

# CHARTERED SECRETARY

THE JOURNAL FOR GOVERNANCE PROFESSIONALS

REGULATORY  
AUTHORITIES

WINDING UP AND  
INSOLVENCY

BUSINESS  
LEGISLATIONS

STAKEHOLDERS  
RELATIONSHIP  
MANAGEMENT

**EODB &  
GOVERNANCE**

DISPUTE  
RESOLUTION

INVESTOR  
PROTECTION

COMPLIANCE AND  
DILIGENCE

OVERSEAS  
GOVERNANCE



**THE INSTITUTE OF  
Company Secretaries of India**  
भारतीय कम्पनी सचिव संस्थान  
IN PURSUIT OF PROFESSIONAL EXCELLENCE  
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**Regulatory Scenario-  
Balancing EODB & Governance**



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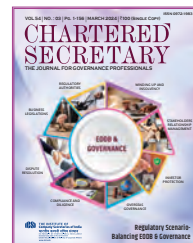
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The Month of March witnesses festivities across the country. Different hues of colours, traditions and spiritual incantation intertwining with the very ethos and cultural reminiscence of our nation reminds us of a multi-dimensional and rich heritage.

Every year on 8<sup>th</sup> March, the International Women's Day is also celebrated to bring the focus on the need for transformative leadership - to 'Inspire Inclusion', to say no to bias, stereotypes and gender discrimination. At ICSI too, it has always been our endeavour to create an environment that is diverse, equitable and inclusive, leading and accelerating towards a gender equal future.

This Month's issue of the Journal is focusing on 'Regulatory Scenario- Balancing EODB and Governance'. Among the chosen 190 countries, India is ranked 63<sup>rd</sup> in Doing Business in 2020 as per the World Bank Report.

During the 55<sup>th</sup> Foundation Day celebrations of the Institute last year, Union Minister of Finance and Corporate Affairs Smt. Nirmala Sitharaman, had said that, "As many as 39,000 unnecessary compliances have all been removed, along with 1,500 archaic laws, with the help of various initiatives taken by the Government, to promote Ease of Doing Business (EODB), including decriminalisation of minor offences, introduction of the Insolvency and Bankruptcy Code, simplification of regulatory frameworks, tax reforms, and removal of unnecessary and archaic compliance/laws." Referring to the reforms undertaken by the Government since 2014, Smt. Sitharaman said, "The expertise and professionalism of Company Secretaries is helping build an ecosystem that has facilitated \$230 billion worth of investments in the country in the last three years."

This Month's issue of the Journal focusses on the Role of professionals in balancing 'Ease of Doing Business and Governance'.

An eye-opening article on '**SEBI Regulations: EODB Perspective**' outlines The Securities and Exchange Board of India's recently published comprehensive Consultation Paper with a view of promoting ease of doing business by relaxing regulations followed in the securities market.

The article on '**Commercial Courts Act, 2015-facilitating Ease of Doing Business**' carries details on how on an international level, the World Bank assesses the policies to ease the regulatory burden undertaken by countries across the world through its Ease of Doing Business Index (EDBI).

The author through the article -'**EODB Ranking and ESG - A Pathway to Resilient and Responsible Business Practices**' talks about how Ease of Doing Business (EODB) Ranking holds significant implications for businesses and the economy in India and how Improving India's EODB ranking enhances its attractiveness as an investment destination, spurring both domestic and foreign investments.

The article on '**Need For Cautious Approach in Scripting EODB**' emphasises on how Business is a major contributor to a country's economy and how for the country to progress, business enterprises should be able to continue their activities without hindrance.

An invigorating study on '**Navigating The Regulatory Landscape: Harmonizing Ease of Doing Business (EODB) With Effective Governance**' brings forth the crucial insight that Governments that successfully navigate this regulatory balancing act are better positioned to attract investments, stimulate economic growth, and build a resilient and sustainable business environment. By fostering both Ease of Doing Business and effective Governance, countries can create a conducive atmosphere for prosperity, innovation, and societal well-being.

The author through the article '**Regulatory Scenario-Balancing Ease of Doing Business and Governance**' highlights how the Company Law plays a crucial role in shaping the business environment of a country and is closely intertwined with the ease of doing business. The altering dynamics of company law, particularly viewed through the lens of ease of doing business, reflect the evolving regulatory landscape aimed at facilitating entrepreneurship, investment, and economic growth.

The article on '**Company Law-The Altering dynamics through EODB lens**' displays how E-form enables a new company to avail the services of Central Government and State Governments, in one place and how the company can start its operations, immediately upon incorporation, without the need for any further approval.

Another article '**Enhancing CSR Impact: A Win-Win Collaboration for Corporates & Voluntary Organizations (VOs)**' delves into the intricacies of CSR framework & funding opportunities and outlines essential steps for Voluntary Organizations (VOs) aiming to become recognized CSR implementing agency.

The article on '**Can a Private Limited Company do a treasury buy back of shares?**' provides details on exercise of power conferred under Section 462 of the Companies Act, 2013, granting exemptions to private limited companies from compliance of sixteen sections of the Act ("exemption notification").

The Research input on '**Journey of Ease of Doing Business in India under the Direct Tax Environment and the Way Forward**' delves into how there arose a need to build a robust technological environment wherein all the tax administration processes could be managed accurately and in an integrated manner.

Many Women leaders have shared their thoughts on the theme 'Inspiring Inclusion', which have been published in this issue of the Journal, for International Women's Day.

We are also privileged to publish an Interaction with **Shri Anurag Singh Thakur, Hon'ble Union Minister for Information & Broadcasting and Youth Affairs & Sports, Government of India.**

**Wishing the esteemed readers a month full of festivities.**

**Happy reading !**

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



1. ICSI inks MoU with NISM for introduction of Joint Certification Courses on Corporate and Securities Markets Compliances (Integrated Program for the CS course). Left to right: CS Asish Mohan, Secretary, The ICSI, CS B. Narasimhan, President, The ICSI, Shri Ashwani Bhatia, Whole Time Member, SEBI and Director, NISM, Shri Sunil Jayawant Kadam, Registrar, NISM.
2. CS B. Narasimhan, President, The ICSI met with Shri Sunil Mehta, Chief Executive, The Indian Banks' Association (IBA) to discuss areas of mutual interest in banking. Also present: CS S. N. Ananthasubramanian, Former President, The ICSI and Mr. M. V. Phadke, Former Executive Director & Principal Legal Counsel, IDBI.
- 3-5. ICSI delegation led by CS B. Narasimhan, President, The ICSI met with Shri B. Rajendran, Executive Director, SEBI, Shri S.V.M.D Rao, Executive Director, SEBI and Shri Manoj Kumar, Executive Director, SEBI.
- 6-7. ICSI delegation led by CS B. Narasimhan, President, The ICSI met Shri Biranchi Narayan Sahoo, Executive Director, SEBI and Shri V S Sundaresan, Executive Director, SEBI.
8. CS B. Narasimhan, President, The ICSI met with Shri Santosh Kumar, Regional Director- West, Ministry of Corporate Affairs, Government of India.



9. CS B. Narasimhan, President The ICSI addressed an Interactive Session with the Students and a Seminar on the theme 'New Era New Vision of Corporate Law' organized by WIRC of ICSI jointly with Thane Chapter of WIRC of ICSI on February 11, 2024.

10-11. ICSI International ADR Centre was Inaugurated by Former CJI and Former Governor of Kerala, Hon'ble Mr. Justice P. Sathasivam, on 29<sup>th</sup> February, 2024.

12. Secretarial Standards I & II (Revised) released during President Interaction Meeting held on 12<sup>th</sup> February 2024 at Bengaluru Chapter of SIRC of ICSI.



13. CS Dhanajay Shukla, Vice-President, The ICSI addressed a Full Day Workshop on “MSME & Start-Up – Opportunities for Company Secretaries” organized by Gurugram Chapter on February 10, 2024.
14. A HR Conclave was organized by NIRC of ICSI recently.
- 15-16. ICSI – CCGRT, Kolkata, organized two Half Day workshops on the themes “Union Budget 2024-2025” and “Relevance of AI with Indian Legal System and Overview of Significant Beneficial Ownership” on February 02, 2024 and February 10, 2024.
17. Full Day Seminar on ‘SETU – Bridging the Gap between Present & Future,’ organised by EIRC of The ICSI on February 24, 2024.
18. Interactive Session with MCA officials organised by EIRC of ICSI on February 3, 2024.
19. The ICSI joined as Associate Partner in the Global Sustainability Summit organised by Delhi Management Association (DMA) on February 9, 2024 at India Habitat Centre. CS Suresh Pandey, Council Member, The ICSI graced the inaugural session as the guest speaker.
20. The ICSI in association with the Department of Public Enterprises (DPE) organized a Residential One Day Training Programme for Company Secretaries of CPSEs on Effective functioning of Boards of CPSEs and DPE Online Portal on February 9, 2024 at Guwahati. CS Ranjeet Pandey, Former President, The ICSI and CS Devendra Deshpande, Former President, The ICSI graced the occasion.



21-22. The 17<sup>th</sup> Residential Corporate Leadership Development Program (CLDP), conducted at ICSI-CCGRT, Navi Mumbai from February 1<sup>st</sup> to February 16<sup>th</sup>, 2024.

23. The 18<sup>th</sup> Residential Corporate Leadership Development Program (RCLDP) and 86<sup>th</sup> Residential Management Skill Development Programme, being conducted at ICSI-CCGRT, Navi Mumbai from 29<sup>th</sup> February 2024 to 15<sup>th</sup> March 2024.



# 6<sup>TH</sup> ICSI LEADERSHIP SUMMIT HELD ON FEBRUARY 18-20, 2024 AT GREATER NOIDA





## AWARDS IN LEADERSHIP SUMMIT 2024

**BEST REGION - WIRO** : Scored maximum marks as per evaluation criteria during the student Month in the year 2023 & Maximum Number of Members admitted in CSBF in 2023.



**BEST REGION - NIRO** : Maximum % achieved (Target vs Actual) for registration in CSEET and Executive Programme in 2023.



**BEST REGION - SIRO** : Maximum % achieved (Target vs Actual) for Career Awareness Program (CAP) conducted in 2023.



**BEST CHAPTER - PALAKKAD :** Maximum % achieved (Target vs Actual) for registration in CSEET in 2023.



**BEST CHAPTER - INDORE :** Maximum % achieved (Target vs Actual) for registration in Executive Programme in 2023.



**BEST CHAPTER - SALEM :** Maximum % achieved (Target vs Actual) for Career Awareness Program (CAP) conducted in 2023.



**BEST CHAPTER - PUNE :** Maximum Number of Members admitted in CSBF in 2023.



**BEST CHAPTER - RAIPUR :** Scored maximum marks as per evaluation criteria during the student Month in 2023.





**“The only impossible journey is the one you never begin.”**

**- Tony Robbins**



**Dear Professional Colleagues,**

**A** gap of near about 30 days, and yet when we look back, the developments that occur within the span of a month give us the motivation and inspiration to move forward – with much greater zeal and a spring in our step. The month of March is one that marks the end of a financial year but for ICSI, the month has brought us some wondrous new beginnings.

### **ICSI INTERNATIONAL ADR CENTRE : A FIRST AMONG FIRSTS**

“Justice consists not in being neutral between right and wrong, but in finding out the right and upholding it, wherever found, against the wrong.”

*– Theodore Roosevelt*

As a member of the Council which decided upon the establishment of a Section 8 company, solely with the intent of supporting the Indian Judicial system, play its role in de-clogging of courts and make way for alternate mechanisms of dispute resolution in the year 2022, I feel both heartened and humbled to play my part in commencing this journey with the establishment of the first ICSI International ADR Centre at ICSI House, Noida (U.P.). My words of gratitude fail to suffice, as I am beholden by the presence of Hon’ble Mr. Justice P. Sathasivam, Former Chief Justice of India and Former Governor of Kerala at the inauguration of this Centre. Given the lasting relationship shared by the ICSI with

Justice Sathasivam, over the years; the bond has grown more familial than formal. His presence inspires us and his words of guidance lead the way and for us at ICSI, the inauguration of this Centre at his hands has added further glory to the ceremony and a beautiful moment in the pages of history of this Institute – one that we are going to cherish forever. I am equally grateful towards our Governing Council Members- Ms. Bhamathi Balasubramaniam, (IAS Retd.), CS (Dr.) Pundla Bhaskara Mohan, Presently Advocate of High Court for the State of Telangana and Arbitrator and Conciliator and Former Judicial Member, NCLT, CS B. Murli, Former General Counsel & Company Secretary at Nestle India Limited, CS Nesar Ahmad and CS Devendra V. Deshpande, Former Presidents, The ICSI, Ms. Raavi Birbal, Advocate Supreme Court of India, for joining us in this moment of pride and delight. I appreciate the presence of CS Ashish Garg, Former President, The ICSI at the meetings of the Board conducted post-inauguration.

To elaborate more on this development and to give a bird’s eye view at the same time, the ICSI International ADR Centre at Noida is a state-of-the-art facility with world-class infrastructure, advance Video Conferencing facility, top notch administrative facilities, etc. to facilitate Arbitration & Mediation at National and International level. Housed at ICSI House, C-36, Institutional Area, Sector - 62, Noida (U.P.), the objective of the ICSI International ADR Centre is to promote Alternate Dispute Resolution (ADR) methods including Mediation & Arbitration and to assist and educate all sections of Society, Individuals, Corporates, Firms, Institutions and Establishments (Local or International).

I am sure that the inauguration of this First Centre shall open the doors of opportunity for the Company Secretaries and simultaneously for the Institute to partner in a unique way in the judiciary of the country...!

### ICSI COLLABORATIONS: EXPANDING ROOTS, FINDING COMMON GROUND

*“The spirit of togetherness is a great source of inspiration.”*

Another new development that I am heartened to share is the inking of MoU between ICSI and NISM (National Institute of Securities Markets). The MoU which is aimed at facilitating collaboration toward the advancement of knowledge based on reciprocity, best effort, mutual benefit, and frequent interactions was signed with Shri Ashwani Bhatia, Whole Time Member, SEBI and Director, NISM, Shri Sunil Jayawant Kadam, Registrar, NISM, towards whom I am eternally grateful. Being an entity promoted by the SEBI, the collaboration with NISM will be aimed at giving both member and student-participants an in-depth knowledge of corporate and securities markets and its compliances and getting them ready for positions as compliance specialists at market infrastructure institutions, intermediaries, and listed companies.

I am also delighted that we will be beginning this journey of collaboration with NISM by way of a residential integrated program, exclusively for CS students. The Programme being a Joint Certification Course, will apart from covering the entire CS curriculum, also have additional specialisation papers on securities market, industry exposure, and an opportunity for learning market mechanisms through simulation technologies etc. While facilitating completion of CS course through classroom teaching at NISM, the course would encase capital market courses of NISM, resulting in employability in the areas of capital and securities markets. I am sure that the Integrated Course would open a wide window of opportunities for CS students aspiring to have their career in securities market as they pursue their CS Course in a classroom environment.

If working with the Regulatory Authorities is a matter of great honour for us as an Institutions, the presence of Company Secretaries as Governance Professionals across Industries and sectoral segments of the corporate sector is what gives us a sense of accomplishment. At ICSI, we continuously strive to further strengthen the governance framework in all these segments and make our presence felt in the compliance arenas and decision-making forums. In a meeting with

Shri Sunil Mehta, Chief Executive, The Indian Banks’ Association (IBA), the idea was to discuss areas of mutual interest in Banking – a sector which boasts of continuous change and an ever-growing need for good governance and governance professionals. I am thankful to CS S. N. Ananthasubramanian, Former President, The ICSI and Mr. M. V. Phadke, Former Executive Director & Principal Legal Counsel, IDBI for joining us as we deliberated upon the revisitation of the existing format of Due Diligence Report for Banking Entities and teaming up for developing a revised format to strengthen the governance framework in the Banking Sector.

Talking of collaborations and collaborative initiatives, the month gone by also saw us partnering with the Department of Public Enterprises (DPE) in organizing a Residential One Day Training Programme for Company Secretaries of CPSEs on Effective functioning of Boards of CPSEs and DPE Online Portal at Guwahati. Focusing on topics like Board’s Legal Environment, DPE online portal and Duties and Responsibilities of Company Secretary in Board & Committees, the two Former Presidents of ICSI – CS Ranjeet Pandey and CS Devendra V. Deshpande, made sure that the knowledge and information were well put across and all the doubts put to rest.

My congratulations to the Chapter and gratitude to two of these revered professionals of our fraternity who could spare their valuable time to be with us.

### MEETINGS AND GREETINGS: CREATING LIFELONG BONDS

If the ICSI considers its vision “to be a global leader in promoting good corporate governance” to be of utmost significance in all our actions, it is the support and guidance of the Regulatory Authorities and other peer entities that helps us in accomplishment of our avowed objectives for which the ICSI stands.

I feel humbled to have had the opportunity to meet some of the most distinguished officials of the Securities and Exchange Board of India (SEBI) during February 22-23, 2024. I am extremely thankful to Shri S.V.M.D Rao, Shri V S Sundaresan, Shri Manoj Kumar, Shri B Rajendran, and Shri Biranchi Narayan Sahoo, Executive Directors, SEBI for sparing their valuable time and sharing their thoughts, opinions, words of guidance and most importantly their expectations from the Governance Professionals with us. It is their assurance of being by our side in all our endeavors that has lent us greater confidence to pursue our goals with matched actions.

I am equally thankful to Shri Santosh Kumar, Regional Director - West, Ministry of Corporate Affairs, for meeting us and bringing up thoughtful deliberations on the ongoing amendments in Rules under various legislations. The presence of ICSI members on various discussion forums created to brainstorm on the MCA rules is a matter of great pride for us. Having once again found our place in the activities of policy formulation we believe that the rule revisitation and legislative amendments are a manner of building synergies between the Regulatory Authorities and professional bodies which shall surely bring about a revolutionary change in the compliance and governance framework for the corporates.

### ICSI 6<sup>TH</sup> LEADERSHIP SUMMIT: LEADING THE WAY TOGETHER

It is one thing to anticipate a moment and to live it is a different thing altogether. While I might have shared the anticipations of meeting the entire Leaders Team of ICSI at the 6<sup>th</sup> season of ICSI Leadership Summit between February 18-20, 2024; yet the feeling of meeting all of them in-person was beyond surreal. If the love and affection received from them all warmed my heart, their vigour and zeal found me being my youthful self with them. The bubbling ideas, the longest hours of brainstorming, the futuristic thoughts and the thoughtful deliberations, all with a single point focus of doing something amazing for the profession and the institution, solidified our bonding.

If I was meeting some for the nth time, there were many I was meeting for the first and in all certainty would I say, that meeting with both sets left the longest smile on my face. Even though our agenda and intent for the Summit was thoroughly professional and each session was conducted with extreme dedication, the fact that ruled us that, we all represented not different Chapters, different Regional Offices, different CCGRTs or different directorates BUT one single entity – THE ICSI.

And it is our faith in this oneness and togetherness that we shall scale great heights and fling open gates of immense opportunities...!

### 2<sup>ND</sup> NATIONAL WOMEN'S CONFERENCE: INSPIRE WOMEN LEADERSHIP - ACCELERATE PROGRESS

*"Women belong in all places where decisions are being made." - Ruth Bader Ginsburg*

Gender equality has always been the goal and agenda of a developed economy. As an Institution taking

pride in its balanced member and student, in its strong woman force numbers constituting nearly fifty percent of the total and taking on leadership roles with grace and elan; it is only befitting that we lead by example.

Credible research has made it aptly clear that women in leadership not only bring variety and versatility of thought, but bring about much more emotional quotient to decision making platforms. With their first-hand experience to most social issues, it is now being considered as a good governance practice to have atleast one woman Board member on all committees of Corporate Boards.

And we at ICSI, understanding the significance of Women Power are more than delighted to celebrate the same in full fanfare. Taking forward the legacy from the past year's initiative, I feel glad to announce that the 2<sup>nd</sup> National Women's Conference is scheduled to be held during March 22-23, 2024, at Sheraton Grand Bangalore Hotel at Brigade Gateway, Rajajinagar, Bengaluru. Aligned with the theme of the International Women's Day of the United Nations - "Inspire Women Leadership - Accelerate Progress", the 2-day long event intends to raise intelligent questions and find time relevant answers and solutions, all while relishing the beauty to be offered by the Silicon City of India, Bengaluru.

