong focus on sustainability. Artificial Intelligence (AI) is leading the way by enabling organizations to optimize energy consumption through predictive analytics. By assessing patterns in energy usage, AI can help businesses make data-driven decisions that reduce waste and maximize efficiency. Additionally, AI can anticipate maintenance requirements for machinery, preventing costly downtime and enhancing the longevity of equipment. Blockchain technology further contributes to sustainability efforts by offering a transparent and immutable system for tracking products along the supply chain. This ensures that businesses can guarantee ethical sourcing, verify environmental standards, and reduce fraud, fostering trust among consumers and stakeholders. The Internet of Things (IoT) is another game changer, with devices that can monitor energy consumption in real-time. IoT-enabled systems can adjust settings automatically, ensuring that energy is used only when needed and reducing waste. Smart grids powered by IoT are revolutionizing the distribution of renewable energy by managing electricity flow more efficiently. These grids

allow for better integration of renewable energy sources such as solar and wind, minimizing the reliance on non-renewable fossil fuels and contributing to cleaner energy usage. Together, these technologies hold the key to a more sustainable and eco-friendly future for businesses.

CONCLUSION

Sustainability is a shared responsibility that begins at the individual level and extends through various sectors, including educational institutions and professional domains. At the core of this collective effort is the recognition that every action, no matter how small, contributes to the broader goal of a sustainable future. By integrating sustainability into our daily lives, we can influence positive change that ripples across communities and industries. Educational institutions play a pivotal role in shaping the values and attitudes of students, empowering them with the knowledge and skills needed to tackle pressing environmental challenges. Professional education, such as that offered to Company Secretaries, is essential in creating a generation of leaders who not only understand the importance of sustainability but also embrace it as a core responsibility in their work.

The Company Secretaries curriculum, with its current emphasis on sustainability, lays a strong foundation for fostering an ethical and environmentally conscious mindset. By fostering a culture of sustainability in both education and professional practice, we can create a more just, equitable, and environmentally sound world. Through these collective efforts, we will leave future generations a planet that thrives economically, socially, and environmentally.

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Data Privacy & Cybersecurity: A Governance Imperative

Relating with the theme of ‘Sabka Vikas’, ‘Surakshit Vikas’, this article enumerates the significance of secure access to data in this digitalized world. Cybersecurity is a key concern and its implementation in organisations is not only the responsibility of IT professionals but also governance professionals like company secretaries.



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INTRODUCTION

“Privacy is not an option, and it shouldn’t be the price we accept for just getting on the Internet.” – Gary Kovacs

This year’s Union Budget, themed “Sabka Vikas” (everyone’s growth), emphasizes inclusive development. However, true inclusion in our increasingly digital economy requires not just access, but also secure access. “Surakshit Vikas” (secure growth) is therefore paramount. Without robust data protection and cybersecurity, the benefits of digitalization risk being undermined by fraud, data breaches, and a loss of trust, disproportionately impacting vulnerable populations. Recognizing this connection, the Ministry of Electronics and Information Technology (MeitY) has significantly increased funding for the Data Protection Board of India (DPBI), a 2.5-fold rise from previous allocations. Coupled with an 18% increase in the cybersecurity budget, this underscores the government’s commitment to bolstering the nation’s digital defenses. However, while these nationwide measures are essential, the ultimate responsibility also lies with corporations. Are businesses taking similarly proactive steps to integrate data privacy and cybersecurity into their core culture? In today’s interconnected world, this is no longer a discretionary initiative, but a mandatory one for survival and success.

The ancient wisdom of the Ramayana offers a striking parallel to the data privacy challenges we face today. Vibhishana’s act of revealing the secret of Ravana’s vulnerability—his *nabhi*—led to the fall of Lanka. This timeless story encapsulates the modern-day risks of

insider threats and information leaks. In the corporate landscape, a single breach—whether originating from a malicious insider, a sophisticated cyberattack, or simply poor data governance—can dismantle years of hard-won trust, jeopardize financial stability, and irrevocably damage corporate reputation. Just as Ravana’s mighty fortress could not protect him once his critical weakness were exposed, even the most technologically fortified organizations remain vulnerable if their data is not adequately secured. This raises a crucial question: Will businesses proactively safeguard their digital “Lanka,” or will they, like Ravana, succumb to their own internal and external vulnerabilities?

This article will delve into the multifaceted challenges corporations face in ensuring data privacy and combating the ever-evolving landscape of cyber threats. Furthermore, it will highlight the pivotal and increasingly important role of the company secretary in strengthening data governance frameworks, fostering a culture of regulatory compliance, and ultimately safeguarding the organization’s digital future in an increasingly perilous cyber environment.

REGULATORY COMPLIANCE FRAMEWORK

In the modern digital economy, data privacy and cybersecurity are not just best practices—they are legal imperatives. Governments worldwide are tightening regulations to protect personal and corporate data, imposing stringent compliance requirements on businesses.

India’s Data Protection Laws:

India has recently enacted significant regulations to strengthen data privacy and cybersecurity within the country:

1. The Digital Personal Data Protection Act (DPDP Act), 2023:

- Establishes fundamental rights for individuals over their personal data, including the right to access, correct, and erase their data.
- Mandates explicit consent for the collection and processing of personal data.
- Imposes significant penalties for data breaches and non-compliance (up to ₹250 crore per violation).

- Establishes the Data Protection Board of India (DPBI) to oversee compliance with the DPDP Act and enforce its provisions.
2. **The Information Technology (IT) Act, 2000 & CERT-In Guidelines:**
 - Governs various aspects of cybersecurity, including electronic transactions, digital evidence, and cybercrime.
 - Mandates the reporting of cybersecurity incidents to CERT-In (Indian Computer Emergency Response Team) within a strict timeframe.
 3. **Sector-Specific Regulations:**
 - **RBI's Data Localization Norms:** Requires financial institutions to store Indian customers' data within the geographical boundaries of India.
 - **SEBI's Cybersecurity Framework:** Mandates stock exchanges and other market participants to implement robust cyber resilience frameworks to protect against cyber threats.
 - **IRDAI Information and Cyber Security Guidelines, 2023:** Focus on ensuring that insurance companies implement robust information security practices, conduct regular risk assessments, and adhere to industry standards to safeguard against cyber threats and breaches. The guidelines also emphasize the need for effective data protection and privacy measures to ensure the confidentiality, integrity, and availability of policyholders' information.

GLOBAL DATA PROTECTION LAWS

1. **EU's General Data Protection Regulation (GDPR):** Widely considered the gold standard in data protection, GDPR imposes strict consent requirements, comprehensive data breach notification rules, and substantial fines for non-compliance (up to €20 million or 4% of annual turnover).
2. **United States' Sectoral Approach:** Unlike GDPR's comprehensive approach, the U.S. follows an industry-specific model, with laws such as:
 - **California Consumer Privacy Act (CCPA) / California Privacy Rights Act (CPRA):** Grants California residents significant rights over their personal data, including the right to know what data is being collected, the right to delete their data, and the right to opt-out of the sale or sharing of their personal information.
 - **Health Insurance Portability and Accountability Act (HIPAA):** Governs the privacy and security of protected health information (PHI) within the healthcare industry.
 - **Gramm-Leach-Bliley Act (GLBA):** Regulates financial institutions' data security and privacy practices.

3. **China's Personal Information Protection Law (PIPL):** One of the strictest data protection laws globally, PIPL mandates data localization, imposes strict cross-border data transfer restrictions, and prescribes severe penalties for mishandling Chinese citizens' data.

THE EXPANDING CYBER THREAT LANDSCAPE

In today's hyper-connected world, businesses are no longer just competing for market share—they are also locked in a constant, often invisible battle against a wide range of cyber threats. As data becomes increasingly valuable, cybercriminals, state-sponsored hackers, and malicious insiders have ramped up their attacks, making cybersecurity an urgent, non-negotiable priority for organizations across the globe. Unlike traditional threats, which were often physical and localized, today's cyber threats are sophisticated, constantly evolving, and capable of causing unparalleled financial and reputational damage on a global scale.

• The Dark Side of Digital Transformation

The rapid and often necessary shift towards cloud computing, the increasing prevalence of remote work arrangements, have unlocked incredible efficiencies and opportunities for businesses. However, this digital transformation has also inadvertently widened the attack surface for cybercriminals. Organizations now store vast amounts of highly sensitive data—including customer information, valuable intellectual property, critical financial records, and confidential trade secrets—making them increasingly lucrative targets for a wide range of cyberattacks. A single, seemingly insignificant vulnerability in an organization's network can expose millions of records, potentially leading to severe regulatory penalties, significant financial losses, and, perhaps most damaging of all, a catastrophic loss of stakeholder trust.

The question is no longer *if* a cyber incident will occur, but rather *when* it will happen. Cybercriminals are continuously adapting their methods, leveraging cutting-edge technologies like AI and machine learning to bypass traditional security defenses and stay one step ahead of those trying to protect valuable data. This constant evolution necessitates a proactive and highly strategic approach from governance professionals, and particularly Company Secretaries, who now play a pivotal role in shaping their organization's overall cyber resilience and its ability to withstand and recover from attacks.

• AI and Cyber Threats

Artificial intelligence (AI) has revolutionized the field of cybersecurity by enabling faster and more accurate threat detection, facilitating automated response mechanisms, and providing powerful predictive analytics. However, the very same AI technology is also being weaponized by cybercriminals. AI-powered malware, highly convincing deepfake phishing

attacks, and sophisticated automated hacking tools have made cyber threats more dangerous and difficult to defend against than ever before. Attackers can now use machine learning algorithms to effectively evade detection, convincingly mimic legitimate users, and exploit vulnerabilities with pinpoint precision.

For instance, cybercriminals have begun deploying deepfake technology to impersonate high-level executives in video conference calls, tricking unsuspecting employees into transferring funds or sharing confidential data under false pretenses. Similarly, AI-driven ransomware-as-a-service (RaaS) platforms have enabled even non-technical criminals to launch highly sophisticated cyberattacks at scale, democratizing cybercrime and making it accessible to a wider range of malicious actors. The challenge for governance professionals is to stay ahead of these rapidly evolving threats by integrating AI-driven security measures while simultaneously ensuring full compliance with evolving data protection laws and regulations.

• Ransomware Attacks

One of the most alarming and prevalent cyber threats facing businesses today is ransomware—malicious software that encrypts an organization's critical data and demands a ransom payment, often in cryptocurrency, for its release. Ransomware attacks have evolved significantly from indiscriminate mass infections to highly targeted operations, where cybercriminals meticulously research their victims to identify their most valuable data assets and maximize the potential impact of the attack. They often focus on organizations that are heavily reliant on their data and cannot afford extended downtime, such as hospitals, financial institutions, and government agencies.

Consider, for example, the infamous WannaCry ransomware attack in 2017, which affected over 200,000 computers across 150 countries, crippling hospitals, disrupting banking operations, and even impacting government agencies. Closer to home, Indian companies have also fallen victim to large-scale ransomware incidents, with attackers demanding substantial payments in cryptocurrencies to restore access to critical data and systems.

The consequences of a ransomware attack extend far beyond immediate financial losses. They can severely disrupt business operations, inflict significant damage to a company's reputation, and, in some cases, lead to long-term legal liabilities. Organizations that fail to implement robust and multi-layered cybersecurity measures risk losing not just money, but also the trust of their customers, the confidence of their stakeholders, and potentially their competitive advantage.

While organizations must prioritize strengthening their cybersecurity defenses, they must also ensure that these security measures do not unduly hinder operational efficiency or negatively impact the customer experience.

• State-Sponsored Cyber Attacks

In the increasingly complex geopolitical landscape, cyber warfare has emerged as a powerful tool for espionage, sabotage, and economic disruption. Governments and intelligence agencies are actively engaging in cyber operations to target foreign corporations, critical infrastructure, and even financial institutions. These attacks are often designed to steal sensitive information, disrupt essential services, or gain a strategic advantage.

For instance, APT (Advanced Persistent Threat) groups, often linked to nation-states, have been known to infiltrate multinational corporations, stealing sensitive trade secrets, valuable intellectual property, and confidential research data. These attacks are frequently sophisticated, prolonged, and extremely difficult to detect, making them a significant concern for governance professionals responsible for handling confidential corporate data. The attribution of these attacks can also be challenging, often blurring the lines between state-sponsored activity and sophisticated cybercriminal operations.

• Data Breaches

One of the most devastating consequences of cyber threats, and one that resonates deeply with the public, is the occurrence of data breaches. When an organization's sensitive data, particularly personal information, falls into the wrong hands, the damage is often irreversible. High-profile data breaches have exposed the personal information of millions of people, leading to regulatory fines, costly lawsuits, and irreparable reputational harm. The erosion of trust that follows a data breach can be particularly difficult to recover from.

THE INVISIBLE THREAT: INSIDER RISKS AND HUMAN FACTORS

While organizations often invest heavily in sophisticated firewalls, advanced encryption technologies, and AI-driven cybersecurity tools to guard against external hackers, they frequently underestimate the most insidious and often overlooked threat—insiders with legitimate access to sensitive data. A disgruntled employee, a negligent staff member, or even a well-meaning executive unaware of fundamental security protocols can inadvertently become the weakest link in an organization's cybersecurity framework. It's a difficult truth, but sometimes the greatest threat comes from within – *ghar ka bhedi Lanka daheye*. Insider risks are particularly dangerous and difficult to detect because they originate from trusted sources—people who already have legitimate access to critical systems and sensitive information.

- **Why Insider Threats Are Harder to Detect**

Unlike external cyberattacks, which often leave unusual digital footprints and trigger security alerts, insider threats frequently appear as normal, everyday activity within the organization's systems. A finance executive downloading a spreadsheet, an HR manager accessing personnel records, or an IT administrator modifying access controls—these actions can seem perfectly routine until a breach is discovered and the true extent of the damage becomes apparent.

This inherent difficulty in distinguishing between legitimate activity and malicious behavior makes it absolutely essential for organizations to develop robust strategies to effectively detect, deter, and mitigate insider risks without unduly compromising employee trust or hindering operational efficiency.

- **Insider Threats Are a Governance Challenge, Not Just an IT Issue**

The most sophisticated and technologically advanced cybersecurity system can be rendered ineffective if insider threats are ignored or underestimated. Whether motivated by malicious intent or simply the result of human error, insiders can cause catastrophic data breaches, inflicting significant financial losses, reputational damage, and legal liabilities. Governance professionals must champion the development and implementation of risk-aware policies, cultivate a strong security culture throughout the organization, and ensure the use of ethical monitoring practices to effectively protect organizations from this often invisible and highly damaging threat. Insider risk management is not solely an IT issue; it is a fundamental governance challenge that requires the active involvement and leadership of company secretaries and other governance professionals.

DATA PRIVACY VS. CYBERSECURITY: A GOVERNANCE PROFESSIONAL'S PERSPECTIVE

In the digital era, two terms frequently dominate boardroom discussions and strategic planning sessions: data privacy and cybersecurity. While often used interchangeably, they are distinct yet interconnected concepts that require different yet complementary approaches. Data privacy governs how personal and sensitive information is collected, stored, used, and shared, ensuring that individuals have control over their own data and that organizations handle it responsibly and ethically. Cybersecurity, on the other hand, focuses on protecting systems, networks, and data from unauthorized access, malicious attacks, and data breaches.

For governance professionals, and particularly Company Secretaries, understanding the nuanced relationship between data privacy and cybersecurity is absolutely crucial. Their role is no longer confined to ensuring

regulatory compliance; they must now act as strategic advisors on corporate data governance strategies, proactively mitigate cyber risks, and ensure the ethical handling of sensitive information throughout the organization. The challenge lies in striking a delicate balance—protecting data without unduly stifling business innovation or hindering legitimate data-driven initiatives.

UNDERSTANDING THE DIFFERENCE: WHY IT MATTERS FOR GOVERNANCE PROFESSIONALS

To fully appreciate the crucial distinction between data privacy and cybersecurity, consider the following analogy:

- **Cybersecurity is like building a robust fortress:** It involves deploying firewalls, implementing strong encryption protocols, and establishing comprehensive security procedures to prevent unauthorized access to sensitive information and protect against external attacks.
- **Data privacy is like setting and enforcing the rules *within* the fortress:** It ensures that even within a secure environment, data is accessed, processed, and shared responsibly, ethically, and in strict accordance with relevant regulatory guidelines and legal requirements.

Both aspects are inextricably linked and interdependent. A company may invest heavily in strong cybersecurity measures, effectively building a seemingly impenetrable fortress. However, if it collects excessive personal data without explicit user consent, or if it shares data with third parties without proper authorization, it is in clear violation of data privacy laws and regulations. Conversely, an organization may have the most stringent and well-intentioned data privacy policies in place, but without adequate cybersecurity measures to protect that data from breaches, those policies become meaningless and unenforceable.

For governance professionals, understanding both domains is absolutely critical to ensuring overall corporate resilience in the digital age. Data breaches can result in significant legal liabilities, substantial financial losses, and irreparable damage to an organization's reputation, making it imperative for company secretaries to play a proactive and strategic role in all aspects of data governance.

THE COST OF NON-COMPLIANCE: LEGAL AND REPUTATIONAL RISKS

Failing to comply with data protection laws and cybersecurity regulations can lead to a range of severe consequences, including:

- **Financial Penalties:** Regulatory fines for violations can be substantial, often running into millions of dollars, significantly impacting the organization's bottom line.



- **Operational Disruptions:** Regulatory investigations and enforcement actions can disrupt business operations, causing delays, inefficiencies, and potential losses.
- **Reputation Damage:** Loss of customer trust and damage to brand credibility can have long-term and often irreversible effects on the organization's reputation and market position.
- **Criminal Liability:** In extreme cases of negligence or intentional misconduct, CXOs and compliance officers can be held personally liable for data breaches or other cybersecurity violations.

Organizations that fail to prioritize data privacy and cybersecurity face severe and often far-reaching consequences. For governance professionals, these incidents serve as a critical wake-up call. Ensuring compliance is not simply about avoiding penalties; it is fundamentally about protecting corporate integrity, maintaining stakeholder trust, and preserving the long-term value of the organization.

BRIDGING THE GAP: THE COMPANY SECRETARY'S ROLE IN DATA GOVERNANCE

Company Secretaries are uniquely positioned within organizations to effectively bridge the gap between cybersecurity and data privacy. Navigating this complex and ever-evolving regulatory environment requires a

proactive, strategic, and highly informed approach. Their responsibilities typically include:

1. Embedding Compliance in Corporate Strategy:

- Data privacy and cybersecurity should not be treated as mere legal checkboxes or afterthoughts—they must be fully integrated into the organization's overall strategic decision-making processes.
- Company Secretaries should advise the Board of Directors on emerging regulatory developments, potential compliance risks, and recommend policies and procedures that align with evolving laws and best practices.
- Implementing a Privacy by Design approach, where compliance is built into business processes, systems, and product development from the very outset, is absolutely crucial.

2. Conducting Regulatory Audits and Gap Assessments:

- Regular and thorough compliance audits can help identify gaps in data protection measures and potential vulnerabilities before regulators impose penalties or breaches occur.
- Gap assessments should focus on key areas such as:
 - **Consent mechanisms:** Are customers and employees providing informed and explicit consent for data collection and processing?

- **Data storage and retention policies:** Is the organization retaining data longer than legally permitted or necessary for business purposes?
- **Third-party vendor compliance:** Are the organization's partners and vendors also meeting the required regulatory standards and adhering to data protection best practices?

3. Strengthening Data Governance Policies:

- Drafting and implementing comprehensive Data Privacy Policies (DPPs) that fully comply with both global and Indian regulations.
- Developing and regularly updating Incident Response Plans to ensure rapid, coordinated, and effective action in the event of a data breach or cyberattack.
- Conducting Data Protection Impact Assessments (DPIAs) for high-risk data processing activities to identify and mitigate potential privacy risks.

4. Ensuring Cross-Border Data Compliance:

- With business operations becoming increasingly global and interconnected, companies must comply with a complex web of cross-border data transfer regulations.
- Governance professionals should,
 - implement Standard Contractual Clauses (SCCs) or other appropriate legal mechanisms for international data transfers.
 - ensure data localization where required by law (e.g., under India's DPDP Act and other similar regulations).
 - stay informed and updated on new bilateral and multilateral data-sharing agreements and their potential impact on the organization.

5. Cybersecurity Due Diligence in M&A and Partnerships:

- Data privacy and cybersecurity risks are often overlooked in mergers and acquisitions (M&A) transactions, potentially leading to significant post-acquisition liabilities.
- Company Secretaries should:
 - Conduct thorough cyber risk assessments as part of the due diligence process before any acquisitions or mergers.
 - Ensure appropriate contractual indemnities for data breaches or cybersecurity incidents in vendor agreements and partnership arrangements.

- Recommend cyber insurance coverage as an integral part of the organization's overall risk management strategies.

6. Strengthening Employee Awareness and Training:

- Conduct mandatory and recurring cybersecurity training programs that focus on real-world case studies of insider threats and educate employees about best practices for data protection.
- Implement simulated phishing attack exercises to regularly test employees' ability to recognize and avoid falling victim to phishing scams and other social engineering tactics.
- Foster a security-first culture where employees feel a shared responsibility for data protection and are encouraged to report any suspicious activity.
- Conduct regular access reviews to ensure that employees do not retain unnecessary privileges after role changes, promotions, or departures.

7. Monitoring and Detecting Anomalous Insider Behavior:

- Deploy User Behavior Analytics (UBA) tools that track and analyze user activity to identify anomalous behavior, such as:
 - Downloading or accessing unusually large amounts of data.
 - Logging in at odd hours or from unusual locations.
 - Accessing confidential information that is not related to their job responsibilities.
- Set up automated alerts to notify security personnel when employees attempt unauthorized data transfers or access restricted systems.

8. Encouraging a Speak-Up Culture and Whistleblower Mechanisms:

- Create a safe and supportive environment where employees feel comfortable reporting suspicious behavior without fear of retaliation.
- Establish anonymous reporting channels for ethical concerns related to data misuse or security violations.
- Clearly communicate the consequences of policy violations, ensuring that both malicious insiders and negligent behavior are addressed promptly and consistently.

9. Enforcing Data Loss Prevention (DLP) Mechanisms:

- Deploy DLP tools to detect and block unauthorized data transfers via email, cloud services,

USB devices, or other potential exfiltration channels.

- Implement robust encryption protocols for all sensitive files, ensuring that even if data is leaked, it remains unusable to unauthorized parties.
- Conduct regular audits of file-sharing activities to identify any abnormal patterns or potential data exfiltration attempts.

10. Striking the Right Balance: Security vs. Accessibility

While organizations must prioritize strengthening their cybersecurity defenses, they must also ensure that these security measures do not unduly hinder operational efficiency or negatively impact the customer experience. Excessively strict security protocols that slow down workflows or make it difficult for employees to access necessary information can lead to employee resistance, decreased productivity, and operational inefficiencies. On the other hand, excessive data collection without adequate safeguards exposes businesses to significant regulatory penalties and reputational risks.

Company Secretary Professionals must play a key role in helping companies find the right balance—implementing security measures that are both robust and user-friendly, ensuring full compliance without unnecessarily restricting business agility or hindering innovation.

CONCLUSION

Data protection has become a global priority, with countries around the world implementing increasingly stringent privacy laws. India, too, is not immune to this shift, as the country aligns with global standards in advancing its own privacy regulations. This growing focus on data security has compelled companies worldwide to prioritize safeguarding their data more than ever before. In this evolving landscape, the Company Secretary, transitioning from a compliance officer to a strategic advisor, stands at the forefront of this effort. They guide the board, foster a culture of cyber resilience, and ensure that data governance is not just a policy or simply a box to tick, but a deeply ingrained organizational value. The Company Secretary, as a champion of good governance, plays a vital role in navigating this complex terrain, ensuring that “Sabka Vikas – Surakshit Vikas” is not just a vision, but a secure and sustainable reality for all.

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Decarbonizing the Energy Sector: A CS Perspective

Global energy consumption is rising due to population growth and industrialization. Coal powers much of Asia's electricity, while oil remains the top energy source for transportation. Despite significant growth in renewable energy, especially wind and solar, these sources only comprise 12-15% of global energy. Fossil fuel combustion drives 75-80% of greenhouse gas emissions, with CO₂ being the primary contributor. Reducing carbon emissions through renewable energy, efficiency improvements, and carbon capture is essential for a sustainable future. Given the challenges ahead the author elaborates on the Key Strategic Roles of CS in Decarbonization.



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INTRODUCTION

Global energy consumption has been rising steadily due to population growth, industrialization, and urbanization, particularly in developing regions. Fossil fuels, including coal, oil, and natural gas, still dominate the global energy mix, accounting for about 80% of the world's primary energy consumption in 2022. Oil remains the largest source of energy, especially in transportation, while coal is the leading fuel for electricity generation, particularly in Asia. Natural gas is increasingly used as a 'transition fuel' due to its lower carbon content compared to coal. Meanwhile, renewable energy sources, such as wind, solar, and hydropower, are growing rapidly, though they only make up around 12-15% of the total energy mix. However, the energy consumption is the primary source of global greenhouse gas (GHG) emissions, with fossil fuel combustion contributing roughly 75-80% of total GHG emissions. Carbon dioxide (CO₂) is the dominant GHG, accounting for around 65% of global emissions, particularly from power generation, industrial activities, and transportation. Other GHGs, such as methane (CH₄) and nitrous oxide (N₂O), are also emitted during natural gas extraction and agricultural processes.

The sectors contributing most to CO₂ emissions include power generation (30-40% of emissions), industry (25-30%), transportation (20%), and buildings (10-15%). Coal is the most carbon-intensive fuel, emitting

the highest levels of CO₂, followed by oil and natural gas. In recent years, some developed economies have managed to decouple economic growth from energy consumption and emissions through energy efficiency improvements, increased adoption of renewable energy, and technological innovations like electric vehicles and smart grids. The global push toward low-carbon energy systems includes the rapid expansion of renewables, electrification of transportation, and the development of carbon capture and storage (CCS) technologies. In this background, international commitments, such as the Paris Agreement, aim to limit global warming to well below 2°C, with many countries setting net-zero emission targets by 2050 or earlier. These efforts include national plans to reduce GHG emissions and transition to cleaner energy sources, driving the global energy transition toward a more sustainable and low-carbon future.

CURRENT STATUS AND TRENDS OF ENERGY SECTOR

The global energy sector is undergoing a transformative shift to address climate change, improve energy security, and meet rising energy demands. Despite progress in renewable energy, fossil fuels such as coal, oil, and natural gas still dominate, providing 80% of the world's energy. Coal continues to fuel electricity generation, especially in Asia, while natural gas is gaining prominence as a cleaner alternative. Oil remains the dominant energy source for transportation, though electric vehicles (EVs) are on the rise, driven by technological advances and government incentives. Renewable energy, particularly wind and solar, is growing rapidly, accounting for about 12-15% of global energy. Costs are declining, and supportive policies are driving adoption, with utility-scale projects expanding in many regions. Hydropower, bioenergy, and geothermal also contribute to decarbonization, though at a smaller scale. Electrification of sectors like transportation and industry is crucial for reducing emissions. EV adoption is accelerating, and hard-to-abate industries are exploring electrification and alternative fuels like hydrogen. However, challenges such as infrastructure investment, energy storage, and grid modernization remain. Battery storage technologies and smart grids are advancing to manage intermittent renewable energy sources and ensure grid stability. Despite progress, the energy transition faces hurdles, including the need for massive infrastructure investment, energy access in developing regions, and

policy clarity. Carbon capture, utilization, and storage (CCUS) technologies are emerging as critical tools for reducing emissions in sectors difficult to decarbonize. Additionally, the clean energy shift is reshaping global energy geopolitics, influencing countries dependent on fossil fuel exports and imports.

CARBON EMISSIONS – AN ANALYSIS

Carbon emissions from energy are a significant contributor to global greenhouse gas (GHG) emissions, primarily resulting from the combustion of fossil fuels such as coal, oil, and natural gas. These fuels account for about 65% of total GHG emissions, with the energy sector responsible for 30-40% of global carbon dioxide (CO₂) emissions. Key sources include power generation, transportation, industrial activities, and buildings. Transitioning to renewable energy, enhancing energy efficiency, and adopting technological innovations like carbon capture and storage are essential strategies for reducing carbon emissions and addressing climate change effectively.

Table – 1: CO₂ Emissions from Energy Sector in India and the Globe (GW)

Year	Global CO ₂ Emissions (GtCO ₂)	Global Renewable Energy Capacity (GW)	India CO ₂ Emissions (MtCO ₂)	India Renewable Energy Capacity (GW)
2014	35.7	1764	2230	31
2015	35.9	1823	2310	36
2016	36.1	1881	2390	42
2017	36.2	1941	2475	49
2018	36.4	2002	2550	57
2019	36.6	2065	2635	68
2020	36.8	2131	2720	85
2021	37	2200	2805	105
2022	37.2	2272	2890	136
2023	37.4	2347	2975	165

Source: <https://www.iea.org/>

It is clear from the above table that there is rise in both CO₂ emissions and renewable energy capacity globally and in India between 2014 and 2023. Global CO₂ emissions increased from 35.7 GtCO₂ to 37.4 GtCO₂, indicating a slow but steady rise in emissions. Simultaneously, global renewable energy capacity expanded significantly from 1,764 GW to 2,347 GW. Similarly, in India, CO₂ emissions rose sharply from 2,230 MtCO₂ in 2014 to 2,975 MtCO₂ in 2023, reflecting increasing industrialization and energy demand. However, India's renewable energy capacity showed remarkable growth, surging from 31 GW to 165 GW in the same period, a more than fivefold increase. This trend suggests that despite major strides in renewable energy, both globally and in India, CO₂ emissions continue to rise. The rapid increase in renewable capacity, especially in India, indicates progress, but it has not yet significantly curbed the rising carbon emissions from the energy sector.

Table – 2: Compound Annual Growth Rate (CAGR) for the Metrics

Metric	CAGR (%)
India CO ₂ Emissions (MtCO ₂)	2.25
India Renewable Energy Capacity (GW)	19.41
Global CO ₂ Emissions (GtCO ₂)	-0.48
Global Renewable Energy Capacity (GW)	2.22

Source: <https://www.iea.org/>

The contents of the above table illustrate contrasting growth rates for CO₂ emissions and renewable energy capacity between India and the globe. India's CO₂ emissions grew at a CAGR of 2.25%, while its renewable energy capacity surged by 19.41%, indicating rapid clean energy expansion. Globally, CO₂ emissions slightly decreased by -0.48%, reflecting efforts to curb emissions, while global renewable energy capacity grew at a modest 2.22%. This highlights India's aggressive push toward renewables compared to the global average, though the growth in India's emissions suggests that renewable energy hasn't yet fully offset its rising energy demand.

IMPORTANCE AND NEED FOR DECARBONIZATION

Decarbonization, the process of reducing carbon dioxide (CO₂) emissions from energy production and consumption, is critical to mitigating climate change and securing a sustainable future. The global economy is heavily reliant on fossil fuels, which are the primary source of greenhouse gas (GHG) emissions. These emissions, especially CO₂, are driving global warming, causing severe environmental, social, and economic consequences. The importance of decarbonization is multifaceted and essential for the following reasons.

- **Mitigating Climate Change:** The primary driver of climate change is the accumulation of CO₂ and other GHGs in the atmosphere. Decarbonization aims to reduce these emissions, slowing the rate of global warming and reducing the risks of extreme weather events, rising sea levels, and biodiversity loss. The global goal of limiting warming to well below 2°C, and preferably to 1.5°C, as outlined in the **Paris Agreement**, is only achievable through aggressive decarbonization efforts.
- **Protecting Public Health:** Fossil fuel combustion contributes to air pollution, including particulate matter and nitrogen oxides, which cause respiratory and cardiovascular diseases. Transitioning to cleaner energy sources would reduce air pollution, improving public health and reducing healthcare costs associated with pollution-related illnesses.
- **Ensuring Energy Security:** Decarbonization promotes the diversification of energy sources, reducing reliance on volatile fossil fuel markets and enhancing energy security. By way of investing in renewable energy, nations can reduce dependence on imported fuels, lower energy

costs, and protect themselves from geopolitical risks associated with fossil fuel supply chains.

- **Economic Opportunities:** The shift to a low-carbon economy presents significant economic opportunities. Investments in renewable energy, energy efficiency, and clean technologies can drive job creation, stimulate innovation, and open new markets. As the world transitions away from fossil fuels, early adopters of decarbonization are likely to gain competitive advantages in emerging green industries.
- **Sustainable Development and Social Equity:** Decarbonization aligns with the broader goals of sustainable development. By means of promoting clean energy and reducing emissions, countries can provide modern energy access to underserved populations, contributing to poverty alleviation and social equity. A just transition to low-carbon economies ensures that the benefits of decarbonization are shared widely, without leaving behind vulnerable communities dependent on fossil fuel industries.

METHODS AND APPROACHES FOR ACHIEVING DECARBONIZATION

Several methods and approaches are being employed globally to achieve decarbonization, focusing on reducing greenhouse gas (GHG) emissions from energy production, consumption, and industrial processes. Key strategies are presented below and followed by an analysis of the same.

- **Transition to Renewable Energy:** Expanding the use of renewable energy sources like solar, wind, and hydropower is crucial for decarbonization. These sources generate electricity with zero direct emissions and are rapidly growing due to technological advancements and decreasing costs.
- **Electrification:** Shifting from gasoline and diesel-powered vehicles to electric vehicles (EVs) helps reduce emissions in the transportation sector. This also extends to electrifying public transport and infrastructure for charging. Industrial processes and buildings are transitioning from fossil-fuel-based heating and cooling systems to electrified systems, which can be powered by renewable energy.
- **Energy Efficiency Improvements:** Improving energy efficiency in industrial processes (e.g., steel and cement production) can reduce the amount of energy needed and, in turn, lower emissions. Upgrading buildings with energy-efficient insulation, lighting, and heating systems reduces the energy demand for heating and cooling. Digital innovations, such as smart grids and energy management systems, optimize energy use and reduce waste in industries, households, and transportation systems.
- **Carbon Capture, Utilization, and Storage (CCUS):** Carbon capture, utilization, and storage (CCUS) technologies capture CO₂ emissions from power plants and industrial processes, storing the captured CO₂ underground or utilizing it for other purposes. This

Governments across the Globe, are setting ambitious national goals, such as reaching net-zero emissions by mid-century, and promoting renewable energy transitions.

approach can significantly reduce emissions from sectors that are difficult to decarbonize, such as cement and steel production.

- **Hydrogen as a Clean Fuel:** Hydrogen produced using renewable energy (known as green hydrogen) is gaining attention as a clean fuel for sectors like heavy industry and long-distance transportation, which are hard to electrify. Hydrogen can serve as a substitute for fossil fuels in these industries.
- **Carbon Pricing and Emissions Trading:** Governments are increasingly implementing carbon pricing mechanisms, such as carbon taxes or cap-and-trade systems, to incentivize businesses and industries to reduce their emissions. These policies encourage the shift toward low-carbon technologies and practices by making carbon-intensive activities more expensive.
- **Circular Economy and Sustainable Practices:** Shifting to a circular economy, which emphasizes reducing waste, reusing materials, and recycling, reduces energy demand and emissions from resource extraction and manufacturing. Sustainable agriculture and forestry practices also help capture and store carbon in natural ecosystems.
- **Behavioral and Lifestyle Changes:** Reducing overall energy demand through changes in consumer behavior, such as increased use of public transportation, reduced air travel, and energy-conscious consumption, also contributes to decarbonization efforts.
- **International Collaboration and Policy:** International frameworks like the Paris Agreement encourage global cooperation in reducing emissions. Governments are setting ambitious national goals, such as reaching net-zero emissions by mid-century, and promoting renewable energy transitions.

DECARBONIZATION – A FEW CHALLENGES

Decarbonizing the energy sector is crucial for mitigating climate change, but it faces several significant challenges. These challenges are technological, economic, political, and social, and they vary by region and sector. Below are the key challenges in decarbonizing the energy sector.

- **Fossil Fuel Dependency:** Despite growth in renewable energy, fossil fuels still provide 80% of global energy. Heavy industries, transportation, and power generation are deeply reliant on them. Decarbonization may result in stranded assets like coal plants and oil facilities, leading to financial losses for companies and governments.
- **Intermittency of Renewable Energy:** Solar and wind energy, while clean, are intermittent, posing challenges for reliable energy supply. Large-scale, cost-effective energy storage is crucial to balance production and consumption. Although battery technology is improving, it remains expensive and not yet scalable to meet grid demands.

- **Grid Modernization:** Existing grids were built for centralized fossil-fuel power and struggle to integrate decentralized, intermittent renewable sources. Modernizing grids to be more flexible and resilient requires significant investment, especially to build transmission lines from remote renewable energy sites to urban centers.
- **Energy Storage and Technological Innovation:** Efficient energy storage is critical to managing renewable energy supply and demand. While battery costs are falling, they are still not widespread or affordable for large-scale use. Additionally, hard-to-decarbonize sectors like steel and cement require new technologies like hydrogen-based production and carbon capture, which are still in early stages of development.
- **High Transition Costs:** The energy transition demands substantial investment in renewables, energy storage, and grid upgrades. While renewable costs have fallen, upfront capital is a significant hurdle, especially for developing nations. Decarbonization may also lead to job losses in fossil fuel-dependent regions, necessitating social and economic planning for a “just transition.”
- **Policy and Regulatory Barriers:** Uncertainty around long-term policies hampers investment in low-carbon technologies. Some countries still subsidize fossil fuels, distorting markets and slowing renewable energy adoption. Reforming these subsidies is politically difficult but essential.
- **Decarbonizing Hard-to-Abate Sectors:** Sectors like steel, cement, and chemicals are difficult to decarbonize due to the need for high-temperature processes. Low-carbon alternatives like green hydrogen and carbon capture are still in developing. Heavy transport sectors also face challenges in adopting cleaner fuels.
- **Global Energy Access and Equity:** Developing countries prioritize reliable and affordable energy over decarbonization, as fossil fuels remain a cheap energy source. Ensuring a just transition for fossil fuel-dependent communities is critical to avoid economic and social disruptions.
- **Geopolitical Challenges:** The shift to renewables may alter global power dynamics, as countries reliant on oil and gas exports face economic shifts. The demand for critical materials like lithium and cobalt also introduces new geopolitical risks.
- **Public Resistance and Behavioral Change:** Resistance to renewable projects and shifts in consumer behavior are significant hurdles. Public concerns over aesthetics or land use can delay projects, and encouraging widespread behavioral change requires strong incentives and awareness campaigns.
- **Corporate Governance & Compliance:** Ensuring adherence to environmental laws (e.g., SEBI's BRSR, Paris Agreement, EU Green Taxonomy). Advising the board on embedding sustainability into corporate policies.
- **Risk Management & ESG Integration:** Identifying climate-related financial and operational risks. Implementing ESG frameworks like GRI, TCFD, and ISSB for sustainability governance.
- **Sustainability Leadership & Corporate Strategy:** Driving corporate net-zero commitments and carbon reduction roadmaps. Facilitating a transition to renewable energy and eco-friendly business models.
- **Stakeholder Engagement & Transparency:** Managing sustainability disclosures and investor communications. Preventing greenwashing by ensuring accurate ESG reporting.
- **Green Financing & Sustainable Investments:** Overseeing green bonds, ESG-linked loans, and carbon credit mechanisms. Monitoring sustainable fund allocations for decarbonization projects.