As I await to see you all join us at the "Garden City", my heartiest congratulations and best wishes to the woman power, to all our female Governance Professionals of the International Women's Day :

**नारी समाजस्य कुशलवास्तुकारा ।**

Woman is the skilled architect of the society.

As we gear up ourselves for another new Financial Year, the festival of colours seems to end this one on a high note. Wishing you delightful and colourful festivities of Holi...! May you find new paths, nurture new dreams and make plentiful new beginnings...!

Happy reading...!!!

Yours Sincerely



**CS B. Narasimhan**  
President, ICSI

# List of Standing and Non-Standing Committees and Boards 2024

S. No.	Name	Position
<b>1 Executive Committee</b>		
1	CS B Narasimhan	Chairman
2	CS Dhananjay Shukla	Member
3	Shri Inder Deep Singh Dhariwal	Member (Govt. Nominee)
4	CS Manish Gupta	Member
5	CS C. Dwarakanath	Member
6	CS Pawan G Chandak	Member
7	CS Sandip Kumar Kejriwal	Member
<b>2 Finance Committee</b>		
1	CS B Narasimhan	Chairman
2	CS Dhananjay Shukla	Member
3	Dr. Ashok Kumar Mishra	Member (Govt. Nominee)
4	CS A Mohan Kumar	Member
5	CS Manoj Kumar Purbey	Member
6	CS R Venkata Ramana	Member
7	CS Rajesh C Tarpara	Member
<b>3 Examination Committee</b>		
1	CS B Narasimhan	Chairman
2	CS Dhananjay Shukla	Member
3	CS Ashish Karodia	Member
4	CS N P S Chawla	Member
5	CS Praveen Soni	Member
6	CS Rupanjana De	Member
7	CS Suresh Pandey	Member
<b>4 Financial Services Committee</b>		
1	CS Rajesh C Tarpara	Chairman
2	CS Manoj Kumar Purbey	Member
3	CS Pawan G Chandak	Member
4	CS Praveen Soni	Member
5	CS R Venkata Ramana	Member
6	CS Rupanjana De	Member
7	CS Suresh Pandey	Member
<b>5 Corporate Laws &amp; Governance Committee</b>		
1	CS Manish Gupta	Chairman
2	CS A Mohan Kumar	Member
3	CS Manoj Kumar Purbey	Member
4	CS Pawan G Chandak	Member
5	CS R Venkata Ramana	Member
6	CS Rupanjana De	Member
7	CS Sandip Kumar Kejriwal	Member
8	CS Suresh Pandey	Member

<b>6 Professional Development Committee</b>		
1	CS B Narasimhan	Chairman
2	Shri M P Shah	Member (Govt. Nominee)
3	CS Ashish Karodia	Member
4	CS Manoj Kumar Purbey	Member
5	CS N P S Chawla	Member
6	CS Rajesh C Tarpara	Member
7	CS Rupanjana De	Member
8	CS Sandip Kumar Kejriwal	Member
<b>7 Training &amp; Educational Facilities Committee</b>		
1	CS Dhananjay Shukla	Chairman
2	Dr. Ashok Kumar Mishra	Member (Govt. Nominee)
3	CS A Mohan Kumar	Member
4	CS C. Dwarakanath	Member
5	CS Manish Gupta	Member
6	CS Pawan G Chandak	Member
7	CS Praveen Soni	Member
8	CS R Venkata Ramana	Member
9	CS Suresh Pandey	Member
<b>8 Practising Company Secretaries Committee</b>		
1	CS C Dwarakanath	Chairman
2	CS Manish Gupta	Member
3	CS A Mohan Kumar	Member
4	CS Pawan G Chandak	Member
5	CS R Venkata Ramana	Member
6	CS Rajesh C Tarpara	Member
7	CS Sandip Kumar Kejriwal	Member
8	CS Praveen Soni	Member
9	CS Suresh Pandey	Member
<b>9 Information Technology Committee</b>		
1	CS Rupanjana De	Chairperson
2	CS Manish Gupta	Member
3	CS C. Dwarakanath	Member
4	CS Manoj Kumar Purbey	Member
5	CS N P S Chawla	Member
6	CS R Venkata Ramana	Member
7	CS Rajesh C Tarpara	Member
<b>10 Chapter Development &amp; Coordination Committee</b>		
1	CS Sandip Kumar Kejriwal	Chairman
2	CS A Mohan Kumar	Member
3	CS Ashish Karodia	Member
4	CS N P S Chawla	Member
5	CS Praveen Soni	Member
6	CS Suresh Pandey	Member



<b>11</b>	<b>PMQ Course Committee</b>		
	1	CS Suresh Pandey	Chairman
	2	CS A Mohan Kumar	Member
	3	CS Ashish Karodia	Member
	4	CS Manoj Kumar Purbey	Member
	5	CS N P S Chawla	Member
	6	CS Pawan G Chandak	Member
	7	CS R Venkata Ramana	Member
	8	CS Praveen Soni	Member
<b>12</b>	<b>Placement Committee</b>		
	1	CS Manoj Kumar Purbey	Chairman
	2	CS C. Dwarakanath	Member
	3	CS Ashish Karodia	Member
	4	CS N P S Chawla	Member
	5	CS Rajesh C Tarpara	Member
<b>13</b>	<b>ICSI-CCGRT Management Committee</b>		
	1	CS Dhananjay Shukla	Chairman
	2	CS Ashish Karodia	Member, Convenor (Mumbai)
	3	CS Manish Gupta	Member
	4	CS Pawan G Chandak	Member
	5	CS R Venkata Ramana	Member, Convenor (Hyderabad)
	6	CS Sandip Kumar Kejriwal	Member, Convenor, (Kolkata)
	7	To be nominated	Member
	8	To be nominated	Member
	<b>Group for Co-ordination in consultation with the Convenors</b>		
	1	CS Ajay Agarwal (CCGRT, Mumbai)	
	2	CS K Venkatraman (CCGRT, Mumbai)	
	3	CS Gopal Khaitan (CCGRT, Kolkata)	
	4	CS Sachin Pilania (CCGRT, Kolkata)	
	5	CS Mahadev Tirunagari (CCGRT, Hyderabad)	
	6	CS Ramakrishna Gupta R (CCGRT, Hyderabad)	
<b>14</b>	<b>Regulations &amp; Elections Reforms Committee</b>		
	1	CS Pawan G Chandak	Chairman
	2	CS Manish Gupta	Member
	3	CS C. Dwarakanath	Member
	4	CS Praveen Soni	Member
	5	CS Sandip Kumar Kejriwal	Member
<b>15</b>	<b>International Affairs Committee</b>		
	1	CS N P S Chawla	Chairman
	2	CS A Mohan Kumar	Member
	3	CS Ashish Karodia	Member
	4	CS Manoj Kumar Purbey	Member
	5	CS Rupanjana De	Member

<b>16</b>	<b>Professional Research and Publication Committee</b>		
	1	CS R Venkata Ramana	Chairman
	2	CS C. Dwarakanath	Member
	3	CS N P S Chawla	Member
	4	CS Pawan G Chandak	Member
	5	CS Rajesh C Tarpara	Member
	6	CS Rupanjana De	Member
	7	CS Suresh Pandey	Member
<b>17</b>	<b>Peer Review Board</b>		
	1	CS A Mohan Kumar	Chairman
	2	CS Ashish Karodia	Member
	3	CS C. Dwarakanath	Member
	4	CS Rajesh C Tarpara	Member
	5	CS Nagendra D Rao	Member
	6	CS Nesar Ahmad	Member
	7	CS Prashanth Diwan	Member
8	CS V Sreedharan	Member	
<b>18</b>	<b>Expert Advisory Board</b>		
	1	CS Praveen Soni	Chairman
	2	CS N P S Chawla	Member
	3	CS Manoj Kumar Purbey	Member
	4	CS Sandip Kumar Kejriwal	Member
	5	CS R Venkata Ramana	Member
	6	CS Veerash Mysore	Member
	7	CS Ravi Verma	Member
8	CS Ashok Tyagi	Member	
<b>19</b>	<b>Editorial Advisory Board</b>		
	1	CS Ashish Karodia	Chairman
	2	Dr. Ashok Kumar Mishra	Member (Govt. Nominee)
	3	Shri M P Shah	Member (Govt. Nominee)
	4	CS Praveen Soni	Member
	5	CS Rajesh C Tarpara	Member
	6	CS Suresh Pandey	Member
	7	CS(Dr.) D K Jain	Member
	8	CS Manoj Kumar Purbey	Member
	9	CS Nitin Somani	Member
	10	CS N P S Chawla	Member
	11	CS Bimal Jain	Member
	12	CS (Prof.) Rabi Narayan Kar	Member
	13	CS Puneet Handa	Member
	14	CS R P Tulisian	Member
	15	CS Rohit Gupta	Member
16	CS Pranav Kumar	Member	

20 MSME & Start-up Board		
1	CS Rajiv Bajaj	Chairman
2	CS Sandip Kumar Kejriwal	Member
3	CS L N Joshi	Member
4	Wg. Cdr. Anthony Anish (Rtd.)	Member
5	CS Maneesh Srivastava	Member
6	CS Gaurav Arora	Member
7	CS (Dr.) Preet Deep Singh	Member
8	Mr. Gaurav Mahani	Member
9	CS Yogesh Khakre	Member
10	CS Bala Nadara	Member
11	CS Ajay Jaiswal	Member
12	Mr. Rajiv Chawla	Member
13	CS (Dr.) Ajay Garg	Member
14	Representative of MCA	Member
15	Representative of MSME Chamber	Member
16	Representative of RBI	Member
17	Representative of MSME Chamber	Member
21 Auditing Standards Board		
1	CS Devendra Deshpande	Chairman
2	CS Vineet K Chaudhary	Member
3	CS Ajay Garg	Member
4	CS Shanmugasundaram	Member
5	CS G V Srinivasa Murthy	Member
6	CS Jagdish Patra	Member
7	CS K Venkataraman	Member
8	CS Manoj Kumar Purbey	Member
9	CS Manoj Rajaram Hurkat	Member
10	CS Nitin Mehta	Member
11	CS Pankaj Virmani	Member
12	CS Parvesh Kumar Kheterpal	Member
13	CS Ritu Arora	Member
14	CS Raghavendra Joshi	Member
15	CS Ram Parkash Punjani	Member
16	CS Ravi Sharma	Member
17	CS Rupanjana De	Member
18	Representative of SEBI	Member
19	Representative of BSE	Member
20	Representative of NSE	Member

22 Secretarial Standards Board		
1	CS Nagendra D Rao	Chairman
2	CS Amita Desai	Member
3	CS Kalidas Ramaswami	Member
4	CS Makarand Joshi	Member
5	CS Manish Agarwal	Member
6	CS Manoj Sonawala	Member
7	CS Narayan Shankar	Member
8	CS Sanjeev Grover	Member
9	CS A Mohan Kumar	Member
10	CS Praveen Soni	Member
11	CS Harish Kumar	Member
12	CS S C Vasudeva	Member
13	CS B Shanmugasundaram	Member
14	CS B Renganathan	Member
15	CS S Sudhakar	Member
16	Representative of SEBI	Member
17	Representative of RBI	Member
18	Representative of BSE	Member
19	Representative of NSE	Member
20	Representative of CII	Member
21	Representative of FICCI	Member
22	Representative of ASSOCHAM	Member
23	Representative of PHDCCI	Member
24	Representative of ICAI	Member
25	Representative of ICoAI	Member
26	Unlisted Category	Member
23 ESG and Sustainability Board		
1	CS Ranjeet Pandey	Chairman
2	CS Ashish Garg	Co-Chairman
3	CS J Sundharesan	Member
4	CS A Sekhar	Member
5	CS R Venkata Ramana	Member
6	CS Rajnikant	Member
7	CS Pankaj Chourasia	Member
8	CS Mangal Kulkarni	Member
9	CS Sachin Mishra	Member
10	CS Vinay M. A.	Member
11	CS Pankaj Tiwari	Member
12	CS Anil Rustagi	Member
13	CS Sanjeeb Kumar Chatterjee	Member
14	CS Tridib Barat	Member
15	Ms. Sharmila Gopinath	Member
16	Nominee of MCA	Member
17	Nominee of SEBI	Member
18	Nominee of IFSCA	Member
19	Nominee of BSE	Member
20	Nominee of NSE	Member
21	Nominee of CII	Member
22	Nominee of FICCI	Member
23	Nominee of PHDCCI	Member

# I NITIATIVES UNDERTAKEN DURING THE MONTH OF FEBRUARY, 2024

## MEETINGS WITH DIGNITARIES DURING THE MONTH OF FEBRUARY 2024

- Shri Ashwani Bhatia, Whole Time Member, SEBI and Director, NISM
- Shri B. Rajendran, Executive Director, SEBI
- Shri Biranchi Narayan Sahoo, Executive Director, SEBI
- Shri Manoj Kumar, Executive Director, SEBI
- Shri Santosh Kumar, RD - West, Ministry of Corporate Affairs
- Shri Sunil Jayawant Kadam, Registrar, NISM
- Shri S.V.M.D Rao, Executive Director, SEBI
- Shri V S Sundaresan, Executive Director, SEBI

## 2<sup>ND</sup> NATIONAL WOMEN'S CONFERENCE AT BENGALURU: REGISTER NOW

The Institute is organising its 2<sup>nd</sup> National Women's Conference to be held during March 22-23, 2024 on the theme **Inspire Women Leadership: Accelerate Progress** at Sheraton Grand Bangalore Hotel at Brigade Gateway, Bengaluru, Karnataka. Members are requested to join this mega event as it will be an opportunity for rich deliberations, exchange of experiences and networking. Register for the Conference at: <http://tinyurl.com/2p9vd3p9>

## FIRST ICSI INTERNATIONAL ADR CENTRE ESTABLISHED AT NOIDA

With the intent to facilitate Arbitration, Mediation and Conciliation at National and International level, the Institute established its first ICSI International ADR Centre at Noida (U.P.). Hon'ble Mr. Justice P. Sathasivam, Former Chief Justice of India and Former Governor of Kerala inaugurated the ICSI International ADR Centre at ICSI House, C-36, Institutional Area, Sector - 62, Noida (U.P.) on February 29, 2024. The ICSI International ADR Centre at Noida is a state-of-the-art facility with world-class infrastructure, advance Video Conferencing facility, top notch administrative facilities, etc. The objective of the ICSI International ADR Centre is to promote Alternate Dispute Resolution (ADR) methods including Mediation, Conciliation and Arbitration to assist and educate all sections of Society, Individuals, Corporates, Firms, Institutions and Establishments (Local or International). The inauguration also witnessed the presence of Ms. Bhamathi Balasubramaniam, (IAS Retd) and CS (Dr.) Pundla Bhaskara Mohan, Former Judicial

Member, National Company Law Tribunal, Presently Advocate of High Court for the State of Telangana and Arbitrator and Conciliator, and other members of the Governing Council of ICSI ADR Centre.

## ICSI SUGGESTIONS ON COMPANY AND LLP RULES

The Ministry of Corporate Affairs had decided to initiate comprehensive review of all the Rules prescribed under various legislations being administered by MCA. Accordingly, comments/suggestions on the Rules issued under such legislations were invited from all the stakeholders through e-Consultation Platform on the MCA website. Understanding the need for active stakeholder participation, the ICSI had put in place a dedicated e-mail ID – [companyrules@icsi.edu](mailto:companyrules@icsi.edu) to solicit suggestions and comments from Company Secretaries from across the nation. Furthermore, 9 Groups comprising a total of 100 Governance Professionals was constituted. Individual group deliberations were followed by a day-long brainstorming session whereafter final suggestions were submitted with the Ministry at its E-consultation platform by the designated date, *i.e.*, February 25, 2024.

## REVISED SECRETARIAL STANDARDS ON MEETINGS OF THE BOARD OF DIRECTORS (SS-1) AND GENERAL MEETINGS (SS-2) RELEASED

Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) were made applicable from 1<sup>st</sup> July, 2015 and revised version thereof were made applicable from 1<sup>st</sup> October, 2017 (Existing version). Considering the legal amendments on the subject, SS-1 and SS-2 have been revised further by the ICSI to bring them in alignment with the provisions of the Companies Act, 2013 and Rules made thereunder. Approval of the Central Government for specification of the Revised SS-1 and SS-2 under Section 118(10) of the Companies Act, 2013 has been accorded by Ministry of Corporate Affairs. The revised SS-1 and SS-2 have been released by the ICSI at the Interaction Meeting with the President and Vice President, The ICSI held at Bengaluru Chapter on February 12, 2024. The revised SS-1 and SS-2 shall be effective from April 01, 2024.

## ICSI INKS MoU WITH NISM FOR INTEGRATED COURSE

The ICSI and the National Institute of Securities Markets (a Public Trust established in 2006 by the SEBI) have signed a Memorandum of Understanding on February 20, 2024 to offer courses that will support the capacity-building activity in the securities markets. The goal of these courses that NISM and ICSI will offer is to give participants an in-depth knowledge of corporate

and securities markets and its compliances and get participants ready for positions as compliance specialists at market infrastructure institutions, intermediaries, and listed companies. The MoU is intended to establish capacity building cooperation between ICSI & NISM in the areas of Financial & Securities Markets regulation, Corporate & Investment Laws, Corporate Governance & ESG and other related domains.

### ICSI 6<sup>TH</sup> LEADERSHIP SUMMIT - 2024

The ICSI Sixth Leadership Summit - 2024 was organized successfully at Hotel Crowne Plaza, Greater Noida during February 18-20, 2024. This yearly mega event was marked by the presence of Central Council Members, Regional Council Members, Regional Directors of Regional Offices, Chairpersons and Executive Officers / In-Charges of all Chapters, and Senior Management of the ICSI. During the occasion, ICSI Directory 2024, CAP Video and Study Material of Executive Programme were also released. The activities undertaken included:

- Presentation of Action Plan of every region by Chairperson of the Regional Council.
- Address of President, The ICSI and Vice-President, The ICSI.
- Special Session on ICSI Chapter Management Guidelines, 2024 by Secretary, The ICSI.
- President's Meet with entire Leadership Team of the Country.

### TRAINING PROGRAMME FOR COMPANY SECRETARIES OF CPSES

The ICSI in association with the Department of Public Enterprises (DPE) organized a Residential One Day Training Programme for Company Secretaries of CPSEs on **Effective functioning of Boards of CPSEs and DPE Online Portal** on February 9, 2024 at Hotel Atithi, Guwahati. The training programme was attended by more than 50 Company Secretaries from various CPSEs across India. Three Technical sessions on the topics (i) Board's

Legal Environment (ii) DPE online portal and (iii) Duties and Responsibilities of Company Secretary in Board & Committees were organised during the programme.

### ADVISORY TO THE MEMBERS FOR COMPLIANCE BY FIDUCIARIES UNDER THE SEBI (PIT) REGULATIONS, 2015

The Institute has issued an advisory with respect to compliance of requirements under Regulation 3(5) and 3(6) of the SEBI (Prohibition of Insider Trading) Regulations, 2015, specifically by the Company Secretaries in Practice in their capacity as a Fiduciary under the Regulations. It is advised that the Company Secretaries in Practice dealing with UPSI of listed entities and unlisted entities whose securities are proposed to be listed, by virtue of their position as Fiduciaries under the Regulations should observe strict compliance with the said requirement of maintaining a separate Structured Digital Database (SDD) internally, in order to avoid any violation under the Regulations.

### ORIENTATION SESSION OF PMQ COURSES

Orientation Session of all three PMQ Courses in Corporate Governance, Internal Audit and Arbitration for the candidates registered for June 2024 session was organised on Saturday, February 10, 2024 in online mode. The Orientation Session was graced & addressed by CS B. Narasimhan, President ICSI, CS Dhananjay Shukla, Vice President ICSI, and CS Suresh Pandey, Chairman, PMQ Committee & Council Member, ICSI.

### ANNOUNCEMENT OF PMQ RESULTS

The Results for PMQ Examination on Corporate Governance, Internal Audit and Arbitration held in December 2023 were released on February 25, 2024.