CONCLUSION

Decarbonization is imperative for mitigating climate change, ensuring energy security, and fostering sustainable economic growth. While fossil fuels continue to dominate global energy consumption, the rapid expansion of renewable energy, technological advancements, and policy initiatives signal a crucial shift toward a low-carbon future. However, achieving deep decarbonization requires overcoming challenges such as fossil fuel dependency, grid modernization, and high transition costs. Looking ahead, governments, businesses, and professionals, especially Company Secretaries (CS) must play a proactive role in driving corporate sustainability, ensuring compliance with evolving ESG regulations, and fostering green financing initiatives. The integration of emerging technologies like carbon capture, green hydrogen, and digital innovations will further accelerate the energy transition. A multi-stakeholder approach, combining policy support, corporate responsibility, and financial incentives, is vital to achieving net-zero targets. The future of decarbonization lies in collaborative efforts, innovative solutions, and a steadfast commitment to sustainable development.

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Declaration

I confirm that I have not submitted this article for publication elsewhere. It is important to note that the opinions expressed in this article may not necessarily align with those of the Institute or the Journal Editor. □

KEY STRATEGIC ROLES OF CS IN DECARBONIZATION

Company Secretaries (CS) have evolved from being compliance officers to strategic leaders in corporate sustainability, playing a crucial role in decarbonization efforts. However, some of the important roles are given below:

Collaboration and Stakeholder Engagement – Relevance and Significance

Stakeholder Engagement is an Interactive Process that involves identifying, understanding and prioritizing stakeholder expectations to mitigate risks, reduce conflicts and enhance collaboration. It is crucial for fostering trust, ensuring alignment of interests and achieving long-term organizational goals. Stakeholder engagement has been institutionalized in various domains through government policies and frameworks both in India and abroad. In India, the focus on grassroots involvement has laid the groundwork for community-driven solutions, while internationally, robust institutional frameworks have facilitated coordinated responses to global challenges.



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INTRODUCTION

Stakeholder engagement is a process through which business organizations can try to mitigate risks and conflicts with stakeholder groups. The stakeholder engagement calls for understanding the needs and expectations of stakeholder groups so that differences if any between the company and the stakeholders would be cleared. The main objective of stakeholder engagement is to know, identify and to prioritize the expectations of their existing stakeholders. The performance or functioning of every business organization is monitored by stakeholders such as shareholders, bankers, creditors, debenture and bond holders, government, consumers, suppliers of raw materials etc.

RATIONALE BEHIND STAKEHOLDER THEORY

Stakeholder theory, initially propounded and extensively developed by R. Edward Freeman, redefines the traditional shareholder-centric view of corporate objectives. It emphasizes that businesses do not operate in isolation but as integral parts of a broader societal and economic framework. Stakeholders, as defined by Freeman, include any individual or group affected by the firm's operations. While shareholders are a subset of stakeholders, other significant stakeholders encompass employees, customers, suppliers, creditors, government agencies, local communities and the broader society.

IMPLICATIONS OF THE THEORY

This theory posits that every business decision produces differential impacts across stakeholder groups—benefitting some while imposing costs on others. Stakeholder theory underscores the necessity of ethical considerations and long-term relationships, advocating for equitable distribution of profits among all stakeholders rather than solely prioritizing shareholder returns. The rationale is that a business can only sustain and thrive if it aligns its objectives with the needs and expectations of its stakeholders, fostering mutual benefit for both the organization and society.

NEED FOR COLLABORATION AND STAKEHOLDER ENGAGEMENT

Collaboration and stakeholder engagement have assumed significance and relevance to achieve sustainable growth, inclusive governance and innovative outcomes across sectors. Both in India and globally, these practices have evolved to address diverse challenges such as economic development, climate change and technological advancement. Stakeholder engagement involves systematically identifying, analyzing and collaborating with individuals, groups or organizations that can influence or are influenced by a project or decision. This document examines advanced frameworks and strategies for collaboration and stakeholder engagement in India and internationally, providing insights into best practices and challenges.

STAKEHOLDER MANAGEMENT FOR FORMULATION OF STRATEGIC PLANNING

Companies adopting corporate governance practices do consider strategic planning for mapping the stakeholder engagement. It is done to monitor the extent of engagement between the company and stakeholder and for strengthening their engagement.

STAKEHOLDER ENGAGEMENT PRINCIPLES

There are five notable stakeholder engagement principles that strengthen their relationship:

1. Establishing clear goals,

2. Start building rapport with various stakeholders,
3. Engage with stakeholders early and quite frequently,
4. Build relationships with stakeholders to know their expectations,
5. Ensure openness and transparency of dealings so that the stakeholders' perceptions are duly considered while taking decisions.

STRATEGIES TO STRENGTHEN THE RELATIONSHIP BETWEEN MANAGEMENT AND STAKEHOLDERS

Some companies have been adopting the strategies shown below to strengthen the relationship between the management and stakeholders. Strengthening the relationship between management and stakeholders is crucial for fostering trust, ensuring alignment of interests and achieving long-term organizational goals. Following strategies need special mention:

1. Business portfolio strategy,
 2. Vertical integration,
 3. Horizontal integration,
 4. Financial holding strategy.
1. **Business Portfolio Strategy:** This strategy involves managing a diversified range of businesses or investments within a company's portfolio to align with stakeholder expectations and market demands. By carefully selecting, monitoring, and reallocating resources among business units, management can ensure consistent growth, risk management, and stakeholder satisfaction. The relationship is strengthened by diversification. Diversification reduces risk for stakeholders, increasing confidence in the company's stability. Further, it demonstrates a commitment to aligning business goals with stakeholder interests, such as maximizing returns or pursuing socially responsible ventures.
 2. **Vertical Integration:** This strategy refers to a company taking control of its supply chain by owning or controlling upstream (suppliers) or downstream (distributors/retailers) activities. This can lead to greater efficiency and control over product quality, pricing and delivery. The relationship is strengthened by enhancing transparency across the value chain, improving trust with key stakeholders like suppliers, customers and regulators. Further, it reduces dependency on external entities, ensuring consistency and reliability, which benefits stakeholders. This strategy intends to demonstrate commitment to delivering value and maintaining high standards.
 3. **Horizontal Integration:** This strategy involves acquiring or merging with competitors or companies in the same industry at the same production stage. It aims to consolidate market position, achieve economies of scale and eliminate redundancy. The relationship is strengthened by increasing the company's market

power and stability, reassuring investors and other stakeholders. It reduces competition, which can lead to more consistent pricing and service for customers.

4. **Financial Holding Strategy:** This strategy involves creating a parent company (a holding company) that owns multiple subsidiaries, each focused on specific business areas. This structure facilitates resource allocation, risk diversification and operational independence for subsidiaries. The relationship is strengthened by permitting stakeholders to clearly understand the financial performance and risks associated with each business segment. It provides flexibility for capital raising and investment decisions, ensuring optimal returns for stakeholders. This strategy promotes better governance and accountability, which fosters trust and collaboration.

All these strategies are intended to deliver the best value for the stakeholders. This implies that every company is responsible to the stakeholders for creation of value. Here the term 'value' may include not only company brand value, but also corporate image both at the national and international scenario, generation of more wealth, continued market share and profits year after year. Corporate governance principles do insist that every business entity has to contemplate and initiate measures to realize the goal of high value creation and long term survival in the market by adopting ethical considerations and adequate disclosure practices.

COLLABORATION AND STAKEHOLDER ENGAGEMENT IN INDIA

Policy Frameworks and Initiatives

In India, stakeholder engagement has been institutionalized in various domains through government policies and framework. Examples include:

1. **Corporate Social Responsibility (CSR):** Mandated under the Companies Act, 2013, CSR has driven corporations to engage with local communities, NGOs, and other stakeholders for sustainable development projects.
2. **Public-Private Partnerships (PPPs):** Widely used in infrastructure projects, PPPs in India emphasize collaboration between the government and private entities, often involving multilateral institutions and local communities.
3. **Environmental and Social Impact Assessments (ESIAs):** Required for large projects, ESIAs necessitate engagement with stakeholders, particularly local populations, to address environmental and social concerns.

Sectorial Applications

1. **Urban Development:** Initiatives such as the Smart Cities Mission emphasize citizen participation in planning and decision-making processes to ensure inclusive urban development.

2. **Rural Development:** Programs like the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) involve community stakeholders in decision-making for labor-intensive public works projects.
3. **Technology and Innovation:** Platforms like the India Stack and Digital India leverage partnerships between the government, private sector, and civil society to deliver digital services.

CHALLENGES

- **Diverse Stakeholder Base:** India's cultural, linguistic and socio-economic diversity can complicate stakeholder identification and engagement. This diversity requires tailored communication strategies and an understanding of varied stakeholder priorities, which can increase the complexity and resource demands of the engagement process.
- **Capacity Constraints:** Limited resources and expertise among stakeholders, especially in rural areas, hinder effective collaboration. For example, smaller organizations or local communities may lack the technical knowledge or infrastructure needed to meaningfully participate in decision-making.
- **Regulatory and Bureaucratic Hurdles:** Complex regulations and slow administrative processes can delay stakeholder consultations. Lengthy approval processes and inconsistent policy interpretations often discourage stakeholders from actively participating or initiating collaborations.

Collaboration and stakeholder engagement practices foster inclusivity, enhance decision-making and enable the pooling of diverse resources and expertise to tackle global and local issues effectively.

Case Studies

European Union (EU)

The European Union employs extensive stakeholder consultations in policy formulation, ensuring that diverse perspectives across member States are considered. For instance, during the development of the European Green Deal, consultations involved input from industry leaders, environmental groups, academic experts, and citizens. This inclusive approach ensures that policies are both environmentally sustainable and economically viable. The EU's structured mechanisms, such as public hearings and online surveys, facilitate transparent decision-making.

United States

Collaborative governance models, such as those used by the Environmental Protection Agency (EPA), emphasize partnerships with industry, academia, and communities to address environmental challenges. A notable example is the Chesapeake Bay Program, which brings together State and Federal agencies, non-profits and local stakeholders to restore the health of the Chesapeake Bay.

Through consensus-building and data-sharing, the program has implemented measures to reduce pollution and protect marine ecosystems.

Australia

Indigenous stakeholder engagement is a priority in land management and natural resource policies. For instance, the Indigenous Protected Areas (IPA) program involves Aboriginal communities in the conservation of their traditional lands. These communities

collaborate with government bodies and conservation organizations to manage biodiversity while preserving cultural heritage. The program has successfully combined traditional ecological knowledge with scientific methods, leading to effective and sustainable land management practices.

Challenges

COLLABORATION AND STAKEHOLDER ENGAGEMENT ABROAD

Global Best Practices

1. **Multi-Stakeholder Partnerships (MSPs):** Platforms such as the United Nations Sustainable Development Goals (SDGs) promote MSPs, encouraging governments, private entities and civil society to work together on global challenges.
2. **Consensus-Building Mechanisms:** Tools like facilitated dialogues and collaborative decision-making frameworks are used in countries like the Netherlands for urban planning and water management.
3. **Public Participation in Governance:** In Scandinavian countries, participatory democracy models ensure citizens' voices are integrated into policy-making processes.

1. **Power Imbalances:** Large corporations or dominant stakeholders may overshadow marginalized voices. For instance, community groups or small NGOs may lack the financial resources or influence to advocate effectively in multi-stakeholder settings, leading to unequal decision-making.
2. **Global Coordination:** Aligning the interests of diverse international stakeholders can be complex and time-intensive. Differences in national policies, legal systems and economic priorities often create friction in collaborative efforts, requiring robust frameworks for dispute resolution and coordination.
3. **Cultural Differences:** Varied communication styles and decision-making approaches can hinder



collaboration. For example, hierarchical cultures may prefer top-down decision-making, while egalitarian cultures may favor consensus-driven processes, leading to misunderstandings or delays.

COMPARATIVE ANALYSIS: INDIA AND GLOBAL PRACTICES

Similarities

- (a) **Emphasis on Inclusivity:** Both India and international frameworks prioritize engaging underrepresented groups to achieve equitable outcomes.
- (b) **Focus on Sustainability:** Collaboration efforts often align with sustainability goals, such as renewable energy adoption or biodiversity conservation.

Differences

- (a) **Institutionalization:** While stakeholder engagement is embedded in global governance structures, India's frameworks are often project-specific and lack comprehensive institutional backing.
- (b) **Resource Availability:** International collaborations often benefit from higher financial and technical resources compared to Indian initiatives.

ADVANCED STRATEGIES FOR EFFECTIVE ENGAGEMENT

1. Technological Tools

Digital Platforms, namely, online consultation portals, such as MyGov in India, enable wider participation.xx

Data Analytics, namely, advanced analytics can identify stakeholder preferences and predict potential conflicts.

2. Building Trust and Transparency

Regular communication and updates enhance trust between stakeholders. Further, mechanisms for grievance redressal ensure accountability.

3. Capacity Building

Training programs for stakeholders can improve their ability to contribute effectively. Further, knowledge-sharing platforms encourage learning from best practices.

ROLES AND RESPONSIBILITIES OF COMPANY SECRETARIES IN COLLABORATION ENGAGEMENT

Company Secretaries do play critical roles in collaboration and stakeholder engagement, ensuring effective communication and compliance within an organization. Their responsibilities in this context include:

1. **Facilitating Board and Shareholder Communication:** They act as a vital link between the Board of Directors, shareholders and other stakeholders. For this, they organize general meetings and board meetings, ensuring compliance with laws and transparency. They draft and circulate notices, agenda and minutes. Further, they do disseminate key decisions and provide updates to shareholders and other stakeholders.
2. **Compliance and Regulatory Communication:** They ensure the organization meets statutory obligations and communicates effectively with regulators. They maintain regular communication with regulatory bodies (e.g., SEBI, ROC, Stock Exchanges). They prepare and submit regulatory filings, disclosures and reports. Further, they need to advise the board on compliance requirements impacting stakeholders.

3. **Supporting Stakeholder Engagement Strategy:** They build trust and maintain relationships with stakeholders, including investors, creditors, employees and government agencies. They coordinate initiatives like Corporate Social Responsibility (CSR) activities to enhance stakeholder relations. They develop strategies for maintaining investor confidence and managing shareholder grievances. Further, they need to facilitate collaboration between departments for consistent stakeholder messaging.
4. **Promoting Transparency and Governance:** They uphold principles of corporate governance to enhance the organization's reputation and stakeholder confidence. For this, they ensure accurate and timely disclosure of financial and non-financial information. They have to monitor adherence to the organization's code of conduct and ethical practices. Further, they have to assist in implementing robust governance mechanisms.
5. **Mediation and Conflict Resolution:** They can act as an intermediary to resolve disputes among stakeholders or between the company and stakeholders. They have to address shareholder grievances and ensure compliance with grievance redressal mechanisms. Further, they have to mediate between the board, management and stakeholders to resolve conflicts.
6. **Collaboration with External Advisors and Institutions:** They can liaise with external professionals and institutions to align with best practices. They have to work with legal advisors, auditors and consultants on matters impacting stakeholders. Further, they represent the organization in forums, industry bodies and stakeholder consultations.
7. **Stakeholder Reporting and Communication Management:** They have to ensure that stakeholders are well-informed about the company's performance and policies. For this, they need to prepare and present stakeholder-specific reports (e.g., annual reports, ESG disclosures). Further, they communicate policy updates, governance changes and other critical information.

KEY SKILLS REQUIRED BY COMPANY SECRETARIES

Though Company Secretaries have acquired several skills, the following skills need particular attention with reference to strengthening the collaboration and engagement with varied stakeholders:

- (a) **Interpersonal and Communication Skills:** To build trust and effectively engage with stakeholders.
- (b) **Analytical and Legal Expertise:** To understand and address diverse stakeholder needs within legal frameworks.
- (c) **Strategic Thinking:** To align stakeholder engagement with organizational goals.

CONCLUSION

Collaboration and stakeholder engagement are indispensable for addressing complex challenges in India and abroad. These practices foster inclusivity, enhance decision-making and enable the pooling of diverse resources and expertise to tackle global and local issues effectively. In India, the

focus on grassroots involvement has laid the groundwork for community-driven solutions, while internationally, robust institutional frameworks have facilitated coordinated responses to global challenges. By adopting a hybrid approach that combines local innovations with global best practices, stakeholders can navigate regulatory complexities, address power imbalances and foster cultural understanding. Moreover, the integration of technology, capacity-building initiatives and transparent mechanisms can transform stakeholder engagement into a dynamic process that evolves with societal needs. Emphasizing long-term trust and accountability will further ensure sustainable outcomes, ultimately contributing to resilient ecosystems, equitable governance, and shared prosperity on a global scale.

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Monitoring and Assessment of Corporate Social Responsibility Projects

The concept of inclusive growth as recognized by the Government of India is truly reflected in the successful implementation of the Corporate Social Responsibility (CSR) ecosystem which witnessed a robust growth since its inception in 2013. Beginning with the thought on which medium the corporate India has relied more in implementing their CSR projects, the author delves deeper into the methods and approaches towards effective implementation of CSR projects and the role of Company Secretaries as advisor, guide and supervisor.



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INTRODUCTION

Corporate Social Responsibility- A Quest to Inclusive Growth For Development

The concept of inclusive growth as recognized by the Government of India is truly reflected in the successful implementation of the Corporate Social Responsibility (CSR) ecosystem which witnessed a robust growth since its inception in 2013. CSR as conceived for an instrument to integrate social, environmental and human development concerns in the entire value chain of corporate business, has touched the lives of those marginal sections of the Society which had hitherto remained excluded from the mainstream of development. The corporate spent in 2022-23 on CSR at Rs. 29986.92 cr. which is higher by Rs. 3407.14 cr. on Y-o-Y basis and having a CAGR of 24.73% within the period 2014-23 reflects the comprehensive approach towards implementation of CSR, making it all inclusive growth story of Corporate India.

Now the question comes, which medium the corporate India has relied more in implementing their CSR projects. Were the in-house projects remaining more successful gave higher flexibility in implementation and greater control in monitoring or the projects which were geared through partners by establishing a special purpose vehicle showed higher penetration. The answer would be; projects that would require in-house efficiency to implement would definitely come strong if supervised by the

company executives; on the other hand, projects requiring special skills to implement would require support of an implementing agency or through sharing resources with skill enriched partners. If we take, for example, the Skill Development through the Apprenticeship Promotion Scheme undertaken by a reputed dry cell manufacturing company where several apprentices were trained; plant members actively contributed to this program. Projects of this kind could be planned and managed in-house as skills are readily available within the organisation. Again by taking example of project undertaken by a FMCG company where several outlets offering safe and clean toilets were established in Mumbai periodically, such project was partnered by Municipal Corporation and other corporates.

STAGES OF CSR PROJECTS – IMPLEMENTATION IS THE MOST DEMANDING FUNCTION

It is imperative that among the four stages of CSR namely;

- Project design and approval
- Implementation
- Monitoring
- Impact assessment

Its implementation is the most demanding function; be it in an in-house or through a SPV. Though there are more or less four key essentialities for successful implementation of a CSR project namely;

- Identifying key stakeholders and building a CSR team.
- Gathering information on the target population and conducting an assessment of the project.
- Developing a CSR communication strategy and in-house training.
- Building proper Partner network and maintaining constant liaison with local authorities.

The key requirements for successful implementation would vary from project to project depending on their nature, location, size and impact on the society and it

would be rather difficult to draft common scope, concept and elements of implementation. However, concepts and elements of CSR project monitoring and assessment are common for every project and can be documented. In the following paras of this article effort has been made to elaborate the concepts and elements of monitoring and assessment of CSR plans in light of several projects undertaken by corporates during FY 2022-23 and 2023 24.

CSR PROJECTS MONITORING

• Monitoring

Monitoring is a CSR department's internal function, which begins with the start of a project and ends with the completion of the project, but it is a continuous process during the implementation of project. The key requirement for monitoring is laying an 'Action Plan'. The scope of monitoring is summarized in the table 1.1. If we take example for establishing of an emergency medical trauma care in an existing Community Health Centre (CHC) situated at a village located close to the highway where frequent accidents take place; the scope of monitoring and early action plans could be made clear.

Table-1.1

What?	Progress in implementation of CSR core program activities with reference to action plan	<p><i>Critical-</i></p> <p>(i) Whether CHC has got necessary licence under Clinical Establishment Act for operating trauma care center?</p> <p>(ii) Whether medical equipment's are as per specification/guidelines provided by the medical expert?</p> <p>(iii) Whether an on-call medical surgeon is available in the locality to provide the critical care?</p>
Why?	Take appropriate remedial action to keep the activities on track	<p><i>Critical-</i></p> <p>Since the CHC operates in a remote place, a whole time doctor may not be available for relocation.</p> <p><i>Action-</i></p> <p>Build a staff quarter with facility which might not be an initial CSR program.</p>
When?	From inception till completion	During implementation of the project, a request may come from the local authority to add a burn unit alongwith existing trauma care. In that case the project may extend beyond anticipated time/tasks.

Who?	CSR team key members Including beneficiaries	<p><i>Critical-</i></p> <p>Whether local police station/ highway patrols are made aware of the trauma center because they are the first focal point to bring the critically affected to the center.</p>
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Monitoring is a management function that involves key CSR team members and stakeholders, promoting participatory monitoring. It focuses on a project's operation, performance, and impacts, tracking technical and economic efficiency. Monitoring helps identify shortfalls, deviations, and problems, enabling remedial action. The monitoring aspects are summarized in table 1.2 below:

Table-1.2

Whether	The various tasks are carried out according to the schedule	As stated in the table 1.1. if the Clinical Establishment Licence has not been applied before the project implementation phase, the project is likely to delay as the grant of license by the authority is a time consuming process.
Whether	Project results are likely to lead to realization of the project objectives	In the above example if the instance of accidental death is reduced in the locality, then we can conclude that objectives of the project has been met.
Whether	Whether project objectives/targets/execution needs adjustments.	As stated in table 1.1. a burn unit could be added alongwith existing facility.

• Techniques of Monitoring

Broadly the following techniques are used for the purpose of CSR monitoring-

- Regular Progress Report-** Progress reports should include both physical and financial data to assess the fulfillment of CSR activities within the allocated budget.
- Monitoring Staff Performance-** Regular staff meetings are essential for monitoring CSR department and project staff performance, ensuring effective employment and alignment with targets and objectives.
- Tour Reports/site visits-** The most valuable information about the qualitative aspects of a CSR program is derived from the tour reports or site visits submitted by field staff.

- d. Feedback report- Visitors and program participants should provide brief feedback on CSR activities, outputs, and outcomes to aid in the development of CSR programs.
- e. Interviews- Stakeholders should be interviewed to discuss their opinions on CSR programs during early implementation phase and the resulting changes.
- f. Key informants- The CSR department should engage with higher officials and policy makers in the relevant department to gather valuable information in addition to regular stakeholders.
- g. Complaints/ Grievance mechanism- Stakeholder including key beneficiaries' complaints and grievances provide valuable insights into actual performance, and every CSR program should incorporate these sources of information for monitoring purposes.

Technical Efficiency	<p>The survey was carried out in the following parameters:</p> <ol style="list-style-type: none"> (i) Satisfaction with the stipend amount offered. (ii) Satisfaction with the field and department of work. (iii) Satisfaction with chosen field or area of work. <p>The output was high level (ranging from 92% to 94%) of satisfaction expressed by the appetences in the feedback report.</p>
CSR induced changes (Impact)	<p>76% of the respondents stated that their family income has increased by 50% or more after joining the appetencies program. This implies substantial majority experienced significant financial improvement.</p>

CSR PROJECT ASSESSMENT AND EVALUATION

a) Four Concepts are Basic to Monitoring and Assessment

They correspond, respectively, to

- Operational investment (Capability) (e.g., investment in CSR activity per beneficiary family)
- Operational efficiency (e.g., the number of visits, meetings, demonstrations, and trials, per CSR worker)
- Technical efficiency (e.g., the number of adopters, output, and value added)
- CSR induced changes (Impact) (e.g., production, productivity, income, and income distribution)

Impact assessment involves collection and collation of huge amount of data from the CSR projects. These data are collected at different phases of a CSR project.

Assessment criteria are summarized in table 1.3 taking example of an Apprenticeship Promotion Scheme undertaken by a manufacturing company. In this program, the company implemented CSR under this scheme in seven of its factories across India, where let's say, 2120 apprentices were trained under this scheme and total CSR grant was Rs. 7.29 cr.

Table-1.3

Investment in CSR activity per beneficiary family	<ol style="list-style-type: none"> (i) Total CSR Grant- Rs. 7.29 cr. (ii) No. of apprentices trained: 2120 (iii) Investment per beneficiary family: Rs. 34,386
Operational Efficiency	Out of 7 factories 4 factories were surveyed for response from appetencies.

In the above, the capability, effectiveness, and efficiency fall in the monitoring domain. Impact falls in the evaluation domain.

Impact can be measured by a simple indicator, like yield of a crop per hectare, Infant Mortality Rate (IMR), Maternal Mortality Rate (MMR) or increase in survival rate of the victims in the example cited in table 1.2. Such indicators provide ultimate tests for the success of any sectoral CSR program like agriculture, health and social welfare etc.

b) Elements of Evaluation

Now, what are the various elements of evaluation? Given, the purpose of a CSR programme is to convert a set of 'resources' into desired 'results', it can be construed that resources are 'inputs' and results are 'outputs' and 'outcomes'. Inputs to outcomes happen in a sequence as detailed below:

- **Input:** Materials and goods, funds, in-house and bought out services, technology and other resources invested in a CSR project with the expectation of outputs.
- **Results:** Some changes occur instantly, some changes take time to happen, and some outcomes fall somewhere in the middle. The outcome can be categorised in three broad areas, such as productivity, production and income.
- **Output (Immediate results):** Specific products or services, which a CSR initiative is expected to yield from its inputs in order to achieve the set objectives (increased irrigation, high literacy, new and improved health facility created etc).
- **Effect:** It is the outcome of the use of the project outputs above. The outcome of the expected

effects in a project will lead to desired impact – Intermediate results. In table 1.4 below intermediate results, are described as outcomes.

- **Impact:** It is the outcome of project effects or ultimate results (broad long term objectives – e.g. Standard of living and reducing poverty both at individual and community level). Impact is described as the outcomes for a community or region than on individuals. It may include direct and indirect as well as primary, secondary and tertiary level (See the Table- 1.4)

Table-1.4

Let us take the example of offering 'Safe and Clean Toilets' as CSR initiative in Mumbai area and impact assessment being carried thereafter. The objective of this project is to provide low-income urban informal settlements with access to clean toilets, purified drinking water, shower and laundromat facility; thereby meeting their hygiene and sanitation needs. The centres use greywater treatment plants and solar energy at rooftops. A sequence of results flow is discussed below-

Sequence of results		Parameter
Immediate Result(s)	Input	12 functional Centres in Mumbai Area.
	Output	<ul style="list-style-type: none"> - 3+ crore times centres assessed by > 9 lac users. - 4360 family passes issued. - 47.26 lakh kgs of clothes washed.
Intermediate Result(s) (Medium Term)	Effect (purpose / outcomes)	<ul style="list-style-type: none"> - 100% of the centre users prefer 'clean and safe toilets' over community toilet. - 100% PwD users confirm the inclusivity of the centres citing exclusive features of the centres. - 50% reduction in electricity bills due to use of solar panels. - 130 million litres of water recycled.
Ultimate Result(s) (Long Term)	Impact (Goals) – <i>Reduction in diseases rates and malnutrition prevalence</i>	<ul style="list-style-type: none"> - Providing safe sanitation to 12,00,000 people aligning with Swachh Bharat Mission goal. - 50% reduction in incidence of illness e.g. gastrointestinal and urinary tract infections. - 27% reduction in water-borne and vector-borne diseases. - Reduction of private health care cost at estimated Rs. 500 people per head. - 100% children could consume full evening meals without concern about limited access to nighttime toilets. - Centres employed over 150 individuals offering livelihood opportunities.

In any CSR project, this sequence (input → output → effect (outcomes) → impact) is in-built, ensuring that these steps occur is a primary 'condition' for the success of a project. Further, all CSR projects are made on certain 'assumptions' i.e. if we provide inputs, recipients will use them optimally, and produce necessary outputs so that the outputs will yield results; as in table 1.3 above increased income and the income will boost the standard of living of people. There are also other factors like change in social conditions, price fluctuation, changing political environment, etc., which either act as a 'catalyst' or can be described as 'risks' that will affect the project outcomes. It is, therefore, necessary to evolve a mechanism in every CSR project that necessary conditions prevail, assumptions come true and effects of risks are reduced by providing cushions for the shock or opportunities

could be boosted for better output. Such a monitoring mechanism will lead to desired impact.

IMPACT INDICATORS

Impact assessment involves collection and collation of huge amount of data from the CSR projects. These data are collected at different phases of a CSR project. Collected data has to be further analysed, processed and presented to the management in a concise and precise form of information for decision making. Such condensed and single piece of information will be called as indicator. Indicators are measures of induced change. They help the assessor to demonstrate the achievements of CSR

work through meaningful and dependable statements about what has been done and what benefits were derived from implementation. Such statements may vary from brief quantitative measures (even one number e.g. percentage) to elaborate verbal description (statement by beneficiaries). Indicators are simplified estimate of achievements or phenomena that are examined. Indicators help the management to specifically measure the intended levels of input use (quantity, quality and time), the resulting outputs, effects and impacts with reference to planned activities and goals/objectives. Therefore, developing indicators is a pre-requisite for effective assessment and evaluation of CSR projects.

Specimen indicators used during impact assessments are summarised in Table 1.5

Table- 1.5

Project	Type of Indicators	Indicators Example	Impact Indicators
Agricultural Sustainability and Water Conservation (to promote awareness of cost efficient farming methods, water conservation and soil health.)	Quantitative Indicators (Provide numeric information about a change in a situation due to CSR program)	<ul style="list-style-type: none"> ➤ No. of Water conservation created ➤ No. of villages benefitted ➤ No. of farmers benefitted 	<ul style="list-style-type: none"> • 22,000 water conservation structure created. • 9,000 villages benefitting from water conservation. • 3,00,000+ farmers benefitting from agricultural interventions.
Marrow Donor Registration Program (to support Marrow Donor Registry of India (MDRI) for promoting awareness and enlisting volunteers for bone marrow donation.)	Process Indicators (Information on various processes involved in CSR program implementation)	<ul style="list-style-type: none"> ➤ Processes involved ➤ Collaboration with Partners ➤ Funding ➤ Organizing effective CSR program 	<ul style="list-style-type: none"> • Outreach campaigns organized, Saliva samples collection, DNA testing, database updation, donor's fitness assessment and donation to blood bank. • The company collaborated with MDRI a pioneering organisation facilitating bone marrow transplants. • The company contributed, say, Rs.1.98 cr. to promote awareness and support for bone marrow donor registration. • 17 awareness programs resulted 3037 donors which was 58% of total registrations in a year which expanded the donor's base substantially.
Shelter to Cancer Patients (shelter to cancer patients and family at subsidized or low cost or no cost basis to retain patients requiring longer phase of treatment)	Progress Indicators (Seek to measure or monitor changes against stated targets in CSR programs)	<ul style="list-style-type: none"> ➤ Percentage increase/or decrease in activities in terms of actions, interactions, collaborations etc. 	<ul style="list-style-type: none"> • <i>Short to Medium Term change-</i> the main and expected outcome of 29% increase in retention of the patients who otherwise have been dropped out of treatment. • <i>Long term change-</i> Every lac of grant money invested will provide accommodation to over 114 patients and their families across the lifespan of the facility.
Centre of Excellence (construction of centre of excellence to host an existing science foundation's office, seminars, public forum for interaction etc.)	Qualitative Indicators (Largely descriptive statements about processes and outcomes of CSR programs)	<ul style="list-style-type: none"> ➤ How end users and community needs are addressed? 	<ul style="list-style-type: none"> • Adequate office space to Science Foundation • Auditorium space for hosting event. • The building serves towards fulfilling the long-term vision of creating a scientific hub and promoting a culture of science.

SCOPE AND OPPORTUNITIES FOR COMPANY SECRETARIES ON CSR

Role of a Company Secretary (CS) in the CSR is pivotal and it stretches from the initiation phase of the CSR till its reporting. An in-house CS of an organisation can act as an initiator, communicator as well as controller of CSR activities of the Company. Moreover, a PCS can help his client companies to embrace CSR activities and enable them to build strategies to impact sustainable community development. A CS in employment as well in practice can extend the following services related to CSR.

- **CSR Policy Development:** At the first phase of CSR, a CS can collaborate with the Board and the management to develop the CSR policy and best

practices consistent with the company's business strategy. CS should play key role in drafting and implementing the CSR policy and procedures.

- **CSR Advisory:** At this stage of the CS should play the advisory role to educate and train the Board of Directors on the CSR concerns and best practices including screening of projects and building CSR teams.
- **CSR allocation, facilitating integration and handling CSR communication:** At this crucial stage the CS should advise the Board on allocating resources to the CSR projects. He will play a vital role in collecting, collating and reporting CSR related data. As a team building effort, the CS should advise



and design communication channels with the CSR team members to facilitate CSR efforts through a time-bound approach including maintenance of all CSR records.

- **CSR performance monitoring and reporting:** The CS can assist in tracking the Company's performance and pointing out potential areas for lacuna and suggest remedial measures. At the final stage of CSR implementation, the CS should collate all data from the CSR records to prepare and present the CSR reports before the Board for its approval.
- **Impact Assessment:** This could be an emerging area of service for PCS. As the big corporates in India are embracing to fewer but larger CSR projects having long term social influence, role and scope of impact assessors are increasingly widening to evaluate measurable social outcome of these projects. A trained and experienced PCS can build up his practice on ESG consulting including offering service of impact assessment of CSR projects.

CONCLUSION

Indian CSR witnessed systematic transition from intuitive charity to strategic community development and today it has laid foundation for two key contemporary trends, deep-impact investing and social innovation. There is no doubt that after a decade of its initiation and India being the first country in the world to introduce CSR as a legislative mandate, there is a remarkable increase in resource allocated to CSR by Indian corporates. Though the journey is significant, corporates have witnessed

people exploiting loopholes in the system. Several big ticket projects have impeded by factors emanating within the organization as well as from outside, like, lack of proper team spirit in the CSR team, inactive involvement of top management of the organization as well as lack of proper liaison with the local authority resulting in inefficient and wasteful loss of resources. It is heartening as we note the transformation of the social development landscape where individual promoters and High Net Worth Individuals are becoming more and more committed to inter-generational change on social subjects of their choice, CSR project monitoring is becoming more essential to improve delivery system as well as taking appropriate mid-course corrective measures to achieve project goals. Further, as it is imperative that efficacy of impact assessment will largely depend on the data collected during implementation and monitoring stage, implementing partners will leverage more on their on-the-ground presence to the data provided to improve program execution and drive more viable outcomes to fulfil the country's journey towards a sustainable and equitable future.

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DELEGATE FEE AND REGISTRATION (NON-RESIDENTIAL)

	Fee in INR (Exclusive of GST @18%)	Fee in AUD* (Taxes as applicable)
ICSI Member	16,000	300
ICSI Student	12,000	220
Others	20,000	360
Registration Link	https://shorturl.at/wx9LB 	https://forms.gle/bqVfmJXQsYayRAKu6 

*Delegate making payment in AUD to pay at below mentioned bank account before registration:

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Account Number	912010040104826
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KINDLY NOTE

- Prior Registration for the Conference is mandatory
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ICSI 4th International Conference

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Room Type:
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(1 king bed or 2 single beds).

Rate:
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excluding breakfast



(Address: Crowne Plaza Sydney Darling Harbour, 58 Bathurst Street, Sydney NSW 2000 Australia)

- ✓ **Breakfast:** AUD 30.00 per serving if booked in advance or AUD 40.00 on the day.
 - ✓ Concessional rate is available for bookings between 2 - 5 September 2025 (Reservation will be on first-cum-first-serve basis)
 - ✓ The above rates are inclusive of all applicable service charges, local fees, and taxes.
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 - ✓ **Check-in:** 3.00 PM **Check-out:** 12.00 Noon
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RESEARCH PAPER

We invite Research papers / Manuscripts to publish in 'Chartered Secretary' with the objective of creating proclivity towards research among its members both in employment and practice. As research is an integral part of scientific approach towards an issue for arriving at concrete solutions, in view of this it is essential to ensconce the research-oriented approach. Further, research is pervasive, i.e., it is not restricted to a particular field. Whether it is engineering, management, law, medicine, etc. without proper research, it is almost next to impossible to ascertain the solution of a problem.

Contributions may be sent on topics like Secretarial Practice, Auditing Standards, Company Law, Mercantile Law, Industrial Law, Labour Relations, Business Administration, Accounting, CG & CSR, Legal Discipline, and Digital Transformation & Artificial Intelligence or on any other subject and topic of professional interest.

Participants are requested to send their Research Paper with the following terms:

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- ❖ It should be ensured that the Research Paper has not been/will not be sent elsewhere for publication.
- ❖ Research Paper should include a concise Title, Abstract name of the author(s) and address.

Members and other readers desirous of contributing Research Paper may send the same latest by **Monday, March 24, 2025** for the **April 2025** issue of Chartered Secretary Journal at cs.journal@icsi.edu

The length of the Research Paper should ordinarily be between 2,500 - 4,000 words in MS Word format.

We look forward to your co-operation in making this initiative of the Institute a success.

Regards,

Team ICSI

2

RESEARCH CORNER



- INDUSTRY STANDARDS FOR RPT DISCLOSURES: A GAME CHANGER FOR CORPORATE GOVERNANCE
-

Industry Standards for RPT Disclosures: A Game Changer for Corporate Governance

This article elaborates about the Industry standards on "Minimum information to be provided for Review of the Audit Committee and Shareholders for Approval of Related Party Transaction (RPT)" issued by ISF on 14th February, 2025. Every listed entity must adhere to these industry standards to ensure compliance with Section III-B of the Master Circular, in conjunction with Regulation 23(2), (3) and (4) of the LODR Regulations.



CS Pavan Kumar Vijay, FCS

Founder, Corporate Professionals,
Chairman, Sub-Group of ISF for formulating RPT Standards,
Former President, The ICSI
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INTRODUCTION

Related Party Transactions (RPTs) have been a longstanding area of concern in corporate governance due to their potential for conflicts of interest, financial mismanagement and promoter-driven benefits. Historically, RPT disclosures were unstructured and narrative-driven, allowing selective reporting and ambiguity. This led to information asymmetry, where audit committees and shareholders lacked a clear, standardized format for assessing these transactions.

The Audit Committee plays a critical role in reviewing and approving RPTs. However, in the past, they faced significant challenges due to unstructured and selective RPT disclosures.

CHALLENGES FACED EARLIER

- Lack of structured data → Audit Committee struggled with incomplete and vague RPT disclosures.
- Selective reporting by management → Audit Committee found it difficult to challenge management's justification.
- Opaque pricing and valuation → It was hard to detect if transactions were favoring promoters.

To address these challenges, promote good corporate governance and enhance disclosure requirements in Related Party Transactions (RPTs), SEBI vide Circular dated February 14, 2025 issued Industry Standards on "Minimum information to be provided for review of the Audit Committee and shareholders for approval of RPTs", which will be effective from April 1, 2025.

Regulation 23(2), (3) and (4) of the SEBI (LODR) Regulations, 2015, mandate RPTs be approved by the Audit Committee and, if material, by the shareholders. Section III-B of SEBI's Master Circular, dated November 11, 2024, specifies the information that must be placed before the Audit Committee and shareholders for their consideration of RPTs.

To facilitate a uniform approach and assist listed entities in complying with these requirements, the Industry Standards Forum (ISF) comprising representatives from ASSOCHAM, CII and FICCI, under the aegis of the Stock Exchanges, has formulated industry standards, in consultation with SEBI.

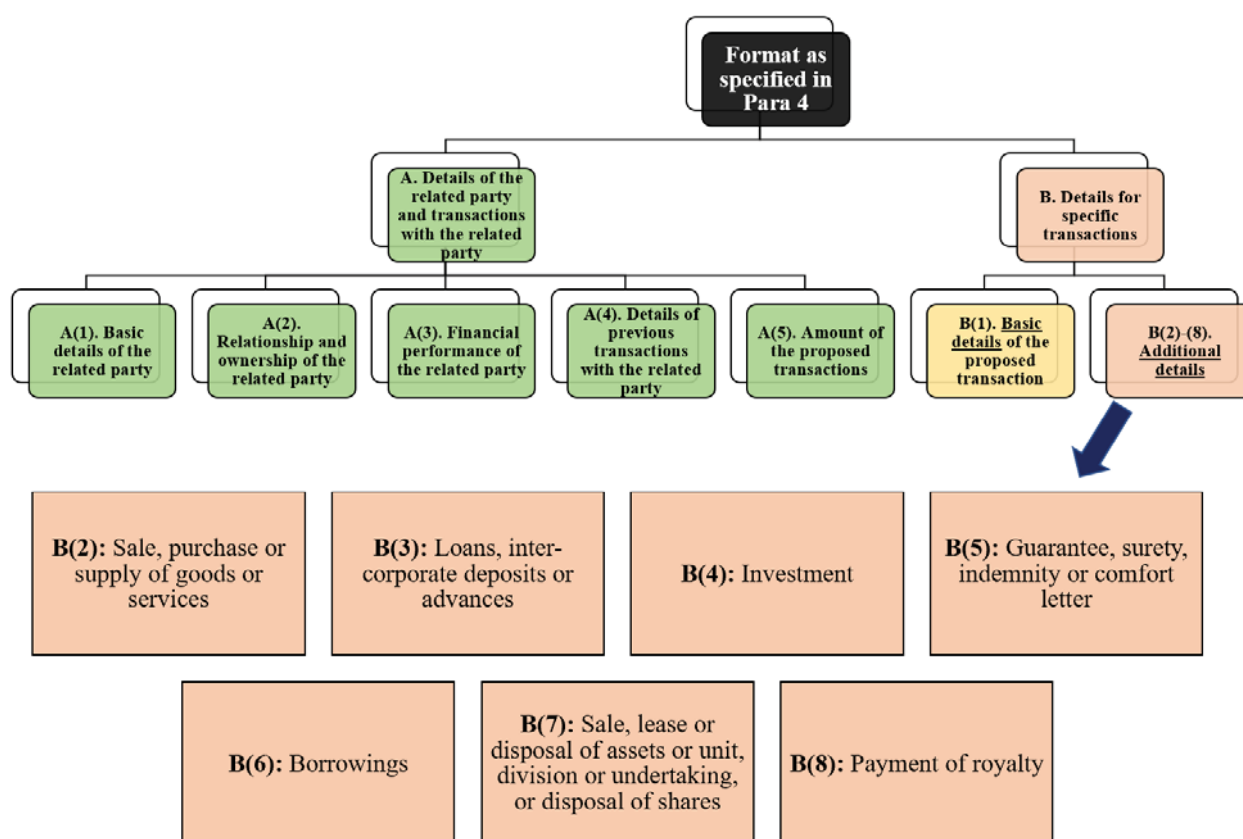
Now, every listed entity must adhere to these industry standards to ensure compliance with Section III-B of the Master Circular, in conjunction with Regulation 23(2), (3) and (4) of the LODR Regulations.

These Standards aim to:

- Ensure full transparency in RPT disclosures.
- Introduce uniformity in reporting, eliminating selective interpretations.
- Strengthen oversight mechanisms within corporate entities.
- Empower audit committees and shareholders with structured information.

ASPECTS COVERED UNDER THESE STANDARDS

These standards specify the minimum information required for the approval of RPTs, generally covering the following aspects in the format:



APPLICABILITY OF THESE STANDARDS

ISF has established an Applicability Matrix that categorizes RPTs based on their financial thresholds like material RPTs, other non-material RPTs & residual RPTs and the nature of the transaction like transaction is with promoter or not & balance sheet / P&L items.

Applicability Matrix

Type of Transaction	Threshold	Balance Sheet / P&L Items	Approvals required	Disclosure requirement
Material RPT	As defined under Regulation 23(1) & (1A) of the LODR Regulations	Both	Audit Committee + Shareholders	Comprehensive disclosures
Other RPT, but which is with promoter or promoter group or person/ entity in which promoter or promoter group has concern or interest	Transaction(s) with a related party to be entered into individually or taken together with previous transactions during a financial year exceeding lower of the following: <ul style="list-style-type: none"> 2% of turnover; 2% of net worth; 5% of the average of absolute value of profit or loss after tax. <i>(As per the last audited consolidated financial statements of the listed entity)</i>	Both	Audit Committee	Comprehensive disclosures
	Less than the above threshold	Balance sheet items	Audit Committee	Comprehensive disclosures
		P&L items		Limited disclosures

Type of Transaction	Threshold	Balance Sheet / P&L Items	Approvals required	Disclosure requirement
Residual RPT	Transaction(s) with a related party to be entered into individually or taken together with previous transactions during a financial year exceeding Rs. one crore	Both	Audit Committee	Limited disclosures
	Less than the above threshold			Minimum disclosures

After reading the applicability matrix mentioned above, the following questions may arise:

Q.1: In what manner, the person/ entity in which promoter or promoter group has concern or interest shall be ascertained?

Promoter or promoter group shall be deemed to be concerned or interested in any person, if they in any way, whether directly or indirectly—

- where the person is a body corporate, holds more than 2% shareholding or voting rights of that body corporate, or is a promoter, managing director, manager, CEO of that body corporate; or
- where the person is a firm or other entity, the promoter(s) or the promoter group is a partner, owner or member, as the case may be.

The definition is similar to the arrangement and contracts covered under Section 184(2) of the Companies Act, 2013.

Q.2: What is meant by comprehensive, limited and minimum disclosures?

i. **Comprehensive Disclosures** comprise of all disclosures forming part of these Standards.

ii. **Limited Disclosures** means those specified in Para 4 of the Circular except the following line items:

- B(2):** Rows 13 to 17;
- B(3):** Rows 31 & 32 (provide information for the previous FY instead of the last 3 FYs);
- B(4):** Row 43; and
- B(8):** Rows 78, 79, 84 & 86.

iii. **Minimum Disclosures** comprise of all disclosures as specified in Rows A(1), A(2), A(4), A(5) and B(1) of Para 4 of these Standards.

- A(1):** Basic details of the related party;
- A(2):** Relationship and ownership of the related party;
- A(4):** Details of previous transactions with the related party;
- A(5):** Amount of the proposed transactions; and
- B(1):** Basic details of the proposed transaction.

Q.3: What are the balance sheet and profit & loss items?

(1) **Balance Sheet items include:**

- Loans, inter-corporate deposits or advances given by the listed entity or its subsidiary;
- Investment made by the listed entity or its subsidiary;
- Guarantee (excluding performance guarantee), surety, indemnity or comfort letter, by whatever name called, made or given by the listed entity or its subsidiary;
- Borrowings by the listed entity or its subsidiary; and
- Sale, lease or disposal of assets of subsidiary or of unit, division or undertaking of the listed entity, or disposal of shares of subsidiary or associate.

(2) **P&L items include:**

- Sale, purchase or supply of goods or services or any other similar business transaction; and
- Payment of royalty.

<p>Q.4: For the purpose of determining the disclosure thresholds, should the limits be checked for each transaction individually or in aggregate?</p> <p>Where an RPT individually or in aggregate with other RPTs entered into with the same related party exceeds the threshold limit, then disclosure regime will be applicable for every RPT entered into with the related party.</p>
<p>Q.5: Whether these Standards will apply only to approvals taken after April 01, 2025 or transactions undertaken after the said date?</p> <p>The SEBI Circular comes into effect from April 01, 2025, so the requirement of disclosures before the Audit Committee and Shareholders as per the Standards comes into effect from the said date. In case the approval for RPTs to be entered into on or after April 01, 2025 is taken before the said date, as a measure of good governance it is advisable to make disclosures as per the Standards.</p>
<p>Q.6: Whether it will have an impact on material RPTs already approved in AGM 2024 that will continue till AGM 2025?</p> <p>These Standards are applicable at the time of placing the RPTs for approval before shareholders. As the existing approval continues to remain valid till AGM 2025, the Standards should apply in case of Material RPTs or material modifications that will be taken for shareholders' approval on or after April 01, 2025.</p>
<p>Q.7: If an RPT amounts to ₹1 crore in a financial year with a non-promoter, which disclosures will be applicable—limited or minimum?</p> <p>Limited disclosures will be applicable.</p>
<p>Q.8: Payment of remuneration to a related party or other transaction which is not covered under line items B(2) to B(8), does such a transaction still need to comply with these Standards?</p> <p>Yes, line items A(1) to A(5) and B(1) will be applicable. However, if the transaction is not with the promoter or promoter group and the transaction is less than ₹1 crore, then only the minimum disclosures will apply, i.e., A(1), A(2), A(4), A(5) and B(1).</p>

MINIMUM INFORMATION REQUIRED FOR AUDIT COMMITTEE REVIEW

As per these Standards, the following information shall be provided by the management of the listed entity to the Audit Committee:

- a) The information, as specified in Para 4 of the Standards.
- b) Certificates from the CEO or CFO or any other KMP of the listed entity and from every director of the Listed Entity who is also promoter ("promoter director") to the effect that:
 - (i) the RPTs to be entered into are not prejudicial to the interest of public shareholders; and
 - (ii) the terms and conditions of the RPT are not unfavorable to the listed entity, compared to the terms and conditions, had similar transaction been entered into with an unrelated party.
- c) Copy of the valuation or other report of external party, if any.

At the time of providing the aforementioned information, the management of the listed entity shall also consider other important factors:

- If audited financial statements of the related

party are unavailable for any financial year, the related party shall certify the financial details.

- If the related party follows a different financial year, this fact shall be disclosed.
- In the case of the payment of royalty, management fees, service fees, etc., if any, shall be explicitly bifurcated and disclosed.
- For royalty payments, the Audit Committee should review a peer comparison of royalty payments with at least three industry peers. Preference should be given to Indian listed industry peers, followed by listed global industry peers, if available. If no suitable Indian or global listed industry peers are available, the listed entity may refer to the peer group considered by SEBI-registered research analysts in their publicly available research reports.

Industry Standards make corporate governance more transparent, accountable and investor friendly. This is not just a compliance requirement—it is a fundamental shift towards corporate integrity, transparency and financial accountability.

MINIMUM INFORMATION REQUIRED FOR SHAREHOLDERS APPROVAL

As per these Standards, the following information shall be provided to the shareholders:

- a) Information as placed before the Audit Committee. However, the Audit Committee may approve redaction of commercially sensitive information from disclosures if it affects the listed entity's competitive position. It shall certify that the redacted disclosures still ensure informed decision-making for public shareholders.

- b) Justification as to why the proposed transaction is in the interest of the listed entity.
- c) Statement of assessment by the Audit Committee that relevant disclosures for decision-making were placed before them and they have determined that the promoter(s) will not benefit from the RPT at the expense of public shareholders.
- d) Disclose the fact that the Audit Committee had reviewed the certificate provided by the CEO or CFO or any other KMP as well as the certificate provided by the promoter directors of the Listed Entity.
- e) Copy of the valuation report or other reports of external party, if any, considered by Audit Committee while approving the RPT.
- f) The Audit Committee must disclose if it has reviewed bids from unrelated parties in transactions involving goods, services, or assets. If no bids were invited, justification must be provided. If no comparable bids exist, the basis for recommending the RPT's benefit to shareholders must be stated.
- g) Comments of the Board/ Audit Committee of the listed entity, if any.
- h) Any other information that may be relevant.

RECENT CASE STUDIES: LESSONS FROM THE PAST AND HOW THESE STANDARDS WILL ADDRESS THEM

Case Study 1: Cash Transfers to Parent Entity

A listed entity has faced scrutiny over significant cash transfers to its parent entity through inter-corporate deposits (ICDs) and loans to related entities. These transactions raised concerns among investors and analysts about the use of company's cash reserves to fund the promoter group's financial needs.

Key concerns included:

- Lack of proper disclosures regarding the financial health of the related party receiving funds.
- Potential impact on company's financial stability, as these transactions depleted cash reserves.
- Insufficient shareholder engagement, where public investors had limited visibility into why such transactions were necessary.

Case Study 2: Alleged Diversion of Funds

A well-known businessman and chairman of a major corporate group in India has been banned from the securities market for five years and fined ₹25 crore by SEBI on charges of fund diversion. The ban extends to 24 other individuals, restricting them from accessing the securities market and prohibiting them from buying, selling, or dealing in securities, directly or indirectly.

The regulatory action stems from allegations of fund diversion from a former subsidiary of a financial services company, which specialized in housing loans, loan

against property, and construction finance. SEBI initiated an investigation into the company after receiving multiple complaints and reports indicating possible misappropriation of funds.

Case Study 3: Alleged Fraudulent RPTs and Diversion of Funds

One of India's largest housing finance companies faced a major collapse due to a massive financial transaction involving related party dealings. The company was accused of:

- Diverting over ₹31,000 crore to related shell companies controlled by the promoter group.
- Failing to disclose the true nature of transactions in its financial statements, misleading investors and regulators.
- Using RPTs to inflate profits and financial stability, while actual loan disbursements were allegedly misused.
- Lack of audit committee oversight, which allowed promoters to approve questionable transactions without proper scrutiny.

Case Study 4: Controversy Over Royalty Payments

India's largest car manufacturer faced significant criticism over its high royalty payments to its foreign parent company. The key concerns raised for such royalty payment:

- Excessive Royalty Payments;
- Lack of clear guidelines on royalty payments has led to unchecked increases;
- No sunset clause for royalty payments; and
- Royalty functions like a "special dividend" benefiting promoters disproportionately.

HOW THESE STANDARDS WILL ADDRESS THE AFOREMENTIONED ISSUES

- a) **Mandatory CEO/CFO and promoter director certifications:** Promoter directors and KMPs are now required to certify that RPTs are fair and not prejudicial to public shareholders, reducing the risk of fund diversion through opaque transactions.
- b) **Valuation or external party reports:** The Audit Committee shall oversee the valuation and any other external party report, if any.
- c) **Stricter governance over fund transfers:** These Standards requires companies to justify why a particular RPT is in the best interest of the company and its shareholders, making fund diversion more difficult to execute unnoticed.
- d) **Enhanced audit committee oversight:** Audit committees are now required to conduct deeper evaluations of RPTs, ensuring that related party dealings do not harm the company's financial stability.



- e) **Review the bids obtained from unrelated parties:** Audit Committee should review the terms and conditions of bids from unrelated parties and such fact shall be disclosed to the shareholders. In case bids have not been invited, the fact shall be disclosed along with the justification thereof and in case comparable bids are not available, state the basis for recommending that the terms of the RPT are beneficial to the shareholders.
- f) **Peer Comparison:** For royalty payments, companies must compare their royalty payments with at least three industry peers to ensure fairness.
- g) **Detailed Disclosure of Royalty Components:** Companies must break down royalty payments into separate categories, such as brand usage, technology transfer and management fees.
- h) **Sunset Clause for Royalty Agreements:** These Standards encourage companies to disclose sunset clause for royalty payments.

BENEFITS OF THESE STANDARDS: A MULTI-STAKEHOLDER PERSPECTIVE

These Standards are a **win-win for all stakeholders**—

- *Audit Committee* to gain better oversight tools;
- *Management* benefits from clearer compliance pathways;
- *Shareholders* enjoy stronger governance safeguards; and
- *Regulators* can enforce compliance more effectively.

1. Benefits for Audit Committee & Independent Directors

- **Standardized RPT Disclosure Format:** Audit Committee now have access to a uniform, structured disclosure framework, making it easier to analyze transactions.
- **Greater Clarity in Decision-Making:** The requirement to benchmark RPTs against industry peers and third-party transactions allows Audit Committee to assess whether transactions are at arm's length and commercially viable.
- **Mandatory Certifications:** CEO, CFO and promoter director certifications ensure that RPTs are not prejudicial to the company's interests, giving Audit Committee with greater assurance on governance compliance.
- **Strengthened Audit Committee Role:** With enhanced audit committee scrutiny, Audit Committee is now equipped with more tools to question, evaluate and reject questionable transactions, reducing governance risks.

2. Benefits for the Management of the Listed Entity

- **Reduced Compliance Uncertainty:** With predefined approval requirements and disclosure formats, companies can navigate RPT approvals more efficiently.
- **Enhanced Corporate Credibility:** Transparent RPT disclosures help companies build trust with investors, analysts and regulators, improving long-term corporate reputation.

- **Streamlined Internal Processes:** The structured format ensures that all RPT-related financial and non-financial details are documented in a systematic manner, reducing discrepancies and compliance risks.
- **Protection from Regulatory Penalties:** By following standardized procedures, companies can mitigate risks of non-compliance, regulatory scrutiny and legal disputes, ensuring smoother operations.
- **Efficient Regulatory Oversight:** The structured approach makes it easier for SEBI and stock exchanges to identify discrepancies, questionable transactions and governance lapses, enabling quicker corrective action.
- **Prevention of Financial Misreporting:** With mandatory audit committee approvals, external valuation requirements and third-party comparisons, regulators can detect and prevent financial misstatements and frauds linked to RPTs.

3. Benefits for Shareholders (Including Public Shareholders)

One of the biggest beneficiaries of these standards are **shareholders**, particularly **public and institutional investors**, who often bear the brunt of opaque RPT practices.

- **Greater Transparency:** Shareholders now receive detailed, structured information about RPTs, enabling them to assess the necessity, fairness and commercial justification of transactions.
- **Enhanced Approval Rights:** For material RPTs, shareholder approval is mandatory, giving investors direct control over transactions that impact the company's financials and governance.
- **Stronger Safeguards Against Promoter Influence:** By mandating CEO/CFO and promoter director certifications, the framework ensures that RPTs are not structured to benefit promoters at the expense of public shareholders.
- **Fairer Valuation and Pricing:** The requirement for comparisons with third-party transactions and external valuation reports ensures that shareholders are not exposed to overpriced or underpriced deals that favor related parties.
- **More Investor Confidence:** With reliable and standardized disclosures, institutional investors and foreign investors will be more likely to increase their holdings in well-governed Indian companies, improving overall market sentiment.

4. Benefits for Regulators

For regulatory bodies like SEBI, stock exchanges and corporate watchdogs, these standards streamline compliance, enforcement and governance practices, resulting in:

- **Uniformity Across Listed Entities:** A standardized disclosure format simplifies monitoring and enforcement, ensuring that all companies adhere to the same level of transparency.
- **Reduced Scope for Regulatory Arbitrage:** Companies can no longer exploit loopholes or manipulate disclosures, as clear thresholds and comprehensive reporting guidelines now govern RPT disclosures to the audit committee and shareholders.

CRITICISM & REALITY

Criticism: The new disclosure format adds unnecessary reporting complexity.

Reality: The format simplifies compliance by introducing a structured and uniform reporting mechanism.

Criticism: This won't prevent fraudulent intent.

Reality: While no system can eliminate fraud entirely, structured disclosures reduce loopholes and allow early detection of financial mismanagement.

Criticism: It creates additional work for management.

Reality: The benefits far outweigh the costs—companies with better RPT transparency attract stronger investors and regulatory goodwill.

CONCLUSION

These Standards mark a new era for corporate governance in India, ensuring:

- Audit Committees have complete transaction details, reducing approval risks.
- Audit Committee can now challenge and assess transactions effectively.
- Management benefits from structured compliance and reduced ambiguity.
- Public shareholders gain full transparency, preventing financial mismanagement.

These Standards make corporate governance more transparent, accountable and investor-friendly. This is not just a compliance requirement—it is a fundamental shift towards corporate integrity, transparency and financial accountability.

REFERENCES:

- Industry Standards on "Minimum information to be provided for review of the Audit Committee and Shareholders for approval of RPT": <https://nsearchives.nseindia.com/web/sites/default/files/inline-files/CML66697.pdf>*
- Webinar on "Minimum Information to be Provided for Approval of RPT" conducted by Corporate Professionals on 21st February, 2025: <https://www.youtube.com/watch?v=2IOMZV2nqJg>*
- Enforcement Orders issued by SEBI: <https://www.sebi.gov.in/enforcement/orders.html>*





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LEGAL WORLD



- KUSHESHWAR DUBEY v BHARAT COKING COAL LTD. & ORS [SC]
- BANK OF BARODA v FAROOQ ALI KHAN [SC]
- AJAY VIJ & ANR v. ABHISHEK DUTTA [NCLAT]
- ADGST (SM) ARMY PURCHASE ORGANISATION v GOKUL AGRO RESOURCES LTD & ORS [CCI]
- XYZ v HP INDIA SALES PRIVATE LTD & ORS [CCI]
- WESTERN COAL FIELDS LIMITED v MANOHAR GOVINDA FULZELE [SC]
- MAHARASHTRA STATE ROAD TRANSPORT CORPORATION v. MAHADEO KRISHNA NAIK [SC]
- SAHAKARMAHARSHI BHAUSAHEB THORAT SAHAKARI SAKHAR KARKHANA LTD v. THYSSEN KRUPP INDUSTRIES INDIA P.LTD [SC]
- KAMAL KISHOR SHRIGOPAL TAPARIA v. INDIA ENER GEN PRIVATE LIMITED[SC]



Corporate Laws

Landmark Judgement

LMJ 03:03:2025

KUSHESHWAR DUBEY v BHARAT COKING COAL LTD. & ORS [SC]

Civil Appeal No. 3129 of 1987

Rangnath Misra & M.N.Venkatchelliah, JJ. [Decided on 06/09/1988]

Equivalent citations: 1988 AIR 2118; (1988) 2 SCJ 271; 1988 (4) SCC 319; (1988) 2 LAB LN 912; (1988) 3 JT 576 (SC).

Disciplinary and criminal proceedings—Holding of- Simultaneously--Whether legal bar—Held, not advisable to evolve a hard and fast rule valid for all cases.

Brief facts:

The appellant, an employee of Respondent No. 1, was subjected to disciplinary proceedings as also a criminal prosecution simultaneously on the allegation that he physically assaulted a supervising officer. He filed a civil action in the trial court asking for injunction against the disciplinary action pending criminal trial. The trial court stayed further proceedings in the disciplinary action till disposal of the criminal case. In appeal, the appellate court affirmed the aforesaid order. However, the High Court allowed the Revision Application of the Respondent and set aside the impugned order on the ground that there is no bar for an employer to proceed with the departmental proceeding with regard to the same allegation for which a criminal case is pending. Employee challenged the decision before the Supreme Court.

Decision: Allowed.

Reason:

According to the appellant, the legal position settled by this Court supported the stand that the disciplinary action had to be stayed till the criminal case was over. We would like to point out that there are also authorities in support of the position that there is nothing wrong in parallel proceedings being taken—one by way of the disciplinary proceeding and the other in the criminal court.

The view expressed in the three cases of this Court seem to support the position that while there could be

no legal bar for simultaneous proceedings being taken, yet, there may be cases where it would be appropriate to defer disciplinary proceedings awaiting disposal of the criminal case. In the latter class of cases it would be open to the delinquent- employee to seek such an order of stay or injunction from the Court. Whether in the facts and circumstances of a particular case there should or should not be such simultaneity of the proceedings would then receive judicial consideration and the Court will decide in the given circumstances of a particular case as to whether the disciplinary proceedings should be interdicted, pending criminal trial. As we have already stated that it is neither possible nor advisable to evolve a hard and fast, straight- jacket formula valid for all cases and of general application without regard to the particularities of the individual-situation. For the disposal of the present case, we do not think it necessary to say, anything more, particularly when we do not intend to lay down any general guideline.

In the instant case, the criminal action and the disciplinary proceedings are grounded upon the same set of facts. We are of the view that the disciplinary proceedings should have been stayed and the High Court was not right in interfering with the trial court's order of injunction which had been affirmed in appeal. The appeal is allowed and the order of the High Court is vacated and that of the trial court as affirmed in appeal is restored.

LW 17:03:2025

BANK OF BARODA v FAROOQ ALI KHAN [SC]

Civil Appeal No. 2759 of 2025 [@ SLP (C) No. 18062 of 2024]

P.S.Narasimha & Manoj Misra, JJ. [Decided on 20/02/2025]

Insolvency and Bankruptcy Code, 2016- Section 95- insolvency resolution process of individual- NCLT admitted the application- intervention of High Court- High Court dismissed the insolvency application filed against the respondent- whether correct-Held, No.

Brief facts:

The question for our consideration is whether the High Court could have justifiably invoked judicial review under Article 226 of the Constitution to interdict personal insolvency proceedings initiated against respondent no.1 under Section 95 of the Insolvency and Bankruptcy Code, 2016 by holding that his liability as a debtor has been waived. The High Court jurisdiction was invoked against the order of the Adjudicating Authority dated 16.02.2024 appointing a resolution professional and directing him to examine the application under Section 95 and file a report under Section 99 of the IBC. Having considered the facts, legal submissions, and for the reasons to follow, we set aside the judgment and order passed by the High Court and restore the proceedings before the Adjudicatory Authority from the time of its order dated 16.02.2024 directing the resolution professional to submit a report as provided under Section 99 of the IBC.

Decision: Allowed.

Reason:

The simple question for our consideration is whether the High Court correctly exercised its writ jurisdiction to interdict the personal insolvency proceedings under the IBC against respondent no. 1.

It is necessary to appreciate the statutory scheme regarding the admission of an application for initiating personal insolvency under Part III, Chapter III of the IBC. This Court in *Jiwrajka* (supra), while deciding the constitutional validity of Sections 95 to 100, has delved into the same and has held as follows. Pursuant to an application for initiating personal insolvency proceedings under Section 94 or Section 95, the Adjudicating Authority appoints a resolution professional under Section 97. The resolution professional performs distinct functions under Part II (dealing with corporate insolvencies) and Part III (dealing with personal insolvencies) of the IBC. Under Part III, Chapter III, the resolution professional performs a facilitative role of collating information, as provided under Section 99 of the IBC, in which the resolution professional examines the application, determines whether the debt has been repaid, and submits a report to the Adjudicating Authority recommending the admission or rejection of the application. It is only after the submission of this report *Jiwrajka* (supra), that the Adjudicating Authority's adjudicatory functions commence under Section 100. At this stage, the Adjudicating Authority determines whether to admit or reject the application for initiating insolvency.

The Adjudicating Authority, by its order dated 16.02.2024, has followed the procedure envisaged under Sections 95 to 100 of the IBC, and has also relied on the afore-stated principles in *Jiwrajka* (supra). It specifically observed that respondent no. 1's objections regarding limitation and waiver of the guarantee will be considered once the resolution professional submits his report. This is the correct approach as the appointment of a resolution professional, at the very threshold, is statutorily mandated under Section 97 of the IBC. As has been held by this Court in *Jiwrajka* (supra), the Adjudicating Authority does not adjudicate any point at this stage and need not decide jurisdictional questions regarding existence of the debt before appointing the resolution professional. This is because Section 99 requires the resolution professional to, at the first instance, gather information and evidence regarding repayment of the debt, and ascertain whether the application satisfies the requirements of Section 94 or Section 95 of the IBC. The existence of the debt will first be examined by the resolution professional in his report, and will then be judicially examined by the Adjudicating Authority when it decides whether to admit or reject the application under Section 100.

In light of this statutory scheme, which has been followed by the Adjudicating Authority, we are of the view that the High Court incorrectly exercised its writ jurisdiction as: first, it precluded the statutory mechanism and procedure under the IBC from taking its course, and second, to do

so, the High Court arrived at a finding regarding the existence of the debt, which is a mixed question of law and fact that is within the domain of the Adjudicating Authority under Section 100 of the IBC. In view of the above reasons, we allow the present appeal.

LW 18:03:2025

AJAY VIJ & ANR v. ABHISHEK DUTTA [NCLAT]

Company Appeal (AT)(INS) No. 726 & 728 of 2021 with Company Appeal (AT) (INS) NO. 818-819 of 2021

Yogesh Khanna & Ajai Das Mehrotra. [Decided on 28/02/2025]

Insolvency and Bankruptcy Code, 2016-liquidation-during CIRP CD converted into LLP- on the basis of Form 18 filed with MCA NCLT held CD to have committed perjury - directed liquidator to file criminal proceedings -whether correct-Held,No.

Brief facts:

The NCLT held the appellants guilty of committing perjury on the following grounds:

(a) the appellants have given wrong information to the ROC in Form No.18 required for converting a company into LLP wherein they had stated no proceedings were pending against the company but whereas an Insolvency petition under Section 9 IBC was pending against the company; and (b) the appellants had filed an affidavit wherein the appellants had deposed the units were handed over to the parties way back in December, 2016 but whereas their learned counsel stated the units will be handed over to the parties.

The Appellants challenged the impugned order in the present appeal.

Decision: Allowed.

Reason:

We agree to the submission of the learned counsel for the appellant that Form No.18 was only required to facilitate conversion of the company to LLP, though such declaration filed was not material for such conversion. Further per law the conversion of a company into LLP shall have no effect to the pending proceedings by and against the company since per Section 58(4)(b) of LLP Act, 2008; upon conversion of a company into LLP, all assets, interest, rights, privileges, liabilities, obligation relating to the company and whole of the undertaking of the company stood transferred to the LLP. Clause 6(b) of the 3rd Schedule of LLP Act also supports the same. Even per Section 58(3) read with Clause 8 of third schedule of LLP Act, all proceedings by and against the company pending before any Court, tribunal or other authority can be continued, completed and enforced by or against the LLP.

Therefore, it is amply clear on conversion to LLP, the Appellants could not have evaded insolvency proceedings, thus the observation made by the Ld. NCLT viz the

company has intentionally taken steps to convert the entity of the corporate debtor from private limited company to LLP, to escape the rigors of insolvency code and to shrug off the liabilities of the creditors of the corporate debtor is based on misreading. Thus, a wrong declaration in Form 18 allegedly made inadvertently before the ROC cannot be said to be material in the context of conversion from a Company into LLP so as to fall within the definition of perjury u/s 199 IPC. Thus, holding the Appellants guilty of an act of perjury deserves to be set aside on this ground alone; and consequential impugned order dated 04.08.2021 permitting the Liquidator to file complaint u/s 340 CrPC also deserves to be set aside.

Admittedly such declaration in Form 18 was never made/ filed before the Ld. NCLT but before the ROC; therefore, it was not for the Ld. NCLT/Liquidator to move u/s 195 CrPC for initiating action on such account.

Secondly an observation in the impugned order dated 17.05.2021 viz there exists a discrepancy in affidavit of Mr. Pankaj Gambhir/Appellant No. 1 in CA(AT) (Ins.) No. 818 & 819/2021 wherein he deposed 'lease hold units were handed over to the parties as back as in December 2016', and statement of their counsel made before the bench on 18.09.2019 wherein the averment 'lease hold units will be handed over to the parties', would indicate those are conflicting statements is also factually incorrect on a plain reading of para 5 of the affidavit dated 16.07.2019 where the deponent Mr. Pankaj Gambhir did not use the expression 'handed over' but all that he had deposed was the Company had 'already vacated' the said premises in December, 2016. Thus, there was no conflict between these two expressions 'already vacated' and 'will be handed over' used respectively by Mr. Pankaj Gambhir (designated partner of LLP) in his affidavit and the counsel appearing for the LLP before the Ld. NCLT. It is alleged sometimes a tenant vacates the premises but on actual possession is not taken over by landlord, may be because of pending dispute. That apart, this statement has no material bearing on the subject of conversion of the Company into LLP because of S. 58(4)(b) of the LLP Act. Thus, the impugned orders dated 17.05.2021 and 04.08.2021 deserve to be set aside on this ground too.

Thus, we are of the considered view no act of perjury has been committed by the Appellants. But even if it is presumed just for the arguments' sake that an offence of perjury stands committed, then also the impugned order dated 04.08.2021 r/w impugned order dated 17.05.2021 permitting the Liquidator to file complaint u/s 340 CrPC is not sustainable there being admittedly no finding recorded to the effect "that it is expedient in the interest of justice a complaint should be filed. In the absence of a finding to the above effect which is a sine qua non under S. 340(1)(a) CrPC, the impugned order dated 04.08.2021 is not sustainable in law.

Further we are also of the view that Ld. NCLT has no jurisdiction to convict a person for an offence under Section 68 under Chapter VII of Part II IBC in view of the express provision contained in S. 236(1) IBC, as there exists a Special Court per Section 236 of the

Companies Act, 2013. Hence the Ld. NCLT has no power to convict the appellants and impose a fine and as such the conviction and the fine imposed by Ld. Adjudicating Authority is hereby set aside.



LW 19:03:2025

ADGST (SM) ARMY PURCHASE ORGANISATION v GOKUL AGRO RESOURCES LTD & ORS [CCI]

Case No. 03 of 2024

Ravneet Kaur, Anil Agrawal, Sweta Kakkad & Deepak Anurag [Decided on 04/02/2025]

Competition Act, 2002- Section 3- cartelisation – OPs companies of same group- bidding process- minor difference in pricing- whether collusion- Held, No.

Brief facts:

The present matter was a Reference under Section 19(1)(b) from Army Purchase Organisation ('APO'/ 'Informant') through ADGST (SM), APO alleging contravention of the provisions of Section 3 by M/s Gokul Agro Resources Ltd. ('Opposite Party No. 1/' 'OP-1') and M/s Gokul Agri International Ltd ('Opposite Party No. 2/' 'OP-2'), collectively referred to as 'OPs'.

The Informant has prayed for the following reliefs before the Commission:

- Examination of the shareholding structures of OPs;
- Details of promoters and their stakes in respect of OPs in terms of 7.5.8 of Ministry of Finance Manual of Procurement of Goods, 2022; and
- Verification as to whether OPs are sister concerns and hence the possibility of cartel formation.

Decision: Dismissed.

Reason:

On scrutiny of the summarized table of bids relating to tenders, as provided in the Reference, it is observed that OP-1 and OP-2 emerged L-1 on 4 occasions each out of a total of 15 occasions, and the percentage difference between their bids ranges between 0.42% and 10.46%. Further, from the data given for 15 occasions, it is noted that on 7 occasions the winner was a party other than OPs.

The Commission has previously held that common ownership is not sufficient to record any findings of

contravention of the provisions of Section 3 of the Act. [In Re: *Alleged cartelization in road construction work in the State of Uttar Pradesh (Suo Motu Case No. 03 of 2018)*].

The Commission notes that mere commonality of ownership does not by itself imply contravention of the provisions of Section 3(3) (d) of the Act. The Commission notes that the Informant has also annexed a copy of the Order of the Hon'ble High Court of Gujarat (*Company Petition Nos. 36, 37 & 38 of 2015*) wherein the then scheme of de-merger of Gokul Refoils & Solvent Limited, OP-1 and OP-2 was approved. On the perusal of the above-mentioned Order of the Hon'ble High Court of Gujarat, the OPs appear to be independent entities. Further, from the information given in the Reference, it is noted that OPs are listed companies with no common directors.

Regarding competition dynamics in the tendering process, the Commission notes from the data furnished with the Reference for the 15 occasions of bidding, that bidders other than the OPs had also participated as well as won. Besides, there is no evidence to indicate any collusion between OPs.

In view of the facts and circumstances of the Reference and analysis carried out in the preceding paragraphs, the Commission does not find evidence which would suggest the presence of bid-rigging in the impugned tendering process. On the contrary, the Commission, upon perusal of the Reference and documents annexed therein, finds that several entities have been participating in the impugned tendering process. In view of the same, the Commission does not find any occasion to intervene in the matter under the provisions of the Act. In light of the above, the Commission directs that the matter be closed forthwith under Section 26(2) of the Act.

LW 20:03:2025

XYZ v HP INDIA SALES PRIVATE LTD & ORS [CCI]

Case No. 26 of 2024

Ravneet Kaur, Anil Agrawal, Sweta Kakkad & Deepak Anurag. [Decided on 04/02/2025]

Competition Act, 2002- Section 3- bid rigging-tenders floated by Municipal Corporation of Gurugram and Faridabad for procurement of inkjet printers- OPs quoted prices for HP products-whether involved in bid rigging- Held,No.

Brief facts:

The present Information has been filed by an individual who has sought confidentiality over its identity including the name and contact details. The Informant has alleged existence of circumstantial/economic evidence of bid rigging by OP-1 and its resellers arrayed as OP-2 to OP-8, engaged in identical or similar trade of goods.

The Informant has alleged that bid rigging has taken place in two tenders floated at Government e-Marketplace one by GMDA and the other by FMDA having similar

specifications, issued for procurement of inkjet/LED A0-A4 size plotter/printer with 5 years' extended warranty covering print head, maintenance box and 2 set ink cartridges.

Decision: Dismissed.

Reason:

With regard to GMDA and FMDA tenders, the Commission found them to be similar in specification including quantity, features, product type etc. except that GMDA tender included buyback of a non-functional printer as a pre-condition.

Regarding GMDA tender, the Commission noted that five bidders participated and all of them quoted HP product. Capricot Technologies (OP-4) and Wide Print (OP-2) offered same HP model i.e. HP XL 3800 including set of 2 cartridges, print heads, Maintenance box and five-year warranty; whereas, other three bidders viz. Digital Global (OP-3), Samman Consultant (OP-5) and KR enterprises (OP-8) quoted HP XL 4200, all quoted with five-year warranty. Out of the five bidders, four got technically qualified and OP-2 emerged as L-1 bidder. It is asserted by the Informant that GMDA tender specification required minimum three years' warranty but all the bidders quoted for five-year warranty which as per the Informant, indicated collusion. In this regard, the Commission found that the Informant has failed to notice the additional buyer conditions- 'Onsite OEM Warranty - 5 years' stipulated in the GMDA tender which prompted the bidders to quote for five-year warranty. This dispels the alleged suspicion of cartelisation on the part of the bidders on account of same warranty period.