### ONLINE CLASSES

Online Classes of Certificate course on CSR- Batch 10 and BRSR and ESG- Batch 2 were organized in the current month with the following coverage:

Course	Session	Topics Covered
Certificate Course on CSR (Batch 10)	Session I	CSR Projects: Identification, Evaluation & Monitoring
	Session II	<ol style="list-style-type: none"> <li>1. Sustainability Reporting</li> <li>2. Integrated Reporting</li> <li>3. Global Reporting Initiative</li> <li>4. Business Responsibility Reporting</li> </ol>
	Session III	CSR Impact Assessment Reporting
	Session IV	Accounting and Taxation Aspects
	Session V	<ol style="list-style-type: none"> <li>1. CSR &amp; Permissible Activities: A Detailed Study</li> <li>2. CSR Policy</li> <li>3. CSR Committee</li> </ol>

Certificate Course on BRSR and ESG (Batch 2)	Session I	Climate related disclosures: carbon emission, achieving net zero emission, materiality in ESG reporting.
	Session II	ESG related Risks and opportunities (including investment, climate adaptation, mitigation and Transition risks).
	Session III	Comparing Various ESG Framework & Policies Drafting & Reporting New Avenues for CS in - (i) Startups, (ii) Mid-Size business, (iii) Large businesses.
	Session IV	<ul style="list-style-type: none"> <li>ESG and future of business.</li> <li>Linking ESG with innovative financial instruments (sustainable finance).</li> <li>Introduction to carbon trading and carbon taxes.</li> </ul>
	Session V	<ul style="list-style-type: none"> <li>SDGs / ESG / BRSR- Introduction, Scope &amp; importance.</li> <li>Impact of all three on current and future business.</li> <li>Recent trends of sustainability in European Nations.</li> </ul>

### BEST REGION AND CHAPTER AWARDS FOR 2023

Maximum marks as per evaluation criteria during Student Month	
<b>Best Chapter</b>	<b>Best Region</b>
Raipur	WIRO
Maximum % achieved (Target vs Actual) for registration in Executive Programme	
<b>Best Chapter</b>	<b>Best Region</b>
Indore	NIRO
Maximum % achieved (Target vs Actual) for registration in CSEET	
<b>Best Chapter</b>	<b>Best Region</b>
Palakkad	NIRO
Maximum % achieved (Target vs Actual) for Career Awareness Program conducted	
<b>Best Chapter</b>	<b>Best Region</b>
Salem	SIRO
Maximum Number of Members admitted in CSBF	
<b>Best Chapter</b>	<b>Best Region</b>
Pune	WIRO

### ONLINE ASSESSMENT OF COURSES

Online Assessment of Certificate Course on Financial Analysis (Batch 1), Certificate Course on IBC (Batch 5) and Crash Course on Social Audit (Batch 2) was held on February 2-3, 2024 and subsequent attempt of the online assessment was held on February 16-17, 2024. Course Completion Certificates and CPE were awarded to all the successful candidates.

### TRAINING PROGRAMMES FOR EMPANELMENT OF PEER REVIEWERS

Training Programme for empanelment of Peer Reviewers was organized during the month at Bengaluru on February 03, 2024. The participants will be empanelled as

Peer Reviewer upon completion of necessary formalities in this regard. More such training programmes will be conducted across the length and breadth of the Country in the days to come for the benefit of our members.

### E-LEARNING FACILITY

ICSI Learning Management System (LMS) has continuously offered E-Learning services to more than 183000 users during February 2024. 2897 new users have been facilitated with Login Credentials and course access in various courses. Assessment for Online CRT has been made live during the month.

### VIEWS/REPRESENTATIONS SUBMITTED

Date	Purpose	Authority
February 15, 2024	Request to consider recognising ICSI International ADR Centre under the provisions of Mediation Act, 2023.	Dr Rajiv Mani, Secretary, Legislative Department, Ministry of Law and Justice
February 26, 2024	Request for inclusion of Legal, Compliance and Secretarial Services as financial service under clause (e) of sub-section (1) of Section 3 of the IFSCA Act, 2019.	IFSCA

### SUGGESTIONS SUBMITTED

Date	Purpose	Authority
February 23, 2024	Suggestions of ICSI on the IRDAI Exposure Draft for IRDAI (Corporate Governance) Regulations, 2024.	IRDAI

## JOINT PROGRAMMES

Sl. No.	Topic	Organising entity	ICSI's Role	Venue	Date
1.	Global Sustainability Summit	Delhi Management Association (DMA)	Associate Partner. CS Suresh Pandey, Council Member, ICSI graced the inaugural session as the guest speaker	India Habitat Centre, New Delhi	February 9, 2024
2.	Critical Analysis on Legal Issues and Judgement under Input Tax Credit	PHD Chamber of Commerce & Industry	Knowledge Partner	PHD House, New Delhi	February 28, 2024

## ICSI-ACADEMIC COLLABORATIONS

The ICSI signed MOUs with the following academic institutions during the month:

Punyashlok Ahilyadevi Holkar Solapur University	Kolhapur	January 01, 2024
D Y Patil Agriculture and Technical University	Kolhapur	January 18, 2024

## 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.

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

S.NO.	ORGANIZATION	LOCATION	DESIGNATION
1.	BEML LIMITED	Bengaluru	AGM/DGM-CS
2.	ICSI	Manesar	CRC Executive
3.	Indian Institute of Management Lucknow	Noida	Manager-Investment Mgt.
4.	Office of the Official Liquidator	Ahmedabad	Company Secretary
5.	Punjab Logistics Infrastructure Limited	Ludhiana	Asst. Company Secretary
6.	Yantra India Limited	Nagpur	Company Secretary
7.	A One Textech Private Limited	Sonipat	Company Secretary
8.	ADPL Consultancy Private Limited	Kolkata	Company Secretary
9.	Adrenalin Esystems Limited	Chennai	Company Secretary
10.	Allied Digital Services Limited	Mumbai	Company Secretary
11.	Anika International Private limited	New Delhi	Company Secretary
12.	Autoline Industries Limited	Pune	Company Secretary
13.	Bayer Cropsience Limited	Thane	Company Secretary
14.	Bharat Realty Venture Private Limited	Mumbai	Company Secretary
15.	Bharat Wire Ropes Limited	Mumbai	Company Secretary
16.	Black Rose Industries Limited	Mumbai	Multiple Positions
17.	Boms Private Limited	New Delhi	Company Secretary
18.	CL Educate Limited	Delhi	Company Secretary
19.	Creditaccess Life Insurance Limited	Bengaluru	Company Secretary
20.	Dhunseri Ventures Limited	Kolkata	Company Secretary
21.	Durrung Tea Estate Limited	Kolkata	Company Secretary
22.	Electronics Mart India Limited	Hyderabad	Company Secretary
23.	Equipp Social Impact Technologies Ltd.	Hyderabad	Company Secretary
24.	Excellence Enablers Private Limited	Mumbai	Company Secretary
25.	Fatakpay Digital Private Limited	Mumbai	Company Secretary
26.	FDC Limited	Mumbai	Company Secretary

27.	Finshore Management Services Limited	Kolkata	Company Secretary
28.	Firestorm Electronics Corporation Pvt. Ltd.	Mumbai	Company Secretary
29.	Galaxy Cloud Kitchens Limited	Mumbai	Company Secretary
30.	Gokul Agri International Limited	Ahmedabad	Company Secretary
31.	Haileyburia Tea Estates Limited	Kochi	Company Secretary
32.	HCL Technologies Limited	Noida	Company Secretary
33.	HLS-SJM Advisors India Private Limited	Bengaluru	Company Secretary
34.	IIFL Samasta Finance Limited	Bengaluru	Company Secretary
35.	IIM Lucknow Enterprise Incubation Centre	Noida	Company Secretary
36.	IRM Energy Limited	Ahmedabad	Company Secretary
37.	ISL Consulting Limited	Ahmedabad	Company Secretary
38.	KCL Infra Projects Limited	Indore	Company Secretary
39.	Mahima Investment Advisory Pvt. Ltd.	Kolkata	Company Secretary
40.	Mastek Limited	Mumbai	Company Secretary
41.	Mruga Corporate Services Limited	Mumbai	Multiple Positions
42.	Muds Management Private Limited	Gurgaon	Company Secretary
43.	National Highways Logistics Management Ltd.	Navi Mumbai	Multiple Positions
44.	NRS Bridge Construction India Pvt. Ltd.	Pune	Company Secretary
45.	Omnipotent Industries Limited	Vadodara	Company Secretary
46.	Orion Resolution & Turnaround Pvt. Ltd.	Mumbai	Company Secretary
47.	Rico Auto Industries Limited	Gurgaon	Company Secretary
48.	Shree Bala Ji Pigments Limited	Jammu, Kathua	Company Secretary
49.	Shreni Shares Limited	Mumbai	Company Secretary
50.	Silver Software Private Limited	Bengaluru	Company Secretary
51.	Strata Property Management Private Limited	Bengaluru	Company Secretary
52.	SVC Industries Limited	Mumbai	Company Secretary
53.	Sylvan Plyboard (India) Limited	Kolkata	Company Secretary
54.	TD Power Systems Limited	Bengaluru	Company Secretary
55.	Tulip Compression Private Limited	New Delhi	Company Secretary
56.	Turnaround Corporate Advisors Pvt. Ltd.	New Delhi	Company Secretary
57.	Vistacore Infraproject Private Limited	Pune	Company Secretary
58.	YG Estates Facility Management Pvt. Ltd.	Noida	Company Secretary

For more details, kindly visit ICSI Placement Portal - <https://placement.icsi.edu>

## STATUS OF REGISTRATIONS AND POSTINGS AT THE PLACEMENT PORTAL

(As on February 29, 2024)

Registered Users			Total no. of Vacancies
Members	Students	Corporates	Jobs/ Trainings
18,741	26,021	6,027	11,741

## ICSI-SECTION 8 COMPANIES

### ICSI INSTITUTE OF INSOLVENCY PROFESSIONALS

- WORKSHOPS

Date	Subject	Speaker(s)	YouTube link
February 07, 2024	Interplay of IBC with Other Laws	IP & CS S. Badri Narayanan	<a href="https://www.youtube.com/watch?v=3TOFjxuCFuY">https://www.youtube.com/watch?v=3TOFjxuCFuY</a>
February 08, 2024	Interplay of IBC with Other Laws	IP & CS Dipti Atul Mehta IP & CS Ashish Singh	<a href="https://www.youtube.com/watch?v=x9jV583VrvE">https://www.youtube.com/watch?v=x9jV583VrvE</a>

February 13, 2024 onwards	<b>Perspectives on IBC - An Array (Series VIII)</b>		<a href="https://www.youtube.com/playlist?list=PL30C8PpqWXWha6G5abfUYhZ3obKOT3oB">https://www.youtube.com/playlist?list=PL30C8PpqWXWha6G5abfUYhZ3obKOT3oB</a>
February 13, 2024	Project wise (real estate) insolvency under IBC with relevant case laws.	IP & Advocate Manish Paliwal	
February 14, 2024	Operationalization of Part III of IBC with relevant case laws	IP & CS Vinit Nagar	
February 15, 2024	Treatment of Government Dues under IBC with relevant case laws	IP & CS Deepa Venkat Ramani	
February 16, 2024	Learning Session on Prepack for IPs with relevant case laws	IP & CA Ashish Rathi	
February 21, 2024	Understanding Corporate Restructuring under IBC with relevant case laws	IP & CS Anagha Anasingaraju	
February 24, 2024	Resolution and Way Out of Stressed Assets Under IBC	IP & CS S. Dhanapal IP & CA Jigar Bhatt	

• **Webinars**

Date	Subject	Speaker(s)	YouTube link
February 05, 2024	Anatomy of IBC Case Laws - 13	IP & Advocate Apoorv Sarvaria	<a href="https://www.youtube.com/watch?v=6jNECcfuRs">https://www.youtube.com/watch?v=6jNECcfuRs</a>
February 22, 2024	Decoding Recent changes in IBC Regulations	IP & CS Vinod Kumar Kothari	<a href="https://www.youtube.com/watch?v=PIp0jkLD3FA">https://www.youtube.com/watch?v=PIp0jkLD3FA</a>
February 29, 2024	Anatomy of IBC Case Laws - 14	IP, CS & CMA Siva Rama Prasad Puvvala	<a href="https://www.youtube.com/watch?v=OBzF_JkykWg">https://www.youtube.com/watch?v=OBzF_JkykWg</a>

• **Pre-registration educational Course**

ICSI IIP jointly with the other two Insolvency Professional Agencies conducted Pre-Registration Educational Course online during February 19-25, 2024. The sessions were taken by eminent professionals: IP Ravi Prakash Ganti, IP & CS Anagha Anasingaraju, IP & Advocate Anjali Sharma, IP & CS Devarajan Raman, CA & IP Aneetha Subramaniam, CA & IP Deepak Panpalia, CA & IP Gopal Krishna Raju, Shri Debajyoti Ray Chaudhuri, CMA & IP Madhusudan Sharma, CA & IP Ashish Makhija, CS Nitika Manchanda, IP Pooja Bahry and CA, Advocate & IP Sanjeev Ahuja.

**ICSI INTERNATIONAL ADR CENTRE**

Activity	Date	Faculty	YouTube link
Webinar on Practical Aspects of Mediation	February 06, 2024	Ms. Raavi Birbal (Advocate, Supreme Court & Delhi High Court)	<a href="https://www.youtube.com/watch?v=wMLUKTtEveI">www.youtube.com/watch?v=wMLUKTtEveI</a>

**ICSI REGISTERED VALUERS ORGANISATION**

Activity	Topics / Title	Date	Faculty
CPE Program	Valuation of Securities under Companies Act 2013, inter play with Income Tax and FEMA covering amendments to Rule 11UA, dated 25 <sup>th</sup> September, 2023	February 03, 2024	CS K. Chandra Sekhar
	Good Corporate Governance and Business Valuations	February 27, 2024	CS Pramod Jain
COP Training	Code of Conduct for Registered valuers Professional Ethics Drafting Valuation Report Soft Skills (How to Communicate with the Clients and Peers)	February 13, 2024	CS Rajesh Mittal / CS Harish Chander Dhamija



50 Hours Online Course on Valuation of Securities/ Financial Assets	Valuation of Securities/ Financial Assets	February 20-26, 2024	CS Rajesh Mittal CS Harish Chander Dhamija CA Tarun Mahajan CS Preeti Garg Dr. Ajay Garg CS Sandeep Kothari CS Sumit Dhadha Mr. Chaitanya Jee Srivastava CA Raveesh Choudhary CS Kanishk Arora
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## ICSI-CCGRTS

### ICSI-CCGRT NAVI MUMBAI

- *17<sup>th</sup> Residential Corporate Leadership Development Program (RCLDP)*

The 17<sup>th</sup> Residential Corporate Leadership Development Program (CLDP), conducted at ICSI-CCGRT, Navi Mumbai from February 1<sup>st</sup> to February 16<sup>th</sup>, 2024, brought together 29 participants from various regions of the country. CS Susheela S. Kulkarni, Independent Director & former CGM & CS at HOCL, and Nominee Director at HFL, graced the event as the Chief Guest. The CLDP boasted a distinguished line-up of faculties, including CS Anoop Deshpande, Company Secretary, Sun Pharmaceutical Industries Ltd., CS Satyan Israni, Managing Partner, M/s. SD Israni Law Chambers, Mr. Arvind Salvi, Ex DGM, RBI, CS Kaustubh Koparkar, VP, Link Intime India Pvt. Ltd., CS K. Venkataraman, PCS. The valedictory ceremony was presided over by CS (CA) Ranganayaki Rangachari, who delivered a heartfelt address congratulating all participants on their successful completion of the CLDP program.

- *Seminar on "Analysis of Financial Statements in the Perspective of CS"*

ICSI-CCGRT, Navi Mumbai, hosted a seminar on "Analysis of financial statements in the perspective of CS" on February 10, 2024, featuring distinguished speakers CS (CA) Ranganayaki Rangachari, Practicing Chartered Accountant and CS Vishal Joishar, Partner-Debt & Special situation Ernst & Young. The event drew participation of more than 75 professionals.

- *Seminar on "Alternative Dispute Resolution"*

ICSI-CCGRT, Navi Mumbai, hosted a seminar on "Alternative Dispute Resolution" on February 24, 2024, featuring distinguished speakers CS (CA) Sudha Bhushan, Founder, Manage my Expat, and Advocate Raja Valechha, a practicing advocate in the Supreme Court & High Court. With over 100 professionals in attendance, the event covered crucial aspects of mediation and arbitration in light of the new Mediation Act, 2023.

### ICSI-CCGRT KOLKATA

- *Half Day Workshop on Union Budget 2024-2025*

CA Bikas Chanda Associate Director, Tax & Regulatory Services, PW & Co Ltd. and CS Timir Baran Chatterjee delivered lectures on *Union Budget 2024-25* for the gathering on February 02, 2024.

- *Half Day Workshop on Relevance of AI with Indian Legal System and Overview of Significant Beneficial Ownership*

CS Santanu Mitra, Principal Heritage law College, Kolkata guided the participants on the *Relevance of AI with Indian Legal System* and CS Pammy Jaiswal, PCS enlightened the august gathering on *Overview of Significant Beneficial Ownership* on February 10, 2024.

### INITIATIVES FOR EMPLOYEES

- *Online/Physical session by Samsung*

An exclusive session was organized by Samsung on the topic 'Benefits about Samsung Corporate+ Program and how ICSI employees can save on their personal requirements' on February 12, 2024.

- *Training sessions during the 6<sup>th</sup> ICSI Leadership Summit*

A Training session was organized on February 18, 2024 for the Executive Officers/In-charge of ICSI Chapters on the topic "Motivation and Soft skills" by Ms. Sarika Chawla during the 6<sup>th</sup> ICSI Leadership Summit at Crown Plaza, Greater Noida, UP. Two more sessions were organized during the Leadership Summit on February 19, 2024 on the topic "Team Building & Group Activity"; One for the RDs & Executive Officers/ Chapter In-charges and second for Senior Management by Ms. Pooja Ashsrote Kishore and Mr. Kuljit Singh Marwah respectively.

- *Webinar on "Epilepsy / Care + Precautions" by Dr Reddy's Foundation*

A webinar was organized on February 22, 2024 on the occasion of World Epilepsy Day and Awareness Month on the topic "Epilepsy- Care & Precautions"

by Dr. Reddy's Foundation presented by Dr. Naveen P, Neuro Specialist for the benefit of ICSI employees and pensioners.

- *Health Talk on the topic "How to lead a healthy lifestyle"*

A Health talk on the topic "How to lead a healthy lifestyle" was organized on February 23, 2024 for the employees posted at HQ, Lodi Road. The session was presented by Dr. Shakuntala Dawesar.

- *Online/Physical session by Prudent Insurance Brokers Pvt. Ltd.*

An exclusive online session was organized on February 23, 2024 by Prudent Insurance Brokers Pvt. Ltd. on the topic of 'Introducing Your Gateway to Smart Motor Insurance' for the benefit of ICSI employees as per the MoU signed with the Insurance Brokers.

## INITIATIVES FOR STUDENTS

### CENTRALIZED FREE ONLINE CLASSES FOR EXECUTIVE AND PROFESSIONAL PROGRAMME

ICSI introduced free online Centralized classes for the students of Executive and Professional Programme (New Syllabus) from December 01, 2023 onwards. These Classes are conducted free of cost for the students. The classes are being conducted for the students eligible to appear in June 2024 examination and the duration of the classes will be 4-5 months. Students registered for these classes upto 15<sup>th</sup> February 2024 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.

### VIDEO ON "CAREER AS A COMPANY SECRETARY" LAUNCHED TO CREATE AWARENESS ABOUT CS PROFESSION

A Career Awareness Video was released during ICSI 6<sup>th</sup> Leadership Summit held during February 18-20, 2024 at Hotel Crowne Plaza, Greater Noida. The video briefly covers information about the Institute, CS in Employment, CS in Practice, enhanced role of a CS and stages of CS Course. This short video encapsulates significant role that the ICSI and its Professional Members have been playing to promote honesty and transparency in the corporate world apart from laying foundations and strengthening corporate governance framework in the country. It highlights the recognition that Company Secretaries have received as conscience keeper in the corporate world and traces journey of Company Secretary professionals from being Compliance Officers to Governance Professionals.

As a prelude and an essential part of Career Awareness Programmes (CAP) conducted by the ICSI, the video explains the stages in which CS examination is conducted along with the syllabus and the eligibility requirements thereof (like information on CSEET, ODOP, CS Executive

Programme, EDP, Practical Training, CS Professional Programme, and CLDP).