With regard to FMDA tender, the Commission noted that four bidders participated, among which three bidders viz. Wide Print (OP-2), Sigma eSolutions (OP-6) and Transcon (OP-7) quoted for HP XL 3800 including set of 2 cartridges, print heads, Maintenance box and five-year warranty, whereas remaining one bidder Digital Global (OP-3) quoted ROWE brand for which OP-2 is stated to be deemed OEM. In this regard, the Commission noted the allegation of the Informant that OEM (OP-2) authorised a bidder (Digital Global) to quote against itself. In this regard, the Commission noted that OP-2 not quoting the same brand as that quoted by OP-3 cannot be said to bid against itself. Both the bidders are quoting different brands of different OEMs as per their individual choice.

The Informant has alleged the product specification in GMDA and FMDA tenders to be restrictive in nature, preventing participation of LED printers. The Informant has also alleged the cumulative price for individual components to be substantially more than the composite bid prices quoted by the bidders on GeM portal. In this regard, the Commission notes that normally a procurer has the choice to procure goods and services as per its needs and requirements. The procurer/consumer has the freedom to specify the kind of product or service, warranty, cartridges etc. and the same cannot be dictated to the procurer. In exercise of such freedom, the procurer

specifies the nature, manner and mode etc. based on its requirement, budgetary constraints and other commercial considerations to fulfil its objective or functions. The Commission observes that the price of maintenance box, print heads, cartridges etc. were neither provided by the Informant nor appeared to be available in public domain to substantiate this assertion. The Commission is of the view that like the product specifications, it is the prerogative of the procurer either to procure individual items from GeM portal or to procure a bundle of products and/or services based on its specific requirements to meet its objective.

In view of the foregoing, the Commission is of the view that there appears no material substantiating the allegations of cartelisation by the OPs. Before parting with the order, the Commission notes that the Informant has prayed for grant of confidentiality over its identity including name and contact details. Accordingly, in terms of Regulation 36(1) of the Competition Commission of India (General) Regulations, 2024, the Commission decides to keep the identity of the Informant including name and contact details confidential for a period of three years from the date of passing of this order.



Industrial & Labour Laws

LW 21:03:2025

WESTERN COAL FIELDS LIMITED v MANOHAR GOVINDA FULZELE [SC]

Civil Appeal No.2608 of 2025 (@ SLP(C) No.10088 of 2020) with connected appeals

Sudhanshu Dhulia & K. Vinod Chandran, JJ.[Decided on 17/02/2025]

Payment of Gratuity Act, 1972- Section 4(6)- forfeiture of gratuity- misconduct involving moral turpitude- whether conviction by criminal court necessary-Held,No.

Brief facts:

The question raised in the above cases was the permissibility of forfeiture of gratuity, in the event of termination of service on misconduct, which can be categorised as an act constituting an offence involving moral turpitude; without there being any conviction in a criminal case or even a criminal proceeding having been initiated.

The appellant in one of the appeals is a PSU(where the employee has given false date of birth) and the other appeals are by the MSRTC.(where the conductors were

involved in misappropriation). Impugned judgments found the forfeiture of gratuity to be not permissible under the Payment of Gratuity Act, 1972 (the Act) relying on the decision of this Court in *Union Bank of India and Ors. vs. C.G. Ajay Babu (2018) 9 SCC 529*.

Decision: PSU appeal allowed. MSRTC appeal allowed with modification.

Reason:

With all the respect at our command, the interpretation in *C.G. Ajay Babu* does not come out of the statutory provision (Section 4(6)(b)(ii) of the Act). Normally we would have referred the matter for consideration by a Larger Bench, but, as we noticed, the statutory provision does not make it a requirement that the misconduct alleged & proved in a departmental enquiry should not only constitute an offence involving moral turpitude, but also should be duly established in a Court of Law. The words “duly established in a Court of Law” cannot be supplied to the provision. Moreover, as we observed; the interpretation of sub clause (b)(ii) of subsection (6) of Section 4 was uncalled for in *C.G. Ajay Babu* since the provisions of the Section 4, including subsection (6) was found to be inapplicable to the employer Bank and its employee, by virtue of subsection (5) of Section 4. The interpretation, hence, with due respect was an obiter making a reference unnecessary.

The standard of proof required in a criminal proceeding is quite different from that required in a disciplinary proceeding; the former being regulated by a higher standard of ‘proof beyond reasonable doubt’ while the latter governed by ‘preponderance of probabilities’. The provision of forfeiture of gratuity under the Act does not speak of a conviction in a criminal proceeding, for an offence involving moral turpitude. On the contrary, the Act provides for such forfeiture; in cases where the delinquent employee is terminated for a misconduct, which constitutes an offence involving moral turpitude. Hence, the only requirement is for the Disciplinary Authority or the Appointing Authority to decide as to whether the misconduct could, in normal circumstances, constitute an offence involving moral turpitude, with a further discretion conferred on the authority forfeiting gratuity, to decide whether the forfeiture should be of the whole or only a part of the gratuity payable, which would depend on the gravity of the misconduct. Necessarily, there should be a notice issued to the terminated employee, who should be allowed to represent both on the question of the nature of the misconduct; whether it constitutes an offence involving moral turpitude, and the extent to which such forfeiture can be made. There is a notice issued and consideration made in the instant appeals; the efficacy of which, has to be considered by us separately .

As far as, the PSU is concerned, we find that the appellant was proceeded against for the misconduct of producing a fraudulent ‘date of birth certificate’ to obtain appointment. *Devendra Kumar vs. State of Uttaranchal (2013) 9 SCC 363* was a case where the services of the delinquent employee were terminated for reason of suppressing

material information regarding pending criminal cases against him, at the time of appointment. This Court held that when an appointment is obtained by employing fraud; the question is not whether the applicant is suitable for the post but whether the appointment was obtained by suppressing material information. It was held that even if the offence alleged in the case pending against the applicant would not involve moral turpitude, suppressing such information would amount to moral turpitude.

In the present case it has been proved that the petitioner suppressed his actual date of birth. The failure of the employer to initiate a criminal proceeding on the fraud employed by way of the fabricated/forged certificate produced for the purpose of employment, does not militate against the forfeiture. Obviously, as coming out from the provision, no conviction in a criminal proceeding is necessitated, if the misconduct alleged & proved constitutes an offence involving moral turpitude.

The very same reasoning applies in the appeals by the MSRTC were the delinquent employees, conductors in the stage carriages operated by the MSRTC were found to have indulged in misappropriation of fares collected from passengers. Misappropriation definitely is an act constituting an offence involving moral turpitude.

Now we come to the question of whether the forfeiture of gratuity of the terminated employees should be only partly or wholly. Insofar as the PSU is concerned, the appointment itself was invalid for reason of suppression of the actual date of birth and production of a forged certificate. The appointment itself being illegal, there is no question of the terminated employee seeking fruits of his employment by way of gratuity. We uphold the decision of the PSU forfeiting his entire gratuity. However, in the case of conductors, we see that the act alleged and proved is of misappropriation of meagre amounts. It is trite that even if minimal amounts are misappropriated it would constitute a misconduct warranting termination, as held by this Court. However, on the question of forfeiture of gratuity, we are of the opinion that the Appointing Authority should have taken a more sympathetic approach. We do not propose to send back the matter for fresh consideration but direct the Appointing Authority to limit the forfeiture to 25% of the gratuity payable and release the balance amounts to the respondent employees. We allow the appeals with the above modification in so far as the extent of gratuity forfeited in two appeals. Parties to bear their own costs.

LW 22:03:2025

MAHARASHTRA STATE ROAD TRANSPORT CORPORATION v. MAHADEO KRISHNA NAIK [SC]

Civil Appeal No.13834 of 2024

Dipankar Datta & Sandeep Mehta, JJ. [Decided on 14/02/2025]

Termination of service of driver - accident-employer indulging in suppression of material facts and advancing falsehood to justify the termination

before the labour court- contrary stand taken by the employer before the MACT – whether employer indulged in suppressio veri and suggestio falsi- Held, Yes.

Brief facts:

This appeal was directed against the judgment and order of the Single Bench of the High Court of Bombay allowing a petition for review of his earlier order of dismissal of a writ petition instituted by the respondent. The single judge not only set aside the order of dismissal of the writ petition passed by him but also set aside the award passed against the Respondent the Labour Court at Mumbai. While so reviewing, the single judge also directed the Appellant Corporation to pay all benefits and emoluments including back wages to the Respondent. The Corporation has taken exception to the impugned order and contends that the High Court erred in interfering with the decisions of the Writ Court and the Labour Court in its review jurisdiction.

Issue: This appeal involved, inter alia, the interpretation of the legal maxim “*suppressio veri and suggestio falsi*” i.e. suppressing the material facts and advancing falsehood and how this maxim is applied.

Decision: Dismissed.

Reason:

The single judge, in review, noticed the stand taken by the Corporation before the MACT that the accident was entirely due to the negligence of the lorry driver, who was driving carelessly without observing traffic norms. It was stated before the MACT that the driver of the lorry drove it into the Corporation's bus and that no fault could have at all been attributed to Mahadeo for the accident. Furthermore, in its defence, the Corporation led evidence before the MACT of the conductor of the bus and a passenger who emphatically stated that the lorry driver was completely at fault for the accident. The single judge noticed the fact that the proceeding before the MACT culminated into an award for compensation in favour of the claimants therein, where the MACT recognising the fact that the lorry driver was at fault, did not affix any liability on the Corporation. Based on the pleadings and the evidence presented by the Corporation, the MACT categorically held that the accident took place because of the negligence of the lorry driver. the said award

It became clear to the single judge that such relevant evidence was suppressed before the Labour Court. This material, in the opinion of the single judge, had a crucial and conclusive bearing on the case before the Labour Court.

The single judge relied on a decision of this Court reported in *Associate Builders v. Delhi Development Authority*, where it was held that disregard of a vital piece of evidence is one of the factors to be considered while examining whether an order is perverse. The single judge further held that if the material produced before the MACT had been produced before it, the Labour Court

would have reached a diametrically opposite conclusion than the one it reached in the present case.

To our mind, the present controversy tasks us to address four issues. The first is whether, the Corporation is guilty of *suggestio falsi* by not disclosing what it had pleaded before the MACT and *suppresio veri* by suppressing the said award. Depending on an affirmative answer to the first issue, the second issue would be whether, on facts and in the circumstances, the single judge was justified in exercising review jurisdiction. Again, an affirmative answer to the second issue would require serious consideration as to whether any interference with the direction for payment of full back wages is called for or not. Fourthly and finally, subject to our answers to all the three issues, what would be the appropriate relief for Mahadeo needs to be considered.

The Latin phrases “*suggestio falsi* and *suppresio veri*” embody concepts of unethical conduct of a party having serious consequences in various fields including law. According to Black’s Law Dictionary³⁰, *suggestio falsi* is a false representation or a misleading suggestion while *suppresio veri* 11th Edition connotes suppression of the truth; an indirect lie, whether by words, conduct, or artifice. It is a type of fraud.

That the Corporation indulged in the misadventure of *suggestio falsi* and *suppresio veri* is incontrovertible. Before the Labour Court, the Corporation did not leave any stone unturned to establish that not only was the inquiry conducted against Mahadeo fair, but the conclusion arrived at in course of such inquiry that Mahadeo was guilty of misconduct in rashly and negligently driving the bus of the Corporation leading to loss suffered by it was established upon due consideration of the materials on record. Having regard to the clear and specific stand taken before the MACT in its written statement, which has been quoted above, the Corporation did make a false representation before the Labour Court amounting to *suggestio falsi*. Also, having not disclosed before the Labour Court the outcome of the proceedings before the MACT, a fortiori, that it had not been found liable to pay any compensation to the passengers who either died and were injured based on what the version in the written statement was and the argument advanced on its behalf to absolve itself of any liability, the Corporation is also guilty of *suppresio veri*.

The conduct of the Corporation when Mahadeo was struggling to find a foothold before the single judge in view of the contours of judicial scrutiny of awards of industrial adjudicators cannot also escape notice. Perhaps, the Corporation thought that the proceedings before the MACT not having been brought to the notice of the Labour Court by Mahadeo previously, he was blissfully ignorant of the same and, therefore, the Corporation would steal a march over him by not making the appropriate disclosure. The Corporation was caught off-guard when Mahadeo produced the written statement and the award of the MACT before the single judge in his review petition.

The relevance of the MACT judgment and its probative value to the case at hand cannot be gainsaid. To be relevant, a piece of evidence relied on by a party must be shown to have some logical connection to the case and its admission would be necessary to prove or disprove a fact. Once the evidence is found to be relevant and is admitted arises the question of its probative value. Probative value, as is well-known, refers to the weight or persuasive power of the evidence. It is not always necessary that a piece of evidence found relevant to a case would still demand significant probative value. An assessment has to be made by the court as to how convincing or persuasive the evidence is and how effective it would be to prove or disprove a fact.

We are conscious that the law of evidence per se does not apply to industrial adjudication. Nevertheless, the general principles do apply. In any event, in industrial adjudication, principles of natural justice have to be complied with. Fairness in procedure has developed as the third limb of natural justice. The manner in which the Corporation conducted itself before the Labour Court does not behove a creature of a statute. It has been far from fair in its dealings with Mahadeo.

The Corporation did not deliberately refer to the award of the MACT at two different tiers, and thereby actively suppressed relevant material from a court of law. We do not propose to enter the arena of controversy as to whether the award of the MACT is binding on the Labour Court. However, the Corporation could not have at any rate resiled from what it pleaded in its own written statement before the MACT on a sworn affidavit and deliberately withhold the same. This Court has always taken a serious view against suppression of evidence in a judicial proceeding.

Even if we keep the award of the MACT aside, it is clear from the pleadings of the Corporation before the MACT and the Labour Court that the Corporation has attempted to get the best of both worlds. The contradictory nature of the stances taken by the Corporation before the Labour Court and the MACT reeks of the Corporation trying to approbate and reprobate on the same issue. It is bound to cause immense prejudice to Mahadeo if the Corporation is allowed to reverse its stance to suit its own interests.

The Corporation, without an iota of doubt, being in the dominant position has attempted and achieved success in stealing a march over Mahadeo by indulging in *suggestio falsi* and *suppresio veri*. The actions of the Corporation have resulted in Mahadeo being robbed of a stable livelihood and has caused irreparable harm to him. It would not behove any court, much less this Court, to allow such free reign to a party. Omission, neglect and/or failure – whatever be the cause – the Corporation’s non-disclosure of what its stand was before the MACT and what was ultimately held by the MACT to the Labour Court as well as the single judge is suppression of such high magnitude that it can safely be held to be akin to a clear fraud on court.

It also appears to us that the actions of the Corporation were motivated. The track record of Mahadeo would show that he had been involved in 8 collisions before the collision with the lorry. Why the Corporation did not get rid of Mahadeo before is best known to it. However, wanting to get rid of Mahadeo, the Corporation on this occasion found a convenient excuse in the collision and went ahead to dismiss him in the most unfair manner.



General Laws

LW 23:03:2025

**SAHAKARMAHARSHI BHAUSAHEB THORAT
SAHAKARI SAKHAR KARKHANA LTD v. THYSSEN
KRUPP INDUSTRIES INDIA P.LTD [SC]**

Civil Appeal No. 3194 of 2014

**Abhay S. Oka & Ujjal Bhuyan, JJ. [Decided on
14/02/2025]**

**Arbitration Act, 1940- Section 30- claim of damages
outside the contract- whether allowable- Held,No.**

Brief facts:

The Appellant was the Purchaser and the Respondent was the Seller. Parties had entered into an agreement whereunder the respondent agreed to design, procure, manufacture and supply to the appellant machinery and equipment for a continuous fermentation process. The agreement contained an arbitration clause. The total consideration was of Rs. 93,20,000/-. Disputes arose between the parties and the arbitration proceedings went through a long litigation as both the parties had challenged the award passed at each instance. Finally second award was passed which was also challenged. In the second award an amount of Rs.68.15 lakhs was allowed towards the damages for loss suffered due to non-performing machinery and equipment.

Again, both the parties filed objections and the Civil Court substantially upheld the second award except for the direction to pay interest of Rs.10.63 lakhs on the ground that interest cannot be made payable on the amount of damages till it is quantified.

Being aggrieved by the judgment of the Trial Court, the respondent preferred an appeal in which the appellant filed cross- objections. By the impugned judgment the High Court allowed the appeal and dismissed the cross-objections of the appellant. The High Court set aside the second award to the extent of a claim of Rs.68.15 lakhs. It was held that this claim was based on speculative and imaginary calculations.

Decision: Dismissed.

Reason:

Now, we come to the claim made by the appellant. Before we refer to the claim, we must note that the real controversy remains confined to the claim granted by the Arbitral Tribunal to the sum of Rs.68.15 lakhs towards the damages for loss suffered due to non-performing machinery and equipment and, consequently, the interest thereon. The case made out in the claim is that the respondent failed to commission the plant successfully so as to give guaranteed performance as per the agreement. Therefore, production loss continued.

In the impugned judgment, the High Court has, in detail, considered the clauses in the agreement. The High Court referred to the notice dated 19th October 1994 addressed by the appellant to the respondent. In the said notice, the appellant claimed that a sum of Rs.107.54 lakhs had been spent on the plant and that the plant was not giving the required results as agreed, even optimum to the norms. Therefore, the sum of Rs.107.54 was a loss to the appellant. The High Court rightly rejected the appellant's contention that the claim for damages of Rs.107.54 has been concluded against the respondent. The High Court rightly observed that if that were so, this Court would not have confirmed the order of remand to the Arbitral Tribunal even on the said issue.

We have already quoted the relevant part of the agreement, particularly clause 8, which contains performance guarantees. Clause 15 is regarding penalties/liquidated damages. Penalties/liquidated damages were stipulated for the delay in delivering machinery and plant, failure to give the guaranteed performance of continuous fermentation plant, failure to provide a guaranteed performance with respect to steam, and failure to give a guaranteed performance with respect to power. Even the rates of liquidated damages have been laid down.

Then comes clause 21. Clause 21.1 provided that on the failure of the respondent to replace the defective or underrated equipment within a reasonable time, the appellant had the option to replace the same at the respondent's cost. Under clause 21, it was provided that the responsibility of the seller for rectification/replacement shall extend to the actual cost of rectification/replacement of defective items of the continuous fermentation plant and machinery.

Careful perusal of the claim made before the Arbitral Tribunal by the appellant shows that the claim for the sum of Rs.107.54 lakhs was not based on clause 21 of the agreement. It is not the appellant's case that the respondent was called upon to replace the plant and machinery, and as the respondent failed to do so within a reasonable time, the appellant replaced the plant and

machinery by themselves. The claim was on account of a refund of the amount spent by the appellant on the plant.

As stated earlier, there is a clause for liquidated damages under which a claim was allowed by the Arbitral Tribunal, which the respondent accepted. Under clause 21 of the agreement, the appellant had the choice of replacing the plant and machinery and seeking the cost of the plant and machinery and the installation cost from the respondent. However, the said option was not availed by the appellant. The agreement provided for liquidated damages in clause 15 on account of non-performance of the guarantees set out in clause 8. Assuming that the entire plant and machinery was a failure or scrap, the appellant had the right to replace the same and claim the cost from the respondent. However, that was not done by the appellant.

The appellant got liquidated damages as provided in the agreement on account of breaches committed by the respondent. The claim for damages of the appellant will remain confined to what is expressly provided under the Agreement in view of Section 74 of the Contract Act. The appellant retained the plant and machinery and did not take the benefit of clause 21. Therefore, as rightly held by the High Court, the appellant was not entitled to the claim of Rs.68.15 lakhs as it was claimed in the statement of claim as the refund of the amount spent by the appellant on the acquisition of plant and machinery. In the circumstances, we find absolutely no error in the view taken by the High Court, and accordingly, the appeal is dismissed.

LW 24:03:2025

KAMAL KISHOR SHRIGOPAL TAPARIA v. INDIA ENER GEN PRIVATE LIMITED[SC]

Criminal Appeal No(s). of 2025[@ SLP (Crl.) Nos. 4051-4054 of 2020]

B. V. Nagarathna & Satish Chandra Sharma, JJ. [Decided on 13/02/2025]

Negotiable Instruments Act- sections 138 & 141- vicarious liability of resigned director- appellant resigned from the board before the dishonoured cheques were issued- whether vicariously liable -Held, No.

Brief facts:

The Appellant, who was an independent non-executive director of M/s D.S. Kulkarni Developers Ltd., has been arrayed as an accused in the complaints filed under Section 138 of the NI Act alleging dishonour of cheques issued by the company. The High Court, while dismissing the Appellant's plea, observed that the role of the director is a matter of trial and that the complainant has made sufficient averments regarding the Appellant's involvement. Hence the present appeal before the Supreme Court.

Decision: Allowed.

Reason:

This Court has consistently held that a mere designation as a director does not conclusively establish liability under section 138 read with section 141 of the NI Act. Liability is contingent upon specific allegations demonstrating the director's active involvement in the company's affairs at the relevant time.

This Court in *National Small Industries Corporation Ltd v. Harmeet Singh Paintal and Anr*, (2010) 3 SCC 330 ; *N.K. Wahi v. Shekhar Singh*, (2007) 9 SCC 481 and *S.M.S. Pharmaceuticals Ltd. v. Neeta Bhalla & Anr*, (2005) 8 SCC 89, laid down that mere designation as a director is not sufficient; specific role and responsibility must be established in the complaint.

In *Pooja Ravinder Devidasani v. State of Maharashtra*, (2014) 16 SCC 1 this Court while taking into consideration that a non-executive director plays a governance role, and are not involved in the daily operations or financial management of the company, held that to attract liability under Section 141 of the NI Act, the accused must have been actively in-charge of the company's business at the relevant time. Mere directorship does not create automatic liability under the Act. The law has consistently held that only those who are responsible for the day-to-day conduct of business can be held accountable.

Upon perusal of the record and submissions of the parties, it is evident that the Appellant was neither a signatory to the dishonoured cheques nor was he actively involved in the financial decision-making of the company. Moreover, he resigned from the post of independent non-executive director on 03.05.2017, duly notified through Form DIR-11 and DIR-12 to the Registrar of Companies.

The complaints do not contain any specific averments detailing how the Appellant was responsible for the dishonoured cheques. Petitioner's role in the accused company was limited to that of an independent non-executive director, with no financial responsibilities or involvement in the day-to-day operations of the company. Furthermore, he was not responsible for the conduct of its business.

The legal precedents cited above, including *Pooja Ravinder* (supra), clearly hold that non-executive directors cannot be held liable under section 138 NI Act unless specific evidence proves their active involvement. In view of the above observations, the Appellant cannot be held vicariously liable under section 141 of the NI Act. The complaints do not meet the mandatory legal requirements to implicate him.

Accordingly, the impugned judgment and the criminal proceedings pending against the present Applicant before the Learned Metropolitan Magistrate are hereby quashed.

4

FROM THE GOVERNMENT



- THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) AMENDMENT RULES, 2025
- MCA LEGAL TRAINING PROGRAM - SCHEME FOR THE ENGAGEMENT OF UNDER-GRADUATE LAW STUDENTS / FRESH LAW GRADUATES ON PRO-BONO BASIS FOR ASSISTING LITIGATION WORK AT THE MINISTRY HEADQUARTERS AND FIELD OFFICES REGARDING
- REGULATORY FRAMEWORK FOR SPECIALIZED INVESTMENT FUNDS (SIF)
- TIMELINES FOR DEPLOYMENT OF FUNDS COLLECTED BY ASSET MANAGEMENT COMPANIES (AMCs) IN NEW FUND OFFER (NFO) AS PER ASSET ALLOCATION OF THE SCHEME
- INDUSTRY STANDARDS ON REGULATION 30 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015
- OPENING OF DEMAT ACCOUNT IN THE NAME OF ASSOCIATION OF PERSONS
- INVESTOR CHARTER FOR STOCK BROKERS
- CLARIFICATION REGARDING INVESTOR EDUCATION AND AWARENESS INITIATIVES
- MOST IMPORTANT TERMS AND CONDITIONS (MITC) FOR RESEARCH ANALYSTS
- MOST IMPORTANT TERMS AND CONDITIONS (MITC) FOR INVESTMENT ADVISERS
- INDUSTRY STANDARDS ON "MINIMUM INFORMATION TO BE PROVIDED FOR REVIEW OF THE AUDIT COMMITTEE AND SHAREHOLDERS FOR APPROVAL OF A RELATED PARTY TRANSACTION"
- REVISED TIMELINES FOR ISSUANCE OF CONSOLIDATED ACCOUNT STATEMENT (CAS) BY DEPOSITORIES
- RELAXATION IN TIMELINES FOR HOLDING AIFs' INVESTMENTS IN DEMATERIALIZED FORM
- SERVICE PLATFORM FOR INVESTORS TO TRACE INACTIVE AND UNCLAIMED MUTUAL FUND FOLIOS- MITRA (MUTUAL FUND INVESTMENT TRACING AND RETRIEVAL ASSISTANT)
- FACILITATION TO SEBI REGISTERED STOCK BROKERS TO ACCESS NEGOTIATED DEALING SYSTEM-ORDER MATCHING (NDS-OM) FOR TRADING IN GOVERNMENT SECURITIES- SEPARATE BUSINESS UNITS (SBU)
- SAFER PARTICIPATION OF RETAIL INVESTORS IN ALGORITHMIC TRADING
- IMPLEMENTATION OF SECTION 51A OF UAPA, 1967: UPDATES TO UNSC'S 1267/1989 ISIL (DA'ESH) & AL-QAIDA SANCTIONS LIST: AMENDMENTS IN OI ENTRY
- EXPOSURES OF SCHEDULED COMMERCIAL BANKS (SCBs) TO NON-BANKING FINANCIAL COMPANIES (NBFCs) - REVIEW OF RISK WEIGHTS
- REVIEW OF RISK WEIGHTS ON MICROFINANCE LOANS
- REVIEW AND RATIONALIZATION OF PRUDENTIAL NORMS - UCBs
- RESERVE BANK OF INDIA (FORWARD CONTRACTS IN GOVERNMENT SECURITIES) DIRECTIONS, 2025
- RESERVE BANK OF INDIA (PRUDENTIAL REGULATIONS ON BASEL III CAPITAL FRAMEWORK, EXPOSURE NORMS, SIGNIFICANT INVESTMENTS, CLASSIFICATION, VALUATION AND OPERATION OF INVESTMENT PORTFOLIO NORMS AND RESOURCE RAISING NORMS FOR ALL INDIA FINANCIAL INSTITUTIONS) DIRECTIONS, 2023 - AMENDMENT
- GOVERNMENT SECURITIES TRANSACTIONS BETWEEN A PRIMARY MEMBER (PM) OF NDS-OM AND ITS OWN GILT ACCOUNT HOLDER (GAH) OR BETWEEN TWO GAHs OF THE SAME PM
- EXPORT-IMPORT BANK OF INDIA'S GOI-SUPPORTED LINE OF CREDIT OF USD 120 MN TO THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF VIETNAM (GO-VNM) FOR PROCUREMENT OF HIGH-SPEED GUARD BOATS IN THE BORROWER'S COUNTRY
- EXPORT-IMPORT BANK OF INDIA'S GOI-SUPPORTED LINE OF CREDIT OF USD 180 MN TO THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF VIETNAM FOR PROCUREMENT OF 4 OFFSHORE PATROL VESSELS (OPV) IN THE BORROWER'S COUNTRY
- FOREIGN EXCHANGE MANAGEMENT (MANNER OF RECEIPT AND PAYMENT) (AMENDMENT) REGULATIONS, 2025



Corporate Laws

01 The Companies (Prospectus and Allotment of Securities) Amendment Rules, 2025

[Issued by the Ministry of Corporate Affairs [E. No. 1/21/2013-CL-V] dated 12.02.2025.]

In exercise of the powers conferred by section 26, sub-section (1) of section 27, section 28, section 29, sub-section (2) of section 31, sub-sections (3) and (4) of section 39, sub-section (6) of section 40 and section 42 read with section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Prospectus and Allotment of Securities) Rules, 2014, namely:-

1. (1) These rules may be called the Companies (Prospectus and Allotment of Securities) Amendment Rules, 2025.
(2) They shall come into force on the date of publication in the Official Gazette.
2. In the Companies (Prospectus and Allotment of Securities) Rules, 2014, in rule 9B, in sub-rule (2), after the proviso, the following proviso shall be inserted, namely: -

“Provided further that a private company, other than a Producer company, which is not a small company as on 31st March, 2023, may comply with the provision of this sub-rule by 30th June, 2025.”

BALAMURUGAN D.

Joint Secretary

02 MCA Legal Training Program - Scheme for the engagement of under-graduate law students /fresh law graduates on Pro-bono basis for assisting litigation work at the Ministry headquarters and field offices regarding

[Issued by the Ministry of Corporate Affairs [E. No. ROC-G/Admn ./2025 1895 to 1903] dated 06.02.2025.]

With reference to subject cited above, it is informed that Ministry of Corporate Affairs, New Delhi desires to implement the MCA Legal training program - Scheme for engagement of legal trainees in the Ministry and all offices of Regional Directors (RDs), Registrar of Companies (ROCs) and Official Liquidators (OLs), on Pro-bono basis to provide the valuable first-hand legal exposure to under-graduate law students and fresh law graduates as per the specific terms.

In this connection this office invites the candidature of 4 to 5 legal trainees (mix of fresh law graduates and under

-graduate law students) from desired/eligible students who wants to take part in the legal training at ROC Office Gwalior. Under-graduate law students will be engaged as legal trainees for a total duration of 3 months (comprising of 2 months summer training and 1 month winter training) and fresh law graduates will be engaged for a duration of 1 year as part of the training program as per the following terms.

I. A legal trainee shall carry out the following work-

- (i) Preparation of complete case sheets, including brief history and orders passed, in prosecutions for compoundable/non-compoundable offences pending with this office.
 - (ii) Prepare and maintain an up-to-date status of the stage and age of prosecutions for compoundable/non-compoundable offences pending with this office.
 - (iii) Prepare suggested further course of action for each prosecution for compoundable /non compoundable offences, with the assistance of the legal department of this office.
 - (iv) Besides the aforementioned primary work, legal trainee may assist the legal department of this office in preparation, filing and monitoring of the litigations/prosecutions in this office. This would include, but not be limited to, drafting or fresh complaints, petitions, counter affidavits etc... preparation of brief of each pending case status of service in the matter. Completion of case file and other ancillary tasks.
 - (v) The legal trainee may accompany the prosecutor/concerned officer to the Courts/Tribunals for assistance/observations of proceedings.
 - (vi) Perform the tasks mentioned in (i) to (v) above, for all legal matters of this office before the Hon'ble Supreme Courts/High Courts/Tribunals.
 - (vii) Under no circumstance, a legal trainee would represent this office before any Court/Tribunal but may be permitted to liaise with Government Authorities/Court Staff/Central Agency Section of the Supreme Court/Litigation Section of the High Court/Ld. Counsels/Ld. ASG, after authorization from the Registrar of Companies, M P. Gwalior.
 - (viii) The tasks entrusted to the legal trainees would be carried out under the supervision of senior officers/reporting officers of this office.
2. A Certificate will be issued to each legitimate legal trainee, upon completion of the legal training successfully and subject to submission of final report of the Registrar of Companies, M P, Gwalior on the work performed by each trainee, acknowledging their contribution, under signatures of the Registrar of Companies, M P, Gwalior.

MUKESH KUMAR SONI

Registrar of Companies Madhya Pradesh, Gwalior

Complete details are not published here for want of space. For complete notification readers may log on to www.mca.gov.in

03 Regulatory framework for Specialized Investment Funds ('SIF')

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2025/26 date 27.02.2025]

1. The landscape of investment management in India has significantly evolved over the years, marked by the introduction and development of various investment products. SEBI has adopted a segmented risk-based approach to regulation of these products depending on their complexity, sophistication of target investors, minimum investment size etc.
2. The current range of investment products with varying risk-reward profiles, are intended to meet the investment needs of retail, high net-worth and institutional investors. The regulatory framework and prudential norms governing these investment vehicles become progressively more flexible from Mutual Funds ('MFs') to Portfolio Management Services ('PMS') to Alternative Investment Funds ('AIFs'), in sync with the investment profile and investment size of these products.
3. Over the years, a gap has emerged between MFs and PMS in terms of portfolio flexibility, creating an opportunity for a new investment product. To bridge this gap, the SEBI (Mutual Funds) Regulations, 1996 have been amended to introduce the broad regulatory framework for the new investment product – Specialized Investment Fund (SIF). The amendment notification is available at link.
4. The comprehensive regulatory framework for the Specialized Investment Fund is provided in Annexure A to this circular.
5. This circular shall come into force with effect from April 01, 2025.
6. AMFI shall issue necessary guidelines/standards as required under this circular by March 31, 2025.
7. The Stock Exchanges, Clearing Corporations and Depositories are directed to:
 - 7.1. take necessary steps and put in place necessary systems for the implementation of this circular;
 - 7.2. make necessary amendments to the relevant bye-laws, rules and regulations, wherever applicable, for the implementation of this circular;
 - 7.3. bring the provisions of this circular to the notice of market participants and also disseminate the same on their website.
8. 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 Chapter VI-C of the SEBI (Mutual Funds) Regulations 1996 to protect the interest of investors in securities and to promote the development of, and to regulate the securities market.
9. This circular is available at www.sebi.gov.in under the link "Legal ->Circulars".

PETER MARDI

Deputy General Manager

Complete details are not published here for want of space. For complete notification readers may log on to www.sebi.gov.in

04 Timelines for deployment of funds collected by Asset Management Companies (AMCs) in New Fund Offer (NFO) as per asset allocation of the scheme

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2025/23 dated 27.02.2025]

1. With an objective to encourage AMCs to collect only as much funds in NFOs as can be deployed in a reasonable period of time and to discourage any mis-selling of NFOs of the mutual fund schemes, certain amendments to SEBI (Mutual Funds) Regulations, 1996 ('MF Regulations') were carried out and notified through the notification dated February 14, 2025 (link to the Gazette notification). The said amendments shall be applicable from April 01, 2025.
2. Accordingly, in terms of Regulation 35 (5) of MF Regulations, it has been decided that the following shall be ensured in respect of deployment of funds collected by an AMC in an NFO:
 - a) The AMC shall specify achievable timelines in the Scheme Information Document (SID) of a scheme regarding the deployment of the funds as per the specified asset allocation of the scheme and garner funds during the NFO accordingly.
 - b) The AMC shall deploy the funds garnered in an NFO within 30 business days from the date of allotment of units.
 - c) In an exceptional case, if the AMC is not able to deploy the funds in 30 business days, reasons in writing, including details of efforts taken to deploy the funds, shall be placed before the Investment Committee of the AMC.
 - d) The Investment Committee may extend the timeline by 30 business days, while also making recommendations on how to ensure deployment within 30 business days going forward and monitoring the same. The Investment Committee shall examine the root cause for delay in deployment before granting approval for part or full extension. The Investment Committee shall not ordinarily give part or full extension where the assets for any scheme are liquid and readily available.
 - e) Trustees shall monitor the deployment of funds collected in NFO and take steps, as may be required, to ensure that the funds are deployed within a reasonable timeframe.
 - f) In case the funds are not deployed as per the asset allocation mentioned in the SID as per the aforesaid mandated plus extended timelines, AMC shall:
 - i. not be permitted to receive fresh flows in the same scheme till the time the funds are deployed as per the asset allocation mentioned in the SID.

- ii. not be permitted to levy exit load, if any, on the investors exiting such scheme(s) after 60 business days of not complying with the asset allocation of the scheme.
 - iii. inform all investors of the NFO, about the option of an exit from the concerned scheme without exit load, via email, SMS or other similar mode of communication.
 - iv. report deviation, if any, to Trustees at each of the above stages.
- g) The above provisions shall be applicable to all NFOs.
- h) To effectively manage the fund flows in NFO, the fund manager may extend or shorten the NFO period (except for Equity Linked Savings Scheme (ELSS) schemes), based on his view of the market dynamics, availability of assets and his ability to deploy funds collected in NFO. However, the same shall be subject to compliance with Clause 1.10.1 and 1.10.1A of the Master Circular for Mutual Funds dated June 27, 2024. 3. In order to discourage mis-selling of mutual funds schemes by Mutual Fund Distributors, in terms of Regulation 52 (4A) of the MF Regulations, in case of switch transaction to NFO of a regular plan of mutual fund scheme from an existing scheme managed by the same AMC, the AMC shall ensure that the distribution commission paid is lower of the commissions offered under the two schemes of switch transaction. The detailed guidelines in this regard shall be specified by AMFI, in consultation with SEBI.

4. This circular shall come into effect from April 1, 2025.
5. This circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 read with Regulation 35(5) and 52 (4A) of MF Regulations, to protect the interest of investors in securities and to promote the development of, and to regulate the securities market.
6. This circular is available at www.sebi.gov.in under the link "Legal ->Circulars".

PETER MARDI

Deputy General Manager

05 Industry Standards on Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/25 dated 25.02.2025]

1. In order to facilitate ease of doing business, the Industry Standards Forum ("ISF") comprising of representatives from three industry associations, viz. ASSOCHAM, CII and FICCI, under the aegis of the Stock Exchanges, has formulated industry

standards, in consultation with SEBI, for effective implementation of the requirement to disclose material events or information under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"). The industry associations which are part of ISF (ASSOCHAM, FICCI, and CII) and the stock exchanges shall publish the industry standards note on their websites.

2. The listed entities shall follow the aforesaid industry standards to ensure compliance with Regulation 30 of LODR Regulations.
3. The Stock Exchanges are advised to bring the contents of this circular to the notice of their listed entities and ensure its compliance.
4. This circular is issued in exercise of the powers conferred under Section 11(1) and 11A of the Securities and Exchange Board of India Act, 1992 read with regulation 101 of LODR Regulations.
5. This circular is available on SEBI website at www.sebi.gov.in under the category: 'Legal → Circulars'.

RAJ KUMAR DAS

Deputy General Manager

06 Opening of Demat Account in the name of Association of Persons

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/MRD/PoD1/CIR/P/2025/24 dated 25.02.2025]

1. SEBI had received representations to permit opening of demat accounts directly in the name of Association of Persons (AoP).
2. Upon examination of the relevant legal provisions and after detailed deliberations with stakeholders, to foster and ensure ease of doing business, it has been decided to allow opening of demat account in the name of the AoP for holding securities, such as units of mutual funds, corporate bonds and Government Securities in demat account.
3. In view of the above, paragraph 1.2.6.A. titled "Opening of Demat Account in the name of Association of Persons (AoP)" shall be inserted after paragraph 1.2.6 of Section 1 of the Master Circular for Depositories dated December 03, 2024:

"1.2.6.A Apart from opening of demat account by AoP in the name of natural persons as provided in paragraph 1.2.6, an AoP may also open a Demat account in its own name for holding units of mutual funds, corporate bonds and Government Securities in dematerialized form, subject to the following conditions:

1.2.6.A.1 AoP shall be responsible for ensuring that it only subscribes to the financial instrument/ securities that are permitted by statutes governing the constitution of AoP.

1.2.6.A.2 The PAN Card details of the AoP and the Principal Officer of the AoP shall be obtained.

Explanation: For this purpose, "Principal Officer" with reference to AoP means the secretary, treasurer, manager or agent or any person connected with the management or administration of the AoP.

1.2.6.A.3 While opening a demat account in the name of the AoP, the Depository Participants shall seek confirmation from the AoP with respect to the following:

1.2.6.A.3.1 The AoP holds only such securities in dematerialized form as permitted by the statutes governing its constitution.

1.2.6.A.3.2 The demat account is not be used for subscribing / holding equity shares.

1.2.6.A.4 In case of any dispute, the Principal Officer of the AoP shall be treated as the legal representative of the AoP.

1.2.6.A.5 At all times, members of the AoP shall be jointly and severally liable on behalf of the AoP."

4. The Depositories are advised to:
 - 4.1 take necessary steps and put in place necessary systems for implementation of the above;
 - 4.2 make amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision, as may be applicable/necessary; and
 - 4.3 bring the provisions of this circular to the notice of market participants (including investors) and also to disseminate the same on their respective websites.
5. Applicability: The provisions of this circular shall be effective from June 02, 2025.
6. This circular is issued in exercise of the powers conferred upon SEBI under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 read with Section 26(3) of the Depositories Act, 1996 and Regulations 59 and 97 of SEBI (Depositories and Participants) Regulations, 2018, to protect the interests of investors in securities and to promote the development of and to regulate the securities market.
7. This circular is available on SEBI website at www.sebi.gov.in under the categories "Legal → Circulars".

NEETIKA RAJPAL

Deputy General Manager

07 Investor Charter for Stock Brokers

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/MIRSD/MIRSD-PoD1/P/CIR/2025/22 dated 21.02.2025]

1. SEBI, vide Circular no. SEBI/HO/MIRSD/DOP/P/CIR/2021/676 dated December 02, 2021 (hereinafter mentioned as 'Circular') and Clause 75 of Master

Circular for Stock Brokers dated August 09, 2024 (hereinafter mentioned as 'Master Circular'), inter alia, issued Investor charter for stock brokers.

2. In a move to enhance financial consumer protection alongside enhanced financial inclusion and financial literacy and in view of the recent developments in the securities market including introduction of Online Dispute Resolution (ODR) platform and SCORES 2.0, it has been decided to modify the investor charter for stock brokers.
3. In view of the above and based on consultation with Brokers' Industry Standards Forum (ISF), updated investor charter for stock brokers is placed at Annexure A.
4. In this regard, Stock Exchanges are directed to advise Stock Brokers to bring the Investor Charter for Stock Brokers to the notice of their clients (existing as well as new clients) through disclosing the Investor Charter on their respective websites, making them available at prominent places in the office, provide a copy of Investor Charter as a part of account opening kit to the clients, through e-mails/ letters etc.
5. Additionally, in order to ensure transparency in the Investor Grievance Redressal Mechanism, all the Stock Brokers shall continue to disclose on their respective websites, the data on complaints received against them or against issues dealt by them and redressal thereof, latest by 7th of succeeding month, as per the format enclosed at Annexure 'B' to this circular.
6. The provisions of this circular shall come into force with immediate effect.
7. With the issuance of this circular, SEBI, Circular. SEBI/HO/MIRSD/DOP/P/CIR/2021/676 dated December 02, 2021 stands rescinded and Clause 75 of Master Circular for Stock Brokers dated August 09, 2024 stands amended as per this circular.
8. Stock Exchanges are hereby directed to bring the provisions of this circular to the notice of the stock brokers.
9. This circular is issued in exercise of powers conferred under Section 11(1) of Chapter IV of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets and shall come into effect from the date of this circular.
10. This circular is available on SEBI website at www.sebi.gov.in under the category: 'Legal → Circulars'

SUDEEP MISHRA

General Manager

Complete details are not published here for want of space. For complete notification readers may log on to www.sebi.gov.in

08 Clarification regarding Investor Education and Awareness Initiatives

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/IMD/PoD1/P/CIR/2025/21 dated 20.02.2025]

- Chapter 10 of the SEBI Master Circular dated June 27, 2024 on Mutual Funds ("Master Circular"), which specifies the provisions for loads, fees, charges and expenses charged by Mutual Fund schemes, inter alia requires AMCs to annually set apart at least 2 basis point on daily net assets within the maximum limit of total expense ratio, as per regulation 52 of SEBI (Mutual Fund) Regulations, 1996, for investor education and awareness initiatives.
- In this regard, it is clarified that initiatives under 'Investor Education and Awareness' include financial inclusion initiatives, as may be approved by SEBI from time to time.
- This circular is issued in exercise of the powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, read with the provision of Regulations 52 of SEBI (Mutual Funds) Regulations, 1996 to protect the interests 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".

PETER MARDI
Deputy General Manager

09 Most Important Terms and Conditions (MITC) for Research Analysts

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/20 dated 17.02.2025]

- In terms of Regulation 24(6) of the SEBI (Research Analysts) Regulations, 2014, ('RA Regulations') an RA is required to disclose the terms and conditions of research services to the clients and take consent of the clients thereon. SEBI, vide Circular no. SEBI/HO/MIRSD/ MIRSD-PoD-1/P/CIR/2025/004 dated January 08, 2025 has inter alia specified the minimum mandatory terms and conditions to be disclosed by RA. Vide the above Circular, SEBI has also specified that the terms and conditions shall include the Most Important Terms and Conditions ('MITC') to be disclosed by RAs and the same shall be standardized by Industry Standards Forum ('ISF') in consultation with RAASB and SEBI.
- In view of the above, the MITC for the services of RAs, as standardized by the Industry Standards Forum ('ISF') for Research Analysts in consultation with RAASB and SEBI is placed at Annexure A.
- For existing clients, the MITC shall be informed by the RAs to their clients via email or any other suitable

mode of communication (which can be preserved) by June 30, 2025.

- RAs shall incorporate the MITC into the 'Terms and Conditions' of providing research services and shall disclose the 'Terms and Conditions' to the clients and take consent thereon, in terms of Clause 2 (xii) of the SEBI Circular no. SEBI/HO/MIRSD/ MIRSD-PoD-1/P/CIR/2025/004 dated January 08, 2025.
- The provisions of this circular shall come into force with immediate effect.
- This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 read with Regulation 24 (6) of the RA Regulations to protect the interests of investors in securities market and to promote the development of, and to regulate the securities markets.
- This circular is available on SEBI website at www.sebi.gov.in under the category: 'Legal → Circulars'

ARADHANA VERMA
General Manager

Complete details are not published here for want of space. For complete notification readers may log on to www.sebi.gov.in

10 Most Important Terms and Conditions (MITC) for Investment Advisers

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/19 dated 17.02.2025]

- In terms of Regulation 19(1) (d) of the SEBI (Investment Advisers) Regulations, 2013 ('IA Regulations'), an Investment Adviser ('IA') is required to enter into an investment advisory agreement with its client. SEBI, vide Circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2025/003 dated January 08, 2025 has inter alia specified that the investment advisory agreement shall also include the Most Important Terms and Conditions ('MITC') to be disclosed by IA and the same shall be standardized by Industry Standards Forum ('ISF') in consultation with IAASB and SEBI.
- In view of the above, the MITC for the services of IAs, as standardized by the ISF for Investment Advisers in consultation with IAASB and SEBI is placed at Annexure A.
- For existing clients, the MITC shall be informed by the IAs to the clients via email or any other suitable mode of communication (which can be preserved) by June 30, 2025. For investment advisory agreements entered by IA with clients after the date of this circular, IAs shall incorporate the MITC into the investment advisory agreement and shall disclose and take consent from clients in the manner specified in the Clause 2 (xi) of the SEBI Circular no. SEBI/HO/MIRSD/ MIRSD-PoD-1/P/CIR/2025/003 dated January 08, 2025.

4. The provisions of this circular shall come into force with immediate effect.
5. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 read with Regulation 19 (1) (d) of the IA Regulations to protect the interests of investors in securities market and to promote the development of, and to regulate the securities markets.
6. This circular is available on SEBI website at www.sebi.gov.in under the category: 'Legal → Circulars'

ARADHANA VERMA

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 Industry Standards on "Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction"

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/18 dated 14.02.2025]

1. Regulation 23(2), (3) and (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations") require related party transactions ("RPTs") to be approved by the audit committee and by the shareholders, if material. Part A and Part B of Section III-B of SEBI Master Circular dated November 11, 2024¹ ("Master Circular") specify the information to be placed before the audit committee and shareholders, respectively, for consideration of RPTs.
2. In order to facilitate uniform approach and assist listed entities in complying with the above mentioned requirements, the Industry Standards Forum ("ISF") comprising of representatives from three industry associations, viz. ASSOCHAM, CII and FICCI, under the aegis of the Stock Exchanges, has formulated industry standards, in consultation with SEBI, for minimum information to be provided for review of the audit committee and shareholders for approval of RPTs. The industry associations which are part of ISF (ASSOCHAM, FICCI, and CII) and the stock exchanges shall publish the industry standards on their websites.
3. The listed entities shall follow the aforesaid industry standards to ensure compliance with Part A and Part B of Section III-B of the Master Circular read with Regulation 23(2), (3) and (4) of LODR Regulations.
4. Section III-B of the Master Circular shall stand modified as given below:
 - 4.1. Paragraph 4 under Part A of Section III-B shall stand substituted by the following paragraph:

"The listed entity shall provide the audit committee with the information as specified in the Industry Standards on "Minimum information

to be provided for review of the audit committee and shareholders for approval of a related party transaction", while placing any proposal for review and approval of an RPT."

- 4.2. Paragraph 6 under Part B of Section III-B shall stand substituted by the following paragraph:

"The notice being sent to the shareholders seeking approval for any RPT shall, in addition to the requirements under the Companies Act, 2013, include the information as part of the explanatory statement as specified in the Industry Standards on "Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction"."

5. This circular shall come into effect from April 1, 2025.
6. The Stock Exchanges are advised to bring the contents of this circular to the notice of their listed entities and ensure its compliance.
7. This circular is issued in exercise of the powers conferred under Section 11(1) and 11A of the Securities and Exchange Board of India Act, 1992 read with regulation 101 of LODR Regulations.
8. This circular is available on SEBI website at www.sebi.gov.in under the category: 'Legal → Circulars'.

RAJ KUMAR DAS

Deputy General Manager

12 Revised timelines for issuance of Consolidated Account Statement (CAS) by Depositories

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/MRD/PoD1/CIR/P/2025/16 dated 14.02.2025]

1. Para 1.24 of Chapter 1 of SEBI Master Circular for Depositories dated December 3, 2024 ("Master Circular") prescribes the modalities for issuance of 'Consolidated Account Statement (CAS) for all securities assets'.
2. In terms of the requirements specified under Para 1.24.5 of the Master Circular, CAS is required to be generated on a monthly basis. The AMCs /MF-RTAs are required to provide the data with respect to the common PANs to the depositories within three days from the month end, pursuant to which, the depositories are required to consolidate and dispatch the CAS within ten days from the month end.
3. Pursuant to representations received from Depositories and Mutual Fund - Registrar and Transfer Agents (MF-RTAs) and to enhance ease of compliance with the timelines, it has been decided to rationalize the timelines for issuance of CAS. Accordingly, based on discussions held with MF-RTAs and Depositories, it has been decided that AMCs/ MF-RTAs shall send the monthly common PAN data to Depositories on or before the fifth (5th) day from the month end. The Depositories, in turn,

shall consolidate and dispatch the monthly CAS to investors that have opted for delivery via electronic mode (e-CAS) by the twelfth (12th) day from the month end and to investors that have opted for delivery via physical mode by the fifteenth (15th) day from the month end.

4. Further, in respect of half yearly CAS, it has been decided that the AMCs/MF-RTAs shall provide the data with respect to the common PANs to the depositories on or before eighth (8th) day of April and October every year. The depositories shall then consolidate and dispatch the CAS to investors that have opted for e-CAS on or before the eighteenth (18th) day of April and October and to investors that have opted for delivery via physical mode by the twenty first (21st) day of April and October.

5. In view of the above, Para 1.24.5 of the Master Circular stands revised as under:

The CAS shall be generated on a monthly basis. The AMCs /MF-RTAs shall provide the data with respect to the common PANs to the depositories within five (5) days from the month end. The depositories shall then consolidate and dispatch the CAS to investors that have opted for delivery via electronic mode, within twelve (12) days from the month end and to investors that have opted for delivery via physical mode, within fifteen (15) days from the month end.

6. Further, Para 1.24.12 of the Master Circular stands revised as under:

If there is any transaction in any of the demat accounts of the investor or in any of his mutual fund folios, then CAS shall be sent to that investor through email on monthly basis. In case there is no transaction in any of the mutual fund and demat accounts then CAS with holding details shall be sent to the investors by email on half yearly basis. In respect of half-yearly CAS, the AMCs/MF-RTAs shall provide the data with respect to the common PANs to the depositories on or before eighth(8th) day of April and October every year. The depositories shall then consolidate and dispatch the CAS to investors that have opted for delivery via electronic mode, on or before the eighteenth (18th) day of April and October and to investors that have opted for delivery via physical mode, on or before the twenty-first (21st) day of April and October. However, where an investor does not wish to receive CAS through email, option shall be given to the investor to receive the CAS in physical form at the address registered with the Depositories and the AMCs/MF-RTAs.

7. The circular shall be effective from May 14, 2025.

8. The Depositories are directed to:

- 8.1 make amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision, as may be applicable/necessary;

- 8.2 to carry out system changes, if any, to implement the above;

- 8.3 disseminate the provisions of this circular on their website;

- 8.4 communicate to SEBI, the status of implementation of the provisions of this circular in their Monthly Development Report.

9. This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 read with read with Section 26(3) of the Depositories Act, 1996 and Regulation 97 of SEBI (Depositories and Participants) Regulations, 2018, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
10. The circular is issued with approval of the competent authority.
11. The circular is available on SEBI website at www.sebi.gov.in under the category "Legal" → "Circulars".

NEETIKA RAJPAL

Deputy General Manager

13

Relaxation in timelines for holding AIFs' investments in dematerialised form

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/AFD/PoD-1/P/CIR/2025/17 dated 14.02.2025]

1. SEBI (Alternative Investment Funds) Regulations, 2012 ("AIF Regulations") have been amended and notified on January 05, 2024, with respect to AIFs holding their investments in dematerialised form.
2. Subsequently, SEBI Circular dated January 12, 2024 [subsumed subsequently in Chapter 21 of Master Circular for AIFs dated May 07, 2024 ("Master Circular")] prescribed timelines for AIFs with respect to holding their investments in dematerialised form.
3. In this regard, it has been decided to relax the aforesaid timelines, and accordingly relevant provisions of Para 21 of the Master Circular stand modified as under:

21.1. *Any investment made by an AIF on or after July 01, 2025 shall be held in dematerialised form only, irrespective of whether the investment is made directly in the investee company or is acquired from another entity.*

21.2. *The investments made by an AIF prior to July 01, 2025 are exempted from the requirement of being held in dematerialised form, except in the following cases:*

21.2.1. *Investee company of the AIF has been mandated under applicable law to facilitate dematerialisation of its securities;*

21.2.2. *The AIF, on its own, or along with other SEBI registered intermediaries/entities which*

are mandated to hold their investments in dematerialised form, exercises control over the investee company.

For the purpose of the aforesaid clause, the definition of 'control' shall be construed with reference to Regulation 2(1)(f) of AIF Regulations.

- 21.3. The investments made by an AIF prior to July 01, 2025 which are covered under conditions as specified in Para 21.2.1 and Para 21.2.2 above, shall be held in dematerialised form by the AIF on or before October 31, 2025.
- 21.4. The aforesaid requirement of holding investments in dematerialised form shall not be applicable to:
 - 21.4.1. Scheme of an AIF whose tenure (not including permissible extension of tenure) ends on or before October 31, 2025;
 - 21.4.2. Scheme of an AIF which is in extended tenure as on February 14, 2025.
4. The trustee/sponsor of AIF, as the case may be, shall ensure that the 'Compliance Test Report' prepared by the manager in terms of Chapter 15 of the master circular for AIFs, includes compliance with the provisions of this circular.
5. The provisions of this circular shall come into force with immediate effect.
6. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 read with Regulation 15(1)(i) and Regulation 36 of AIF Regulations, 2012 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.
7. The circular is available on SEBI website at www.sebi.gov.in under the categories "Legal framework -Circulars" and "Info for - Alternative Investment Funds".

SANJAY SINGH BHATI
Deputy General Manager

14 Service platform for Investors to Trace Inactive and Unclaimed Mutual Fund folios- MITRA (Mutual Fund Investment Tracing and Retrieval Assistant)

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/IMD/IMD-SEC-3/P/CIR/2025/15 dated 12.02.2025]

1. Over a number of years, Mutual Fund investors sometimes lose track of their investments considering investments might have been made in physical form with bare minimum KYC details. The investments in open-ended growth option mutual fund schemes may remain invested perpetually until and unless investor/his nominee/legal heir approaches the concerned

AMC for redemption/transfer/transmission. Due to non-availability of PAN, email ID or valid address it is also possible that these MF folios may not appear in the unitholder's Consolidated Account Statement. Thus, inactivity in Mutual Fund folios could be on account of the investor losing track of his/her investment, demise etc. Such inactive folios may become susceptible to fraudulent redemptions.

2. In order to address the aforesaid concerns, MITRA platform is developed by the RTAs to provide investors with a searchable database of inactive and unclaimed Mutual Fund folios at an industry-level which will empower the investors in following manner:
 - 2.1. Enable investors to identify the overlooked investments or any investments made by any other person for which he/she may be rightful legal claimant;
 - 2.2. Encourage investors to do KYC as per the current norms thus reducing the number of non-KYC compliant folios;
 - 2.3. The MITRA platform will lead to reduction in the unclaimed Mutual Fund folios;
 - 2.4. Contribute towards building a transparent financial ecosystem and will be reliable medium for investors to find their inactive and unclaimed Mutual Fund investments;
 - 2.5. Build and incorporate mitigants against fraud risk.

Criterion for classifying a Mutual Fund folio as inactive

3. An inactive folio shall be defined as "Mutual Fund Folio(s) where no investor initiated transaction/s (financial and non-financial) have taken place in the last 10 years but unit balance is available".
4. Thus, the inactive folios will include those folios where the investor might have remained invested in an open ended scheme and has either chosen not to redeem or simply might have lost track of the investment. There is no consequence for those folios appearing in the platform where the unitholder is aware of the investment and has chosen to remain invested. The objective of the platform is to encourage the investors to search for forgotten MF investments and update KYC as per the current norms.

Details of the MITRA Platform

5. The MITRA platform will be hosted jointly by the two Qualified RTAs (QRTAs) viz. Computer Age Management Services Limited (CAMS) and KFINT Technologies Limited as agents of AMCs and available through a link on the website of MF Central, AMCs, AMFI, the two QRTAs and SEBI.
6. The cyber security and cyber resilience framework as applicable to QRTAs in terms of SEBI Master Circular on Mutual Funds dated June 27, 2024 shall be applicable to the MITRA platform.

7. The QRTAs are jointly and severally responsible for compliance with all the applicable regulations including system audit and cyber security audit. Further, the QRTAs shall ensure that the platform complies with the guidelines for Business Continuity Plan (BCP) and Disaster Recovery (DR) specified by SEBI from time to time to MIIs.
8. AMCs, QRTAs, RIAs, AMFI and Mutual Fund Distributors are advised to create awareness about this initiative amongst the investors.
9. The QRTAs shall make the MITRA platform operational within 15 working days of issuance of the circular. Beta version shall be launched for 2 months.
10. Any RTA providing its services to Mutual Fund(s), subsequent to issuance of this circular, shall follow the guidelines specified in this circular or amendments thereto as may be intimated by SEBI from time to time.

PRIYANKA MAHAPATRA
General Manager

Complete details are not published here for want of space. For complete notification readers may log on to www.sebi.gov.in

15 **Facilitation to SEBI registered Stock Brokers to access Negotiated Dealing System-Order Matching (NDS-OM) for trading in Government Securities- Separate Business Units (SBU)**

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/14 dated 11.02.2025]

1. Reserve Bank of India vide its notification dated February 07, 2025 permitted access of SEBI-registered non-bank brokers to Negotiated Dealing System-Order Matching (NDS-OM) through Master Direction - Reserve Bank of India (Access Criteria for NDS-OM) Directions, 2025.
2. In order to facilitate SEBI-registered stock brokers to participate in Government Securities (G-Secs) market in the NDS-OM, it has been decided that they may do so under a Separate Business Unit (SBU) of the stock broking entity itself, in the manner specified herewith.
3. The matters related to policy, eligibility criteria, risk management, investor grievances, inspection, enforcement, claims etc. for stock brokers to transact on NDS-OM would be specified under the regulatory framework issued by the respective regulatory authority and all activities of the business unit of stock broker facilitating trading on NDS-OM would be under the jurisdiction of that regulatory authority.
4. In pursuance of the above regulatory jurisdiction, to demarcate the regulatory obligations and to ring fence the activities of the stock brokers and its NDS-OM activities, some of the key safeguards are being prescribed as under:
 - 3.1 Stock brokers shall ensure that activities of the NDS-OM under a SBU are segregated

and ring-fenced from the securities market related activities of the stock broker and arms-length relationship between these activities are maintained;

- 3.2 Such SBU shall be exclusively engaged in activities of transacting on NDS-OM only;
- 3.3 Stock brokers shall prepare and maintain a separate account for the SBU on arms-length basis;
- 3.4 The net worth of the SBU shall be kept segregated from the net worth of the stock broker in the securities market. Net worth criteria for stock broker shall be satisfied after excluding account of the SBU.
5. As the activities of the SBU shall be under the jurisdiction of another regulatory authority, Grievance Redressal Mechanism and Investor Protection Fund (IPF) of the stock exchanges and SCORES shall not be available for investors availing the services of the SBU.
6. This circular is issued in exercise of powers conferred under Section 11(1) of Chapter IV of the Securities and Exchange Board of India Act, 1992, read with regulation 30 of the SEBI (Stock Brokers) Regulations 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.
7. This circular is available on SEBI website at www.sebi.gov.in under the category: 'Legal → Circulars'.

ARADHANA VERMA
General Manager

16 **Safer participation of retail investors in Algorithmic trading**

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/0000013 dated 04.02.2025]

1. SEBI, vide circular no. CIR/MRD/DP/09/2012 dated March 30, 2012, provided broad guidelines on Algorithmic Trading ("Algo" - orders generated using automated execution logic). Thereafter, SEBI has introduced measures to strengthen controls around Algorithmic Trading.
2. Algo trading provides significant advantages of timed and programmed order execution. At present, there are mechanisms such as Direct Market Access Facility, which enable institutional investors to trade through Algorithms.
3. There has been an increasing demand for algo trading by retail investors. In order to facilitate safer participation of retail investors in algo trading, with Stock Brokers (hereinafter referred to as "Brokers") and Stock Exchanges (hereinafter referred to as "Exchanges") playing the required roles in risk management, it has been decided to review and refine the existing regulatory framework to ensure proper

checks and balances, to safeguard investor interest as well as integrity of the market.

4. The regulatory environment envisaged is aimed at spelling out the rights and responsibilities of the main stakeholders of the trading ecosystem i.e. investors, brokers, algo providers/vendors and Market Infrastructure Institutions (MIIs), so that the retail investors are enabled to avail algo facilities with requisite safeguards.
5. SEBI had issued a discussion paper dated December 09, 2021 on “Algorithmic Trading by Retail Investors”, on the use of API access and automation of trades using the same. Further, SEBI had extensive discussions with the Exchanges, Brokers and Algo Providers. The proposal was also discussed in the meeting of the Intermediary Advisory Committee and with the Broker’s Industry Standards Forum (ISF), which comprises of industry representatives. Accordingly, after extensive deliberations, the following regulatory framework is being proposed to facilitate safer participation of retail investors in Algorithmic trading through brokers -

I. Use of Application Programming Interface (API) for Algo trading

- a) For the purpose of provision of algo trading through APIs, brokers shall be the principal while any algo provider or fintech/vendor (hereinafter referred to as “Algo Provider”) shall act as its agent, while using the API provided by the broker.
- b) All algo orders originating/flowing through Application Programming Interface (API) extended by brokers to algo providers, shall be tagged with a unique identifier provided by Stock Exchange.
- c) Algos developed by tech-savvy retail investors themselves, using programming knowledge, shall also be registered with the Exchange, through their broker, only if they cross the specified order per second threshold². Further, the same registered Algo shall be permitted to be used by such retail investors for their family (but not for other investors). ‘Family’ for this purpose would mean self, spouse, dependent children and dependent parents.
- d) Brokers shall:
 - ensure that they have systems and procedures in place to detect/identify and categorize all orders above the specified threshold as algo orders;
 - not permit open APIs and allow access only through a unique vendor client specific API key and static IP whitelisted by the broker to ensure identification and traceability of the algo provider and the end user (i.e. investor);

- have OAuth (Open Authentication)³ based authentication only and all other authentication mechanisms shall be discontinued;
- authenticate access to API through two factor authentication;
- deal with empaneled algo providers only and handle all related complaints, as such algo providers are agents of such broker.

ARADHANA VERMA

General Manager

Complete details are not published here for want of space. For complete notification readers may log on to www.sebi.gov.in

17 Implementation of Section 51A of UAPA, 1967: Updates to UNSC’s 1267/1989 ISIL (Da’esh) & Al-Qaida Sanctions List: Amendments in 01 Entry

[Issued by the Reserve Bank of India vide RBI/2024-25/121 DOR.AML.REC.64/14.06.001/2024-25 dated 27.02.2025]

Please refer to paragraph 51 of the RBI’s Master Direction on Know Your Customer dated February 25, 2016 as amended on November 06, 2024 (MD on KYC), in terms of which “Regulated Entities (REs) shall ensure that in terms of Section 51A of the Unlawful Activities (Prevention) (UAPA) Act, 1967 and amendments thereto, they do 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).”

2. In this connection, Ministry of External Affairs (MEA), Government of India has informed about the UNSC press release SC/16003 dated February 21, 2025 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 entry below from the ISIL (Da’esh) and Al-Qaida Sanctions List after the Committee concluded its consideration of the de-listing request for this name submitted through the Office of the Ombudsperson established pursuant to Security Council resolution 1904 (2009), and of the Comprehensive Report of the Ombudsperson on this de-listing request. The assets freeze, travel ban and arms embargo set out paragraph 1 of Security Council resolution 2734 (2024) and adopted under Chapter VII of the Charter of the United Nations accordingly no longer apply to the entry.

A. Individuals

QDi.095 Name: 1: LIONEL 2: DUMONT 3: na 4: na

Title: na **Designation:** na **DOB:** 29 Jan. 1971 **POB:** Roubaix, France **Good quality a.k.a.:** a) Jacques Brougere b) Abu Hamza c) Di Karlo Antonio d) Merlin Oliver Christian Rene e) Arfauni Imad Ben Youssef Hamza f) Imam Ben Yussuf Arfaj g) Abou Hamza h) Arfauni Imad Low quality a.k.a.:

- a) Bilal b) Hamza c) Koumkal d) Kumkal e) Merlin
f) Tinet g) Brugere h) Dimon

Nationality: France Passport no: na National identification no: na

3. In accordance with paragraph 58 of resolution 2610 (2021), the Committee has made accessible on its website the narrative summaries of reasons for listing of the above entries at the following

URL: www.un.org/securitycouncil/sanctions/1267/aq_sanctions_list/summaries.

4. Press release dated February 21, 2025 regarding the above can be found at <https://press.un.org/en/2025/sc16003.doc.htm>

Further, the UNSC press releases concerning amendments to the list are available at

URL: <https://www.un.org/securitycouncil/sanctions/1267/press-releases>

5. The details of the sanction measures and exemptions are available at the following

URL: https://www.un.org/securitycouncil/sanctions/1267#further_information

6. In view of the above, REs are advised to take appropriate action in terms of Para 51 of the MD on KYC and strictly follow the procedure as laid down in the UAPA Order dated February 02, 2021 (amended on April 22, 2024) annexed to the MD on KYC.

7. Updated lists of individuals and entities linked to ISIL (Da'esh), Al-Qaida and Taliban are available at: www.un.org/securitycouncil/sanctions/1267/aq_sanctions_list <https://www.un.org/securitycouncil/sanctions/1988/materials>

8. Further, as per the instructions from the Ministry of Home Affairs (MHA), any request for de-listing received by any RE is to be forwarded electronically to Joint Secretary (CTCR), MHA for consideration. Individuals, groups, undertakings or entities seeking to be removed from the Security Council's ISIL (Da'esh) and Al-Qaida Sanctions List can submit their request for delisting to an independent and impartial Ombudsperson who has been appointed by the United Nations Secretary-General. More details are available at the following

URL: <https://www.un.org/securitycouncil/ombudsperson/application>

9. REs are advised to take note of the aforementioned UNSC communications and ensure meticulous compliance.

VEENA SRIVASTAVA
Chief General Manager

18 Exposures of Scheduled Commercial Banks (SCBs) to Non-Banking Financial Companies (NBFCs) – Review of Risk Weights

[Issued by the Reserve Bank of India vide RBI/2024-25/120 DOR.STR. REC.61/21.06.001/2024-25 dated 25.02.2025]

In terms of Paragraph 2.B of the circular 'Regulatory measures towards consumer credit and bank credit to NBFCs' dated November 16, 2023, the risk weight on the exposures of SCBs to NBFCs¹ was increased by 25 percentage points (over and above the risk weight associated with the given external rating) in all cases where the extant risk weight as per external rating of NBFCs was below 100 percent.

- On a review, it has been decided to restore the risk weights applicable to such exposures and the same shall be as per the external rating, as specified in Paragraph 5.8.1 of the 'Master Circular – Basel III Capital Regulations' dated April 1, 2024², as amended from time to time.
- The above instructions shall come into effect from April 01, 2025. All other instructions of the circulars ibid remain unchanged.

VAIBHAV CHATURVEDI
Chief General Manager

19 Review of Risk Weights on Microfinance Loans

[Issued by the Reserve Bank of India vide RBI/2024-25/119 DOR.CRE. REC.63/21.06.001/2024-25 dated 25.02.2025]

- Commercial Banks (including Small Finance Banks but excluding Regional Rural Banks and Local Area Banks)**

In terms of para 5.9.1 of 'Master Circular on Basel III – Capital Regulations' dated April 01, 2024¹, as amended from time to time, claims (including both fund-based and non-fund based) that meet all the four criteria listed in paragraph 5.9.3 of the Master Circular ibid may be considered as retail claims for regulatory capital purposes and included in a regulatory retail portfolio (RRP), attracting a risk weight of 75 percent. Para 5.9.2 of the Master Circular ibid disallows certain claims like consumer credit, including personal loans from being categorised under RRP.

- Further, in terms of circular 'Regulatory measures towards consumer credit and bank credit to NBFCs' dated November 16, 2023, risk weights on consumer credit, including personal loans, but excluding housing loans, education loans, vehicle loans and loans secured by gold and gold jewellery, was increased to 125 percent. On a review, it has been decided that microfinance loans in the nature of consumer credit shall also be excluded from the applicability of higher risk weights specified in the circular ibid and shall accordingly, be subject to a risk weight of 100 percent.

3. It is further clarified that microfinance loans which are not in the nature of consumer credit and fulfil all the four criteria specified in para 5.9.3 of the Master Circular *ibid*, may be classified under RRP provided that the banks put in place appropriate policies and standard operating procedures to ensure fulfilment of the qualifying criteria.

II. Regional Rural Banks (RRBs) and Local Area Banks (LABs)

4. All microfinance loans extended by RRBs and LABs shall attract a risk weight of 100 percent.
5. The above instructions shall be applicable from the date of issue of this circular in respect of outstanding as well as new microfinance loans. All other instructions of the circulars *ibid* remain unchanged.
6. The above instructions have been issued in exercise of the powers conferred by Sections 21 and 35A of the Banking Regulation Act, 1949.

VAIBHAV CHATURVEDI
Chief General Manager

20 Review and Rationalization of Prudential Norms - UCBs

[Issued by the Reserve Bank of India vide RBI/2024-25/118 DOR.CRE. REC.62/07.10.002/2024-25 dated 24.02.2025]

Reserve Bank has, from time to time, prescribed various prudential norms for Urban Co-operative Banks (UCBs) for enhancing their financial soundness and resilience. Some of these prudential norms have been issued with a view to reducing credit concentration risk, reducing exposures to sensitive sectors, and enhancing provisioning requirements for relatively riskier exposures. These norms, *inter alia*, include the stipulations relating to small value loans, exposure ceilings on housing and real estate loans, and provisioning requirements for investment in Security Receipts (SRs).

2. With a view to rationalizing these norms, and thereby allowing greater operational flexibility to UCBs without diluting the regulatory objectives, the above prudential norms have been reviewed. The revised instructions are given in the following paragraphs.

A. Small Value Loans

3. In terms of circular DOR (PCB).BPD.Cir No.10/13.05.000/2019-20 dated March 13, 2020, as revised vide circular DOR.CRE.REC.28/07.10.002/2024-25 dated July 25, 2024, UCBs are required to follow the prescribed glidepath to have at least 50 percent of their aggregate loans and advances comprising of small value loans – i.e., loans of value not more than ₹25 lakh or 0.2 percent of their Tier I capital, whichever is higher, subject to a maximum of ₹1 crore per borrower – by March 31, 2026.
4. On a review, it has been decided to revise the definition of small value loans as loans of value not more than ₹25 lakh or 0.4 percent of their Tier I capital, whichever is

higher, subject to a ceiling of ₹3 crore per borrower. All other conditions, as well as the timelines and the intermediate targets remain unchanged. Boards of UCBs, however, shall periodically review the portfolio behaviour and quality under different loan-size categories and where necessary, may consider fixing lower ceilings.

VAIBHAV CHATURVEDI
Chief General Manager

Complete details are not published here for want of space. For complete notification readers may log on to www.rbi.org.in

21 Reserve Bank of India (Forward Contracts in Government Securities) Directions, 2025

[Issued by the Reserve Bank of India vide RBI/2024-25/117 FMRD. DIRD.16/14.03.042/2024-25 dated 21.02.2025]

Please refer to press release dated December 28, 2023, regarding issuance of draft Directions on Bond Forwards for public feedback.

2. Based on the feedback received from the market participants, the draft Directions have been finalised and the Reserve Bank of India (Forward Contracts in Government Securities) Directions, 2025, are being issued herewith. Necessary amendments to the Gazette Notification (S.O. 2192 (E) dated 8th January 2010) have been notified in the Official Gazette vide Gazette Id no. CG-MH-E-13022025-260991 dated February 13, 2025, a copy of which is annexed to this circular.
3. Further, the following Directions have been updated, as attached, to enable transactions in forward contracts in government securities:
 - a. Master Direction – Reserve Bank of India (Market-makers in OTC Derivatives) Directions, 2021; and
 - b. Master Direction – Reserve Bank of India (Margining for Non-Centrally Cleared OTC Derivatives) Directions, 2024.
4. These Directions have been issued in exercise of the powers conferred under section 45W of the Reserve Bank of India Act, 1934 read with section 45U of the Act and of all the powers enabling it in this behalf.

DIMPLE BHANDIA
Chief General Manager

Complete details are not published here for want of space. For complete notification readers may log on to www.rbi.org.in

22 Reserve Bank of India (Prudential Regulations on Basel III Capital Framework, Exposure Norms, Significant Investments, Classification, Valuation and Operation of Investment Portfolio Norms and Resource Raising Norms for All India Financial Institutions) Directions, 2023 - Amendment

[Issued by the Reserve Bank of India vide RBI/2024-25/116 DOR.MRG. REC.60/00-00-017/2024-25 dated 17.02.2025]

Please refer to paragraph 34.2 of the Reserve Bank of India (Prudential Regulations on Basel III Capital Framework, Exposure Norms, Significant Investments, Classification,

Valuation and Operation of Investment Portfolio Norms and Resource Raising Norms for All India Financial Institutions) Directions, 2023 issued on September 21, 2023.

2. On a review, it has been decided that investments made by All India Financial Institutions (AIFIs), as per their statutory mandates, in long-term bonds and debentures (i.e., having minimum residual maturity of three years at the time of investment) issued by non-financial entities shall not be accounted for the purpose of the ceiling of 25 per cent applicable to investments included under Held to Maturity (HTM) category, specified under the Directions *ibid*.
3. Accordingly, the relevant instructions have been amended as detailed in Annex.

Applicability

4. This circular shall be applicable to the AIFIs regulated by the Reserve Bank, viz. the Export-Import Bank of India (EXIM Bank), the National Bank for Agriculture and Rural Development (NABARD), the National Bank for Financing Infrastructure and Development (NaBFID), the National Housing Bank (NHB) and the Small Industries Development Bank of India (SIDBI).
5. This circular is issued in exercise of the powers conferred under Section 45L of the Reserve Bank of India Act, 1934.
6. These instructions shall come into force with effect from April 1, 2025.

USHA JANAKIRAMAN

Chief General Manager-in Charge

Complete details are not published here for want of space. For complete notification readers may log on to www.rbi.org.in

23

Government Securities Transactions Between a Primary Member (PM) of NDS-OM and its own Gilt Account Holder (GAH) or Between two GAHs of the Same PM

[Issued by the Reserve Bank of India vide RBI/2024-25/115 FMRD.MIOD. No.15/11.01.051/2024-25 dated 17.02.2025]

Transactions in Government securities in the Over the Counter (OTC) market are currently undertaken either on Negotiated Dealing System - Order Matching (NDS-OM) platform or are bilaterally negotiated outside the system and subsequently reported on NDS-OM. All transactions matched on NDS-OM platform are cleared and settled through the Clearing Corporation of India Limited (CCIL), which acts as a Central Counter Party (CCP) for transactions in Government securities.