### 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.).

### DECLARATION OF CS EXECUTIVE & PROFESSIONAL PROGRAMME RESULTS

The Result of CS Executive Old (2017), Executive New Syllabus (2022) & Professional Old Syllabus (2017) for December 2023 Session of Examination was declared on February 25, 2024. 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](http://www.icsi.edu)

### SUCCESSFUL CONFIGURATION OF JUNE 2024 ENROLMENT SETUP FOR EXECUTIVE & PROFESSIONAL NEW SYLLABUS (2022), EXECUTIVE & PROFESSIONAL OLD SYLLABUS 2017

The first exam for the Professional New Syllabus (2022) will take place in June 2024. Consequently, the system has been successfully configured to enrol students for June 2024 session of examination. Subsequently Enrolment Setup also activated for Executive Old (2017) & New Syllabus (2022) & Professional Old Syllabus (2017) students.

### 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).*

## COMPULSORY SWITCHOVER TO NEW TRAINING STRUCTURE EXTENDED UPTO MARCH 31, 2024

The Institute has decided to provide one last opportunity to its students to complete the requirement of short-term training under earlier/modified training structure till 31<sup>st</sup> March, 2024. The Compulsory Switchover to New Training Structure shall now be applicable w.e.f. 1<sup>st</sup> April, 2024.

## 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 will be activated for Professional Programme Students w.e.f., 20<sup>th</sup> November 2023.

## LAUNCH OF NEW TRAINING GUIDELINES 2024

The Institute launched its Student Training Guidelines 2024 during Yuvotsav-2024 (National Conference of Student Company Secretaries) on January 11-12, 2024. The Guidelines are available at: [ICSISTudentTrainingGuidelines15012024.pdf](https://www.icsi.edu/media/webmodules/ICSISTudentTrainingGuidelines15012024.pdf)

## ICSI SAMADHAN DIWAS

ICSI successfully conducted the 40<sup>th</sup> Samadhan Diwas, on Wednesday, February 14, 2024. 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.

## 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: [https://www.icsi.edu/media/webmodules/ATTENTION\\_STUDENTS\\_RECIPROCAL\\_EXEMPTION\\_NEW\\_SYLLABUS\\_2022\\_Updated.pdf](https://www.icsi.edu/media/webmodules/ATTENTION_STUDENTS_RECIPROCAL_EXEMPTION_NEW_SYLLABUS_2022_Updated.pdf)

## PROFESSIONAL PROGRAMME PASS CERTIFICATE OF ICSI IN DIGILOCKER

The Institute decided to issue Professional Programme Pass Certificate online via DIGILOCKER. The same initiative was Launched at 50<sup>th</sup> 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. Announcement and Communication via Bulk Mail has been sent to students for extracting their Professional Pass Certificate for June 2023 Session of Examinations.

## 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:

- *FAQ for Executive Switchover*  
[https://www.icsi.edu/media/webmodules/Executive\\_FAQ\\_SW\\_23022023.pdf](https://www.icsi.edu/media/webmodules/Executive_FAQ_SW_23022023.pdf); [https://www.icsi.edu/media/webmodules/Declaration\\_to\\_cater\\_switchover\\_Request\\_of\\_executive\\_&\\_professional\\_old\\_ysllabus\\_students.pdf](https://www.icsi.edu/media/webmodules/Declaration_to_cater_switchover_Request_of_executive_&_professional_old_ysllabus_students.pdf)
- *FAQ for Professional Switchover to New Syllabus:*  
[https://www.icsi.edu/media/webmodules/Executive\\_FAQ\\_SW\\_23022023.pdf](https://www.icsi.edu/media/webmodules/Executive_FAQ_SW_23022023.pdf)

## COMPANY SECRETARY EXECUTIVE ENTRANCE TEST (CSEET)

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

- *CSEET (May 2024 session)*  
May 2024 session of CSEET is scheduled to be held on May 04, 2024. Last date for registration for CSEET is April 15, 2024.
- *Centralized free online Classes of CSEET*  
ICSI introduced free online Centralized classes for the students of CSEET from December 16, 2023 onwards. These Classes are being conducted free of cost for the students.

- CSEET classes (May 2024 session)**

CSEET Classes are being conducted by Regional/Chapter Offices for the students appearing in CSEET to be held in *May* 2024. Details of Regional/Chapter offices conducting classes are available at: <https://www.icsi.edu/media/webmodules/websiteClassroom.pdf>
- Registration for CSEET Classes at the time of CSEET Registration**

CSEET students can now register directly for the CSEET classes conducted by the 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 [https://smash.icsi.edu/Scripts/CSEET/Instructions\\_CSEET.aspx](https://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 the following categories of students from appearing in CSEET enabling them to take direct admission in CS Executive Programme.

Graduates (having minimum 50% marks) 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.

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 [https://www.icsi.edu/media/webmodules/granting\\_exemption\\_230621.pdf](https://www.icsi.edu/media/webmodules/granting_exemption_230621.pdf)
- Paper bound CSEET Reading Material 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 ₹1000 (CSEET Registration fee).
- CSEET Reference Reading Material (I and II) will be provided on optional basis to all students at the time of CSEET registration**

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 ₹1500. The same is available at: <https://www.icsi.edu/reference-reading-material/>

**ACADEMIC INITIATIVES**

- Student Company Secretary and CSEET Communique**

The Student Company Secretary e-journal for Executive/ Professional Programme students of ICSI

and CSEET Communique covering the latest update on the subject on the CSEET have been released for the month of **February, 2024**. The journals are available on the Academic corner of the Institute’s website at the link: <https://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 <https://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 <https://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 <https://www.icsi.edu/infocapsule/>

**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. 18 such Transcripts were issued in this line in the month of February 2024 under review.

Likewise, on request of the employer/PSU/government authorities and other Education verifier agencies, 5 Education Verification requests of CS students were processed in the month of February 2024.

**TRAINING OPPORTUNITIES FOR STUDENTS**

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

S. NO.	ORGANIZATION	LOCATION	DESIGNATION
1.	Bharat Heavy Electricals Limited	New Delhi	Executive pass
2.	Office of the Official Liquidator	Ahmedabad	Executive pass
3.	Official Liquidator, High Court of Chhattisgarh, MCA	Bilaspur	Professional & Executive pass
4.	RD (SR), MCA	Chennai	Professional & Executive pass
5.	Aditya Birla Health Insurance Co. Limited	Mumbai	Professional Pass

6.	Arihant Capital Markets Limited	Mumbai	Executive Pass
7.	Barak Valley Cements Limited	Delhi	Professional Pass
8.	Birlasoft Limited	Pune	Professional Pass
9.	Borosil Limited	Mumbai	Professional Pass
10.	Britannia Industries Limited	Bangalore	Professional Pass
11.	Container Corporation of India Limited	New Delhi	Professional Pass
12.	Corporate Professionals Capital Pvt. Ltd.	Multiple Cities	Professional Pass
13.	Cubastion Consulting Private Limited	Gurgaon	Professional Pass
14.	Edelweiss Alternative Asset Advisors Limited	Mumbai	Professional Pass
15.	Flipkart Internet Private Limited	Bangalore	Professional Pass
16.	Fourth Partner Energy Private Limited	Hyderabad	Professional Pass
17.	Global Autotech Limited	Greater Noida	Professional Pass
18.	Green Portfolio Private Limited	Gurgaon	Professional Pass
19.	GVFL Limited	Ahmedabad	Professional Pass
20.	HCL Technologies Limited	Noida	Professional Pass
21.	HDFC Asset Management Company	Mumbai	Professional Pass
22.	Healthium Medtech Private Limited	Bengaluru	Executive Pass
23.	Housing and Urban Development Corp. Ltd.	New Delhi	Executive Pass
24.	IDBI Capital Markets & Securities Limited	Mumbai	Professional Pass
25.	INDO-MIM Limited	Bengaluru	Executive Pass
26.	Intas Pharmaceuticals Limited	Ahmedabad	Executive Pass
27.	International Travel House Limited	Gurgaon	Professional Pass
28.	Investcorp India Asset Managers Pvt. Ltd.	Mumbai	Professional Pass
29.	IRB Infrastructure Developers Limited	Mumbai	Professional Pass
30.	JK Tyre & Industries Limited	New Delhi	Professional Pass
31.	Max Healthcare Institute Limited	Gurgaon	Professional Pass
32.	Morgan Stanley Advantage Services Pvt. Ltd.	Mumbai	Professional Pass

33.	Nabfins Limited	Bangalore	Executive Pass
34.	National Stock Exchange of India	Delhi	Professional Pass
35.	Nestle India Limited	New Delhi	Professional Pass
36.	Onmobile Global Limited	Bangalore	Professional Pass
37.	Orchid Pharma Limited	Gurgaon	Executive Pass
38.	Orion Resolution & Turnaround Pvt. Ltd.	Mumbai	Executive Pass
39.	Raheja Universal Private Limited	Mumbai	Executive Pass
40.	Reliance Retail Limited	Navi Mumbai	Professional Pass
41.	Shreni Shares Limited	Mumbai	Professional Pass
42.	VC Corporate Advisors Private Limited	Kolkata	Executive Pass
43.	West Bengal State Electricity Distribution Company Limited	Kolkata	Executive Pass

For more details, kindly visit ICSI Placement Portal - <https://placement.icsi.edu>

## ICSI CAREER AWARENESS

- ICSI through the support of Ministry of Defence is conducting extensive Career Awareness Programmes in various Army Public Schools in the country to sensitize the students, parents and teachers about the CS Profession.
- Career Awareness Programmes, Career Fairs being conducted across the country by ICSI-HQ and Regional Chapter offices on regular basis to create awareness regarding CS Profession amongst the prospective students.

ICSI-HQ organised and conducted following Career Fairs during the month in addition to the other programmes being conducted by RC/Chapter offices across the country:

Event	Date	Venue
Saarthi Career Summit 2024 (attended by 3000+ students)	February 05, 2024	Gurugram University, Gurugram

- **Career Guidance Program in Universities/ Institute's with which ICSI has signed MoU**

A communication was sent to all Universities/ Institutes with which signed MoU under Academic Collaboration Initiative with a request to dissemination of information regarding various registration cut-off dates including flyers and CAP Video to create awareness of CS profession across the country.

# Interview



## Shri Anurag Singh Thakur

Hon'ble Union Minister for Information & Broadcasting  
and Youth Affairs & Sports, Government of India



**Shri Anurag Singh Thakur**, Hon'ble Union Minister for Information & Broadcasting and Youth Affairs & Sports, Government of India

*Shri Anurag Singh Thakur is the Union Minister for Information & Broadcasting and Youth Affairs & Sports, Government of India. He is a four time elected Member of the Indian Parliament (Lok Sabha/Lower House) from Hamirpur, Himachal Pradesh. Within Parliament, he has served as Chairman of the Parliamentary Standing Committee on IT and Member of Public Accounts Committee. During the 16<sup>th</sup> Lok Sabha, he was appointed as the Chief Whip, Lok Sabha, becoming the youngest to assume the post.*

**India aspires to become a developed nation by 2047 (Viksit Bharat @ 2047) and emerge as a global superpower. How can Indian companies compete globally, and how can India improve its Ease of Doing Business ranking significantly?**

Viksit Bharat @ 2047 is the vision of transforming India into a developed nation by the 100<sup>th</sup> year of its independence. This vision encompasses various aspects of development, including economic growth, social progress, environmental sustainability, and good governance.

Achieving this ambitious goal requires the right mindset and active participation from the people. Prime Minister Narendra Modi has emphasised “reform, perform, and transform” as the cornerstone of good governance, placing people at the center of the process. The launch of the Viksit Bharat Sankalp Yatra in December 2023 marked a defining moment, renewing India’s commitment to becoming a developed nation by 2047. This resolve builds upon the foundation of 75 years of continuous effort, the nation’s newfound confidence, and the enhanced competence nurtured in the last decade.

Since the BJP government came to power in 2014, there has been a consistent focus on improving the Ease of Doing Business environment, reflected in India’s remarkable progress in the Ease of Doing Business rankings. The government has actively engaged with stakeholders to enhance both the Ease of Doing Business and the Ease of Living for its citizens.

Indian companies have a significant role to play in the journey towards Viksit Bharat @ 2047. They can achieve this by:

- Collaborating closely with the government to skill the young workforce.
- Instilling in them the spirit of teamwork, collaboration, mutual respect, empathy, and integrity.
- Reshaping the work culture to empower young talent to thrive in the global competitive landscape.

**Serving as the Union Minister for Information & Broadcasting and Youth Affairs & Sports comes with immense responsibility and accountability. What has been your roadmap to success and the inspiration behind your achievements?**

Every position comes with its own set of responsibilities and accountability. However, public servants hold an even greater

responsibility as they are directly accountable to the people who elect them to represent their interests in policy-making and governance.

My biggest source of inspiration is our Prime Minister, Shri Narendra Modi. He is a true leader who exemplifies leading by example and walking the talk. He calls himself “Pradhan Sevak”, and his dedication inspires not only me but also billions in India and across the globe. I am fortunate to be part of his Cabinet.

**The Government of India has implemented various schemes to empower women through social, educational, economic, and political initiatives. What is your view on these schemes?**

The Government of India has taken significant strides towards empowering women across all spheres of society. Under the leadership of Prime Minister Modi, the focus has shifted from merely developing women to fostering women-led development.

Today, Indian women are scripting a new narrative of success in diverse fields, including boardrooms, battlefields, science labs, sports arenas, businesses, government, medicine, and media. The implementation of various schemes and initiatives has played a crucial role in facilitating this transformation.

For example, the Ujjwala LPG scheme has liberated over 10 crore women from the harmful effects of indoor smoke pollution. The Jal Jeevan Mission has provided tap water to more than 13.76 crore households, significantly easing the burden on women. Extending maternity leave from 12 to 26 weeks has been instrumental in supporting working mothers.

Furthermore, initiatives like Stand-up India have empowered women entrepreneurs, with 84% of loans sanctioned under the scheme going to women. The significant representation of women among Jan Dhan account holders and PM Mudra Yojana beneficiaries underscores the government’s commitment to financial inclusion and women’s economic empowerment.

Our government’s stance on reproductive rights and the passage of the historic Narishakti Vandan Adhiniyam, reserving 33% seats for women in various legislative bodies, further demonstrates our dedication to women’s empowerment. Additionally, the disbursement of over ₹14,428.35 crore in maternity benefits under the Pradhan Mantri Matru Vandana Yojana reflects our commitment to ensuring the well-being and dignity of women across the nation.

In a global context where women's rights are under threat, India stands as a beacon of progress and empowerment, championing the cause of gender equality and women's rights at every step.

### **How does good corporate governance foster ethical business practices and transparency? Your perspective on its role in the Indian context, particularly for media, sports, and business sectors.**

Effective corporate governance establishes a framework of rules and practices that guides a company's operations. This framework ensures alignment with the interests of all stakeholders, including shareholders, employees, customers, and the broader community. It plays a crucial role in fostering ethical business practices and transparency:

- **Ethical Conduct:** Robust governance practices emphasise compliance with regulations and ethical behaviour. This translates to responsible decision-making, minimising the risk of unethical activities that could harm stakeholders or damage the company's reputation.
- **Transparency:** Good governance promotes transparency by requiring companies to disclose relevant information, such as financial statements, governance practices, and potential risks. This transparency fosters trust among stakeholders and enables informed decision-making.

#### **In the Indian context:**

- **Media:** The rise of "fake news" highlights the need for media organizations to uphold ethical standards and fact-checking practices. Collaboration between media and government in promoting media literacy and responsible journalism is crucial.
- **Sports:** Good governance in sports federations is essential to ensure fair play, transparency in funding, and the well-being of athletes. Robust governance practices foster a healthy and competitive sporting environment.
- **Business:** Indian businesses face the challenge of balancing their pursuit of profit with ethical and sustainable practices. Strong corporate governance helps them navigate these complexities and contribute positively to society.

### **How can the Institute of Company Secretaries of India (ICSI) assist the Government of India in strengthening governance, considering their vision of becoming a global leader in promoting good governance?**

The ICSI's commitment to good governance positions it to significantly support the government's efforts. Here are possible initiatives and activities:

- **Knowledge dissemination:** The ICSI can offer its expertise by conducting training programs for government officials and company secretaries on best practices in corporate governance. This knowledge sharing can enhance the government's capacity to implement and enforce governance frameworks effectively.
- **Policy advocacy:** The ICSI can advocate for policy changes that promote good governance, such as strengthening regulatory frameworks and enhancing transparency requirements. By actively engaging with policymakers, the

ICSI can contribute to shaping a more robust governance environment.

- **Collaboration:** The ICSI can collaborate with government agencies on various initiatives that encourage ethical business practices and discourage misconduct. This collaboration can involve joint research, developing codes of conduct, and promoting responsible corporate citizenship.
- **Research and development:** The ICSI can conduct research on emerging governance challenges and best practices, providing valuable insights to policymakers and industry stakeholders. This thought leadership could help shape future governance frameworks and address evolving complexities.

**By leveraging its expertise and fostering collaboration, the ICSI can play a crucial role in supporting the government's vision of strengthening governance and contributing to India's journey towards becoming a global leader in this domain.**

### **What role do Company Secretary Professionals play in ensuring good governance and contributing to India's inclusive growth and ambitious GDP targets?**

Company Secretary Professionals play a vital role in ensuring good governance and contributing to India's success:

- **Compliance and ethical conduct:** They act as guardians of compliance, ensuring companies adhere to regulations and ethical standards. This fosters transparency, accountability, and minimises legal and reputational risks.
- **Strategic guidance:** They provide strategic guidance to companies on matters related to corporate governance, risk management, and sustainability. This ensures companies operate responsibly and contribute positively to society.
- **Stakeholder engagement:** They facilitate effective communication and engagement between companies and their stakeholders, fostering trust and collaboration. This contributes to inclusive growth and responsible business practices.

**By upholding ethical standards, providing sound guidance, and promoting responsible stakeholder engagement, Company Secretary Professionals are instrumental in strengthening corporate governance and contributing to India's ambitious goals of inclusive growth and economic prosperity.**

#### **Message to Young Members of ICSI and the Journal's readers:**

I encourage you to embrace a "can-do" attitude and pursue your goals with unwavering determination. Remember, you are the "Amrit Peedhi", who will shape the "Amrit" (immortal) future of India. The government stands beside you, providing support and opportunities for your continued growth and contributions to the nation's economic and business landscape.







**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। *Speak the truth. Abide by the law.*

*Mission*

"To develop high calibre professionals  
facilitating good corporate governance"

**#IntlGovCon**

# ICSI 3<sup>rd</sup> International Conference

**Theme: Building Resilient &  
Sustainable Economies**

**5-6 April 2024 | Orchard Hotel, Singapore**

**Co-Host: ICSI Overseas Centre, Singapore**

**Knowledge Partners**





## About the Conference

The past decade has seen India emerge as one of the fastest growing economies of the world, demonstrating the rise of the global south on the world map and providing a way forward for the growth and development of the entire South East Asia.

To leverage on the momentum and keep pace with the paradigm shift, the ICSI is organizing its **3<sup>rd</sup> International Conference** in the Lion City, **Singapore**, on the **5<sup>th</sup> and 6<sup>th</sup> of April 2024**, in association with **ICSI Overseas Centre, Singapore**.

In alignment with the Mission and the Vision of the ICSI and in continuum of the endeavour of facilitating exchange of knowledge, the ICSI 3<sup>rd</sup> International Conference will be a conflux of the progress so far in the Corporate Governance landscape and the road ahead.

It would help stakeholders upgrade their performance in accordance with Global Sustainable Development Goals (SDGs) and drive their behaviour towards shaping a sustainable culture in their respective organizations.

The theme of this year's Conference, **Building Resilient & Sustainable Economies**, has been carefully curated to provide an opportunity of probing into the Corporate Governance trends of 2024, impacted by a series of unconventional developments in the year 2023.

Further, the Conference would bring in Thought Leaders, Professionals, and Practitioners from around the world to hold discussions and deliberations on topics spanning global aspects.

We are excited about the perspectives that the experts and the eminent speakers will bring on board, at the Conference, and we hope that the exchange of ideas will lead to innovative solutions for the challenges that our world faces today.

Join us for an enriching, comprehensive and collaborative learning experience at the Conference in the beautiful city of Singapore!