2. At present, transactions between a Primary Member (PM) and its own Gilt Account Holder (GAH) and between two GAHs of the same PM are not permitted to be matched on NDS-OM and are also not cleared and settled through CCIL. On a review and based on the feedback received, it has been decided to:

- a. Permit matching of transactions between a PM and its own GAH or between two GAHs of the same PM on both the anonymous Order Matching segment and the Request for Quote (RFQ) segment of NDS-OM. Transactions matched on NDS-OM shall be cleared and settled through CCIL.
- b. Extend the facility of clearing and settlement through CCIL to transactions between a PM and its own GAH or between two GAHs of the same PM which are bilaterally negotiated and reported to NDS-OM, on an optional basis.
3. Any failure in the settlement of these transactions shall be treated as an instance of 'SGL bouncing' in terms of RBI circular "Government securities Act, 2006, Section 27 and 30 – Imposition of penalty for bouncing of SGL forms" dated July 14, 2010, as amended from time to time, and will be subjected to the applicable penal provisions, as specified therein.
4. Detailed operational guidelines in this regard will be issued by CCIL.
5. The Directions contained in this circular have been issued under Section 45W of Chapter IIID of the Reserve Bank of India Act, 1934 and are without prejudice to permissions/ approvals, if any, required under any other law.

DIMPLE BHANDIA

Chief General Manager

24

Export-Import Bank of India's GOI-supported Line of Credit of USD 120 mn to the Government of the Socialist Republic of Vietnam (GO-VNM) for procurement of High-Speed Guard Boats in the Borrower's Country

[Issued by the Reserve Bank of India vide RBI//2024-2025/114 A.P. (DIR Series) Circular No. 21 dated 13.02.2025]

Export-Import Bank of India (Exim Bank) has entered into an agreement dated July 31, 2024, with the Government of the Socialist Republic of Vietnam (GO-VNM), for making available to the latter, Government of India supported Line of Credit (LoC) of USD 120 mn (USD One Hundred Twenty Million Only) for procurement of High-Speed Guard Boats in the Borrower's Country. The export of eligible goods and services from India, as defined under the agreement, would be allowed subject to their eligibility under the Foreign Trade Policy of the Government of India and whose purchase may be agreed to be financed by the Exim Bank under this agreement.

2. The Agreement under the LoC is effective from January 20, 2025. Under the LoC, the last date for disbursement will be 60 months after scheduled completion date of the project.
3. Shipments under the LoC shall be declared in Export Declaration Form/Shipping Bill as per instructions issued by the Reserve Bank from time to time.

4. No agency commission is payable for export under the above LoC. However, if required, the exporter may use his own resources or utilize balances in his Exchange Earners' Foreign Currency Account for payment of commission in free foreign exchange. Authorised Dealer (AD) Category- I banks may allow such remittance after realization of full eligible value of export subject to compliance with the extant instructions for payment of agency commission.
5. AD Category – I banks may bring the contents of this circular to the notice of their exporter constituents and advise them to obtain complete details of the LoC from the Exim Bank's office at Centre One, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai 400 005 or from their website www.eximbankindia.in.
6. The directions contained in this circular have been issued under section 10(4) and 11(1) of the Foreign Exchange Management Act (FEMA), 1999 (42 of 1999) and are without prejudice to permissions/ approvals, if any, required under any other law.

N SENTHIL KUMAR
Chief General Manager

25 **Export-Import Bank of India's GOI-supported Line of Credit of USD 180 mn to the Government of the Socialist Republic of Vietnam for procurement of 4 Offshore Patrol Vessels (OPV) in the Borrower's Country**

[Issued by the Reserve Bank of India vide RBI//2024-2025/113 A.P. (DIR Series) Circular No. 20 dated 13.02.2025]

Export-Import Bank of India (Exim Bank) has entered into an agreement dated July 31, 2024, with the Government of the Socialist Republic of Vietnam (GO-VNM), for making available to the latter, Government of India supported Line of Credit (LoC) of USD 180 mn (USD One Hundred Eighty Million Only) for procurement of 4 Offshore Patrol Vessels (OPV) in the Borrower's Country. The export of eligible goods and services from India, as defined under the agreement, would be allowed subject to their eligibility under the Foreign Trade Policy of the Government of India and whose purchase may be agreed to be financed by the Exim Bank under this agreement.

2. The Agreement under the LoC is effective from January 20, 2025. Under the LoC, the last date for disbursement will be 60 months after scheduled completion date of the project.
3. Shipments under the LoC shall be declared in Export Declaration Form/Shipping Bill as per instructions issued by the Reserve Bank from time to time.
4. No agency commission is payable for export under the above LoC. However, if required, the exporter may use his own resources or utilize balances in his Exchange Earners' Foreign Currency Account for payment of commission in free foreign exchange. Authorised Dealer (AD) Category- I banks may

allow such remittance after realization of full eligible value of export subject to compliance with the extant instructions for payment of agency commission.

5. AD Category – I banks may bring the contents of this circular to the notice of their exporter constituents and advise them to obtain complete details of the LoC from the Exim Bank's office at Centre One, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai 400 005 or from their website www.eximbankindia.in.
6. The directions contained in this circular have been issued under section 10(4) and 11(1) of the Foreign Exchange Management Act (FEMA), 1999 (42 of 1999) and are without prejudice to permissions/ approvals, if any, required under any other law.

N SENTHIL KUMAR
Chief General Manager

26 **Foreign Exchange Management (Manner of Receipt and Payment) (Amendment) Regulations, 2025**

[Issued by the Reserve Bank of India vide Notification No. FEMA 14(R) (1)/2025-RB dated 10.02.2025]

In exercise of the powers conferred by section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), the Reserve Bank makes the following amendment in the Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2023 (Notification No. FEMA 14(R)/2023-RB dated December 20, 2023) (hereinafter referred to as 'the Principal Regulations'), namely:-

1. **Short title and commencement:**

- (i) These regulations shall be called the Foreign Exchange Management (Manner of Receipt and Payment) (Amendment) Regulations, 2025.
- (ii) They shall come into force with effect from the date of their publication in the Official Gazette.

2. **Amendment to Regulation 3:**

In the Principal Regulations, in regulation 3, in sub-regulation (2), in clause (I), in sub-clause (a), for the item (ii) along with its proviso, the following shall be substituted, namely: -

“(ii) Member countries of ACU, other than Nepal and Bhutan – In respect of payments from a resident in the territory of one participant country to a resident in the territory of another participant country, through ACU mechanism, or as per the directions issued by the Reserve Bank to authorised dealers from time to time. For all other transactions, receipt and payment may be made in a manner as specified at (iii) below.”

DR ADITYA GAIHA
Chief General Manager-in-Charge



**THE INSTITUTE OF
Company Secretaries of India**
भारतीय कम्पनी सचिव संस्थान
IN PURSUIT OF PROFESSIONAL EXCELLENCE
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(Under the jurisdiction of Ministry of Corporate Affairs)

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

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Motto
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Mission
"To develop high calibre
professionals facilitating
good corporate governance"

PREVENTION OF MONEY-LAUNDERING ACT, 2002

Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) Guidelines

Prevention of Money-laundering Act, 2002 casts certain obligations on the reporting entities and Financial Intelligence Unit- INDIA have implemented AML & CFT Guidelines effective from June 19, 2023 for Professionals including Company Secretaries in Practice to establish an efficient reporting mechanism to prevent money laundering, terrorist financing and proliferation financing.

Reporting Entity

(As notified by Ministry of Finance vide its notification dated May 03, 2023)

Company Secretaries in Practice, carrying out the following Financial Transactions in the course of his/her profession would be termed as 'Reporting entity' under PMLA and Rules made thereunder:

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



Applicable Laws/Rules/Regulations

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

Registration of Reporting Entities

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

Do's for Reporting Entities

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

ICSI PMLA Portal

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

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

Steps to Register

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

For queries e-mail at: pmla@icsi.edu

CS Dhananjay Shukla
President, The ICSI

CS Pawan G Chandak
Vice President, The ICSI

CS Asish Mohan
Secretary, The ICSI

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5

NEWS FROM THE INSTITUTE



- MEMBERS RESTORED DURING THE MONTH OF JANUARY 2025
- CERTIFICATE OF PRACTICE SURRENDERED DURING THE MONTH OF JANUARY 2025
- NEW ADMISSIONS
- UPLOADING OF PHOTOGRAPH AND SIGNATURE
- OBITUARIES
- CHANGE / UPDATION OF ADDRESS



Institute News

MEMBERS RESTORED DURING THE MONTH OF JANUARY 2025

SL. NO.	NAME	MEMB NO.	REGION
1	CS USHA LAKSHMI RAMAN	ACS - 11561	WIRC
2	CS SWATI JAIN	ACS - 45674	NIRC
3	CS HARIOM	ACS - 46630	NIRC
4	CS S K SHARMA	ACS - 7673	WIRC
5	CS ATUL KUMAR MISHRA	ACS - 35346	WIRC
6	CS HIMANSHU NAGPAL	ACS - 40986	NIRC
7	CS VIVEK BIPINBHAI DAVDA	ACS - 64958	WIRC
8	CS DIVYA VINOD JAIN	ACS - 48627	WIRC
9	CS RANJANA ANIRUDH SINGH	ACS - 55661	WIRC
10	CS AKSHATA MUKUND NAGANUR	ACS - 56954	SIRC
11	CS KANCHAN ARORA	ACS - 5976	WIRC
12	CS AAKASH VINAY KAREKAR	ACS - 64207	WIRC
13	CS K A NARAYANAN	ACS - 7143	SIRC
14	CS NAZIA KHAN	ACS - 57135	NIRC
15	CS HASSAAN MOIZUDDIN MOHD	ACS - 60181	SIRC
16	CS SAGAR VERMA	ACS - 61854	NIRC
17	CS SANJEEV KUMAR THAKUR	ACS - 19832	NIRC
18	CS S S VAMBURKAR	ACS - 7957	WIRC
19	CS SUNIL KUMAR GROVER	FCS - 1443	NIRC
20	CS PRABHAT GUPTA	ACS - 11727	WIRC
21	CS SHARAD VADERA	ACS - 15332	NIRC
22	CS RINKU CHOUDHARY	ACS - 34467	EIRC
23	CS GARIMA JAIN	ACS - 43359	NIRC
24	CS MILIND SURYAKANT RAO	ACS - 48012	WIRC
25	CS SAUMYA AGARWAL	ACS - 50663	NIRC
26	CS BENAFSHA ROHINTON CONTRACTOR	ACS - 60354	WIRC
27	CS PRASHANT PAREEK	ACS - 54576	NIRC
28	CS SOHINI CHATTERJEE	ACS - 34920	EIRC

29	CS PRIYANKA JAIN	ACS - 43544	NIRC
30	CS SHIKHA MAKEN	ACS - 31478	NIRC
31	CS ANJALI KALRA	ACS - 28131	SIRC
32	CS KARISHMA RAMESH PANDEY	ACS - 30936	WIRC
33	CS ANITA BOTHRA	ACS - 36645	EIRC
34	CS HARPREET KAUR	ACS - 38244	NIRC
35	CS GARIMA GAUTAM	ACS - 46775	EIRC
36	CS NAMAN JAIN	ACS - 42970	NIRC
37	CS ANUPAM ADITYA	ACS - 60613	NIRC
38	CS AMRITA SARAF	ACS - 51052	SIRC
39	CS NITIKA JAIN	ACS - 54278	NIRC

CERTIFICATE OF PRACTICE SURRENDERED DURING THE MONTH OF JANUARY 2025

SL. NO.	NAME	MEMB NO	COP NO.	REGION
1	CS AKANSHA DUBEY	ACS - 51808	25521	SIRC
2	CS SURABHI SHARMA	ACS - 65839	25541	SIRC
3	CS AKHILESH KUMAR MAURYA	ACS - 73210	27254	WIRC
4	CS ANUP VAIBHAV CHANDRASHEKHAR KHANNA	FCS - 6786	12906	WIRC
5	CS PREETI GANDHI	ACS - 69618	26499	NIRC
6	CS ARUNA YADAV	ACS - 65230	26310	NIRC
7	CS SUVARNA JAYESH KATKE	ACS - 61436	26756	WIRC
8	CS RITU PRANAV YADAV	FCS - 12626	24622	WIRC
9	CS DELLA SANTHOSH T	ACS - 65328	24515	SIRC
10	CS BHAT LAKSHMINARAYANA AKSHARA	ACS - 11093	25507	SIRC
11	CS SUJIT GUPTA	ACS - 66331	26711	EIRC
12	CS HARISH KUMAR SREEKANTAN	ACS - 50028	27658	SIRC
13	CS NITU AGARWAL	ACS - 53820	24961	EIRC
14	CS KHUSHBU KUMARI AGARWAL	ACS - 43701	17476	EIRC
15	CS MOHD KHIZAR ALI KHAN	ACS - 64382	24953	NIRC
16	CS SIMARJEET SINGH	FCS - 11779	26947	NIRC
17	CS SUNNY GULATI	ACS - 38320	14638	NIRC
18	CS VISHAL PRALHADRAO NAROTE	ACS - 70440	26319	WIRC
19	CS NISHA MITTAL	ACS - 42827	16548	NIRC
20	CS GAURAV KUMAR	ACS - 67177	25434	NIRC
21	CS SANJAY MAHESHWARI	ACS - 18266	21795	NIRC
22	CS SONICA BAMBI	ACS - 33704	22393	NIRC
23	CS ADITYA DARMWAL	ACS - 22999	26701	NIRC
24	CS SHIVANI MEHTA	ACS - 46125	26587	WIRC
25	CS SHREYA BHARGAVA	ACS - 72931	27605	NIRC
26	CS POONAM SANGAL	FCS - 7196	7838	NIRC
27	CS SABBETHA DEVARAJAN	ACS - 69578	26993	SIRC
28	CS SHIPRA AGRAWAL	ACS - 37076	25900	SIRC

NEW ADMISSIONS

For latest admission of Associate and Fellow Members, Life Members of Company Secretaries Benevolent Fund (CSBF), Licentiates and issuance of Certificate of Practice, kindly refer to the link <https://www.icsi.edu/member>



UPLOADING OF PHOTOGRAPH AND SIGNATURE

Members are requested to ensure that their latest scanned passport size front-facing colour photograph (in formal wear) and signature in .jpg format (each on light-colored background of not more than 200 kb file size) are uploaded on the online portal of the Institute.

Online Steps for Uploading of photo and signature.

- Use ONLINE SERVICES tab on www.icsi.edu
- Select Member Portal from dropdown
- Login using your membership number e.g. A1234/F1234
- Enter your password
- Under My Profile --- Click on View and Update
- Upload/update the photo and signature as required
- Press Save button

OBITUARIES

Chartered Secretary deeply regrets to record the sad demise of the following members:

CS Puthaneri Sriram Srinivasan (09.04.1936 - 14.12.2024), an Associate Member of the Institute from Chennai.

CS P C Agarwal (25.01.1932 - 13.01.2025), a Fellow Member of the Institute from Kolkata.

CS Shashidhar (01.06.1984 - 28.12.2024), an Associate Member of the Institute from Koppal.

CS Lakshmi Subramanian (24.05.1959 - 07.12.2024), a Fellow Member of the Institute from Chennai.

May the Almighty give sufficient fortitude to the bereaved family members to withstand the irreparable loss.

May the departed souls rest in peace.



CHANGE / UPDATION OF ADDRESS

The members are requested to check and update (if required) your professional and residential addresses ONLINE only through Member Login. Please indicate your correspondence address too.

The steps to see your details in the records of the Institute:

1. Go to www.icsi.edu
2. Click on **MEMBER** in the menu
3. Click on **Member Search** on the member home page
4. Enter your membership number and check
5. The address displayed is your Professional address (Residential if Professional is missing)

The steps for online change of address are as under:

1. Go to www.icsi.edu
2. On the Online Services ----select **Member Portal** from dropdown menu
3. Login using your membership number e.g. A1234/F1234
4. Under **My Profile** --- Click on View and update option and check all the details and make the changes required and save
5. To change the mobile number and email id click the side option "**Click Here to update Mobile Number and E-mail Id**"
6. Check the residential address and link the Country-State-District-City and check your address in the fields Add. Line1/Add. Line2 & Add. Line3 (Click Here to change residential address)
 - a) Select the Country[#]
 - b) Select the State
 - c) Select the City
 - d) Submit the Pincode which should be 6 digits without space.
 - e) Then click on "Save" button.
7. Select the appropriate radio button for Employment Status and check your address in the fields Add. Line1/ Add. Line2 & Add. Line3 click the link on the right (Click Here to change Professional address)
 - a) Select the Country[#]
 - b) Select the State
 - c) Select the City
 - d) Submit the Pincode which should be 6 digits without space.
 - e) Then click on "Save" button.
8. Go back to the Dashboard and check if the new address is being displayed.

[#]in case of Foreign Country and State is not available in options then Select "**Overseas**" – A pop-up will open and you can add the "City, District, State" of that Country alongwith Zipcode

Members are required to verify and update their address and contact details as required under Regulation 3 of the CS Regulations, 1982 amended till date

For any further assistance, we are available to help you at <http://support.icsi.edu>



**THE INSTITUTE OF
Company Secretaries of India**

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

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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.

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2. Go to Central Government and select Institute of Company Secretaries of India
3. Select the option of ID card / Membership Certificate / Practice Certificate
4. For ID Card, enter your membership number e.g. ACS 12345 / FCS 12345.
5. For membership certificate, Enter your membership and select ACS / FCS from drop down.
6. For COP certificate enter your COP number e.g. 12345 and select COP.
7. Click download / generate.
8. The ID Card / Membership certificate / Practice Certificate can be downloaded every year after making payment of Annual Membership fees.



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Company Secretaries of India

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

(Under the jurisdiction of Ministry of Corporate Affairs)

Vision

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

Motto

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"To develop high calibre professionals
facilitating good corporate governance"

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6

MISCELLANEOUS CORNER



- GST CORNER
- ETHICS IN PROFESSION
- CG CORNER
- MARITIME CORNER
- ESG CORNER
- GIST OF ROC ADJUDICATION ORDERS

ADVISORY ON E-WAY BILL GENERATION FOR GOODS UNDER CHAPTER 71

Rule 138(14) of the Central Goods and Services Tax (CGST) Rules, 2017, read with its Annexure S.Nos. 4 and 5, states that goods covered under Chapter 71 viz., Natural or cultured pearls and precious or semi-precious stones; precious metals and metals clad with precious metal, Jewellery, goldsmiths', and silversmiths' articles, except those classified under HSN 7117 (Imitation Jewellery), are exempt from the mandatory requirement of generating an E-Way Bill.

Pursuant to the introduction of the E-Way Bill (EWB) for goods classified under Chapter 71, excluding HSN 7117 (Imitation Jewellery), in the state of Kerala for intra-state movement, the National Informatics Centre (NIC) has provided an option to generate EWBs for goods covered under Chapter 71 except 7117 under the category "EWB for Gold" on the EWB portal.

After observing that various industry stakeholders have voluntarily been generating EWBs for goods under Chapter 71 due to the availability of this option in the EWB system. The department has clarified EWB generation facility for goods under Chapter 71 has now been withdrawn.

Taxpayers and transporters engaged in the movement of goods under Chapter 71 (except HSN 7117) are advised that EWB generation is not required. However, it may be noted that for the intrastate movement of such goods within the state of Kerala, the generation of an EWB has been mandated vide Notification No.10/24-State Tax dated 27/12/24 issued by the state of Kerala. An advisory dated 27.01.2025 has already been issued in this regard.

Source: <https://services.gst.gov.in/services/advisoryand-releases/read/581>

ADVISORY ON BIOMETRIC-BASED AADHAAR AUTHENTICATION AND DOCUMENT VERIFICATION FOR GST REGISTRATION APPLICANTS IN MAHARASHTRA AND LAKSHADWEEP

This advisory outlines key updates regarding the GST registration process in Maharashtra and Lakshadweep. Please take note of the following:

- Amendment to Rule 8 of CGST Rules, 2017:** GST applicants may now be identified on the common portal based on data analysis and risk parameters, requiring biometric-based Aadhaar authentication, a photograph, and verification of original documents uploaded with the application.
- Implementation in Maharashtra and Lakshadweep:** This functionality, developed by GSTN, was implemented in Maharashtra and Lakshadweep on February 8, 2025.
- Authentication and Document Verification Process:** Upon submission of Form GST REG-01, applicants will receive an e-mail with one of the following links:
 - OTP-based Aadhaar Authentication – Applicants can proceed with Aadhaar authentication as per the existing process.
 - Appointment Booking for Biometric Authentication – Applicants must visit a designated GST Suvidha Kendra (GSK) for biometric Aadhaar authentication

and document verification, as per the details provided in the e-mail.

- Appointment Booking:** Applicants receiving the appointment booking link must schedule a visit to the designated GSK using the provided e-mail link. This feature is now available for applicants in Maharashtra and Lakshadweep.
- Confirmation and visit to GSK:** After booking an appointment, applicants will receive a confirmation e-mail. They must visit the designated GSK at the scheduled time and carry the following:
 - A copy (hard/soft) of the appointment confirmation e-mail.
 - Jurisdiction details as mentioned in the intimation e-mail.
 - Original Aadhaar Card and PAN Card.
 - Original versions of documents uploaded with the application, as specified in the intimation e-mail.
- Completion of Biometric Authentication:** The biometric authentication and document verification will be conducted at the GSK for all the required individuals as per the GST application Form GST REG-01.
- Timeframe for Biometric Authentication:** Applicants must complete biometric verification within the timeframe specified in the intimation e-mail. ARNs will be generated only after successful biometric authentication and document verification.
- GSK Operating Hours:** GSKs will function as per the operational guidelines set by the state administration.

Source: <https://services.gst.gov.in/services/advisoryand-releases/read/582>

ADVISORY FOR GST REGISTRATION PROCESS (RULE 8 OF CGST RULES, 2017)

The GST registration process has been changed recently, and the applicants applying for GST registration must adhere to the following steps as per Rule 8 of the CGST Rules:

- Applicants Not Opting for Aadhaar Authentication:**
 - If the applicant does not opt for Aadhaar authentication, in such case the applicant must visit designated GST Suvidha Kendra (GSK) for photo capturing and document verification.
 - An email shall be sent containing the details of the designated GSK to the applicant on opting "NO" option in Aadhaar Authentication
 - Appointment can be scheduled and confirmation mail will be received on such scheduling
 - On the appointment day the applicant shall visit the GSK for photo capturing and document verification
- Applicants Opting for Aadhaar Authentication and application identified for Biometric Authentication:**
 - Promoters/Partners opting for Aadhaar authentication should first visit the GSK for biometric authentication and photo capturing, followed by the Primary Authorized Signatory (PAS).

- b) Promoters/Partners opting for Aadhaar authentication must visit the GSK for photo capturing and biometric authentication. The Primary Authorized Signatory (PAS) is required to carry the documents listed in the intimation email for verification at the GSK. Additionally, the PAS must undergo photo capturing and biometric authentication at the GSK as part of the process.
- c) If a Promoter/Partner has already been biometric verified in any State/UT during a previous registration, then he/she will **not need to visit the** GSK again for photo capturing, biometric authentication, or document verification for any other entity where they act as Promoter/Partner. However, if she/he becomes the PAS of the entity, only document verification at the GSK will be required.
- d) In case PAS has already been biometric verified in any State/UT during a previous registration, she/he will **need to visit** the GSK only for document verification.
- e) If the Promoter/Partner and PAS are the same individual, she/he must visit the GSK for photo capturing, biometric authentication, and document verification. If already biometric verified in the past, only document verification at the GSK is required.

3. **Non-Generation of Application Reference Number (ARN):**

For applicants opted Aadhaar-authentication and application identified for Biometric Authentication:

- a) Promoter/Partner or PAS who fails to visit the GSK or biometric authentication fails or document verification is not completed within 15 days of submitting Part B of REG-01, the ARN will not be generated for such applications. The details of Aadhaar shall be accurate so that verification process can be completed within 15 days.

For non-Aadhaar applicants:

If photo capturing or document verification is not completed within 15 days, the ARN will not be generated.

Source: <https://services.gst.gov.in/services/advisoryand-releases/read/583>

Advisory on Introduction of Form ENR-03 for Enrolment of Unregistered Dealers/Persons in e-Way Bill Portal for generating e-way Bill.

A new feature has been introduced in the E-Way Bill (EWB) system to facilitate the enrolment of unregistered dealers supplying goods, with effect from 11.02.2025.

Form ENR-03 is now available for the enrolment of unregistered dealers as per Notification No. 12/2024 dated 10th July 2024.

An Enrolment ID can be used as supplier GSTIN or Recipient GSTIN for generating e-way bills.

Taxpayers can access the tutorial for the ENR-03 by following the link: https://tutorial.gst.gov.in/downloads/news/user_manual_for_enr_03_final.pdf.

Source: <https://services.gst.gov.in/services/advisoryand-releases/read/584>

ADVISORY ON BIOMETRIC-BASED AADHAAR AUTHENTICATION AND DOCUMENT VERIFICATION FOR GST REGISTRATION APPLICANTS IN JHARKHAND AND ANDAMAN AND NICOBAR ISLANDS

This advisory outlines key updates regarding the GST registration process in Jharkhand and Andaman & Nicobar Islands. Please take note of the following:

1. **Amendment to Rule 8 of CGST Rules, 2017:** GST applicants may now be identified on the common portal based on data analysis and risk parameters, requiring biometric-based Aadhaar authentication, a photograph, and verification of original documents uploaded with the application.
2. **Implementation in Jharkhand and Andaman and Nicobar Islands:** This functionality, developed by GSTN, was implemented in Jharkhand and Andaman and Nicobar Islands on February 15th, 2025.
3. **Authentication and Document Verification Process:** Upon submission of Form GST REG-01, applicants will receive an e-mail with one of the following links:
 - (a) OTP-based Aadhaar Authentication – Applicants can proceed with Aadhaar authentication as per the existing process.
 - (b) Appointment Booking for Biometric Authentication – Applicant must visit a designated GST Suvidha Kendra (GSK) for biometric Aadhaar authentication and document verification, as per the details provided in the e-mail.
4. **Appointment Booking:** Applicant receiving the appointment booking link must schedule a visit to the designated GSK using the provided e-mail link. This feature is now available for applicants in Jharkhand and Andaman and Nicobar Islands.
5. **Confirmation and visit to GSK:** After booking an appointment, applicant will receive a confirmation e-mail. They must visit the designated GSK at the scheduled time and carry the following:
 - a) A copy (hard/soft) of the appointment confirmation e-mail.
 - b) Jurisdiction details as mentioned in the intimation e-mail.
 - c) Original Aadhaar Card and PAN Card.
 - d) Original versions of documents uploaded with the application, as specified in the intimation e-mail.
6. **Completion of Biometric Authentication:** The biometric authentication and document verification will be conducted at the GSK for all the required individuals as per the GST application Form GST REG-01.
7. **Timeframe for Biometric Authentication:** Applicant must complete biometric verification within the timeframe specified in the intimation e-mail. ARNs will be generated only after successful biometric authentication and document verification.
8. **GSK Operating Hours:** GSKs will function as per the operational guidelines set by the state administration.

Source: <https://services.gst.gov.in/services/advisoryand-releases/read/585>

Importance of Gathering Information

The expression “*professional and other misconduct*” as defined in Section 22 of the Company Secretaries Act, 1980 shall be deemed to include any act or omission provided in any of the Schedules, but nothing in this section shall be construed to limit or abridge in any way the power conferred or duty cast on the Director (Discipline) under sub-section (1) of Section 21 to inquire into the conduct of any member of the Institute under any other circumstances.

A member of the Institute in practice shall be deemed to be guilty of professional misconduct under Clause (8) of Part I of the Second Schedule to the Company Secretaries Act, 1980, if he fails to obtain sufficient information which is necessary for expression of an opinion, or its exceptions are sufficiently material to negate the expression of an opinion.

Company Secretaries in Practice are expected to gather sufficient information and exercise due care & diligence while undertaking their professional assignments.

CASE STUDY:

1. A complaint of professional or other misconduct was received against one Practicing Company Secretary (hereinafter referred to as ‘the Respondent’). The Complainant stated that a private limited company (hereinafter referred to as ‘the Company’) was incorporated in October, 2019. At the time of incorporation, the correspondence address is shown as registered office address, which is situated in small town far away from the city. It is noticed that the company has frequently changed its registered office and on physical inspection of the registered office of the company in January, 2022, it was found that no such company is registered at the said address.
2. The Complainant has alleged that the company is running an online loan product app that provides unsecured micro loans with no requisite approval of competent authorities. However, in object clause, it is stated that the company is engaged in “computer and related activities.” The Complainant has specifically alleged that the Respondent has not exercised due diligence while certifying the forms MGT-7, Form AOC-4 XBRL for FY 2019-20 of the company. Further, the Respondent has also wrongly certified and filed form DIR-12 for the appointment of the director of the company.
3. The Respondent in his written statement denied the allegations and has *inter-alia* stated that the incorporation of the company was approved with the fact that the subscribers were foreign company having registered office outside India.
4. The Respondent further stated that he was not involved in any such registered office verification or attestation of e-form INC-22. Further, the Form INC-22 for shifting of registered office of the company was certified by a Chartered Accountant, who is also the Statutory Auditor of the company in March, 2020.
5. The Respondent has stated that the Chartered Accountant who is the statutory auditor of the company should know the core business of the company and source of income of the company as he has prepared financials of the company and certified the same as well. The Respondent further stated that the audit report nowhere disclosed any qualifications about the micro finance business activity carried on by the company.
6. The Respondent has stated that in the audit report of the company, it is mentioned that the main objective of the company is computer related activities and based on the said certified information made available to the Respondent along with representation letter submitted by the management of the company, he has certified Form MGT-7 of the company for the FY 2021-20.
7. The Respondent stated that he had relied on the certified information of audit report and management representation letter; and he was approached by statutory auditor through a communication channel for certification for Form MGT-7, Form AOC-4 XBRL for FY 2019-20 of the company. The Respondent has stated that he relied on the certified information and documents already prepared and filed by other professionals for the company as the professionals located in the same city were in better position to verify the company’s operations.
8. The Respondent has submitted that due to COVID pandemic, physical verification of the statutory records of the company in another state was not possible, hence, he had relied on the company’s documents and certified information and documents of other professionals who had certified other forms of the company. The Respondent further stated that he had correctly certified and filed form DIR-12 for the appointment of the director of the company in March, 2021.
9. The Complainant vide rejoinder *inter-alia* requested to look into the professional conduct of the Respondent.
10. The Respondent pleaded guilty before the Disciplinary Committee and stated that he has not verified the original documents before certifying form DIR-12 for appointment of the director of the company on in March, 2021, form MGT-7, form AOC-4 XBRL for the year 2019-20 of the company and relied on the certified information of audit report and management representation letter of the company.
11. The Disciplinary Committee has observed that the Respondent has certified form DIR-12 for appointment of the director of the company in March, 2021, form MGT-7, form AOC-4 XBRL for the year 2019-20 of the company and relied on the certified information of audit report and management representation letter of the company. The Disciplinary Committee further observed that the Respondent has not verified the original documents before certifying the said forms of the company. The Disciplinary Committee held the Respondent ‘Guilty’ of Professional Misconduct under clause (7) and (8) of Part I of the Second Schedule to the Company Secretaries Act, 1980.
12. After giving an opportunity of being heard to the Respondent, the Disciplinary Committee passed an order of ‘Reprimand’ and Fine of ₹ 25000/- (Rupees twenty five thousand) under section 21B (3) of the Company Secretaries Act, 1980.

Finnish Corporate Governance Code 2025

In light of change in the regulatory framework relating to the governance of listed Companies the new corporate governance code 2025 has been formulated by the Finnish Securities Market Association.

The main amendments are the result of the Directive on gender balance on the boards of listed companies (*Board Gender Balance Directive*), the Corporate Sustainability Reporting Directive and the Corporate Sustainability Due Diligence Directive.

The Corporate Governance Code has been modified to reflect changes in the legislation related to the national implementation of the Board Gender Balance Directive. In addition, the revision takes into account the recommendations of the Finnish Government Policy Brief on women's career development challenges in board and management team positions in listed companies, as well as certain development that needs to be identified in the application of the Corporate Governance Code.

Key Changes

Scope of the Corporate Governance Code

The scope of the Corporate Governance Code has been extended to Finnish companies traded in the Nasdaq First North Premier Growth Market segment in addition to companies listed on Nasdaq Helsinki Ltd. Under the Rules of the Nasdaq First North Growth Market, issuers of shares traded on First North Premier must comply with the Corporate Governance Code.

Gender Balance of the Board of Directors

The recommendation of the Corporate Governance Code 2020 that both genders shall be represented on the board of directors has been replaced by a recommendation that there shall be balanced representation of women and men in the board of directors. Balanced representation of women and men shall be achieved no later than 30 June 2026. Until then, Recommendation 8 (Gender Balance of the Board of Directors) of Corporate Governance Code 2020 applies, according to which both genders shall be represented on the board of directors. The rationale for the recommendation provides more detailed guidance on when the gender balance of the board of directors is considered to be balanced. The recommendation and its rationale correspond to the goal of 40 percent under chapter 6 relating to Management and representation of the company, section 9 a (Appointment of the Members of the Board of Directors) of the Finnish Limited Liability Companies Act, with the rounding rules in accordance with the Appendix to the Act. However, contrary to the provision of the Limited Liability Companies Act, the recommendation is applied to all companies within the scope of the Corporate Governance Code.

In addition, the rationale for the recommendation describes the information to be provided to justify a departure from the recommendation on balanced gender representation. The information on any departure from the recommendation shall be reported and justified already in connection with the disclosure of the proposal concerning the composition of the board of directors and in the notice of the general meeting. A reference to the fact that any departure from Recommendation 8 on equal gender representation in the board of directors shall be disclosed and justified in the notice of the general meeting has also been added to the rationale of Recommendation 1 (Notice of the General Meeting and Proposals for Resolution).

Diversity of the Board of Directors

A requirement has been added to the recommendation to report how the board's diversity principles have been implemented. The objective of the amendment is to promote transparency of the implementation of the principles. In addition, the rationale for Recommendation 15 (Appointment of Members to a Committee) now states that the diversity of the know-how, experience, and opinions of the committee members contributes to open discussion and to the committee's ability to address the issues under its responsibility in a comprehensive manner.

Election of the Board of Directors

A statement supplementing the Corporate Governance Code issued by the Securities Markets Association on 20 October 2021 on the election procedure of board members has been added to the rationale for the recommendation.

Preparation of the Proposal for the Composition of the Board of Directors

An addition has been made to the rationale for Recommendation 7 (Preparation of the Proposal for the Composition of the Board of Directors) on the systematic nature of the process of preparing the composition of the board of directors and on good preparation practices. The additions are based on the recommendations of the Government Policy Brief. An addition has also been made to the rationale for Recommendations 18 (Nomination Committee) and 19 (Shareholders' Nomination Board), stating that the nomination committee of the board of directors or the shareholders' nomination board shall, where appropriate, also provide a justification if the proposal for the composition of the board of directors departs from the recommendations of the Corporate Governance Code or from the board's diversity principles.

Sources:

- i. <https://www.cgfinland.fi/wp-content/uploads/2024/11/corporate-governance-code-2025.pdf>
- ii. <https://www.izvoznookno.si/Dokumenti/pravo/fincompact.pdf>



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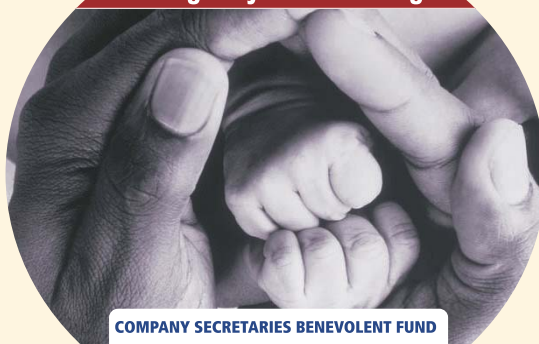
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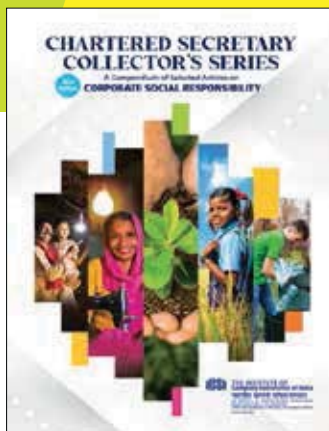
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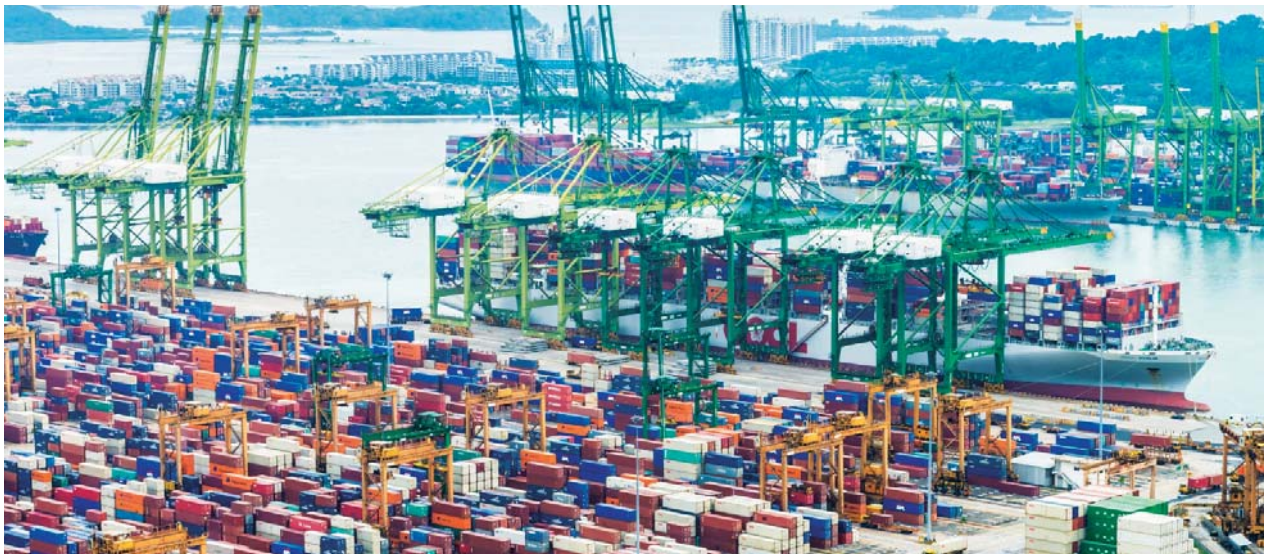


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The ICSI has always committed to explore new areas of opportunity for professionals and to undertake initiatives for their capacity building. The increase in maritime trade over the past three years has significantly boosted employment opportunities across the sector. Growth in cargo handling, expansion of port infrastructure, and rising coastal and inland waterway operations have led to the creation of jobs in logistics, shipping, port operations, shipbuilding, and related industries. Additionally, initiatives promoting cruise tourism and maritime services have further expanded employment prospects, contributing to economic growth and skill development in the sector.

With growing infrastructure and maritime trade in the country, the maritime industry has opened up new vistas of professional opportunities. Recently, the Hon'ble Union Finance Minister Smt. Nirmala Sitharaman has also proposed to set up a Maritime Development Fund with a corpus of Rs 25,000 crore for long-term financing of the maritime industry.

In order to create more awareness about the maritime sector amongst the professional fraternity, the ICSI has decided to dedicate a "Maritime Corner" in the Chartered Secretary Journal of the Institute comprising of key terms and developments in the maritime industry. We hope that this initiative will be useful for professionals in exploring their keen areas of interest in maritime sector and professional opportunities therein.

MARITIME INDIA VISION 2030 (MIV 2030)

To position India as a global maritime leader, the Ministry of Ports, Shipping, and Waterways has released Maritime India Vision 2030 (MIV 2030) in the year 2021. This comprehensive blueprint aims to accelerate and harmonize the growth of India's maritime sector over the decade. As per latest update, MIV 2030¹ has been

crucial in boosting the maritime trade of India which gets reflected through:

- i. Increase in Port traffic from 720 MMT in Financial Year 2022 to 820 MMT in Financial Year 2024
- ii. Increase in Coastal tonnage from 260 MMT in Financial Year 2022 to 324 MMT in Financial Year 2024
- iii. Increase in Cargo volume handled by National Waterways (NWs) from 108 MMT across 19 operational NWs in Financial Year 2022 to 133 MMT across 24 operational NWs in Financial Year 2024

To monitor and evaluate the outcomes of MIV 2030, the Ministry of Ports, Shipping and Waterways has developed the Sagarmanthan Portal, which includes modules such as KPIs, Projects, and Long-Term Strategies. This portal provides comprehensive visibility into the progress made by organizations and wings under the Ministry across various parameters, including capital expenditure, traffic, port performance, and the physical and financial progress of projects. It also aids in regular reviews and guiding organizations effectively.

Additionally, the Ministry has established functional cells—Viksit Bharat Sankalp (ViBhaS) at the Ministry level and Neel Arth Vision Implementation Cells (NAVIC) at the organization level to facilitate tracking progress across key themes and driving ideation and innovation for future initiatives. These measures ensure alignment with MIV's objectives and a structured approach to achieving them.

MARITIME TERMINOLOGY

"Admiralty law"

Admiralty law, also known as maritime law, governs legal disputes and offenses related to navigable waters. It encompasses issues such as shipping, navigation, waters, insurance, and the resolution of maritime disputes.

1. Source: PIB Release date 3rd December 2024 <https://pib.gov.in/PressReleasePage.aspx?PRID=2080012>

INTERNATIONAL CONVENTION ON MARITIME LAW

United Nation Convention on Law of the Seas (UNCLOS), adopted in 1982 and enforced since 1994, is often referred to as the “Constitution of the Oceans.” It defines various maritime zones, navigation rights, and responsibilities of states over their adjacent waters. It also provides a dispute resolution mechanism for conflicts related to maritime boundaries, environmental protection, and the conservation of marine resources.

Territorial Sea

²Article 3 of the UNCLOS provides that the State has the right to establish the breadth of its territorial sea up to a limit not exceeding 12 nautical miles, measured from baselines determined in accordance with this Convention. The coastal State exercises sovereignty over its territorial sea, the airspace above it and the seabed and subsoil beneath it. Foreign flagged ships enjoy the right of innocent passage while transiting the territorial sea subject to laws and regulations adopted by the coastal State that are in conformity with the Law of the Sea Convention and other rules of international law relating to such passage.

CAREER DEVELOPMENT IN MARITIME INDUSTRY

Gujarat Maritime University (GMU) is an esteemed institution backed by the Government of Gujarat and promoted by the Gujarat Maritime Board, the regulatory authority for the thriving port sector in Gujarat. Students will have access to a range of exceptional opportunities and experiences that will propel career growth in commercial maritime industry.

The ICSI has recently signed up an MoU with the GMU and integrated program on Maritime Laws will be rolled out soon to benefit our professional fraternity and strengthening governance at the sea levels. Also, students enrolling for the course, at the completion of it will be awarded with an MBA in Maritime Laws.

MARITIME NEWS

INDIA READIES MASSIVE INVESTMENTS TOWARDS ITS GOALS OF BECOMING A GLOBAL MARITIME POWERHOUSE

The world’s three largest containerlines have set their sights on India as the country readies massive investments towards its goals of becoming a global maritime powerhouse. The Government of India has revealed billion-dollar moves on all things shipping through public/private ventures with MSC, Maersk and CMA CGM amongst the first to join India’s plans to bolster its maritime infrastructure.

Denmark’s Maersk, the world’s second-largest liner, has signed a memorandum of understanding with India’s

Cochin Shipyard to explore ship repair and shipbuilding opportunities. The strategic partnership, which aligns with India’s aim to be among the top 10 maritime nations by 2030 and the top five by 2047, is expected to see the first Maersk vessel repair at Cochin Shipyard already in 2025.

The Indian government-controlled Cochin Shipyard was established in 1972 and is the country’s largest shipbuilding and repair yard. The collaboration with Maersk will initially focus on ships up to 7,000 teu for afloat repairs and up to 4,000 teu for drydocking, with capabilities expected to expand over time.

MSC chief executive Soren Toft has also meet Union Minister of Commerce and Industry to discuss multiple potential investments. France’s CMA CGM is expected to emulate this move with a delegation set to visit India shortly.

Source: <https://splash247.com/maersk-seals-pact-with-indias-top-yard/>

INDIA’S SOUTHERNMOST STATE HOLDS KEY TO DELIVERING \$75BN IN OFFSHORE WIND INVESTMENTS

A new analysis shows that Tamil Nadu, India’s southernmost state, could deliver up to \$75bn of economic growth and 805,000 from the offshore wind manufacturing supply chain by 2030. The analysis, done by Ocean Energy Pathway with support from the Global Wind Energy Council and international consultancy COWI, shows that achieving the country’s target of 37GW of offshore wind by 2030 will bring substantial social and economic benefits to India as a whole, and Tamil Nadu in particular.

According to the World Bank, India has the potential for 91GW of fixed offshore wind along its coastline. If India’s long-term full potential for offshore wind is realised, the report forecasts that by 2040, offshore wind will contribute to a total economic growth of \$125bn and additional employment of 1.25m people. But Tamil Nadu stands out, with high wind speeds, shallow seabed depths, and proximity to industrial hubs which already represent 46% of India’s total capacity for manufacturing offshore wind turbines.

The study said that government commitment, financial incentives, and supportive policies are crucial to attracting investment into India’s offshore wind sector and ensuring its long-term viability. The report also offers recommendations to unlock the offshore wind potential in Tamil Nadu and across India as a whole. It also points out the need for setting out a clear institutional framework articulating guidelines, regulations, processes, and responsibilities to make the opportunity more attractive to businesses and investors.

Source: <https://splash247.com/indias-southernmost-state-holds-key-to-delivering-75bn-in-offshore-wind-investments/>

² Article 3, United Nation Convention on Law of the Sea

INLAND WATERWAYS TERMINAL INAUGURATED AT JOGIGHOPA

The Union Minister of Ports, Shipping & Waterways, Shri Sarbananda Sonowal inaugurated the Inland Waterways Terminal (IWT) at Jogighopa (Assam). The foundation stone for the Terminal was laid by the Prime Minister Shri Narendra Modi in February, 2021. The terminal holds strategic importance as it is located at a distance of 91 km from Gelephu in Bhutan, 108 km from Bangladesh border and 147 km from Guwahati. This makes it crucial for India's bilateral trade ties with Bangladesh and Bhutan. By the year 2027, this terminal is expected to handle a cargo of 1.1 million tonnes per annum. Built at a cost of more than ₹82 crores, the terminal also has infrastructural facilities such as administrative building, customs office building, immigration office, truck parking area, 1100 sqm covered storage area with power back up, and 11,000 sqm open storage.

Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2104393>

GREEN SHIPPING CONCLAVE, 2025

The Union Minister of Ports, Shipping & Waterways, Shri Sarbananda Sonowal reaffirmed India's commitment to global maritime sustainability and international cooperation while speaking after inaugurating the Green Shipping Conclave, 2025 in Mumbai on 20th February 2025.

The Green Shipping Conclave, 2025 was organised by the Ministry of Ports, Shipping & Waterways, the Directorate General of Shipping, the Institute of Marine Engineers (India). The conclave aimed at converging pioneering ideas and perspective to shape India's leadership in maritime innovation, environmental sustainability and regulatory advancements aligning with the global goals of collective decarbonisation effort.

The conclave was also attended by the Secretary General of International Maritime Organisation (IMO), His Excellency Arsenio Dominguez. The Green Shipping Conclave, 2025 marked a pivotal moment in India's green maritime transition. The conclave served as a high-impact platform for policy dialogues, technical discussions, and roundtable meetings, engaging key stakeholders from the industry, government, and academia. Among the significant discussions, the IMO Secretary-General chaired a CEO Round Table on Renewable Energy, focusing on clean fuel investments and green port infrastructure.

The conclave also highlighted India's effort to convergence of Green Ports with policy initiatives like Sustainable Ship Recycling Programme at Alang, adhering to Hong Kong Convention standards. His Excellency Arsenio Dominguez, the Secretary General of IMO acknowledged

India's strategic role in global shipping, highlighting its contributions towards sustainable maritime development, alternative energy solutions, and international regulatory collaboration.

Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=2105136>

UN REVIEWS REGULATION AS SEAFARERS REVEALED TO WORK 74% ABOVE GLOBAL AVERAGE

The United Nations' International Labour Organization (ILO) will look to tighten up the language surrounding work/rest regulations at sea at a Special Tripartite Committee of the Maritime Labour Convention (MLC), scheduled to be held in Geneva in April this year.

The ILO's focus on work/rest hours follows on from a 64 page report from another UN institution, the World Maritime University, which carried out a survey in 2022, receiving more than 9,000 responses from seafarers around the world. The survey found that seafarers report, on average, working for 11.5 hours, resting for 10.8 hours, and sleeping for 7.0 hours daily. Notably, 28.1% of seafarers acknowledge resting less than 10 hours, thus violating rest hours standards.

Other key takeaways from the survey include the statistic that 78.3% of respondents report not having one full day off during their entire contract period, contradicting the intention of the MLC. 88.3% of seafarers admit to exceeding work/rest hours limits at least once a month. Alarming, 16.5% exceed the limits more than ten times a month. Only 31.6% of seafarers admit to never adjusting their work/rest records.

International Maritime Organization rules including the MLC and the Seafarers' Training, Certification, and Watchkeeping Code (STCW) detail the amount of hours crew should be working with multiple accident reports over the years citing fatigue as a cause for many casualties.

High compliance rates reported by port state control masked seafarers' reported non-compliance, creating what the authors of the WMU report have described as a "false narrative at policy levels". The root causes lie in the regulatory framework that is very loose, allowing flag states to compete on granting manning certificates with low numbers and expecting shipowners and shipmanagers to self-regulate. One idea under discussion is for each vessel to be given a protected website, run by the flag state, where each seafarer is allowed to log in under guaranteed secrecy terms.

Source: <https://splash247.com/un-reviews-regulation-as-seafarers-revealed-to-work-74-above-global-average/>

WORLD DAY FOR GLACIERS AND WORLD WATER DAY

In December 2022, the UN General Assembly adopted the resolution to declare 2025 as the International Year of Glaciers' Preservation, accompanied by the proclamation of March 21st of each year as the "World Day for Glaciers" starting in 2025 with an objective to raise global awareness about the critical role of glaciers, snow and ice in the climate system, the hydrological cycle and the economic, social and environmental impacts of the impending changes in the Earth's cryosphere.

The very next day "World Water Day" is being celebrated on 22nd March 2025 with a focussed theme on 'Glacier Preservation'. Started in 1993, the World Water Day is an annual United Nations observance focusing on the importance of freshwater. World Water Day celebrates water and raises awareness of the 2.2 billion people living without access to safe water. It is about taking action to tackle the global water crisis.

A core focus of World Water Day is to support the achievement of Sustainable Development Goal (SDG) 6 i.e., water and sanitation for all by 2030. Key messages for World Water Day 2025 are:

- **Glaciers are melting faster than ever.** As the planet gets hotter due to climate change, our frozen world is shrinking, making the water cycle more unpredictable and extreme.
- **Glacial retreat threatens devastation.** For billions of people, meltwater flows are changing, causing floods, droughts, landslides and sea level rise, and damaging ecosystems.
- **Glacier preservation is a survival strategy.** We must work together to reduce greenhouse gas emissions and manage meltwater more sustainably for people and the planet.

On the occasion of world water day, the United Nations World Water Development Report (WWDR) is issued which focuses on that year theme and gives policy recommendations to decision-makers by offering best practices and in-depth analyses. The WWDR is published by UNESCO on behalf of UN-Water and its production is coordinated by the UNESCO World Water Assessment Programme.

Source: <https://www.un.org/en/observances/water-day>

INDIA'S 1st VERTICAL BI-FACIAL SOLAR PLANT INSTALLED BY DMRC AT OKHLA VIHAR METRO STATION

India has committed to achieve net-zero carbon emissions by 2070. In this respect, Indian metro rail systems are

working to promote the design, construction & operations to build a green sustainable environment. The country's first bi-facial solar plant installation by Delhi Metro Rail Corporation (DMRC) was inaugurated by Shri Manohar Lal Khattar, Union Minister of Housing and Urban Affairs on 18th February, 2025 at the 5th International Conference on Green Metro Systems – The Future of Urban Mobility here.

The conference was organised by the DMRC under the banner of i-Metro and in association with the Confederation of Indian Industry (CII) and Indian Green Building Council (IGBC). A 1MW rooftop solar power plant installed at the Khyber Pass depot was also inaugurated at the occasion.

The bi-facial panels are designed to capture sunlight from both sides. It will take the advantage of the metro's elevated structure for solar energy generation without occupying any additional land. This is an innovative step in making metro rail operations more sustainable and contributes to renewable energy goals. These initiatives will significantly reduce environmental impact demonstrating that thoughtful infrastructure can drive progress while protecting nature.

Source: <https://www.msn.com/en-in/news/India/india-s-first-vertical-bi-facial-solar-planted-at-okhla-vihar-metro-station/ar-AA1zhIYC?ocid=entnewsntp&pc=U531&cvid=2cea629518f249f9b75736c5c43f683d&ei=47>

EU LAWMAKERS AGREE TO NEW RULES ON TEXTILE AND FOOD WASTE

The European Union (EU) generates 12.6 million tonnes of textile waste per year, including 5.2 million tonnes of clothing and footwear, while only 22% of post-consumer textile waste is collected separately for re-use or recycling, with the remainder often landfilled or incinerated. Additionally, nearly 59 million tonnes of food are wasted in the EU each year with estimated market value of €132 billion.

To deal with it the lawmakers in the European Parliament and Council announced that they have reached a provisional agreement on a series of new measures aimed at preventing and reducing waste in the textile and food sectors, including rules that would require fashion brands to pay for the collection and recycling of their products, with fees based on the products' circularity and sustainability.

Under the new agreement, EU countries will be required to establish extended producer responsibility (EPR) schemes, currently used to manage waste from packaging, batteries and electric and electronic equipment, to cover textile producers and fashion brands that make textiles available in an EU country. The EPR would require the companies to

cover the costs for their collection, sorting and recycling of their products, with fees dependent on how circular and sustainable the design of their product is, including factors such as the length of use of textile products and their durability.

The new textile rules will cover products such as clothing and accessories, footwear, blankets, bed and kitchen linen, curtains, and hats, with countries also able to set up EPRs for producers of mattresses. The textile rules will apply to all producers, including e-commerce based companies and those based outside the EU who put textiles on the EU market. The agreement also included a provision giving micro-enterprises an extra year to comply with the EPR requirements.

The updated directive would also establish the first ever food waste targets at the EU level, with new binding 2030 goals to reduce food processing and manufacturing waste by 10%, on a 2021 – 2023 basis, and to reduce food waste from retail, restaurants, food services and households by 30%.

With the agreement in place, the updated directive will now require approval by the European Parliament and the Council, with EU member states given 20 months following adoption to update their national laws.

Source: <https://www.esgtoday.com/eu-lawmakers-agree-to-new-rules-requiring-fashion-brands-to-pay-to-recycle-clothes/>

TNFD LAUNCHES PLATFORM TO UPSKILL PROFESSIONALS ON NATURE-RELATED REPORTING

The Taskforce on Nature-related Financial Disclosures (TNFD) on 18th February, 2025 announced the launch of a new capacity-building platform, aimed at upskilling professionals and businesses to help them identify, assess, report and act on nature-related issues. The new platform is being launched with two new tools, including the self-guided capacity-building platform Learning Lab, and the content suite “Trainer Portal” for use by training and education service providers.

The TNFD was launched in 2021, building on the success of the Task Force on Climate-related Financial Disclosures (TCFD), to support organizations in reporting and acting on their nature-related risks. The TNFD is a market-led, science-based and government-supported global initiative. To date, more than 1,700 organizations have joined as members of the TNFD Forum, its network of aligned institutions, and more than 520 companies and financial institutions have committed to begin nature-related corporate reporting, based on the TNFD recommendations.

Source: <https://www.esgtoday.com/tnfd-launches-platform-to-upskill-professionals-on-nature-related-reporting/>

CANADA PUSHES BACK REQUIREMENT FOR BANKS, INSURANCE COMPANIES TO REPORT FINANCED EMISSIONS BY THREE YEARS

Canada’s financial regulator, the Office of the Superintendent of Financial Institutions (OSFI), announced a new update to its climate-related financial disclosure expectations for banks and insurance companies, including a significant delay to the requirement for firms to disclose the emissions originating in their loan books and underwriting activities. The climate-related disclosure requirements also include reporting of Scope 1, 2 and 3 greenhouse gas emissions.

OSFI has revised the implementation date of Scope 3 emissions reporting to begin for fiscal year 2028, three years after the initial expectation. The regulator explained that the update is being made to ensure that its guidance aligns with the recently released requirements of the Canadian Sustainability Standards Board (CSSB) standards. The CSSB, which was formed to develop Canadian Sustainability Disclosure Standards (CSDSs) are largely aligned with IFRS standards. While, the ISSB standards included one year relief for reporting on Scope 3 emissions, the CSSB extended this relief to three years.

In addition to extending the timeline for financed emissions i.e., the greenhouse gas (GHG) emissions associated with the investment and lending activities made by banks & insurance companies, OSFI also announced that the reporting of off-balance sheet emissions, such as those from capital markets activities, will begin from fiscal year 2029.

Source: <https://www.esgtoday.com/canada-pushes-back-requirement-for-banks-insurance-companies-to-report-financed-emissions-by-3-years/>

AIIB AND SAUDI ARABIA PARTNER TO DEVELOP SUSTAINABLE INFRASTRUCTURE INVESTMENT PROGRAM

The Asian Infrastructure Investment Bank (AIIB) and Saudi Arabia have signed a joint declaration of intent to advance sustainable infrastructure investments across the region. The agreement, formalized at the Conference for Emerging Market Economies in Al-Ula, marks a significant step in AIIB’s expansion in the Middle East and North Africa (MENA).

The partnership aims to mobilize financing for key projects, including power generation and transmission, sustainable transport, water supply and sanitation, urban development, renewable energy with storage. Saudi Arabia views this collaboration as a means to align strategic investments with its long-term development vision.

Each party will designate a focal point to coordinate engagement with stakeholders, ensuring investment priorities remain relevant through semi-annual reviews.

Source: <https://esgnews.com/aiib-and-saudi-arabia-partner-to-develop-sustainable-infrastructure-investment-program/>



GIST OF ROC ADJUDICATION ORDERS

GIST OF ROC ORDERS

1. Adjudication Order for violation of Section 92 of the Companies Act, 2013 in the matter of MOONLIGHT ASSOCIATES LIMITED

ROC Guwahati issued an adjudication order dated 05th February, 2025 in the matter of Moonlight Associates Limited as it failed to file its Annual Returns from the FY 2014-15 to 2021-22 and thus violating the provisions of Section 92(5) of the Companies Act, 2013. The Adjudication Authority imposed penalties of ₹2,10,000, ₹199,600, ₹1,63,000, ₹1,26,500, and ₹90,000 on the company for defaults in each respective financial year from 2017-18 to 2021-22. Additionally, penalty of ₹60,000 was imposed on one of the directors of the company for each Financial Year from 2017-18 to 2021-22.

<https://www.mca.gov.in/bin/dms/getdocument?mds=iR0AJl-jOreASFNs5R08WXg%253D%253D&type=open>

2. Adjudication Order for violation of Section 12 of the Companies Act, 2013 in the matter of MOONLIGHT ASSOCIATES LIMITED

ROC Guwahati issued an adjudication order dated 05th February, 2025 in the matter of Moonlight Associates Limited for not maintaining the Registered Office of the company and thus violating the provisions of Section 12 of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹1,00,000 each upon the company and on one of the Directors in default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=nqgQ-7NZ1U3W2eGfRH29MNng%253D%253D&type=open>

3. Adjudication Order for violation of Section 137 of the Companies Act, 2013 in the matter of MOONLIGHT ASSOCIATES LIMITED

ROC Guwahati issued an adjudication order dated 05th February, 2025 in the matter of Moonlight Associates Limited as it failed to file its Financial Statements from the FY 2013-14 to 2021-22 and thus violating the provisions of Section 137(1) of the Companies Act, 2013. The Adjudication Authority imposed penalties of ₹2,02,700, ₹166,100, ₹1,29,600, and ₹93,100 on the company for defaults in each respective financial year from 2018-19 to 2021-22. Additionally, penalty of ₹60,000 was imposed on one of the Directors of the company for each Financial Year from 2018-19 to 2021-22 respectively.

<https://www.mca.gov.in/bin/dms/getdocument?mds=be5MEDOkMjXPYFyCt76Dw%253D%253D&type=open>

4. Adjudication Order for violation of Section 158 of the Companies Act, 2013 in the matter of EC NIDHI LIMITED (application filed suo-motu)

EC Nidhi Limited has filed suo-motu applications for not mentioning the DIN of directors in the Financial Statement for the year ended 31.03.2020, 31.03.2021 and 31.03.2022 attached with AOC-4 resulting the violation of Section 158 of the Companies Act, 2013 and liable for penalty under Section 172 of the Companies Act, 2013. After hearing the dispute ROC Ernakulam issued

multiple adjudication orders dated 06th February, 2025 and imposed penalty of ₹50,000 each upon the company and on one of the Directors in default for each financial year respectively.

<https://www.mca.gov.in/bin/dms/getdocument?mds=xx-%252B3zNXL8v6BtLdp6kHujw%253D%253D&type=open>

5. Adjudication Order for violation of Section 158 of the Companies Act, 2013 in the matter of THAZHAYIL NIDHI LIMITED (application filed suo-motu)

Thazha Yil Nidhi Limited has filed suo-motu application for not mentioning the DIN of directors in the Financial Statement for the year ended 31.03.2016 attached with AOC-4 and thus violating the provisions of Section 158 of the Companies Act, 2013 and liable for penalty under Section 172 of the Companies Act, 2013. After hearing the dispute ROC Ernakulam issued adjudication order dated 06th February, 2025 and imposed penalty of ₹50,000 each upon the company and on three of the Directors in default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=QFrCB-vcvDemwozB3il4bpw%253D%253D&type=open>

6. Adjudication order for violation of Section 12 of the Companies Act, 2013 in the matter of ARISEBHAVISHYA INDIA MUTUAL BENEFIT NIDHI LIMITED

ROC Chandigarh issued an adjudication order dated 10th February, 2025 in the matter of Arisebhavishya India Mutual Benefit Nidhi Limited for not maintaining the Registered Office of the company and thus violating the provisions of Section 12 of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹50,000 each upon the company and on three of the Directors for such default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=OyPZWbuO9wZ%252FHJmXhR3Uw%253D%253D&type=open>

7. Adjudication order for violation of Section 12 of the Companies Act, 2013 in the matter of BUILD CON FINANCE LIMITED

ROC Chennai issued an adjudication order dated 12th December, 2024 in the matter of Build Con Finance Limited for not maintaining the Registered Office of the company and thus violating the provisions of Section 12 of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹95,000 each upon the company and on three of the Directors in default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=-j%252BEejA9SA0v%252Bmn6m6Wyoq%253D%253D&type=open>

8. Adjudication order for violation of Section 158 of the Companies Act, 2013 in the matter of APS MICRO CREDIT & INSURANCE SERVICES INDIA PRIVATE LIMITED

ROC Chennai issued an adjudication order dated 11th December, 2024 in the matter of APS Micro Credit & Insurance Services India Private Limited for not mentioning the DIN of directors in the Financial

Statements for the financial year 2013-14 and 2014-15 and thus violating the provisions of Section 158 of the Companies Act, 2013 and liable for penalty under Section 172 of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹50,000 on the Director in default for each financial year respectively.

<https://www.mca.gov.in/bin/dms/getdocument?mds=jCk-Vy0GrBPY%252F1Qmn3pgh4A%253D%253D&type=open>

9. Adjudication order for violation of Section 117 of the Companies Act, 2013 in the matter of MUSIRI KAMADHENU NIDHI LIMITED

ROC Chennai issued an adjudication order dated 12th December, 2024 in the matter of Musiri Kamadhenu Nidhi Limited for not filing e-form MGT-14 for approval of accounts with ROC from the financial years 2016-17 to 2020-21 and thus violating the provisions of Section 117(3)(g) and Section 179(3)(g) of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹2,00,000 for each financial year upon the company. Additionally imposed penalty of ₹50,000 each on three of the Directors in default for each financial year 2016-17 & 2017-18 respectively and ₹50,000 on one of the Directors in default for each financial year from 2018-19 & 2020-21 respectively.

<https://www.mca.gov.in/bin/dms/getdocument?mds=12j%252B-k4acVSSk%252FKXUj%252FXZMQ%253D%253D&type=open>

10. Adjudication order for violation of Section 13 of the Limited Liability Partnership Act, 2008 in the matter of MYCLUB SERVICES INTERNATIONAL LLP

ROC Chennai issued an adjudication order dated 23rd December, 2024 in the matter of My Club Services International LLP for not maintaining the Registered Office of the company and thus violating the provisions of Section 13 of the Limited Liability Partnership Act, 2008. The Adjudicating Authority imposed penalty of ₹50,000 each upon the LLP and on two of the Designators Partners in default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=X7F-d2um86ndwd7nKQuwBeg%253D%253D&type=open>

11. Adjudication order for violation of Rule 14(6) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 in the matter of NAGAPPATTINAM NIDHI LIMITED

ROC Chennai issued an adjudication order dated 18th November, 2024 in the matter of Nagappattinam Nidhi Limited for incomplete filing of Form NDH-4 with short fall in details of PAN, copy of PAN and Email id of members and thus resulted in violation of Rule 14(6) of Companies (Prospectus and Allotment of Securities), Rules, 2014. The Adjudicating Authority imposed penalty of ₹10,000 for each upon the company and on one of the Directors in default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=luGe-l5I85e73bofu13FGIA%253D%253D&type=open>

12. Adjudication order for violation of Section 12 of the Companies Act, 2013 in the matter of RAINBOW FINANCE LIMITED

ROC Chennai issued an adjudication order dated 11th December, 2024 in the matter of Rainbow Finance Limited for not maintaining the Registered Office of the

company and thus violating the provisions of Section 12 of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹95,000 each upon the company and on three of the Directors in default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=gYL-bhmu2U755BEngprHBFg%253D%253D&type=open>

13. Adjudication order for violation of Rule 14(6) of the Companies (Prospectus and Allotment of Securities), Rules, 2014 in the matter of KALPAKKAM NIDHI LIMITED

ROC Chennai issued an adjudication order dated 22nd November, 2024 in the matter of Kalpakkam Nidhi Limited for filing form NDH-4 with incomplete list of allottees details and thus resulted in violation of Rule 14(6) of the Companies (Prospectus and Allotment of Securities), Rules, 2014. The Adjudicating Authority imposed penalty of ₹10,000 for each upon the company and on one of the Directors in default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=1stLt-B%252B5OcgL7s8dRjVxBQ%253D%253D&type=open>

14. Adjudication order for violation of Section 12 of the Companies Act, 2013 in the matter of NEWRISE ALAYAM GROUPS PRIVATE LIMITED

ROC Chennai issued an adjudication order dated 16th December, 2024 in the matter of Newrise Alayam Groups Private Limited for not maintaining the Registered Office of the company and thus violating the provisions of Section 12 of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹1,00,000 each upon the company and on four of the Directors in default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=dLwG-zF1QY9aHBiuIW1iKaw%253D%253D&type=open>

15. Adjudication order for violation of Section 13 of the Limited Liability Partnership Act, 2008 in the matter of ARIES MAXENT ASSOCIATES LLP

ROC Chennai issued an adjudication order dated 10th December, 2024 in the matter of Aries Maxent Associates LLP for not maintaining the Registered Office of the LLP and thus violating the provisions of Section 13 of the Limited Liability Partnership Act, 2008. The Adjudicating Authority imposed penalty of ₹50,000 each upon the LLP and on two of the Designators Partners for such default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=mle-MEwpPbMIumTPKv%252FSqzQ%253D%253D&type=open>

16. Adjudication order for violation of Section 10A of the Companies Act, 2013 in the matter of EMPERIUM CONSTRUCTIONS PRIVATE LIMITED

ROC Delhi issued an adjudication order dated 20th February, 2025 in the matter of Emperium Constructions Private Limited for not filing the form INC-20A in time i.e., within 180 days of incorporation of company and thus violating the provisions of Section 10A of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹50,000 upon the company and penalty of ₹19,000 each upon two of the Directors for such default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=N-1PO%252F7%252FgqP%252FysnkJUKjYrW%253D%253D&type=open>

7

BEYOND GOVERNANCE

Case Study

In order to make the Chartered Secretary Journal (CSJ) more interactive for the members and students, the Case Study section has been introduced from April issue. Each Case Study is followed by question(s) which are to be solved by member(s)/student(s). The answer(s) are to be sent to cs.journal@icsi.edu latest by 25th of each month.

The answer(s) will be reviewed by a Panel of reviewer(s). The winner will be given:

- (i) Certificate of Appreciation.
- (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' containing terminologies/concepts from Companies Act, IBC, NCLT and such related areas of profession is introduced. Members/students are to send the answers of Crossword to cs.journal@icsi.edu latest by 25th of each month.

- The answer(s) will be published in the next issue of CSJ.
- The winners will be selected randomly.
- The name of three winners will be published in the next issue of CSJ.

National/International Reports: Analysis

A new Section on 'National/International Reports: Analysis' covering reports on the recent policy initiatives and insights at National and International level is introduced. The purpose is to communicate information amongst professionals on various reports released by National/International organisations, having an impact on the profession.

CASE STUDY

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION, CIVIL APPEAL
NO.

SY & ANR..... APPELLANT(S)

VERSUS

MKS & ORS.RESPONDENT(S)

Brief Facts

1. The appellants and respondent are the legal heirs and representatives of an individual – Josh. The family patriarch executed a will on 27.06.2011 making provisions for the devolution of his estates upon the successors. The testator Josh passed away on 20.08.2013.
2. On 29.04.2014, the respondent no. 1 filed a suit with the prayer for declaration *inter alia* that the properties of the testator may be administered under the court's supervision and seeking absolute power to administer the same. He also prayed for permanent injunction restraining all other respondents and appellants from disposing, transferring, alienating, assigning and/or creating any third-party interests in respect of the properties which are subject matter of will.
3. In their reply to the notice of motion in above suit, the appellants pleaded that they were the sole nominee(s) to the Mutual Funds. The essence of their claim was that the appellants being nominees were absolutely vested with the securities on the testator's death.
4. On 31.03.2015, the learned Single Judge of the Bombay High Court rejected the contentions of the appellants by observing that *S. 109A & S. 109B of the*

Companies Act, 1956 cannot be read in a vacuum and it is permissible for the court to look at *pari materia* provisions in other statutes.

5. The single judge verdict was upheld by Division Bench of the High Court. Hence, the appeal to the Apex Court is made.

Arguments by Appellants

1. The scheme of nomination as provided in the *Companies Act, 1956* is not analogous to nomination as provided under other legislations. Unlike in other legislations, the term '*vesting*' & '*to the exclusion of others*' along with a '*non-obstante clause*' are placed together in the *Companies Act, 1956*. Therefore, it would be incorrect to rely on the ratio of the judgments pertaining to other legislations (such as the *Insurance Act, 1939*, *Banking Regulation Act, 1949*, *National Savings Certificates Act, 1959*, *Employees Provident Fund and Miscellaneous Provisions Act, 1952*) to then interpret the provisions of *S. 109A & S. 109B* of the *Companies Act, 1956*. Provisions pertaining to the same in other legislations cannot be the basis for interpretation of the term '*nomination*' under the *Companies Act* as those are not *pari materia* with *S. 109A & S. 109B* (now *S. 72 of the Companies Act, 2013*) of the *Companies Act, 1956*.
2. *S. 109A & S. 109B* (now *S. 72 of the Companies Act, 2013*) introduced in the *Companies Act, 1956* by the legislature on 31.08.1988 with the language so used makes it clear that a nominee, upon the death of the shareholder/debenture holder, will secure full and exclusive ownership rights in respect of the shares/debentures for which he/she is the nominee. In fact, adverting to the hierarchy laid down under the

provision, shareholding in an individual capacity (S. 109A(1)), then a joint shareholder owning the shares jointly (S. 109A(2)) and then finally, a nominee (S. 109A(3)) in whom the shares shall vest in the event of death of the shareholder/joint shareholders, it is contended that the intent is clear that such nomination would trump any disposition, whether testamentary or otherwise.

3. S. 187C & S. 109A(3) of the Companies Act, 1956 have to be read together, to mean that shares shall 'vest' with the nominee to the exclusion of all other persons unless nomination is varied or cancelled. It is argued that S. 187C itself provides for the mechanism to vary the nomination by making appropriate declaration and therefore, these provisions are to be understood as complete codes within themselves. When read together, no declaration varying the nomination would imply that the intention was to grant beneficial ownership of the shares to the appellants through a mechanism of nomination of rights. As Mr. Josh's Will had categorically mentioned all other properties of the deceased except the shares for which the appellants were named as nominees, the implication is naturally that the ownership rights of such shares would pass on to the nominees after the death of the testator.
4. Byelaw 9.11 of the Depositories Act, 1996 which provides for transmission of securities in case of nomination, the nomination for shares i.e., Form SH-13 provided under Rule 19(1) of the Companies (Share Capital & Debentures) Rules, 2014 were also referred to support the above argument.
5. Regulation 29A of the SEBI (Mutual Funds) Regulations, 1996 was also referred, by virtue of which an asset management company is required to provide the option to its unit holder to nominate a person in whom all rights of the units shall vest in the event of the death of the unit holder. It is contended that when a joint shareholder cannot make any change to the nomination without the consent of the other joint shareholder (since such shares continue in the ownership of the remaining shareholders in the event of the death of one of the shareholders), the same cannot be done by way of a Will or testamentary disposition or law of succession either.

Arguments by the Respondents

1. On account of the consistent view taken by this Court while interpreting various legislative enactments pertaining to nominations, departure from the consistent view is not warranted and 'vesting' provided under S. 109A would not create a third mode of succession.
2. The Companies Act has nothing to do with the law of succession. Referring to the provisions of Part IV of the Companies Act, 1956 which deals with share capitals and debentures as well as S.108 to S. 112 in Part IV which relate to 'transfer of shares and debentures', it is argued that the limited object is to provide a facility

for transfer of shares or debentures through a proper instrument of transfer and consequential actions such as registration and in case of grievances, appeal thereof. The introduction of S. 109A & S. 109B merely provides for facility of nomination aiding in the process of such transfer. Therefore, no third mode of succession by way of nomination has been contemplated and the position has remained unaltered, despite numerous amendments made to the Companies Act from time to time.

3. The object behind the Indian Succession Act, 1925 is to provide for an act to consolidate and amend the law applicable to intestate and testamentary succession. The legislature in no uncertain terms recognised a transfer being made by a legal representative as a valid mode of transfer and the legal representative is vested with the properties of the deceased as a custodian subject to devolution in terms of the applicable law i.e., the Indian Succession Act, 1925 as per S. 211 within Part VIII of the same.
4. In light of the consistent view taken by this Court and most High Courts on the question of nominee not becoming a full owner of the estate of which he has been nominated by the deceased owner of the property, the nominee by virtue of S. 109A & S. 109B of the Companies Act, 1956 cannot impact the rights of the legal heirs/legatees obtained through application of the succession law.

On the basis of above arguments decide the following:

- (i) Whether a nominee of a holder of shares or securities on the basis of the nomination made under the provisions of the Companies Act, 1956 read with the Byelaws under the Depositories Act, 1996 is entitled to all rights in respect of the shares or securities subject matter of nomination to the exclusion of all other persons or whether he continues to hold the securities in trust and in a capacity as a beneficiary for the legal representatives who are entitled to inherit securities or shares under the law of inheritance?
- (ii) Whether a bequest made in a Will executed in accordance with the Indian Succession Act, 1925 in respect of shares or securities of the deceased supersedes the nomination made under the provisions of Sections 109A and Bye Law No. 9.11 framed under the Depositories Act, 1996?"

Disclaimer: The case study has been framed from the facts and figures available in the public domain with some modifications/assumptions so as to enable members to apply their professional skills to answer the same and hide the identity of the case. Author is not to be held liable for any resemblance of the facts and figures with any case.

Winner of Case Study – February 2025

CS Anjali Darshan Paliwal
ACS-75009

BEST ANSWER - CASE STUDY - FEBRUARY, 2025

IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO. ____ OF 2025

CUS & Ors. (Appellants)

Versus

M/s XYZ Pvt. Ltd. & Ors. (Respondents)

The facts of the given case are analogous to a recent judgement given by the **Hon'ble Supreme Court of India on 09th September, 2024 in the case of *Chalasani Udaya Shankar and Others v. M/s. Lexus Technologies Pvt. Ltd. and Others*.**

In this Case, the Hon'ble Supreme Court of India while exercising its Civil Appellate Jurisdiction in a Civil Appeal Nos. 5735-5736 of 2023 allowed the appeal and overruled the decisions of National Company Law Tribunal (NCLT) and National Company Law Appellate Tribunal (NCLAT), stating that they failed to adequately examine the evidence in a share transfer dispute and remanded the case back to NCLT for fresh examination on merits, urging a time-bound resolution given the significant delay since the petition was first filed.

Issue No.1: Comment on the argument of the respondent, "NCLT would have no jurisdiction to adjudicate such allegations of fraud and only the competent civil court could decide the same."

In the matter of CUS & Ors. (Appellants) v. M/s XYZ Pvt. Ltd. & Ors. (Respondents), the Respondent contended that the NCLT does not possess the jurisdiction to adjudicate the allegations of fraud, asserting that only competent civil courts can entertain such claims.

However, Section 59(1) of the Companies Act, 2013 provides that:

If the name of any person is, without sufficient cause, entered in the register of members of a company, or after having been entered in the register, is, without sufficient cause, omitted therefrom, or if a default is made, or unnecessary delay takes place in entering in the register, the fact of any person having become or ceased to be a member, the person aggrieved, or any member of the company, or the company may appeal in such form as may be prescribed, to the Tribunal, or to a competent court outside India, specified by the Central Government by notification, in respect of foreign members or debenture holders residing outside India, for rectification of the register.