## Programme Highlights



**Two-Days Capacity Building Programme**



**Opportunity to explore New Horizons**



**Networking with Global Leaders**

CS B Narasimhan  
President, The ICSI

CS Dhananjay Shukla  
Vice President, The ICSI

CS NPS Chawla  
Council Member & Chairman,  
International Affairs Committee, The ICSI

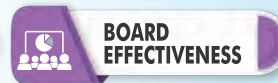
CS Asish Mohan  
Secretary, The ICSI

CS Nitish Chandan  
Chairman, ICSI Overseas  
Centre, Singapore

2



## Engaging Sessions with varied dimensions on the following



## Tentative Programme Schedule

Day & Date	Time (Singapore Time)	Particulars
Day 1 Friday 5 April 2024	1130 - 1230 hrs	Registration & Networking Tea
	1230 - 1330 hrs	Opening Plenary
	1330 - 1430 hrs	Networking Lunch
	1430 - 1515 hrs	Plenary II Sustainability Reporting – A Challenge or An Opportunity
	1515 - 1630 hrs	Plenary III Shifting Board Oversight from Operations to Risk and Strategy
	1630 - 1700 hrs	Tea
	End of Day - 1	

Day & Date	Time (Singapore Time)	Particulars
Day 2 Saturday 6 April 2024	1000 - 1100 hrs	Plenary IV Unleashing the Power of AI in Compliance
	1100 - 1145 hrs	Plenary V India - Singapore Bilateral Ties
	1145 - 1215 hrs	Tea Break
	1215 - 1330 hrs	Plenary VI Confluence of ESG into Value Creation
	1330 - 1430 hrs	Networking Lunch
	1430 - 1530 hrs	Plenary VII The acceptance and receptivity of DE & I
	1530 - 1630 hrs	Plenary VIII Combating Money Laundering
	1630 - 1700 hrs	Tea
End of Day - 2		





# ICSI 3<sup>rd</sup> International Conference

## Delegate Fee (Non – Residential)

Category	Fee in INR*	Fee in Singapore Dollar**
ICSI Member/Member of Partner Organisation	15,000	250
ICSI Student	12,000	200
Others	20,000	325

\*Exclusive of GST @18% \*\*Taxes as applicable

**Delegates making payment in INR register at**

**<https://tinyurl.com/3intconf>**



**Delegates making payment in Singapore Dollar to pay at the below mentioned bank account**

**and then register at**



**<https://tinyurl.com/3intconfSGD>**

### BANK ACCOUNT DETAILS

Beneficiary Name	The Institute of Company Secretaries of India
Account Number	912010040104826
Swift Code (Outside Country)	AXISINBB055
Bank Name & Branch	Axis Bank Ltd. Swasthya Vihar, New Delhi- 110092

### Kindly Note:

Prior Registration for the Conference is mandatory

Delegate fee is payable in advance and is non-refundable. Please note that payments are not accepted through DD, Cheque, Cash etc.

The fee includes literature, tea/coffee, high-tea and 2 lunches

Delegates may arrange flight tickets, visa, stay and local travel on their own or may contact M/s Balmer Lawrie at

+91 7042995934, mamta.m@balmerlawrie.com / +91 9818406447, bhatia.neetu@balmerlawrie.com  
Please Note: Balmer Lawrie will only facilitate, Visa+Hotel Or Visa+Ticket Or Visa+Hotel+Ticket requests.

**ICSI Members attending the Conference shall be eligible for grant of CPE Credits in terms of ICSI (Continuous Professional Education) Guidelines, 2019.**

### FOR QUERY/ CLARIFICATIONS

Contact: +91 - 11 - 4534 1063/ 1064/ 1065/1087/1088 | Email: [overseas@icsi.edu](mailto:overseas@icsi.edu)



# Sponsorship Tariff

No.	Details	Amount
1	<b>Principal Sponsor</b> <ul style="list-style-type: none"> <li>• One Special Full-Page Advertisement in Chartered Secretary</li> <li>• Delegate Fee exemption for 8 Delegates (Non-Residential)</li> <li>• Logo Display at Backdrop</li> <li>• Special Acknowledgment</li> </ul>	<b>15,00,000 INR / 24,000 SGD</b>
2	<b>Co-Sponsor</b> <ul style="list-style-type: none"> <li>• One Special Full-Page Advertisement in Chartered Secretary</li> <li>• Delegate Fee exemption for 5 Delegates (Non-Residential)</li> <li>• Logo Display at Backdrop</li> <li>• Special Acknowledgment</li> </ul>	<b>10,00,000 INR/ 16,000 SGD</b>
3	<b>Diamond Sponsor</b> <ul style="list-style-type: none"> <li>• One Special Full-Page Advertisement in Chartered Secretary</li> <li>• Delegates Fee exemption for 4 Delegates (Non-Residential)</li> <li>• Logo Display at Conference Site</li> <li>• Special Acknowledgment</li> </ul>	<b>8,00,000 INR/ 12,800 SGD</b>
4	<b>Golden Sponsor</b> <ul style="list-style-type: none"> <li>• One Special Full-Page Advertisement in Chartered Secretary</li> <li>• Delegates Fee exemption for 3 Delegates (Non-Residential)</li> <li>• Logo Display at Conference Site</li> <li>• Special Acknowledgment</li> </ul>	<b>6,00,000 INR/ 9600 SGD</b>
5	<b>Silver Sponsor</b> <ul style="list-style-type: none"> <li>• One Special Full-Page Advertisement in Chartered Secretary</li> <li>• Delegates Fee exemption for 2 (Non-Residential)</li> <li>• Logo Display at Conference Site</li> <li>• Special Acknowledgment</li> </ul>	<b>4,00,000 INR/ 6400 SGD</b>

For Sponsorship Contact **Ms. Pooja Sharma**  
M: 9625655045 E: pooja.sharma@icsi.edu





# GLIMPSES

## 1<sup>st</sup> International Conference of ICSI Overseas Centre 31 March 2022 | Dubai, UAE



## 2<sup>nd</sup> International Conference of ICSI Overseas Centre 11-12 May 2023 | London, UK



# 2024 UAE GLOBAL CONVENTION

CS Rupanjana De, Central Council Member, The ICSI, represented The ICSI at 2024 Dubai Global Convention



# ICSI Middle East (DIFC) NPIO Celebrated International Women's Day on March 2, 2024 at Mankhool, Dubai







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सत्यं वद। धर्मं चर। इष्टकारं कुरु। तृणपत्रं बोधयेत्। इयं कुरु।

*Mission*

"To develop high calibre professionals facilitating good corporate governance"

# 2<sup>nd</sup> National Women's Conference

Being hosted by Southern India Regional Council, The ICSI

**Theme: Inspire Women Leadership - Accelerate Progress**

March 22 - 23, 2024

Sheraton Grand Bangalore Hotel at Brigade Gateway, Rajajinagar, Bengaluru



## Invitation



*Dear Professional Colleague,*

The Institute is delighted to organise its **2nd National Women's Conference**, dedicated to acknowledging the pivotal role women play in propelling economic and social advancements. This event aims to celebrate their noteworthy contributions across social, economic, cultural, and political spheres.

As we approach International Women's Day, it brings me great joy to extend a cordial invitation to you for the **2nd National Women's Conference**, scheduled for **March 22-23, 2024**, on the theme "**Inspire Women Leadership - Accelerate Progress.**" The event will take place at **Sheraton Grand Bangalore Hotel at Brigade Gateway, Rajajinagar, Bengaluru**. Bengaluru is, recognized as the Silicon City of India as well as, India's "Garden City," and also renowned as IT hub. Join us as we honour and amplify the achievements of women, fostering a platform for empowerment and inspiration.

Our collective aim is to inspire and accelerate progress by promoting women leadership, ensuring equal opportunities, and breaking down barriers that hinder their advancement. The theme underscores the crucial role women play in shaping a progressive and inclusive future. We are confident that the Conference will provide for insightful discussions, valuable experiences, and meaningful connections that will contribute to the ongoing journey towards gender equality and empowerment.

We are sure to witness a gathering of remarkable individuals who share a commitment to acknowledging and fostering the influential leadership of women in our society. This Conference serves as a platform to celebrate the achievements of women, recognizing their pivotal roles in various spheres.

Your presence shall add tremendous value to our collective endeavour to inspire women leadership and accelerate progress. Both female and male delegates along with their spouse, children and other guests are welcome to attend the Conference, the cultural programme and other attractions.

We also propose to bring out a commemorative Souvenir for this momentous occasion, featuring heartfelt messages, insightful theme articles, and detailed program information. Your esteemed participation is sought for the **2nd National Women's Conference and would appeal to you to leverage your influence to secure advertisement and sponsorship support for this important event.**

Your support will play a crucial role in making this Conference an even greater success. We invite you to utilize your influential network and goodwill to contribute towards the success of this event. Your involvement will not only enhance the Conference experience but will also contribute to the empowerment and celebration of women empowerment.

We encourage you to **register for the 2nd National Women's Conference** at Bengaluru and be an integral part of this empowering and enlightening gathering. Thank you for your anticipated support and active participation in making this event a resounding success.

Looking forward to welcome you at the **Garden City of India!**

With best regards,

Yours' sincerely,

**CS B. Narasimhan**  
President, The ICSI



## Theme & Sub-themes

The theme of the 2<sup>nd</sup> National Women's Conference "Inspire Women Leadership – Accelerate Progress" embodies the spirit to celebrate women's achievements and honour their legacy that will inspire the future generations of women to strive for excellence while rewriting the future into a more just and equitable world for all. The sub-themes for the Sessions to be held during the two-day's conference are as under:

- I. Essentials for Impactful Leadership
- II. Embracing Technology for Ease of Compliance
- III. Significant Role of Women Directors & Company Secretaries in Corporate Sphere
- IV. Importance of Mental Health & Work-Life Harmony for Well Being

The sessions envisage focussed deliberations upon significant role played by women in the corporate and to recognize their social, economic, cultural and political achievements, understand importance of their role as leaders, factors that influence their involvement, health and work-life balance aspects concerning women, opportunities and challenges for the women and the future roadmap to further their inclusion in all spheres.

## About Bengaluru

Bengaluru, the capital of Karnataka, is nicknamed as the Garden City of India due to tree-lined streets, parks and abundant greenery. Bengaluru is home to many of the most well-recognised colleges and research institutions in India. Numerous public sector undertaking, software companies, aerospace, telecommunications, and defence organizations are located in the city. Bengaluru is known as the Silicon Valley of India because of its position as the nation's leading IT exporter.

Bengaluru is witnessing a tremendous growth due to good infrastructure, availability of abundant technical manpower, skilled labour and a salubrious climate. A demographically diverse city, Bengaluru is a major economic and cultural hub and the fastest growing metropolis in India. Even though it is a cosmopolitan city, Bengaluru holds on to its traditional features. The people in the city are warm, hospitable and friendly. All in all, a lovely city to visit.



### Venue of the Conference

Sheraton Grand Bangalore Hotel at Brigade Gateway  
26/1 Dr. Rajkumar Road, Malleswaram, Bengaluru, Karnataka 560055

## How to reach Bengaluru

### By Air

Kempegowda International Airport is situated at Devanahalli, which is about 31 Kms. Away from the venue. This airport has good connectivity across major cities in India and abroad.

### By Train

Krantivira Sangolli Rayanna, Yeshwantpur and Cantonment railway stations are the three major railheads situated in the city. These railway stations are well connected to all the important cities of the country. Distance to the venue from Krantivira Sangolli Rayanna Railway Station – 5.6 Kms; Yeshwantpur Railway Station – 1.7 Kms; and Cantonment Railway Station – 7.2 Kms.

### By Road

Bengaluru is connected with most of the Indian cities by road. The National Highway number 44, 75, and 66 connect the city with other cities and States in India. The Kempegowda Bus Station in the heart of the city is the main bus terminal. Distance to the venue from Kempegowda Bus Station – 5.5 Kms; Shanthinagar Bus Station -10 Kms; and Yeshwantpur Bus Station – 1 Km.

### By Metro

Green line is well connected, and Sandal Soap Factory metro station is about 600 meters away from the venue.



## TOURIST ATTRACTIONS AT BENGALURU

### Vidhana Soudha

The seat of the Government of Karnataka, Vidhana Soudha is a granite marvel which leaves observers spellbound by its sheer grandeur. Though there are several impressive buildings and monuments in the city, Vidhana Soudha stands out with its Neo-Dravidian style of architecture, broad staircase in front and the giant pillars.



### Bangalore Palace

An epitome of great architecture and beauty, the majestic Bangalore Palace preserves in it the spice of old regal opulence. Currently the central attraction in Bengaluru, the palace was built in the year 1878. The palace is extraordinarily vast and spread across 45,000 square feet. The wooden structure of the palace along with the beautiful carvings both inside and outside showcases the royal culture in different ways.



### ISKCON Temple

Bengaluru's ISKCON Temple holds the honour of being the largest in the world. Its foundation was laid in 1997. The temple stands out for its neo-classical architectural style, the ethereal idols of Radha and Lord Krishna and the ornate arch at the entrance, among other things.



### Bull Temple

The Bull Temple in Basavanagudi is one of the largest temples in the world dedicated to Lord Nandi. It houses a very large and majestic idol of Lord Nandi, measuring 15-feet in height and 20-feet in length. The temple is located inside the famous Bugle Rock Park.



### Cubbon Park

Cubbon Park is like a breath of fresh air in the bustling city of Bengaluru. The 300-acre park, brimming with greenery and tranquillity, is a great pick for a fun outing with the family. It is also a treasure trove of biodiversity with about 6000 trees & plants, representing almost 100 species.



### Lalbagh Botanical Garden

Lalbagh Botanical Garden traces its origin to the 1760s, when the then ruler of Mysore, Hyder Ali initiated the development of 40 acres of land as a private garden for the royal family. What you see today is a result of constant expansion and development carried out by regional rulers over the years.



### Jawaharlal Nehru Planetarium

A popular attraction administered by the Bengaluru Association for Science Education (BASE). The entire establishment is meant for science enthusiasts with an aim to impart knowledge of the aspects of earth and space in a fun and exciting way. The Sky Theatre is its main attraction with other exciting setups to experience a number of scientific phenomena.



### The Visvesvaraya Industrial and Technological Museum (VITM)

A constituent unit of the National Council of Science Museums (NCSM), Ministry of Culture, Government of India, was established in memory of Sir M. Visvesvaraya. The 4,000 m (43,000 sq ft) building was constructed in Cubbon Park, and was inaugurated by the first Prime Minister of India, Pandit Jawaharlal Nehru, on July 14, 1962. The museum displays industrial products, scientific models and engines.



### St. Mary's Basilica

A shrine located in Shivajinagar (Blackpally) locality. It is among the oldest churches at Bengaluru and the first church in the State that has been elevated to the status of a minor basilica. It is famous for festivities held during the St. Mary's Feast in the month of September each year, attracting devotees from the entire metropolitan area of Bengaluru.



### The Big Banyan Tree

It is the largest banyan tree in the State of Karnataka and is the fourth largest Banyan Tree in the country. This single tree is one of a kind as it has been standing for more than 400 years, which is why the roots have altered and the single tree looks like many trees and is spread across 3 acres.



### Bannerghatta National Park

Situated in the outskirts of the city is Bannerghatta National Park, where you get the chance to capture the fascinating wildlife of the region from up-close. Elephants, leopards, sambars, wild boars and sloth bears are among the animals that you may come across.



## TENTATIVE PROGRAMME SCHEDULE

### DAY – 1

March 22, 2024 (Friday)

12:00 Noon onwards	:	<b>Registration of Delegates</b>
1:00 PM - 2:00 PM	:	<b>Lunch</b>
2:00 PM - 3:00 PM	:	<b>Inaugural Session</b>
3:00 PM - 4:00 PM	:	<b>Technical Session I</b> Essentials for Impactful Leadership
4:00 PM - 4:30 PM	:	<b>Networking Tea</b>
4:30 PM - 5:30 PM	:	<b>Technical Session II</b> Embracing Technology for Ease of Compliance
5:30 PM – 6:30 PM	:	<b>Open House Session</b>
7:00 PM onwards	:	<b>Cultural Evening &amp; Dinner</b>

### DAY - 2

March 23, 2024 (Saturday)

10:00 AM - 11:30 AM	:	<b>Technical Session III</b> Significant Role of Women Directors & Company Secretaries in Corporate Sphere
11:30 AM - 12:00 Noon	:	<b>Tea Break &amp; B2B Session</b>
12:00 Noon - 1:30 PM	:	<b>Technical Session IV</b> Importance of Mental Health & Work-Life Harmony for Well Being
1:30 PM onwards	:	<b>Networking &amp; Lunch</b>



## DELEGATE FEE AND REGISTRATION PROCESS

### DELEGATE REGISTRATION FEE\* (Non-Residential)

Delegate Category	Early Bird (26 <sup>th</sup> February, 2024 to 10 <sup>th</sup> March, 2024)	Registration (on or after 11 <sup>th</sup> March, 2024 including on the spot registration)
Members of ICSI	INR 4000	INR 5000
Students/Accompanying Spouse/Child (5 years and above)/ Sr. Member (60 years and above)	INR 3500	INR 4500
Non-Members	INR 5000	INR 6000

- \*Exclusive of GST @18% on non-residential basis;
- Participation is open to all Members (Male & Female);
- 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;
- Delegates may register for the Conference by visiting the following Registration Link:

**REGISTRATION LINK: <http://tinyurl.com/2p9vd3p9>**

### PROGRAMME CREDITS

- Members: 8 (Eight) Structured CPE Credits
- Students: 16 (Sixteen) PDP Hours, (if applicable)

### SPEAKERS

Eminent persons from the Government, Industry, including Professional and Management Experts will address the participants and there would be brainstorming sessions and interactions.

### PARTICIPANTS

Company Secretaries, Directors, Chartered Accountants, Cost and Management Accountants, Senior Executives, Senior Officers from Government, Academicians and other Professionals are invited to the Conference.

### ACCOMPANYING GUESTS, SPOUSE AND CHILDREN

Accompanying Guests, Spouse and Children registered for the Conference will be eligible to participate in Lunch, Dinner, Cultural Evening and other attractions of the Conference.

### PAPERS FOR SOUVENIR

Members who wish to contribute papers for publication in the Souvenir are requested to send the same through email at [conference@icsi.edu](mailto:conference@icsi.edu) on or before **March 8, 2024**. The paper should not normally exceed 10 typed pages (font size Arial 11 point –single space) and without any diagrams / sketches / downloaded pictures from internet. The content shall be original work of the author. Articles will be checked for Plagiarism by the Institute. The Institute will consider the Articles received and the decision of the Institute will be final in all respects. Member whose article is selected for publication would be eligible for grant of **4 (Four) Structured CPE Credits**.

**CS B. Narasimhan**  
President, The ICSI

**CS Dhananjay Shukla**  
Vice President, The ICSI

**CS Dwarakanath Chennur**  
Programme Director and  
Council Member, The ICSI

**CS Asish Mohan**  
Secretary, The ICSI

**CS Pradeep B. Kulkarni**  
Programme Coordinator and  
Chairman, The ICSI - SIRC

**CS Venkata Subbarao Kalva**  
Programme Facilitator and  
Chairman, The ICSI - Bengaluru Chapter



## HOTEL ACCOMMODATION

The ICSI has taken best rates from various Hotels and blocked the limited number of rooms at concessional rates for delegates. Delegates may contact the Hotel directly for their individual reservations. All payments related to hotels are to be settled by the delegate with the hotel concerned directly. The Hotels and their Booking details shall be posted at the Institutes website shortly.