Also In the matter of *Ammonia Supplies Corporation (P) Ltd. v. Modern Plastic Containers (P) Ltd.*, the Supreme Court held that the company law forums have jurisdiction to address issues relating to rectification of register of members, but the jurisdiction is only limited to rectification and if there is seriously disputed civil

rights or title and the case requires fact finding outside the rectification and requires detailed examination of evidence, then the civil courts are the appropriate forum for resolution of such disputes.

But in this case, the primary issue pertains to rectification of register of members and issue relating to fraud and oppression and mismanagement are ancillary issues, thus as stated in the matter of *Chalasani Udaya Shankar v. Lexus Technologies Pvt. Ltd.* by the Hon'ble Apex Court that as long as the primary issue pertains to the rectification of the register, the NCLT is the appropriate forum, even if ancillary matters such as fraud allegations are involved. The judgment reinforced the exclusive jurisdiction of the NCLT in such cases and barred civil courts from intervening.

The Apex Court held that *"Thus, if the application for rectification, in effect, includes projected claims which do not come within the purview of rectification and the Company Court feels that the civil court/regulatory body would be the more appropriate forum, jurisdiction under Section 155 of the Act of 1965 would not be exercised."* The Court found that both the NCLT and NCLAT erred in their handling of the case. The NCLT, instead of adhering to its initial interim observations that highlighted inconsistencies in the respondents' claims, proceeded to dismiss the appellants' petition without compelling the respondents to substantiate their version of events. The NCLAT also failed to recognize the discrepancies and accepted the respondents' version of the loan transaction without proper scrutiny.

The Apex Court also observed that *"In the present case, proper verification of the assertions made by the parties was a sine qua non. The Acting President of the NCLT, by failing to carry out the said exercise, failed to discharge the mandate of law. Exercise of power under Section 59 of the Act of 2013 is to be undertaken in right earnest by examining the material, evidence, and the facts on record. This has not been done. Rather, a narrow view was taken,"*

Consequently, the Court remanded the matter to the NCLT for fresh consideration.

Additionally, Section 430 of Companies Act, 2013 states that no civil court shall have jurisdiction to entertain any suit or proceeding in respect of any matter which the Tribunal or the Appellate Tribunal is empowered to determine by or under this Act or any other law for the time being in force and no injunction shall be granted by any court or other authority in respect of any action taken or to be taken in pursuance of any power conferred by or under this Act or any other law for the time being in force, by the Tribunal or the Appellate Tribunal.

Analysis: The contention that fraud allegations are beyond the jurisdiction of the NCLT is legally untenable. The Companies Act empowers the NCLT to handle complex corporate disputes, including fraud allegations,

provided they are intrinsically linked to issues like the rectification of registers and corporate mismanagement.

Given the statutory framework and judicial precedents, the NCLT possesses the necessary jurisdiction to adjudicate the present case. The allegations of fraud are intertwined with corporate governance issues and the rectification of the register of members, making the NCLT the appropriate forum for resolution.

Issue No.2: Is it feasible to fabricate form SH-4 and share certificates on signed blank papers?

The factual matrix of case reveal that the Respondents have alleged that the appellants have forged their signatures on the share certificates and claim that the Respondent No.2 had never sold his shares to appellant. Moreover, the format of the Share Certificates was also different from that of the Company and the folio numbers were also different, they also claimed that the Respondent No. 3 & 4 were not even in India on the said dates indicating that the certificates were fabricated by the appellants.

However, the appellants contended that the signature of Respondent No.2 appeared in the Share Transfer Forms at the correct place, manifesting the same were not fabricated on the blank papers.

Now, if we dive deeper into Section 46(1) of Companies Act, 2013 then it states that:

A certificate, issued under the common seal of the company, issued under the common seal, if any, of the company or signed by two directors or by a director and the Company Secretary, wherever the company has appointed a Company Secretary, specifying the shares held by any person, shall be prima facie evidence of the title of the person to such shares.

Rule 11 of Companies (Share Capital and Debentures) Rules, 2014 provides that:

An instrument of transfer of securities held in physical form shall be in Form No.SH.4 and every instrument of transfer with the date of its execution specified thereon shall be delivered to the company within sixty days from the date of such execution.

In the given case the share transfer form SH-4 and Share Certificates were issued in compliance with all the statutory requirements, including sign of the transferor and transferee in the SH-4 and sign of two directors in the Share Certificates. It seems difficult to present a fully compliant forged documents.

Form SH-4 and share certificates contain multiple intricate details such as folio numbers, distinctive share numbers, and consideration amounts, which are practically challenging to fabricate accurately.

The respondents' allegation lacks merit in the absence of substantive evidence. The procedural safeguards surrounding the issuance of share certificates and the transfer of securities make the fabrication of valid documents on signed blank papers highly improbable. The appellants' possession of duly executed and authenticated share certificates supports their legitimate ownership claim.

Under Section 114 of the Indian Evidence Act, 1872, documents signed and issued by authorized officials are presumed valid unless proven otherwise. The burden of proving forgery lies with the respondents.

The respondents' allegation lacks credibility without concrete forensic evidence. The appellants' possession of duly executed and authenticated share certificates supports their legitimate ownership claim.

Note:

In the given context and without prejudice, this response is rendered solely for academic perusal, premised upon a comprehensive appraisal of the binding precedent value and the ratio decidendi articulated in the judgment of the Hon'ble Supreme Court. Due regard has been given to the averments contained within the pleadings and the submissions advanced by the contesting parties. Nevertheless, in the interest of brevity and to obviate unnecessary reiteration, the same have not been reproduced verbatim in this response.



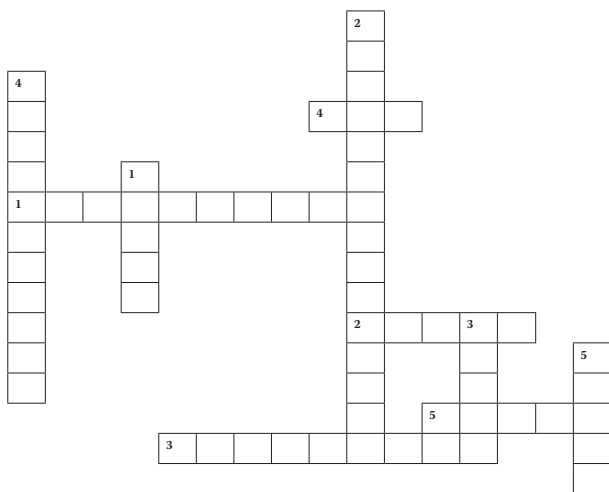
YOUR OPINION MATTERS

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You may send in your suggestions to the Editor, Chartered Secretary, The ICSI at cs.journal@icsi.edu

CROSSWORD PUZZLE – COMPANY LAW - MARCH 2025



ACROSS

- Under the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, The Information Memorandum of the Corporate Debtor shall contain Details of business evolution, industry overview and key growth drivers in case of a corporate debtor having book value of total assets exceeding _____crores rupees as per the last available financial statements.
- Under Companies Act, 2013, the Public Companies which have, in aggregate, outstanding loans, debentures and deposits, exceeding _____crore rupees shall have at least two directors as independent directors.
- Under the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, The company shall obtain the approval of its Board of Directors in respect of the proposal of the acquirer to delist the equity shares of the company, not later than _____days from the date of the initial public announcement.
- Under Companies Act, 2013, a return in FORM _____ is required to be filed with Registrar within 30 days of alteration or increase in share capital of the Company.
- Indian company while issuing of equity instruments to a person resident outside India, is required to file Form _____ with the Regional Office of the RBI under whose jurisdiction the registered office of the company making the declaration is situated, within 30 days from the date of allotment.

DOWNWARDS

- Under the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, Where the application of

Withdrawal is approved, the applicant shall deposit an amount, towards the actual expenses incurred till the date of approval by the Adjudicating Authority, as determined by the interim resolution professional or resolution professional, as the case may be, within _____days of such approval, in the bank account of the corporate debtor.

- Under Companies (Accounting Standards) Rules, 2021, one of the condition to be fulfilled to qualify as Small and Medium Sized Company" (SMC) is a company, whose turnover (excluding other income) does not exceed _____crore rupees in the immediately preceding accounting year.
- Under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, The risk management committee shall meet at least _____in a year.
- Under the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, Form LIQ4 is required to file on or before the 14th day of passing of the order for _____of corporate debtor or closure of the liquidation process by the Adjudicating Authority.
- Under the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, Within _____days of declaring the highest bidder, the liquidator shall conduct due diligence and verify the eligibility of the highest bidder.

Winners - Crossword February 2025

1ST

CS Meenu Gupta ACS-34932

2ND

CS Riya Aswani ACS-72420

3RD

CS Hussan Kumar ACS-17785

Crossword Puzzle – February 2025 Answers

ACROSS

- TWENTY-FIVE
- THREE
- DUE DILIGENCE
- ASSET MEMORANDUM
- TEN

DOWNWARDS

- FIVE
- FIVE THOUSAND
- FIVE
- TWO HUNDRED
- EXCLUDED

NATIONAL/INTERNATIONAL REPORTS: ANALYSIS

ILO- Flagship Report

WORLD EMPLOYMENT AND SOCIAL OUTLOOK TRENDS 2025

Organisation: International Labour Organisation

Month/Year of Release: January 2025

Source: <https://www.ilo.org/research-and-publications>

INTRODUCTION

The WESO Trends 2025 report provides an in-depth analysis of global labour market trends, highlighting the impacts of slowing economic recovery, persistent youth unemployment, and gender disparities. It examines the structural challenges facing workers worldwide and offers insights into regional and global patterns shaping the future of work.

The closure of gender and skill gaps and the amelioration of wage inequalities are essential not only for economic growth but also for the advancement of social justice. Decent work and productive employment are central to achieving the Sustainable Development Goals (SDGs) by 2030. To counter these challenges, the world must embrace new approaches to social justice that generate decent work. Policies need to be coordinated across national and multilateral levels, with a focus on aligning financial and technological resources as well as relieving debt for those most in need.

A brighter path forward requires bold action. The Global Coalition for Social Justice aims to catalyse such a shift, leveraging the collective expertise of international bodies and stakeholders. The Coalition is bringing together knowledge and skills to promote coordinated responses at national, regional and global levels. This will help to bring about a human-centred approach and so ensure that social justice is recognized as the keystone of a sustainable global recovery.

SCOPE

This report presents the comparative study of the regional differences in the employment and social trends of countries.

OBJECTIVES OF THE REPORT

1. Data on Labour Market trends.
2. Understanding progress on decent work parameters.
3. Transitions and implications for job creation and disruption.

► **Figure 1.1. Change in labour force participation rates between 2014 and 2024, by sex and age, world and country income groups (percentage points)**

	World	Low-income countries	Lower-middle-income countries	Upper-middle-income countries	High-income countries
Both sexes					
Total	-0.8	-4.3	1.0	-2.5	0.9
Youth (15–24 years)	-2.6	-5.2	-1.6	-4.3	2.1
Prime age (25–54 years)	0.5	-4.4	2.6	-0.2	2.2
Older (55–64 years)	2.3	-4.2	0.7	1.8	7.2
65 years and older	0.9	-3.1	-1.5	0.8	2.3
Demographic shift	-0.9	0.3	0.0	-1.9	-2.0
Women					
Total	0.2	-5.3	3.2	-1.6	1.9
Youth (15–24 years)	-1.5	-6.4	0.6	-3.7	2.6
Prime age (25–54 years)	1.7	-5.3	5.2	1.3	4.1
Older (55–64 years)	3.5	-4.9	2.9	3.0	8.7
65 years and older	1.6	-2.2	0.3	1.7	2.2
Demographic shift	-1.0	0.2	-0.1	-2.2	-2.2
Men					
Total	-2.0	-3.3	-1.2	-3.5	-0.3
Youth (15–24 years)	-3.5	-4.0	-3.7	-4.9	1.8
Prime age (25–54 years)	-0.8	-3.5	0.0	-1.8	0.5
Older (55–64 years)	0.9	-3.6	-1.6	0.3	5.5
65 years and older	-0.2	-4.2	-4.1	-0.4	2.3
Demographic shift	-0.8	0.4	0.3	-1.5	-2.0

Note: “Demographic shift” denotes the change in the total participation which owes to the changing weights of cohorts with different labour force participation rates in the total population, especially the rising share of elderly people.

Source: ILOSTAT, ILO modelled estimates, November 2024.

DATA ANALYSIS

► Table 1.1. Change in per capita GDP from increasing women's labour force participation rates (percentage)

Income groups	World	Low-income countries	Lower-middle-income countries	Upper-middle-income countries		
	4.5	2.3	11.5	1.0		
Regions	Arab States	Arab States (non-GCC)	Northern Africa	Asia and the Pacific	Southern Asia	Central and Western Asia
	27.0	49.3	38.3	1.9	16.0	4.1

Table 1.1 shows the average percentage increase in GDP per capita (measured in 2021 purchasing power parity (PPP)) from increasing women's labour force participation rates to (i) the average high-income country level in each income group shown, and (ii) the average global level in each geographical region shown. The choice of these benchmarks is based on the fact that high-income countries display the highest women's labour force participation rates. Percentage gains are shown in decreasing order. In this simple exercise, we abstract from other channels how much women's labour force participation rates might affect GDP per capita.

► Figure 1.13. Annual growth of formal and informal employment, world, 2010-15 and 2024 (percentage)



Source: ILO calculations based on ILOSTAT, ILO modelled estimates, November 2024.

TABLE 1: GDP GROWTH

Comparison with other Regions	GDP Growth 2024	Forecast
Africa	3.3 per cent	4.1 per cent in 2025
America	2.4 per cent	2.3 per cent in 2025 and 2.2 per cent in 2026
Arab states	1.5 per cent	4.1 per cent in 2025
Asia and Pacific	4.4 percent	4.3 percent in 2025
Europe and Central Asia	1.8 percent	1.9 per cent in 2025

TABLE 2: GDP GROWTH ANALYSIS: ASIA PACIFIC REGION

Region	GDP Growth (estimated)	Analysis
Overall Asia and Pacific	4.4 percent in 2024 and expected to remain buoyant at 4.3 percent in 2025 (IMF 2024a).	Growth is driven largely by Southern Asia and South-Eastern Asia, since Eastern Asia continues to experience a slowing in growth. For a region as large and diverse as Asia and the Pacific, there are considerable regional differences in growth performance and outlook.
Eastern Asia	3.8 percent in 2024 and 3.5 percent forecast for 2025.	Eastern Asia's performance is largely tied to China, which is experiencing a structural slowdown (IMF 2024d). This slowdown in China is driven in part by sluggish domestic demand, as well as by ongoing trade disruptions, including around electric vehicles, that have impacted on exports (EIU 2024e). Growth is relatively high compared with other subregions globally but are below the pre-COVID-19 long-term average of 5.8 percent between 2006 and 2019.
Southern Asia	GDP is 6.2 percent in 2024 and is expected to grow by 5.8 percent in 2025.	Southern Asia's relatively high growth rates are driven by India's growth performance. India's growth underpins GDP growth performance in Southern Asia, a subregion whose GDP is expected to have grown by 6.2 percent in 2024 and to grow by 5.8 percent in 2025. India has one of the fastest growth rates in the world, 6.9 percent in 2024 and forecast to be 6.4 percent in 2025 (EIU 2024e). India's growth is driven by monetary policy easing, strong domestic demand, and public investment (IMF 2024d).
South-Eastern Asia	GDP growth of 4.6 percent in 2024 and is forecast to grow at a similar rate in 2025.	Part of the positive outlook for the subregion comes from the demand for electronics, a major merchandise export for economies like the Philippines, Singapore, Malaysia and Thailand, although this demand could be dampened by the new US administration.
Pacific	GDP of 1.1 percent in 2024 and to rise to 2.1 percent in 2025 (Australia and New Zealand) excluding these two major economies, the average for the remaining pacific island countries is 2.3 percent in 2024 and forecasted at 2.9 percent in 2025	Growth in many of these other countries relies in large part on tourism, as well as on mining and agriculture growth in Papua, New Guinea, another large economy in the sub-region. Many pacific island countries have experienced a prolonged economic impact from the COVID-19 pandemic, with persistently low numbers of tourists. (ILO 2024D).

Labour Market Trends: Africa

► Table 2.1. Estimates and projections of employment, unemployment, labour force, informal employment and working poverty, regional and subregional, Africa, 2021–26

Region/ subregion	Employment-to-population ratio (percentage)						Employment (million)					
	2021	2022	2023	2024	2025	2026	2021	2022	2023	2024	2025	2026
Africa	59.3	60.0	60.4	60.3	60.3	60.3	502.1	522.0	541.0	555.6	571.4	587.6
Northern Africa	38.0	38.3	38.4	37.9	37.9	37.9	66.4	68.4	69.8	70.3	71.7	73.3
Sub-Saharan Africa	64.9	65.5	66.0	65.9	65.9	65.8	435.7	453.6	471.2	485.3	499.7	514.3
	Unemployment rate (percentage)						Unemployment (million)					
	2021	2022	2023	2024	2025	2026	2021	2022	2023	2024	2025	2026
Africa	7.4	6.6	6.4	6.5	6.4	6.3	40.1	37.0	37.0	38.4	39.0	39.6
Northern Africa	10.4	9.4	9.7	10.1	9.7	9.2	7.7	7.1	7.5	7.9	7.7	7.4
Sub-Saharan Africa	6.9	6.2	5.9	5.9	5.9	5.9	32.3	29.9	29.5	30.5	31.3	32.1
	Labour force participation rate (percentage)						Labour force (million)					
	2021	2022	2023	2024	2025	2026	2021	2022	2023	2024	2025	2026
Africa	64.0	64.2	64.5	64.5	64.4	64.3	542.2	559.0	578.1	594.1	610.4	627.2
Northern Africa	42.4	42.3	42.5	42.2	42.0	41.7	74.2	75.5	77.3	78.2	79.4	80.8
Sub-Saharan Africa	69.7	69.8	70.1	70.1	70.0	69.9	468.0	483.5	500.8	515.8	531.0	546.4
	Informal employment rate (percentage)						Working poverty rate (US\$3.65 PPP per day) (percentage)					
	2021	2022	2023	2024			2021	2022	2023	2024		
Africa	85.3	84.0	83.7	83.6			54.5	53.9	53.6	57.1		
Northern Africa	62.8	62.9	62.8	62.4			15.9	15.4	16.7	18.9		
Sub-Saharan Africa	88.7	87.2	86.8	86.6			60.4	59.7	59.1	62.6		

Source: ILOSTAT, ILO modelled estimates, November 2024.

Labour Market Trends: Arab States

► Table 2.3. Estimates and projections of employment, unemployment, labour force, informal employment and working poverty, regional and subregional, Arab States, 2021–26

Region/ subregion	Employment-to-population ratio (percentage)						Employment (million)					
	2021	2022	2023	2024	2025	2026	2021	2022	2023	2024	2025	2026
Arab States	43.1	44.3	44.6	44.4	44.5	44.5	51.6	54.9	57.6	59.2	61.0	62.6
Non-GCC	31.2	32.3	32.3	32.0	32.2	32.3	24.2	25.9	26.9	27.6	28.6	29.6
GCC	65.2	66.4	67.1	67.2	67.2	67.2	27.4	29.0	30.7	31.6	32.4	33.1
	Unemployment rate (percentage)						Unemployment (million)					
	2021	2022	2023	2024	2025	2026	2021	2022	2023	2024	2025	2026
Arab States	10.9	10.0	9.5	9.7	9.4	9.2	6.3	6.1	6.1	6.4	6.3	6.3
Non-GCC	17.1	16.0	16.0	16.5	15.8	15.4	5.0	4.9	5.1	5.4	5.4	5.4
GCC	4.6	4.0	3.0	2.9	2.9	2.8	1.3	1.2	1.0	1.0	1.0	1.0
	Labour force participation rate (percentage)						Labour force (million)					
	2021	2022	2023	2024	2025	2026	2021	2022	2023	2024	2025	2026
Arab States	48.4	49.2	49.3	49.2	49.1	49.0	57.9	61.1	63.6	65.6	67.3	69.0
Non-GCC	37.6	38.4	38.4	38.3	38.2	38.1	29.2	30.9	32.0	33.0	34.0	34.9
GCC	68.3	69.2	69.2	69.2	69.2	69.1	28.7	30.2	31.6	32.6	33.4	34.0
	Informal employment rate (percentage)						Working poverty rate (US\$3.65 PPP per day) (percentage)					
	2021	2022	2023	2024			2021	2022	2023	2024		
Arab States	51.4	51.1	51.0	50.9			14.1	14.7	15.2	15.8		
Non-GCC	68.9	68.3	68.5	68.6			28.7	29.8	31.1	32.3		
GCC	36.0	35.7	35.6	35.4			1.2	1.2	1.2	1.5		

Source: ILOSTAT, ILO modelled estimates, November 2024.

Labour Market Trends: America

► Table 2.2. Estimates and projections of employment, unemployment, labour force, informal employment and working poverty, regional and subregional, Americas, 2021–26

Region/ subregion	Employment-to-population ratio (percentage)						Employment (million)					
	2021	2022	2023	2024	2025	2026	2021	2022	2023	2024	2025	2026
Americas	57.1	59.0	59.3	59.0	58.9	58.8	460.2	480.0	487.8	491.0	494.8	499.0
Latin America and the Caribbean	56.2	58.5	58.8	58.7	58.6	58.6	278.6	292.8	297.9	300.8	303.8	306.9
Northern America	58.4	59.8	60.0	59.6	59.3	59.2	181.6	187.2	189.9	190.2	191.0	192.1
	Unemployment rate (percentage)						Unemployment (million)					
	2021	2022	2023	2024	2025	2026	2021	2022	2023	2024	2025	2026
Americas	7.8	5.7	5.3	5.5	5.6	5.5	38.8	29.2	27.3	28.7	29.2	28.9
Latin America and the Caribbean	9.2	6.9	6.2	6.2	6.2	6.1	28.1	21.7	19.7	20.0	20.1	19.9
Northern America	5.6	3.8	3.8	4.4	4.5	4.5	10.7	7.5	7.6	8.7	9.1	9.0
	Labour force participation rate (percentage)						Labour force (million)					
	2021	2022	2023	2024	2025	2026	2021	2022	2023	2024	2025	2026
Americas	61.9	62.6	62.6	62.5	62.3	62.2	499.1	509.2	515.1	519.7	524.0	527.9
Latin America and the Caribbean	61.9	62.8	62.7	62.6	62.5	62.3	306.7	314.5	317.6	320.8	323.9	326.8
Northern America	61.9	62.2	62.4	62.3	62.1	62.0	192.4	194.7	197.5	198.9	200.1	201.1
	Informal employment rate (percentage)						Working poverty rate (US\$3.65 PPP per day) (percentage)					
	2021	2022	2023	2024			2021	2022	2023	2024		
Americas	36.2	35.5	35.2	35.1			5.2	4.5	4.4	4.7		
Latin America and the Caribbean	53.1	52.5	51.9	51.8			8.5	7.3	7.3	7.6		
Northern America	10.4	9.0	8.9	8.7			0.0	0.0	0.0	0.0		

Source: ILOSTAT, ILO modelled estimates, November 2024.

Labour Market Trends: Europe and Central Asia

► Table 2.5. Estimates and projections of employment, unemployment, youth unemployment and labour force, regional and subregional, Europe and Central Asia, 2021–26

Region/ subregion	Employment-to-population ratio (percentage)						Employment (million)					
	2021	2022	2023	2024	2025	2026	2021	2022	2023	2024	2025	2026
Europe and Central Asia	54.0	54.8	55.1	55.0	54.7	54.5	416.4	423.8	426.6	427.7	427.1	426.6
Northern, Southern and Western Europe	53.6	54.6	54.8	54.7	54.6	54.4	207.2	212.1	214.2	214.5	214.4	214.0
Eastern Europe	56.4	56.7	56.9	56.7	56.1	55.6	137.4	136.8	136.2	135.6	134.3	133.3
Central and Western Asia	50.8	52.3	52.7	53.0	52.9	52.8	71.8	74.9	76.2	77.6	78.4	79.3
	Unemployment rate (percentage)						Unemployment (million)					
	2021	2022	2023	2024	2025	2026	2021	2022	2023	2024	2025	2026
Europe and Central Asia	6.9	6.0	5.7	5.5	5.5	5.5	30.8	26.9	25.7	24.8	24.9	24.9
Northern, Southern and Western Europe	7.3	6.3	6.2	6.1	6.0	5.9	16.3	14.2	14.1	13.9	13.6	13.5
Eastern Europe	5.2	4.5	4.0	3.7	3.9	3.9	7.6	6.4	5.7	5.2	5.4	5.4
Central and Western Asia	8.8	7.8	7.3	6.8	7.0	7.1	6.9	6.3	6.0	5.7	5.9	6.0
	Youth unemployment rate (percentage)						Youth unemployment (million)					
	2021	2022	2023	2024	2025	2026	2021	2022	2023	2024	2025	2026
Europe and Central Asia	16.4	14.4	13.9	13.5	13.6	13.6	6.8	6.1	6.0	5.8	5.9	6.0
Northern, Southern and Western Europe	16.2	14.0	14.2	14.3	14.2	14.3	3.5	3.1	3.2	3.3	3.3	3.4
Eastern Europe	15.6	14.2	12.6	11.4	11.6	11.4	1.4	1.2	1.1	1.0	1.0	1.0
Central and Western Asia	17.4	15.3	14.3	13.3	13.7	13.9	2.0	1.8	1.7	1.6	1.6	1.7
	Labour force participation rate (percentage)						Labour force (million)					
	2021	2022	2023	2024	2025	2026	2021	2022	2023	2024	2025	2026
Europe and Central Asia	58.0	58.3	58.4	58.2	57.9	57.7	447.3	450.7	452.3	452.4	452.0	451.5
Northern, Southern and Western Europe	57.8	58.3	58.4	58.3	58.1	57.8	223.5	226.4	228.3	228.4	228.0	227.5
Eastern Europe	59.5	59.4	59.3	58.9	58.4	57.9	145.0	143.1	141.9	140.7	139.7	138.6
Central and Western Asia	55.7	56.7	56.8	56.8	56.8	56.8	78.7	81.2	82.2	83.2	84.3	85.3

Source: ILOSTAT, ILO modelled estimates, November 2024.

Labour Market Trends – Asia And Pacific

► Table 2.4. Estimates and projections of employment, unemployment, labour force, informal employment and working poverty, regional and subregional, Asia and the Pacific, 2021-26

Region/subregion	Employment-to-population ratio (percentage)						Employment (million)					
	2021	2022	2023	2024	2025	2026	2021	2022	2023	2024	2025	2026
Asia and the Pacific	57.2	57.6	58.1	58.2	58.0	57.9	1,930.8	1,962.0	1,999.6	2,024.2	2,039.3	2,055.9
Eastern Asia	63.7	62.5	62.8	62.5	62.2	62.0	881.1	868.1	875.0	874.6	874.4	874.4
South-Eastern Asia	63.1	64.8	64.8	64.7	64.5	64.4	321.7	334.6	338.7	342.3	345.8	349.0
Southern Asia	48.9	50.3	51.3	51.9	51.9	51.9	707.4	737.9	764.3	785.5	797.1	810.2
Pacific Islands	60.5	61.8	61.9	61.5	61.3	61.2	20.6	21.3	21.6	21.8	22.0	22.3

Region/subregion	Unemployment rate (percentage)						Unemployment (million)					
	2021	2022	2023	2024	2025	2026	2021	2022	2023	2024	2025	2026
Asia and the Pacific	5.0	4.5	4.2	4.2	4.1	4.1	100.9	92.6	87.3	87.7	88.1	87.4
Eastern Asia	4.4	4.7	4.4	4.3	4.3	4.2	40.2	42.5	40.2	39.3	38.9	38.5
South-Eastern Asia	3.2	2.6	2.5	2.4	2.4	2.4	10.6	8.9	8.6	8.5	8.4	8.6
Southern Asia	6.5	5.2	4.7	4.7	4.8	4.6	49.1	40.4	37.6	38.9	39.8	39.4
Pacific Islands	4.6	3.6	3.6	4.0	4.2	4.2	1.0	0.8	0.8	0.9	1.0	1.0

Region/subregion	Labour force participation rate (percentage)						Labour force (million)					
	2021	2022	2023	2024	2025	2026	2021	2022	2023	2024	2025	2026
Asia and the Pacific	60.2	60.3	60.6	60.7	60.5	60.4	2,031.6	2,054.6	2,086.9	2,111.9	2,127.5	2,143.3
Eastern Asia	66.6	65.6	65.7	65.3	65.0	64.7	921.3	910.7	915.2	913.9	913.3	912.8
South-Eastern Asia	65.2	66.6	66.5	66.3	66.1	65.9	332.3	343.6	347.4	350.8	354.2	357.6
Southern Asia	52.3	53.1	53.8	54.5	54.4	54.4	756.5	778.3	801.9	824.5	837.0	849.6
Pacific Islands	63.5	64.1	64.2	64.1	64.0	63.8	21.6	22.1	22.4	22.7	23.0	23.3

Region/subregion	Informal employment rate (percentage)				Working poverty rate (US\$3.65 PPP per day) (percentage)			
	2021	2022	2023	2024	2021	2022	2023	2024
Asia and the Pacific	66.9	66.0	66.0	65.8	16.9	16.0	15.3	12.8
Eastern Asia	49.2	47.3	46.8	46.3	0.9	0.9	0.9	1.2
South-Eastern Asia	71.6	70.0	69.7	69.3	14.2	13.1	12.2	12.3
Southern Asia	87.6	87.0	87.2	86.7	38.3	35.2	33.3	26.0
Pacific Islands	35.4	35.6	35.4	35.5	10.4	10.2	10.2	9.7

Source: ILOSTAT, ILO modelled estimates, November 2024.

TABLE 3: Key Figures Labour Market Trends – Asia and Pacific

Country & Parameters	Years			
Asia and the Pacific	2023	2024	2025	2026
Employment to Population Ratio %	58.1	58.2	58.0	57.9
Unemployment Rate %	4.2	4.2	4.1	4.1
Labour Force Participation Rate %	60.6	60.7	60.5	60.4
Informal Employment Rate %	66.0	65.8	NA	NA
Working Poverty Rate (US\$3.65 PPP/day) %	15.3	12.8	NA	NA
Eastern Asia	2023	2024	2025	2026
Employment to Population Ratio %	62.8	62.5	62.2	62.0
Unemployment Rate %	4.4	4.3	4.3	4.2
Labour Force Participation Rate %	65.7	65.3	65.0	64.7
Informal Employment Rate %	46.8	46.3	NA	NA
Working Poverty Rate (US\$3.65 PPP/day) %	0.9	1.2	NA	NA
South- Eastern Asia	2023	2024	2025	2026
Employment to Population Ratio %	64.8	64.7	64.5	64.4
Unemployment Rate %	2.5	2.4	2.4	2.4
Labour Force Participation Rate %	66.5	66.3	66.1	65.9
Informal Employment Rate %	69.7	69.3	NA	NA
Working Poverty Rate (US\$3.65 PPP/day) %	12.2	12.3	NA	NA

Southern Asia	2023	2024	2025	2026
Employment to Population Ratio %	51.3	51.9	51.9	51.9
Unemployment Rate %	4.7	4.7	4.8	4.6
Labour Force Participation Rate %	53.8	54.5	54.4	54.4
Informal Employment Rate %	87.2	86.7	NA	NA
Working Poverty Rate (US\$3.65 PPP/day) %	33.3	26.0	NA	NA
Pacific Islands	2023	2024	2025	2026
Employment to Population Ratio %	61.9	61.5	61.3	61.2
Unemployment Rate %	3.6	4.0	4.2	4.2
Labour Force Participation Rate %	64.2	64.1	64.0	63.8
Informal Employment Rate %	35.4	35.5	NA	NA
Working Poverty Rate (US\$3.65 PPP/day) %	10.2	9.7	NA	NA

Source: ILOSTAT, ILO modelled estimates, November 2024

The above Table 3 illustrates that increases in women's labour force participation in Southern Asia have helped offset the downward trend in labour force participation rates in the region. The relatively stable labour force participation rate of 60.7 percent in 2024 for Asia and the Pacific as a whole masks contrasting trends by subregion (Table 3). There have been significant increases in the labour force participation rate in Southern Asia, driven by increases in female participation, particularly in India. Southern Asia's labour force participation rate is estimated to have been 54.5 percent in 2024. This is relatively low compared with Eastern Asia's 65.3 percent, South-Eastern Asia's 66.3 percent and the Pacific Islands' 64.1 percent. The reason is that, despite the high labour force participation rate of men, 76.7 percent, Southern Asia has one of the largest gender gaps in participation worldwide, with a female participation rate of 31.4 percent. The narrowing of this gender gap, particularly over the last five years, through the increased participation of women in the labour force (from 26.9 percent in 2019), has raised the overall participation rate in Southern Asia from 52.1 percent in 2019. This increase has partly offset the decreasing labour force participation rate in Eastern Asia, which decreased from 66.9 percent in 2019 to 65.3 percent in 2024.

Falling youth participation and ageing populations are contributing to long-term downward trends in the labour force participation rates in the region. The region's participation rate decreased by nearly 5 percentage points from 65.2 percent in 2004 to 60.7 percent in 2024. The long-term decline has been attributed to two main factors: the falling labour force participation rate of youth (aged 15–24) as young people stay longer in education; and an increasing share of the population over 65 who are more likely to be out of the labour force

(ILO 2024e). The youth labour force participation rate, for instance, declined from 51.9 percent in 2004 to 39.3 percent in 2024.

Stable unemployment rates hide multiple barriers to accessing productive employment opportunities.

The unemployment rate of 4.2 percent was relatively unchanged over 2023 and 2024. Hidden beneath this figure, youth unemployment remains a major concern in some subregions, including Southern Asia (ILO 2024c) and Eastern Asia. In Eastern Asia the unemployment rate of youth is more than four times higher than that of adults and nearly 4 percentage points above the rate before the pandemic. Other angles for assessing access to employment are evident from indicators such as the youth NEET rate. In Asia and the Pacific, around 20 percent of all youth are NEET; the rate is particularly elevated for young women, at 30.4 percent, compared with 11.3 percent for young men. These numbers suggest that young women face greater obstacles to access to employment, and in education and training, than do young men in the region. Another indicator relevant to access to employment is the jobs gap, which captures those on the periphery of the labour force, namely those who want employment but are not available or not actively seeking a job, or both. This category includes those who are unable to work for various reasons, including care work obligations. It adds a further 76 million without work on top of the 88 million unemployed in the region.

TRANSITIONS AND THE IMPLICATIONS FOR JOB CREATION AND DISRUPTION

Artificial intelligence is speeding up the digital transformation in ways that are producing more signs of job disruption. Recent analysis in Asia and the Pacific suggests that technological automation is more likely to automate tasks within occupations than to replace occupations entirely (World Bank 2024c). The recent rapid rise of AI has sped up the potential impacts of the digital transition towards AI, automation and other digital technologies. Incorporation of these technologies in business activities has already started to lead to job displacement and augmentation. In Malaysia, for instance, estimates suggest that since 2020 as many as 300,000 jobs have been lost to AI and automation (Amin 2024). In the Philippines, too, there are concerns about widespread job displacement by AI, including in business process management – a major industry in the country (Cabato 2024). However, not all sources are equally pessimistic; some point to signs of job growth, suggesting that the potential overall impact of AI is far from clear cut (Morales 2024).

The Asia and the Pacific region is estimated to have accounted for two thirds of the world's renewable energy jobs in 2023, illustrating the job creation potential of a just transition. The latest estimates of renewable energy jobs suggest that China alone accounts for 46 percent of all renewable energy jobs in the world (direct and indirect), equivalent to 7.4 million jobs in China (IRENA and ILO 2024). India accounts for a further

1 million and the rest of Asia and the Pacific accounts for 2.3 million (IRENA and ILO 2024). These estimates of employment highlight renewable energy's potential for job creation in the region. Renewable energy in China is estimated to have contributed around 40 percent of GDP growth in 2023 (Myllyvirta 2024); from 2019 to 2023, exports of renewable energy products, including batteries and solar modules, increased from US\$30 billion to US\$102 billion in nominal terms (IRENA and ILO 2024). In India, Hydropower is the largest employer in the renewable energy sector, accounting for 453,000 jobs in 2023 (IRENA and ILO 2024).

PROGRESS ON DECENT WORK PARAMETERS

In 2024, global employment expanded in line with a growing labour force, keeping the global unemployment rate steady at 5 per cent, similar to that of 2023. At the same time, employment growth remained too weak to have a significant impact on persistent decent work deficits around the world. Young people, especially, continue to face much higher unemployment rates – around 12.6 per cent – with few signs of improvements. With the return to pre-pandemic levels of informality and working poverty, the job recovery has lost much of its ability to generate further improvements and close the gap with the targets of the Sustainable Development Goals (SDGs). As the economic and social outlook remains highly uncertain – with geopolitical frictions, rising costs of climate change, and unresolved sovereign debt risks – the resilience of labour markets is being tested. Low-income countries appear to be particularly vulnerable, since progress in decent work creation has been slowest in these countries.

CONCLUSION

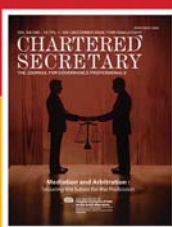
Spatial inequalities seem to be more significantly driven by the emergence of modern services than by manufacturing alone. Industrial policies that specifically target modern services can significantly exacerbate spatial inequality. This could happen, for instance, in countries that seek to invest in digital industries. With the rise of artificial intelligence, a central focus of industrial policies has become to attract and develop local clusters of digital development such as in the fields of chip production or of researching and developing artificial intelligence models. Similarly, many countries are focusing on expanding green industries such as electric vehicles or manufacturing solar panels. Various policies target the development and growth of such sectors. Employment opportunities in these and related sectors emerge, however, primarily in service sector occupations, and not so much in manufacturing, and thus policies that specifically target these sectors will run the risk of exacerbating spatial inequalities.

A key challenge for industrial policies that target the digital or green transition, therefore, will be to address spatial inequalities by inducing positive spillovers beyond the immediate location of intervention (Pinheiro et al. 2022). □

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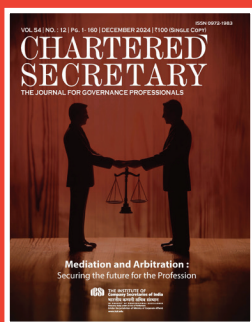
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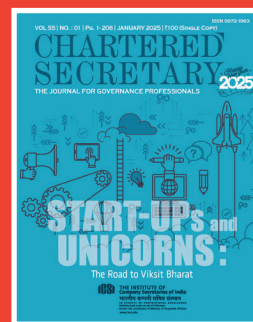


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