## SPONSORSHIP/ADVERTISEMENT TARIFF

No.	Details	Amount in Rs.
1	<b>Principal Sponsor</b> <ul style="list-style-type: none"> <li>One Special Full Page Advertisement in Souvenir</li> <li>Fee exemption for Delegate (non-residential)</li> <li>Logo Display at Backdrop</li> <li>Special Acknowledgement</li> </ul>	8,00,000  8 Delegates (Non Residential)
2	<b>Co-Sponsor</b> One Special Full Page Advertisement in Souvenir <ul style="list-style-type: none"> <li>Fee exemption for Delegate (non-residential)</li> <li>Logo Display at Backdrop</li> <li>Special Acknowledgement</li> </ul>	5,00,000  5 Delegates (Non Residential)
4	<b>Dinner Sponsor / Lunch Sponsor</b> One Special Full Page Advertisement in Souvenir <ul style="list-style-type: none"> <li>Fee exemption for Delegate (non-residential)</li> <li>Logo Display at Conference Site</li> <li>Special Acknowledgement</li> </ul>	3,00,000  3 Delegates (Non Residential)
6	<b>Golden Sponsor</b> <ul style="list-style-type: none"> <li>One Special Full Page Advertisement in Souvenir</li> <li>Fee exemption for Delegate (non-residential)</li> <li>Logo Display at Conference Site</li> <li>Special Acknowledgement</li> </ul>	2,50,000  2 Delegates (Non Residential)
3	<b>Sponsorship for Bags</b> One Special Full Page Advertisement in Souvenir <ul style="list-style-type: none"> <li>Fee exemption for Delegate (non-residential)</li> <li>Logo Display at Conference Site</li> <li>Special Acknowledgement</li> </ul>	2,00,000  2 Delegates (Non Residential)
5	<b>Hi Tea Sponsor</b> One Special Full Page Advertisement in Souvenir <ul style="list-style-type: none"> <li>Fee exemption for Delegate (non-residential)</li> <li>Logo Display at Conference Site</li> <li>Special Acknowledgement</li> </ul>	2,00,000  2 Delegates (Non Residential)
7	<b>Silver Sponsor</b> <ul style="list-style-type: none"> <li>One Special Full Page Advertisement in Souvenir</li> <li>Fee exemption for Delegate (non-residential)</li> <li>Logo Display at Conference Site</li> <li>Special Acknowledgement</li> </ul>	1,00,000  1 Delegate (Non Residential)
8	<b>Advertisements in Souvenir</b> Back Cover Inside Cover Special Full Page (coloured printing) Half Page (coloured printing) Full Page (B/W printing) Half Page (B/W printing)	70,000 60,000 50,000 25,000 25,000 15,000
9	<b>Sponsorship of Pen/ Pad for Conference CS Delegates*</b>	100,000
10	<b>Stall (6*6)*</b>	50,000

\*GST extra as applicable

## QUERY/CLARIFICATION

In case you have any query, following officials may be contacted:

Query / Clarification	Name of the ICSI Official	e-mail ID	Contact No.
Delegate Registration	Mr. Vineet Sharma	Vineet.sharma@icsi.edu	011-45341093
Sponsorship/Advertisement	Ms. Pooja Sharma	Pooja.sharma@icsi.edu	011-45341087



## 2<sup>nd</sup> National Women's Conference Sponsorship / Advertisement Form

The Secretary  
The Institute of Company Secretaries of India  
ICSI House, 22, Institutional Area  
Lodi Road, New Delhi - 110 003

Dear Sir,

Kindly accept Principal / Co-sponsorship / Lunch Sponsorship / Sponsorship for Bags / Hi Tea Sponsorship / Golden Sponsorship / Silver Sponsorship / Back Cover Advertisement / Inside Cover Advertisement / Special Full Page (Colour) Advertisement / Full Page (B/W) Advertisement / Half Page (Colour) Advertisement / Half Page (B/W) Advertisement / Sponsorship of Pen, Pad for Delegates / Stall for 2<sup>nd</sup> National Women's Conference to be held on March 22-23, 2024 at Sheraton Grand Bangalore Hotel at Brigade Gateway, 26/1 Dr. Rajkumar Road, Malleswaram, Bengaluru, on the theme "Inspire Women leadership – Accelerate Progress".

We are forwarding herewith Bank Draft / Cheque / NEFT Mandate for Rs. \_\_\_\_\_ in favour of "The Institute of Company Secretaries of India" payable at New Delhi.

The Advertisement Artwork / Logo of the Organisation / CD is / are enclosed / being sent separately.

Yours sincerely,

(Signature)  
Sponsoring Authority

Date : \_\_\_\_\_

Name of the  
Organisation: \_\_\_\_\_

Address : \_\_\_\_\_

Contact Person:

Designation:

Email ID:

Tel. / Mobile No.:





# International WOMEN'S DAY

**'Inspire  
Inclusion'**



# Women Leadership

## Views of Women Professionals on 'Inspire Inclusion'



### Embracing Inclusion: A Pathway to Empowerment



#### Mrs. Sushma Paul Berlia

Chairman, Apeejay Education  
Chancellor, Apeejay Styra University  
Chairman, Apeejay Styra and Svrán Group

As we embark on the journey of celebrating yet another International Women's Day, I am filled with a profound sense of gratitude and optimism. This day, born out of the noble intentions of the United Nations to champion gender equality, has evolved into a beacon of hope, diversity, and inclusivity.

The theme for this year's celebration, "Inspire Inclusion," resonates deeply with the values we hold dear at Apeejay Education & Apeejay Styra and Svrán Group. It encapsulates the essence of our mission – to create a world where every woman is not just recognised but celebrated, where her voice is not just heard but amplified, and where her potential is not just acknowledged but unleashed.

In the pursuit of inclusion, we find the true essence of progress. When we inspire others to understand and value women's inclusion, we lay the foundation for a brighter, more equitable future. Moreover, when women themselves

are inspired to embrace their own inclusion, they unlock a sense of belonging, relevance, and empowerment that knows no bounds.

At Apeejay Education, with our 26 educational institutions and a community of over 40,000 students, we understand the transformative power of education. It is not merely a means to impart knowledge but a catalyst for change – a tool through which we can shape a more inclusive society, where every individual, regardless of gender, is afforded equal opportunities to thrive and succeed.

In today's fast-paced world, where innovation, technology, and digital education reign supreme, a gender-responsive approach is not just desirable but imperative. By harnessing the power of technology to bridge the gender gap, we can raise awareness, spark dialogue, and drive meaningful change at scale.

As we come together to celebrate the achievements of women everywhere, let us also reflect on the work that lies ahead. Let us commit ourselves to the cause of inclusion – to breaking down barriers, challenging stereotypes, and creating a world where every woman is free to pursue her dreams and fulfil her potential.

I extend my deepest gratitude to the Institute of Company Secretaries of India for providing this platform to amplify the message of inclusion. May this Women's Day serve as a catalyst for action, inspiration, and unity, as we work together to build a future where every woman is valued, respected, and included.



#### Ms. Rekha Sharma

Chairperson  
National Commission for Women

On this International Women's Day, as we celebrate the remarkable achievements and resilience of women worldwide, let us reaffirm our commitment to inspire inclusion in all facets of society. The theme of this year, 'Inspire Inclusion', serves as a powerful reminder of the importance of creating a world where every woman and girl has equal opportunities, representation, and respect.

We need to explore bold ideas and transformative leadership to forge a world free of bias, stereotypes and discrimination. A world that's diverse, equitable and inclusive and how innovation and embracing new technologies can accelerate progress towards a gender equal future. Through the process of equity, we can reach equality. Women leaders are leaving companies at the highest rate we've ever seen and at a much higher rate than men leaders. It is time we given them a congenial environment at work and home to flourish. International Women's Day 2024 is an opportunity to recognise the importance for women to wellbeing while they embrace equity.

As Chairperson of the National Commission for Women, I feel there is a need to embrace equity in individuals, communities, and institutions to challenge stereotypes, and dismantle barriers that hinder women's progress. As a society we need to work towards a future where inclusivity thrives, and every woman's voice is heard and valued.



## Ms. Bhamathi Balasubramaniam

IAS (Retd.), Former Secretary to Govt.  
and Former Member (A) of the Central  
Administrative Tribunal (CAT)

International Women's Day beckons us to engage in introspection, accentuating the pivotal roles women occupy in our lives. This day each year is a powerful reminder of what has been done to advance gender equality, so far, dedicated to recognizing and celebrating the diverse achievements of women. But it also a time for us to continue to become aware and raise awareness of the persisting barriers that impact the advancement of women and girls. It is the time to review and question the existing and newly emerging gaps between intentionalities and executions, in the march towards reducing gender inequality and establishing greater gender equity.

Hence, it is very welcome to focus in 2024, on "Inspire Inclusion" as the champion theme to spotlight on inclusivity, compelling us to assume more proactive roles in nurturing a world enriched with diversity. It is indeed heartening to note that ICSI had adopted the UN theme of "Inspire Inclusion" for its journal to celebrate International Women's Day, 2024.

While International Women's Day serves as a powerful platform to raise awareness and inspire action, true progress towards gender equality requires a sustained commitment to inclusion beyond a single day. The moot point is how we can ensure that the spirit of "Inspire Inclusion" transcends the confines of International Women's Day and contribute to achieving the UN sustainable development goals (UNSDG), that India is a signatory to.

It is now well documented now that Covid-19 disrupted the world of work, amplified socio-economic and gender inequities. It also ushered in attendant consequences in which the rules of work life balance of women got rescripted. The gendered implications of the pandemic, with long-term setbacks in women's workforce

participation and income, make it imperative for organisational leaders to look back to work forward and prioritise inclusion from this pandemic experience and address more than ever before, the needs of a wide range of vulnerable, marginalised, unrepresented and under-represented groups and voices of women. As Stephen Frost said, "Unless you consciously include, you will unconsciously exclude."

Post pandemic, digital divide is also the emerging new face of gender inequality. Digital technology is perceived to be a great equaliser. That would be true only if everybody can access and use it, irrespective of gender, class or caste. Women often bear the the triple burden. While, on the one hand, digital technology has transformed societies and ushered in the AI revolutions, unleashing unprecedented opportunities for new ways of growth and development, there is hard and incontrovertible evidence to show that the era of rapid digitisation has posed serious challenges for women to use, access internet, connectivity, devices, skills and foundational education. This means that the existing gender inequality would become more pronounced in the times to come, unless we adopt the principles of inclusivity, in time. By 2050, 75% of our jobs is predicted to relate to science and technology. Are we prepared for that? Let us co create a new blueprint for gender equality, bring about technovations which could rapidly transform the narrative for girls and women, as much as for boys and men, to leverage the seething and boundless opportunities for their individual and collective growth.

"*Inspire Inclusion*" is not just a theme, it's a call to action. In doing so, we must recognise that exclusion acts as a significant barrier to achieving true women's empowerment, gender equality and gender equity. By actively fostering inclusivity, we can empower women, unlock their potential, and build a brighter future for everyone. Lets provide the enabling environment to engender a world where difference is valued and celebrated. The clarion call to action, urging us to create a world where all women, regardless of their background, identity, or circumstance, feel valued, empowered, and actively included in every aspect of society is the need of the hour. Together we can forge women's empowerment and equality. Collectively, we can all inspire inclusion.

May ICSI offer the stellar example of being the HE for SHE, champion in the cause of Inspire Inclusion.



## Inspire Inclusion: Reimagine the world with gender equality



### Dr. Neha Berlia

Joint Secretary, Apeejay Education  
Pro Chancellor, Apeejay Stya University  
Co-Promoter, Apeejay Stya and Svrn Group

As we commemorate Women's Day, we celebrate the relentless spirit of inclusion and progress that defines our era. In a world where barriers are crumbling and opportunities are expanding, women stand at the forefront, driving change and championing inclusivity in every sphere.

On this Women's Day, let us reaffirm our commitment to inspire inclusion in every aspect of our lives. Let us embrace diversity as our greatest strength and forge ahead with courage, conviction, and compassion. Together, we can create a world where every woman is celebrated, respected, and empowered to reach her fullest potential.

Inclusion isn't just a buzzword; it's a powerful force that reshapes societies, economies, and cultures. It's about recognizing and embracing the richness of diversity in our teams, boardrooms, and communities. It's about creating spaces where every voice is heard, valued, and empowered to thrive.

As women, we navigate complex landscapes with grace and determination, breaking stereotypes, and shattering glass ceilings. We bring a unique perspective to the table, fuelled by our experiences, insights, and resilience. It's this diversity of thought that sparks innovation, fosters creativity, and propels organizations towards excellence. In our journey towards inclusion, education emerges as a formidable catalyst for change.

At Apeejay Education and Apeejay Stya and Svrn Group, we're committed to nurturing a generation of leaders who champion diversity, equity, and inclusion. Through our innovative programs and initiatives, we empower women to unleash their full potential, equipping them with the skills, knowledge, and confidence to thrive in an ever-evolving world.

As we navigate the complexities of the corporate landscape, let us leverage our collective intelligence and harness the power of collaboration. Let us challenge conventional norms, disrupt the status quo, and pave the way for a more inclusive future. Together, we can build workplaces and all spheres of life, where every woman has the opportunity to excel, lead, and inspire.

So, let us embrace inclusion every day. May both women and men too, continue to uplift and empower each other, lighting the way for generations to come!

## My heartfelt wishes on the occasion of Women's Day



### Ms. Anupama Bhatnagar

Director General  
Indian Institute of Mass Communication  
and Publications Division

This year, the theme of International Women's Day 2024 is 'Inspire Inclusion', highlighting the value of inclusivity in all spheres of society. It is important to consider the transformational potential of inclusion on this International Women's Day. Women continue to redefine themselves in every sphere of life by overcoming barriers, taking on challenging roles, and opening new doors of opportunity. This year's theme strikes a deep chord because it highlights the significance of establishing environments where women feel respected and empowered while also honouring the unique contributions made by women.

In the Publications Division of the Ministry of Information & Broadcasting, my team is committed to amplifying diverse voices and subjects, promoting gender balance, and documenting the voices of change. Women continue to play an integral role in the publishing industry, and I am a witness to the unique perspectives they bring through their empathetic voice and content.

Women are reinventing leadership roles. There is no denying at all that when women are included, entire communities thrive. It seems self-evident that investing in women's education and economic participation brings substantial social and economic returns. Through entrepreneurship and grassroots initiatives, women are bringing about constructive change and lifting others along the way. To be inclusive is to value diversity in all of its manifestations. Women with diverse experiences and cultures add unique viewpoints to the discussion. We can unleash creativity, innovation, and collective wisdom that propel society forward by cultivating an inclusive atmosphere.

Let's reaffirm our dedication to inclusiveness and equality as we commemorate International Women's Day.



**Ms. Namrata Gill Tyagi**

Vice President-Human Resources,  
Dr. Reddy's Laboratories

International Women's Day prompts a reflection on our collective duty as leaders to champion gender equality and foster an atmosphere where women can flourish professionally. It is imperative that we unite across industries and enterprises to drive substantive progress and pave the way for a future where women are afforded every opportunity to realize their potential.

Drawing from my extensive experience, I have borne witness to the remarkable impact of collaborative efforts among businesses in advancing the cause of women's empowerment. Through concerted action and strategic alignment, we can implement policies and initiatives tailored to address the diverse needs of female employees, ranging from inclusive work arrangements to robust leadership development programs. By prioritizing diversity, equity, and inclusion, we not only cultivate

a more vibrant organizational culture but also unlock unparalleled opportunities for innovation and sustainable growth.

Let us pledge to cultivate workplaces where women are valued, respected, and empowered to soar to new heights in their professional journeys. Together, we have the power to dismantle systemic barriers, challenge antiquated norms, and forge a path towards a future where women stand on equal footing with their male counterparts.

By joining forces and amplifying the voices of women, we have the capacity to effect enduring change that redounds to the benefit of individuals, organizations, and communities worldwide.

Happy International Women's Day! Top of Form



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## Articles Part - I

**SEBI Regulations - EoDB Perspective**

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CS C.B.Prabhumirashi, FCS

The Securities and Exchange Board of India recently published a comprehensive Consultation Paper with a view of promoting ease of doing business by relaxing regulations followed in the securities market. The paper also introduces the concept of Fast Track public issuance and listing of debt securities while proposing norms for the same.

**Commercial Courts Act, 2015 - Facilitating Ease of Doing Business**

67

CS Devendra Kumar Sharma, FCS

At international level, the World Bank assesses the policies to ease the regulatory burden undertaken by countries across the world through its Ease of Doing Business Index (EDBI). The index uses 10 different indicators that measure various aspects of business regulations which are important to domestic firms and for national competitiveness.

**EoDB Ranking and ESG - A Pathway to Resilient and Responsible Business Practices**

72

Dr. Dileep Kumar S D

The Ease of Doing Business (EODB) Ranking holds significant implications for businesses and the economy in India. Improving India's EODB ranking enhances its attractiveness as an investment destination, spurring both domestic and foreign investments. Streamlined regulations and efficient bureaucratic processes foster entrepreneurship by making it easier to start and operate businesses.

**Need For Cautious Approach in Scripting EoDB**

75

CS (Dr.) Saibal Chandra Pal, FCS

Business is a major contributor to a country's economy. For the country to progress business enterprises should be able to continue their activities without hindrance. In 2003, World Bank introduced the concept of 'Ease of Doing Business' ('EoDB') in 190 countries world wide. 'Ease of Doing Business Index' was created jointly by three US Economists namely, Simeion Djankov, Michael Klein and Cerlale McLiesh.

**Navigating the Regulatory Landscape: Harmonizing Ease of Doing Business (EoDB) with Effective Governance**

79

CS Shivam Sharma, ACS

Governments that successfully navigate this regulatory balancing act are better positioned to attract investments, stimulate economic growth, and build a resilient and sustainable business environment. By fostering both Ease of Doing Business and effective Governance, countries can create a conducive atmosphere for prosperity, innovation, and societal well-being.

**Regulatory Scenario - Balancing Ease of Doing Business and Governance**

86

CS Munisha Gupta, ACS

Company law plays a crucial role in shaping the business environment of a country and is closely intertwined with the ease of doing business. The altering dynamics of company law, particularly viewed through the lens of ease of doing business, reflect the evolving regulatory landscape aimed at facilitating entrepreneurship, investment, and economic growth. Here's how company law has been influenced by the imperative of improving the ease of doing business.

**Company Law-The Altering Dynamics Through EoDB Lens**

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CS Swetha R, ACS

E-form enables a new company to avail the services of Central Govt and State Govts, in one place. Hence, the company can start its operations, the moment it is incorporated, without the need for any further approval. The Start-up community has been largely benefitted by the introduction of SPICe+ forms, wherein the young entrepreneurs who wanted to start a business can incorporate their companies easily.

## Articles Part - II

**Enhancing CSR Impact: A Win - Win Collaboration for Corporates & Voluntary Organizations (VOs)**

95

CS Makarand Lele, FCS

The CSR Act and rules underwent significant amendments in 2021 following recommendations from the CSR committee established by the Ministry of Corporate Affairs (MCA) to assess and enhance the CSR framework. This initiative by the government aimed to realign the CSR framework with the

evolving socio-economic landscape of India. This article delves into the intricacies of CSR framework & funding opportunities and outlines essential steps for Voluntary Organizations (VOs) aiming to become recognized CSR implementing agency.

## Can a Private Limited Company do a Treasury Buy Back of Shares? 103

**CS Makarand M Joshi, FCS,  
CS Deepti Yavagal Kulkarni, ACS**

**I**n exercise of power conferred under Section 462 in the Act, a notification was issued by Central Government on 5 June 2015 granting exemptions to private limited companies from compliance of sixteen sections of the Act (“exemption notification”). One of the exemptions in that notification is from Section 67 of the Act. As a result of this notification, certain private companies, which fulfil the below requirements, are exempted from compliance of Section 67.

### Research Corner P-111

## Journey of Ease of Doing Business in India under the Direct Tax Environment and the Way Forward 112

**Deepti Taneja, ACA, CS (Dr.) Monika Goel**

**T**here arose a need to build a robust technological environment wherein all the tax administration processes could be managed accurately and in an integrated manner. With time, the tax department also started addressing taxpayer grievances through email and help desk centers, reducing the human interface and unnecessary delays in filing responses and visiting the tax department. The success of these initiatives led to the concept of e-assessment, which was later renamed the Faceless Assessment Scheme.

### Legal World P-119

- **LMJ 03:03:2024** The expression ‘proceedings’ in Section 22(1) of the SICA, therefore, cannot be confined to legal proceedings understood in the narrow sense of proceedings in a court of law or a legal tribunal for attachment and sale of the debtors property. [SC]
- **LW 17:03:2024** The reasons given by the RoC for rejecting the application of the Petitioner on the ground that various prosecutions have been filed by the SFIO against the Petitioner for offences under the Companies Act and the IPC cannot be said to be so perverse especially keeping in mind the interest of the shareholders and the interest of the creditors.[Del]
- **LW 18:03:2024** We are also inclined to agree with the findings of the Adjudicating Authority that the Appellant having failed to meet the threshold limit in the earlier Section 7 application has now tried to overcome this impediment by inflating the claim amount by resorting to a calculation methodology which lacks rational basis.[NCLAT]
- **LW 19:03:2024** In our view the resolution plan did not meet the requirements of Section 30(2) of the IBC read with Regulations 37 and 38 of the CIRP Regulations, 2016.[SC]

- **LW 20:03:2024** The disputed cheques have been issued clearly after the appellant(s) have severed their ties with the Respondent-Company and, therefore, can in no way be responsible for the conduct of business at the relevant time. [SC]
- **LW 21:03:2024** We have not the slightest hesitation to conclude that the impugned rule is completely in sync with the object and purpose of framing the Chapter on ‘Misconduct’ under the Act.[SC]
- **LW 22:03:2024** The present petition has been filed in the name of the partnership firm and it is pertinent to mention that if the partnership firm had already been dissolved and ceased to exist then it is beyond comprehension that how the present petition has been filed.[Del]
- **LW 23:03:2024** Grant of exclusivity to KSRTC for operating on certain routes is a policy decision of the Government of Kerala and may not be considered as anti- competitive in the facts and circumstances of this case.[CCI]
- **LW 24:03:2024** There appears to be no single player which is able to exert market power in its favour or appears to demonstrate a position of strength to operate independently of market forces and therefore, none of the OPs appear to have a dominant position in the relevant market.[CCI]

### From The Government P-129

- Deployment and usage of Change Request Form (CRF) on MCA-21- reg.
- The Companies (Registration Offices and Fees) Amendment Rules, 2024
- Relaxation of additional fees and extension of last date of filing of Form No. LLP BEN-2 and LLP Form No. 40 under the Limited Liability Partnership Act, 2008- regarding
- The Central Government hereby establishes a Central Processing Centre at Indian Institute of Corporate Affairs
- Centralization of certifications under Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS) at KYC Registration Agencies (KRAs)
- Revised Pricing Methodology for Institutional Placements of Privately Placed Infrastructure Investment Trust (InvIT)
- Guidelines for returning of draft offer document and its resubmission
- Capital Adequacy Guidelines – Review of Trading Book
- Appointment/re-appointment of Director, Managing Director or Chief Executive Officer in Asset Reconstruction Companies
- Master Direction – Reserve Bank of India (Filing of Supervisory Returns) Directions - 2024
- Amendment to Master Direction on Prepaid Payment Instruments
- Inclusion of Clearing Corporation of India Limited as a Financial Information Provider under Account Aggregator Framework
- Interest Equalization Scheme (IES) on Pre and Post Shipment Rupee Export Credit
- Formation of new district in the State of Assam –Assignment of Lead Bank Responsibility
- Exclusion of “Rupee Co-operative Bank Limited” from the Second Schedule to the Reserve Bank of India Act, 1934
- Review of Fixed Remuneration granted to Non-Executive Directors (NEDs)
- Participation of Indian Banks on India International Bullion Exchange IFSC Limited (IIBX)

### Other Highlights P-137

- ❖ NEWS FROM THE INSTITUTE
- ❖ GST CORNER
- ❖ ETHICS IN PROFESSION
- ❖ CG CORNER

# Call For ARTICLES

## Call for Articles for Publication in Chartered Secretary Journal – April 2024



### Viksit Bharat: Governance Professionals in Emerging India

*“Today the goal of the country is Viksit Bharat, Sashakt Bharat ! We cannot stop until this dream of a developed India is fulfilled.” - Narendra Modi*

For a nation striving to be a global superpower, growth alone does not suffice rather the need is to strive for both economic and social development. Viksit Bharat@2047 represents the government of India’s ambitious vision to transform the nation into a developed entity by the centenary of its independence in 2047.

Such a transformation cannot be founded on a single sector or section alone and requires a cohesive augmentation of all the role players. The diverse facets of development such as economic prosperity, social advancement, environmental sustainability, and effective governance find their mention and presence in such deliberations.

Legislations, a strong governance framework and a pool of professionals to ensure compliance to these legislations and strengthening the framework are all a pre-requisite for a developed nation. It would not be an exaggeration that effective governance sits at the heart of an Emerging India.

In such a scenario, it seems appropriate to discuss and outline the presence and impactful presence of professionals in Viksit Bharat. And to deliberate further on the same, the April edition of Chartered Secretary Journal has been themed at **Viksit Bharat: Governance Professionals in Emerging India**. Articles are solicited on the following sub-themes:

- ❖ Professionals in a Collaborative Ecosystem
- ❖ Global best practices: Pearls of wisdom for governance in Viksit Bharat
- ❖ Governance & Governance Professionals in a digital ecosystem
- ❖ Emerging Technologies and Viksit Bharat
- ❖ Viksit Bharat : Aiming Sustainability and Sustainable Development
- ❖ MSMEs & Catalysts in Viksit Bharat
- ❖ Viksit Yuva Viksit Bharat : Fostering the Power of Young Professionals
- ❖ Gender equality and Viksit Bharat: A must have
- ❖ Environmental Sustainability in Governance: Sustaining a Viksit Bharat

Members and other readers desirous of contributing articles may send the same latest by **Monday, 25 March 2024** at [cs.journal@icsi.edu](mailto:cs.journal@icsi.edu) for **April 2024 issue of Chartered Secretary Journal**. The length of the article should ordinarily be between 2,500 - 4,000 words. However, a longer article can also be considered if the topic of discussion so demands. The articles should be forwarded in MS-Word format.

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

Regards,

**Team ICSI**





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# Revised Secretarial Standards

on

## Meetings of the Board of Directors (SS-1) and General Meetings (SS-2)

(Revised by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013)

Effective from 1<sup>st</sup> April, 2024

### SS-1

SECRETARIAL STANDARD  
ON  
MEETINGS OF THE BOARD OF DIRECTORS  
[Issued under Section 118(10) of the Companies Act, 2013]  
(Revised version effective from 1<sup>st</sup> April, 2024)



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### SS-2

SECRETARIAL STANDARD  
ON  
GENERAL MEETINGS  
[Issued under Section 118(10) of the Companies Act, 2013]  
(Revised version effective from 1<sup>st</sup> April, 2024)



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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.
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6. The article must carry the name(s) of the author(s) on the title page only and nowhere else.
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  - b. shall abide by the decision of the Institute, i.e., whether this article will be published and/or will be published with modification/editing.
  - c. shall be liable for any breach of this 'Declaration-cum-Undertaking'.

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# 1

# ARTICLES



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## Articles Part - I

- SEBI REGULATIONS- EoDB PERSPECTIVE
- COMMERCIAL COURTS ACT, 2015 - FACILITATING EASE OF DOING BUSINESS
- EoDB RANKING AND ESG - A PATHWAY TO RESILIENT AND RESPONSIBLE BUSINESS PRACTICES
- NEED FOR CAUTIOUS APPROACH IN SCRIPTING EoDB
- NAVIGATING THE REGULATORY LANDSCAPE: HARMONIZING EASE OF DOING BUSINESS (EoDB) WITH EFFECTIVE GOVERNANCE
- REGULATORY SCENARIO- BALANCING EASE OF DOING BUSINESS AND GOVERNANCE
- COMPANY LAW-THE ALTERING DYNAMICS THROUGH EODB LENS

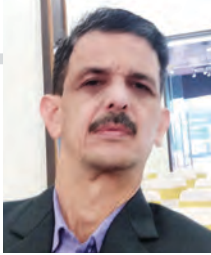
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## Articles Part - II

- ENHANCING CSR IMPACT: A WIN-WIN COLLABORATION FOR CORPORATES & VOLUNTARY ORGANIZATIONS (VOs)
  - CAN A PRIVATE LIMITED COMPANY DO A TREASURY BUY BACK OF SHARES?
-

# SEBI Regulations - EoDB Perspective

The Ease of Doing Business (EoDB) index is an index published by World Bank. It is an aggregate figure that includes different parameters which define the ease of doing business in a country. It actually means the time taken to establish the business at a place where the entrepreneurs are able to carry out their business with ease and with minimum hurdles thereby savings his invaluable Time, Energy, Efforts and Money (TEEM).



**CS C. B. Prabhurashi, FCS**

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## INTRODUCTION

### INFORMATION OF EODB

The Ease of Doing Business (EoDB) index is an index published by World Bank. It is an aggregate figure that includes different parameters which define the ease of doing business in a country. It actually means the time taken to establish the business at a place where the entrepreneurs are able to carry out their business with ease and with minimum hurdles thereby savings his invaluable Time, Energy, Efforts and Money (TEEM).

Following areas have been identified by the Government to carry out EoDB in India.

1. Starting a Business of all.
2. Dealing with Construction Permits.
3. Getting Electricity.
4. Registering Property.
5. Getting Credit.
6. Protecting Minority Investors.
7. Paying Taxes.
8. Trading across Borders.
9. Enforcing Contracts.
10. Resolving Insolvency.

## INDIA – EASE OF DOING BUSINESS RANKING

- a. In 2014, the Government of India launched an ambitious program of regulatory reforms aimed at making it easier to do business in India. The program represents a great deal of effort to create a more business-friendly environment. India was one of the top 10 improvers, for the 3<sup>rd</sup> time in a row, with an improvement of 67 ranks in 3 years.
- b. To further enhance the ease of doing business in the country more than 39,000 compliances have been reduced and more than 3,400 legal provisions have been decriminalized. Positive changes have led to this impressive improvement in India's ranking in the EoDB index.
- c. Promoting trust-based governance at all levels, introduction of the Jan Vishwas Bill to amend 42 Central Acts has been carried out. An integrated system of unified filing processes at the central and state-level departments has been set up to avoid repeated submission of documents, ensure the authenticity of the same and lead to quicker processing of requests.

Initially the drive of EoDB, was pertaining to the areas mentioned above and concerning with starting of business where the entrepreneurs are interested in carrying out the said business.

The EoDB drive has been extended to the stakeholders of Securities Markets. SEBI is the **Market Regulator** in respect of Securities Market in India with respect to the listed securities (including but not limited to the Equity Share / Preference Share / Debentures etc. and related investment opportunities).

### INFORMATION ABOUT SEBI

Securities and Exchange Board of India is established in 1988 as a Statutory Body, and later on enacted under the provisions of Securities & Exchange Board of India Act, 1992, is an apex body constituted by the Government of India to improve the regulation of securities market in India. It is responsible for regulating the securities market by formulating the SEBI (Stock Brokers & Sub-Brokers) Regulations, 1992 which came into force with effect from

January 21, 1993. The main function of SEBI is to protect the interests of investors in securities and to promote the development of, and to regulate the securities market so as to ensure orderly growth with proper safety measures. It formulates policy, frame rules and guidelines for the efficient working of stock exchanges. It also supervises their working to check fraudulent activities, insider trading etc.

## DECODING THE PATH TO ENHANCING EASE OF DOING BUSINESS

The measures taken by SEBI to carry out further EoDB Process for the Investors and the stakeholders to discharge their respective functions in Security Market in India. For that purpose, SEBI has issued following Consultation Papers / Circulars / Press Release for the information of all the stakeholders.

### A. SEBI has come out Press Release PR No. 16/2023 dated 07.08.2023 which will facilitate “Ease of Implementation of Regulations” involving the Industry Associations for such implementation. The details of this Press Release mainly involve the following:-

1. In line with its commitment to facilitate capital formation in the economy and *ease of doing business*, SEBI, in July 2023, proposed the formation of an **Industry Standards Forum**, to be formed by Industry Associations and chaired by an Industry leader under the aegis of the Stock Exchanges. It was proposed that the Forum would formulate standards for implementation of specific regulations and circulars, based on feedback from industry and stakeholders, in consultation with SEBI.
2. The proposal to start with a model has received very positive feedback. The Industry Associations have conveyed that they would assist in this process and have shown their interest in taking up the process inter alia with priority areas to start with:
  - a. Rumour Verification requirements
  - b. Disclosure requirements under Regulations 30 and 30A of LODR Regulations
  - c. BRSR Core / ESG assurance requirements
  - d. Structured Digital Database requirements under PIT Regulations
3. Industry Associations (ASSOCHAM, CII, FICCI) have conveyed the acceptance and in the process have nominated their representatives on this Project to design the standards for effective implementation of requirements in above areas. The standards would be designed at a level of detail to demonstrate compliance with the said regulations and circulars. They have agreed on the broad architecture of the Forum.

### B. SEBI has issued Circular No. SEBI/HO/DDHS-RACPOD1/CIR/2023/172 dated 19.10.2023 – “EoDB and Development of Corporate Bond Markets – Revision in the Framework for Fund Raising by Issuance of Debt Securities by Large Corporates (LCs)”:-

- a. This circular has been issued for facilitating **ease of doing business** and development of bond markets. This circular further revises the framework for fund raising by issuance of debt securities by Large Corporates.
- b. The framework as stated in this Circular is applicable to all Listed Entities (except Scheduled Commercial Banks) which as on the last day of Financial Year, with effect from 1<sup>st</sup> April, 2024 to March, 2025 following Financial Year April-March, and from 1<sup>st</sup> January, 2024 to December, 2024 following Financial Year January-December.
- c. SEBI’s proposed amendments are aimed at expediting the debt issuance process, hold promise for bolstering capital formation and facilitating business operations. However, these changes present inherent risks and shortcomings that necessitate careful consideration. The acceleration of issuance procedures might compromise investor protection and market integrity by potentially diminishing due diligence standards and increasing the likelihood of defaults or inadequate disclosures. Moreover, an influx of swiftly issued debt securities could impact market stability. To counter these potential pitfalls, SEBI must ensure a balanced approach by following stringent monitoring and continuous assessment to mitigate risks and maintain market resilience.

### C. Consultation Paper:- Interim Recommendations of Expert Committee for facilitating EoDB of ICDR / LODR Regulations dated 11.01.2024:-

On January 11, 2024, SEBI issued its **Consultation Paper** on interim recommendations of its expert committee to harmonise the SEBI ICDR and LODR regulations. The public has been invited to share comments on this paper. The main points of this Consultation Paper is discussed as under.

#### A. SEBI ICDR Regulations:

##### a. Inclusion of equity shares from underlying convertible securities in calculating securities eligible for minimum promoters contribution:-

The ability of convertible securities to be included for the calculation for promoters’ contribution if held for a period of one year is a welcome clarification. Given that in most cases, such securities would have been held for a number of years, recognising the eligibility of such securities in the regulation would provide more clarity.

**b. Permitting non-individual shareholders to contribute towards minimum promoters' contribution without being categorised as a Promoter :-**

Currently, regulated entities such as AIFs, FVCIs, Scheduled Commercial Banks and insurance companies are permitted to contribute shares (up to a maximum of 10%) if the promoters do not hold 20% of the post issue equity share capital of the issuer company. The proposed amendment suggests extending this to allow any non-individual public shareholder holding a minimum of 5% to contribute towards the minimum promoters' contribution.

**B. SEBI (LODR) Regulations:**

**a. Introduction:-**

The Securities and Exchange Board of India recently published a comprehensive **Consultation Paper** with a view of promoting **ease of doing business** by relaxing regulations followed in the securities market. The paper also introduces the concept of Fast Track public issuance and listing of debt securities while proposing norms for the same. Following are the measures likely to be introduced by SEBI in order to fulfil the objectives of EoDB.

**1. Proposed Relaxations to SEBI Regulations:-**

SEBI's regulations play a crucial role in regulating financial markets and listed entities, impacting the ease of doing business in India. Striking a balance between robust regulations and reducing unnecessary administrative burdens is crucial to foster a conducive business environment in the country.

**2. Reducing the face value of securities:-**

SEBI had recently updated the minimum face value of debt securities such as Non-Convertible Securities and Non-Convertible Redeemable Preference Shares to Rs.1 Lakh as opposed to Rs.10 Lakhs earlier. This reduction works as a means for greater involvement from non-institutional investors. The consultation paper proposes two things.

- i. Issuance of NCDs or NCRPS with a reduced face value of Rs.10,000; and
- ii. Issuance of Securitized Debt Instruments via private placement with face value of either Rs.1 Lakh or Rs.10,000. In such cases, the issuer must appoint a merchant banker who shall conduct due diligence before issuing them. Furthermore, NCDs and NCRPS shall adhere to a straightforward structure without complex credit enhancement features or structured obligations.

**3. Reshaping the NCS Regulations:-**

The consultation paper also proposes changes to Schedule-I of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, which deals with disclosures for audited financials. The paper suggests reducing file size by including links rather than inserting financial statements directly into the document. Additionally, leveraging QR codes has been proposed to redirect users to Stock Exchange's website hosting relevant financial data and simplifying access to this information for potential investors.

**4. Disclosures Requirements:-**

Firstly, the Consultation Paper proposes issuers to provide certain relevant information required under the Schedule I till the latest quarter of the current financial year instead of until date of issuance in order to *ease* this process.

Secondly, to bring uniformity, the paper proposes standardizing the record dates, i.e., the date when an investor gains ownership of debt securities to 15 days before the interest payment or redemption due date.

Lastly, the consultation paper proposes the use of a standard format for due diligence certificate. The NCS Regulations require the issuer to obtain a due diligence certificate from the debenture trustee at the time of filing draft offer document or while listing securities. But SEBI's Master Circular for Debenture Trustees consists of two different formats depending on their purpose. A standard format ensures clarity, consistency and easier evaluation.

**5. Publication standards vis-a-vis LODR regulations:-**

This consultation paper proposes publication of Financial Results of a Listing Entity on newspaper to be optional within the designated time frame, which would help reduce unnecessary costs, as these Regulations necessitate submission of financial results to stock exchanges within thirty minutes of the board meeting and immediate online publication which is accessible to debenture holders. Given the current digital age and the immediate accessibility of financial data online, this proposal seems pragmatic to reduce redundant costs. Balancing cost-efficiency with transparency and stakeholder communication remains pivotal in making informed decisions regarding this proposed amendment to the LODR.

**6. Fast Track Public Issuance and Listing of Debt Securities:-**

The NCS Regulations govern the issuance and listing of debt securities through both public

issuance of securities and private placement. A need arises to increase the scope for the corporate debt market to revitalize public issue of debt securities and that too in the primary market so as to broaden the investor base and bond market in less time and cost. SEBI, through this consultation paper, tries to address the issue by suggesting a Fast Track Public Issue Process.

## 7. Technicalities & Modalities:-

7.1. This fast track public issue shall be kept open for a maximum of 10 working days, with a minimum one working day, with no minimum subscription for financing entities. With respect to the retention limit in case of over subscription, the same has been fixed at five times of base issue size, the same is the maximum limit.

7.2. On July 3, 2023, SEBI came up with the 2<sup>nd</sup> Amendment to the NCS Rules where it introduced the concepts of General Information Document and Key Information Document in order to serve the purpose of avoiding repetition in filings of documents by the issuers of debt securities. GID would be replacing shelf placement memorandum whenever there would be initial issuance of NCS whereas KID would be replacing placement memorandum on subsequent issuance of NCS.

Previously in February 2023, SEBI released a consultation paper on proposal for introduction of the concept of GID and KID, mandatory listing of debt securities of listed issuers and other reforms under NCS Regulations. These concepts were extended for issuance of NCS on private placement basis only and will be valid for 1 year and be listed on the stock exchange on first issuance. It was introduced so as to promote ease of doing business whereby upon filing of GID for issuance of NCS, on any further issuance within the validity period, only filing KID will be enough.

7.3. In the current consultation paper, GID and KID have been extended to public issuance of securities. KID will be provided to the public for fast-track issuance and the same is particularly important as it contains all important information as well as financial results. The result would be its usefulness to keep record of all the issuers of debt securities. These securities have to comply with LODR Regulations, SEBI (Infrastructure Investment Trusts) Regulations, 2014 and SEBI (Real Estate Investment Trusts) Regulations, 2014.

7.4. The fast-track issue will be facilitated by GID and KID, hence its disclosure is important, where GID would be consisting of disclosures contained

The EoDB drive has been extended to the stakeholders of Securities Markets. SEBI is the Market Regulator in respect of Securities Market in India with respect to the listed securities (including but not limited to the Equity Share / Preference Share / Debentures etc. and related investment opportunities).

in Schedule-I of the NCS Regulations and KID would be containing information in two parts, i.e., Part A, containing relevant material changes and developments, and Part B containing details of debt securities for which KID is being issued.

## 8. Analysis:-

8.1. Regulating the ease of doing business is necessary to foster a business-friendly environment. This consultation paper pertains to certain specific stakeholders as it highlights that almost 98% funds have been generated by issuing of debt securities through private placement basis. Also the corporate bond market significantly issue on private placement. Further due to less involvement of non-institutional investors, this paper encourages public issuance.

8.2. The expansion in the investor base and bond market and that too in an efficient way in a reduced time and cost can be fulfilled through public issuance of securities. The removal of minimum subscription is a step in the right direction as it will ensure an influx of funds for the financing entities and will help run their operations.

## CONCLUSION ON CONSULTATION PAPER MENTIONED IN POINT C ABOVE

SEBI's consultation paper on expediting the debt issuance procedure has a potential to increase capital formation and make doing business easier. Fast-track issuance with a synchronized track record, will enable issuers to acquire financing with less cost and quicker timescales. Smart disclosure guidelines will encourage diversified businesses to participate in the debt securities market. Greater capital availability can stimulate growth and innovation, which in turn will support economic development.

### D. SEBI has issued Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/ P/CIR /2024/03 Dated 12.01.2024 – “EoDB – Changes in Reporting” :-

1. This circular is addressed to all Recognised Stock Exchanges & Clearing Corporations



about carrying out EoDB – concerning changes in the Reporting by them to SEBI. For that purpose, SEBI has mentioned about its Master Circular dated 17.05.2023 safeguarding against the misutilisation of client’s funds (Clause No. 15 of the Master Circular) & collateral for another (Clause No. 42 of the said Master Circular). Further Stock Exchanges and Clearing Corporations usually draw reports from stock brokers for this purpose.

2. With the advice of SEBI to Industry Associations to consult MIIs (Market Infrastructure Institutions) under aegis of Brokers’ Industry Forum, it has been possible to point out earlier inefficiencies due to duplication of monitoring mechanisms and difficulties in uploading data to exchanges, and it is possible to discontinue some of the reports. SEBI has considered these recommendations of this Forum and during the changes in reporting, it has allowed the stock exchanges and clearing corporation to continue to retain the supervision over client collateral.
3. Further in order to bring in efficiencies in reporting, and a step toward ease of doing business, certain reports are being discontinued. This has resulted in modification of certain clauses of Master Circular, and deletion of some Clauses of and certain Tables, actually cutting down the time in preparation of the non-required information.
4. Further SEBI has modified G Principle wherein Stock Exchanges are required to monitor the client’s funds. For that purpose, SEBI has

expected from Stock Exchanges to put in place the mechanism for monitoring the Clients’ funds.

**E. Consultation Paper of SEBI with regard to enhancing trust in the Alternative Investment Funds (AIF) Ecosystem to facilitate EoDB measures dated 19.01.2024.**

This Paper is aimed at enhancing trust on AIF eco-system to facilitate EoDB. This consultation paper proposes to introduce a requirement that AIFs, Managers of AIFs and the Key Management Personnel of AIFs and their managers ensure that AIFs do not facilitate circumvention of extant financial sector regulations. The specific verifiable standards to demonstrate adherence to this obligation are proposed to be formulated by the pilot Industry Standards Forum for AIFs, in consultation with SEBI. The enhanced trust that should result from such a process, along with a process to verify adherence to the accompanying standards, would provide a regulatory comfort in considering other Ease of Doing Business (EoDB) proposals relating to AIFs which are under examination with SEBI.

**F. SEBI has issued Circular No. SEBI/HO/CFD/PoD-1/P/CIR/2024/009 dated 06.02.2024 – Guidelines for Returning of Draft Offer Document and its Resubmission:-**

This circular is addressed to all Recognised Stock Exchanges (except Commodity Derivatives Exchanges), all Depositories, all Registered Merchant Bankers, and all Listed Entities. This circular is meant for guidelines under SEBI (ICDR) Regulations for re-submission of Draft Offer Documents by the



eligible business entities for listing their securities on stock exchanges. All these guidelines are mentioned in Annexure A to the this Circular and the main contents of the same are as under.

- i. Draft offer document shall be drafted in simple language with visual representation of data, so as to ensure ease of understanding of its contents and which substantially complies with the following principles:
  - a) Use of short sentences;
  - b) Use of definite, unambiguous and conventional words;
  - c) Use of active voice;
  - d) Use of tabular presentation or bullet lists, where required; and
  - e) Avoidance of multiple negatives.
- ii. The information in the draft offer document shall be presented in a clear, concise, and intelligible manner, adhering to the following standards:
  - a) Clear and concise sections, paragraphs and sentences;
  - b) Descriptive headings and subheadings wherever necessary;
  - c) Avoidance of legal and technical terminology; and
  - d) Clarification of technical and complex terms, if any, used to explain the business of the issuer/other matters in simple terms.
- iii. The draft offer document shall avoid:
  - a) Complex presentations that may make the substance of the disclosures incomprehensible;
  - b) Vague, ambiguous and imprecise explanations which may lead to more than one interpretation;
  - c) Complex information quoted or copied from legal documents, unless accompanied with clear and concise explanation of the provision(s) therein;
  - d) Repetition of disclosures in different sections of the document which may increase the size of the document but does not improve the quality or efficacy of information, unless the context requires otherwise; and
  - e) Inconsistency in the numbers/ data/ facts provided in different sections of the offer document or between the draft offer document and subsequent submission(s) made in response to clarifications sought.

- iv. The risk factors shall be appropriately worded in simple, clear and unambiguous language to bring out clearly the risk to the investor, without undermining the same.
- v. The Issuer and the Lead Manager(s) shall ensure that the draft offer document is resubmitted only after addressing insufficiency for which the draft offer document was returned and such draft offer document is in compliance with provisions of ICDR Regulations and other applicable laws.

#### G. Consultation Paper by SEBI on EoDB Initiative for Port Folio Managers dated 15.02.2024:-

The objective of this consultation paper is to seek comments/ suggestions from public on the proposals regarding ease of doing business initiatives for Portfolio Managers. Further this Paper provides details of the above-mentioned recommendations of the EoDB working group and some additional proposals, and seeks suggestions of the public on the same.

#### Main Points of this Paper are as under

1. The Hon'ble Finance Minister in the budget announcements for FY 2023-24, *inter-alia*, made an announcement to simplify, ease and reduce cost of compliance for participants in the financial sector through a consultative approach.
2. In order to align the process of review with the budget announcement, SEBI constituted various Working Groups to recommend measures to simplify and ease compliances under various SEBI Regulations. A working group ('EoDB working group') was formed to review the present framework under PMS Regulations and recommend measures to promote the ease of doing business for Portfolio Managers.
3. Further, in order to promote the ease of doing business and reduce the compliance burden, SEBI vide Press Release dated October 4, 2023 had also sought comments from the public on various Regulations including PMS Regulations by November 06, 2023.
4. The comments / suggestions should be submitted through on-line to SEBI to its web-site latest by 07.03.2024.

#### H. SEBI Initiative of Collaboration of CDSL:-

Further SEBI has launched CDSL's Multi-lingual Initiatives for **ease of doing business**. The facility will offer investors a consolidated view of their securities held in a demat account in a language of their choice. Moreover, the unique multi-lingual chatbot on the CDSL website, 'CDSL Buddy Sahayta 24\*7,' will simplify investors' processes.

SEBI Chairperson Smt. Madhabi Puri Buch launched two multi-lingual initiatives of CDSL aimed at

increasing inclusivity and accessibility in the capital market landscape on 17.01.2024. CDSL has introduced an upgrade in investor CAS through the 'Apka CAS – Apki Zubaani' initiative, enabling investors to receive their statements in their preferred language amongst 23 diverse Indian languages.

The facility will offer investors a consolidated view of their securities held in a demat account in a language of their choice. Moreover, the unique multi-lingual chatbot on the CDSL website, 'CDSL Buddy Sahayta 24\*7,' will simplify investors' processes. The services will be currently available in four languages to begin with.

## OVERALL CONCLUSIONS

All the above measures mentioned above in Points A to H will help all the stakeholders of Securities Market to avoid time spent on preparation of various documents, giving more and more relevant information to the Stock Exchanges, reduction in time for evaluation of documents for listing purposes, adequate information reporting in time, reducing overall costs in preparation of these documents, etc. thereby achieving the motive of Ease of Doing Business.

### Abbreviations used:-

*EoDB:- Ease Of Doing Business*

*SEBI:- Securities & Exchange Board of India*

*LPCC:- Limited Purpose Clearing Corporation*

*LCs:- Large Corporates*

*ICDR:- issue of Capital & Disclosure Requirements*

*LODR :- Listing Obligations & Disclosure Requirements*

*ISF:- Industry Standards Forum*

*BRSR:- Business Responsibility & Sustainability Reporting*

*ESG:- Environmental & Social Governance*

*ASSOCHAM:- Association of Chambers of Commerce & Industry of India*

*CII:- Confederation of Indian Industries*

*FICCI:- Federation of Indian Chambers of Commerce & Industry*

*AIFs:- Alternative Investment Funds*

*FVCI:- Foreign Venture Capital Investment*

*NCS :- Non-Convertible Securities*

*NCRPS:- Non-Convertible Redeemable Preference Shares*

*KID:- Key Information Documents*

*GID:- General Information Documents*

*QR Codes:- Quick Reference Codes*

*NCDs:- Non-Convertible Debentures*



*SDIs:- Securitized Debt Instruments*

*CDSL:- Central Depository Services Limited*

*PMS Regulations :- Port-folio Managers and SEBI Regulations*

*CAS:- Consolidated Account Statement*

*SEBI (PIT) Regulations:- SEBI (Prohibition of Insider Trading) Regulations.*

## REFERENCES:

- i. SEBI Press Release No. 16/2003 dated 07.08.2023.
- ii. SEBI Circular No. SEBI/HO/DDHS-RACPOD1/CIR/2023/172 dated 19.10.2023 - "EoDB and Development of Corporate Bond Markets – Revision in the Framework for Fund Raising by Issuance of Debt Securities by Large Corporates (LCs)".
- iii. SEBI Consultation Paper:- Interim Recommendation of the Expert Committee for facilitating EoDB of ICDR / LODR Regulations dated 11.01.2024.
- iv. SEBI Circular No. SEBI/MIRSD/MIRSD-PoD-1/P/CIR/2024/03 dated 12.01.2024 – "EoDB – Changes in Reporting".
- v. SEBI Consultation Paper to enhance trust in AIF Ecosystem to facilitate EoDB measures dated 19.01.2024.
- vi. SEBI Circular No. SEBI/HO/CFD/PoD-1/CIR/2024/09 dated 06.02.2024 – Guidelines for Returning of Draft Offer Document and its Resubmission.
- vii. SEBI Consultation Paper on EoDB Initiative for Port Folio Managers dated 15.02.2024.
- viii. Economic Times dated 19.01.2024
- ix. Money Control News dated 06.02.2024
- x. Cyril Amarchand Mangaldas News dated 18.01.2024
- xi. News of SEBI & CDSL Collaboration appearing in Hindustan Times dated 20.01.2024.

# Commercial Courts Act, 2015 - Facilitating Ease of Doing Business

An advantageous business climate is a prerequisite for a country's economic expansion. In terms of commerce, a nation like India, which is among the fastest developing in the globe, has the capacity to overtake the top nations by bringing reforms in business domain to encourage global investors to set up industries in India.



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## INTRODUCTION

India is ranked 63 among 190 economies in the ease of doing business, according to the latest World Bank annual ratings. The Ease of Doing Business Index (EoDB or say EoDBI) is a ranking system established by the World Bank Group. In the EoDB index, 'higher rankings' (a lower numerical value) indicate better, usually simpler, regulations for businesses and stronger protections of property rights.

At international level, the World Bank assesses the policies to ease the regulatory burden undertaken by countries across the world through its Ease of Doing Business Index (EDBI). The index uses 10 different indicators that measure various aspects of business regulations which are important to domestic firms and for national competitiveness. Doing Business also measures features of labour market regulations which are reported as a separate section and not included in the ranking. EDBI is considered as a reliable source of information on the business environment of an economy.

EDBI rankings aim to compare the business environment of different countries. Ease of doing business rankings impact the reputation of the countries and hence influence them to initiate important policy reforms to improve the regulatory environment in their economy. Ranking is assessed based on following 10 key parameters:

1. Starting a Business of all.
2. Dealing with Construction Permits.

3. Getting Electricity.
4. Registering Property.
5. Getting Credit.
6. Protecting Minority Investors.
7. Paying Taxes.
8. Trading across Borders.
9. Enforcing Contracts.
10. Resolving Insolvency.

## INDIAN PERSPECTIVE

An advantageous business climate is a prerequisite for a country's economic expansion. In terms of commerce, a nation like India, which is among the fastest developing in the globe, has the capacity to overtake the top nations by bringing reforms in business domain to encourage global investors to set up industries in India.

In an attempt to improve the Ease of Doing Business (EoDB) in India, the government launched the Make in India initiative in 2014 with the goal of turning India into a manufacturing hub. This initiative has drawn more foreign and domestic businesses to invest in and conduct business in India.

## 253<sup>RD</sup> REPORT OF LAW COMMISSION OF INDIA

Commercial Courts Act, 2015 has been passed based on recommendations of 253<sup>rd</sup> Report of Law Commission of India. While formulating this draft Bill, the Commission has suggested substantive procedural changes in the form of amendments to the Civil Procedure Code, 1908. These suggestions are aimed at ensuring disposal of cases expeditiously, fairly, and at reasonable cost to the litigants.

Commercial Courts Act, 2015 provides for establishment of Commercial Courts, and Commercial Divisions and Commercial Appellate Divisions in the High Courts in order to ensure speedy disposal of high value commercial suits.

The establishment of commercial courts in India is widely seen as a stepping stone to bring about reform in the civil justice system in India.

## THE GOAL OF HAVING A SEPARATE LEGISLATION FOR DEALING WITH COMMERCIAL DISPUTES

A strong dispute resolution system is essential for growth of an economy. The intention behind a separate law is to make sure that lawsuits are resolved fairly, quickly, and at a reasonable expense to the party filing the lawsuit. Not only the litigant, but also the other possible stakeholders gain from the decrease in backlog brought about by the prompt settlement of business disputes. As a result, India will become a more desirable location for business, boost international investment, and continue its economic progress.

It was felt that there is a need to ensure that the adjudication of Commercial Disputes ensures speedy relief to those engaged in trade and commerce so that the lack of efficacious remedies do not impede the growth of trade and commerce by rendering nugatory their rights in law and equity;

It was vital in accordance with international best practices, to create new courts and provide for judicial manpower trained in commercial law to decide Commercial Disputes so as to reduce the growing pendency of commercial disputes and to achieve efficacious and expeditious disposal of such cases.

## COMMERCIAL COURTS SET-UP IN INDIA

In order to ensure time bound judicial system, dedicated Commercial Courts for speedier resolution of commercial disputes have been set up with proper infrastructure and exclusive judicial human power under Commercial Courts Act, 2015.

Presently, there are 35 Dedicated Commercial Courts in Delhi, 6 Dedicated Commercial Courts in Mumbai, 8 Dedicated Commercial Courts in Bengaluru city and 2 Dedicated Commercial Courts in Bengaluru Rural areas apart from 2 Dedicated Commercial Courts in Kolkata.

In addition, 23 High Courts have set up designated Special Courts for Infrastructure project contracts disputes as per Section 20B of the Specific Relief (Amendment) Act, 2018. Further, High Courts of Karnataka, Madhya Pradesh, Allahabad and Calcutta have allocated dedicated days in a week/month for hearing of such disputes related to infrastructure project contracts.

High Court of Delhi, Orissa, Andhra Pradesh, Allahabad, Jammu & Kashmir, Sikkim, Patna and Madras have set up Special Benches for dealing with high value commercial disputes i.e. above Rs. 500 crores.

## COMMERCIAL COURTS ACT, 2015: AN INTRODUCTION

The Commercial Courts Act, 2015 came in to force on 23<sup>rd</sup> October, 2015 and applies to whole of India. It is divided in VII chapters and 23 sections. Objective of the Act is to provide for the constitution of Commercial Courts, Commercial Appellate Courts, Commercial

Division and Commercial Appellate Division in the High Courts for adjudicating commercial disputes of specified value and matters connected therewith or incidental thereto.

## CONDITIONS FOR ADJUDICATION UNDER THIS ACT

Any case requiring adjudication under this Act must fulfil following two conditions:

1. It must be a commercial dispute.
2. Commercial dispute must be of a specified value.

### Commercial Dispute:

As defined in Section 2(1)(c) of the Act means a dispute arising out of–

- Ordinary transactions of merchants, bankers, financiers and traders such as those relating to mercantile documents, including enforcement and interpretation of such documents;
- Export or import of merchandise or services;
- Issues relating to admiralty and maritime law;
- Transactions relating to aircraft, aircraft engines, aircraft equipment and helicopters, including sales, leasing and financing of the same;
- Carriage of goods;
- Construction and infrastructure contracts, including tenders;
- Agreements relating to immovable property used exclusively in trade or commerce;
- Franchising agreements;
- Distribution and licensing agreements;
- Management and consultancy agreements;
- Joint venture agreements;
- Shareholders agreements;
- Subscription and investment agreements pertaining to the services industry including outsourcing services and financial services;
- Mercantile agency and mercantile usage;
- Partnership agreements;
- Technology development agreements;
- Intellectual property rights relating to registered and unregistered trademarks, copyright, patent, design, domain names, geographical indications and semiconductor integrated circuits;
- Agreements for sale of goods or provision of services;
- Exploitation of oil and gas reserves or other natural resources including electromagnetic spectrum;
- Insurance and re-insurance;

- Contracts of agency relating to any of the above; and
- Such other commercial disputes as may be notified by the Central Government.

Explanation appended to the definition aptly makes it clear that –A commercial dispute shall not cease to be a commercial dispute merely because— (a) it also involves action for recovery of immovable property or for realisation of monies out of immovable property given as security or involves any other relief pertaining to immovable property; (b) one of the contracting parties is the State or any of its agencies or instrumentalities, or a private body carrying out public functions.

### DETERMINATION OF SPECIFIED VALUE

At present if any commercial dispute is of Specified Value of Rs one crore or more can be adjudicated under the Act. Specified value shall be determined by in the manner provided in Section 12 of the Act as under:

When Relief Sought in suit or application relates to-	Determination of Value
Recovery of money	The money sought to be recovered in the suit or application inclusive of interest, if any, computed up to the date of filing of the suit or application, as the case may be, shall be taken into account for determining such Specified Value.
Movable property or to a right therein	The market value of the movable property as on the date of filing of the suit, appeal or application, as the case may be, shall be taken into account for determining such Specified Value.
Immovable property or to a right therein	The market value of the immovable property, as on the date of filing of the suit, appeal or application, as the case may be, shall be taken into account for determining Specified Value.
Other intangible right	Market value of the said rights as estimated by the plaintiff shall be taken into account for determining Specified Value.
Arbitration matters	The aggregate value of the claim and counterclaim, if any as set out in the statement of claim and the counterclaim, if any.

### ESTABLISHMENT OF COURTS AND THEIR JURISDICTION

Chapter II of the Act deals with establishment of following courts and their jurisdiction as briefed below:

EDBI rankings aim to compare the business environment of different countries. Ease of doing business rankings impact the reputation of the countries and hence influence them to initiate important policy reforms to improve the regulatory environment in their economy.

#### i. Commercial Courts

The Commercial Court shall have jurisdiction to try all suits and applications relating to a commercial dispute of a Specified Value arising out of the entire territory of the State over which it has been vested territorial jurisdiction.

#### ii. Commercial Division of High Court

All suits and applications relating to commercial disputes of a Specified Value filed in a High Court having ordinary original civil jurisdiction shall be heard and disposed off by the Commercial Division of that High Court.

Provided that all suits and applications relating to commercial disputes, stipulated by an Act to lie in a court not inferior to a District Court, and filed or pending on the original side of the High Court, shall be heard and disposed of by the Commercial Division of the High Court.

Provided further that all suits and applications transferred to the High Court by virtue of sub-section (4) of Section 22 of the Designs Act, 2000 (16 of 2000) or Section 104 of the Patents Act, 1970 (39 of 1970) shall be heard and disposed of by the Commercial Division of the High Court in all the areas over which the High Court exercises ordinary original civil jurisdiction.

#### iii. When a matter relates to Arbitration, the jurisdiction will be determined as under:

The court in which application or appeal arising out of arbitration has been filed under the provisions of the Arbitration and Conciliation Act, 1996	The Court where jurisdiction lies
If such arbitration is an international commercial arbitration, all applications or appeals arising out of such arbitration that have been filed in a High Court.	Commercial Division where such Commercial Division has been constituted in such High Court.



<p>If such arbitration is other than an international commercial arbitration, all applications or appeals arising out of such arbitration that have been filed on the original side of the High Court.</p>	<p>Commercial Division where such Commercial Division has been constituted in such High Court.</p>
<p>If such arbitration is other than an international commercial arbitration, all applications or appeals arising out of such arbitration that would ordinarily lie before any principal civil court of original jurisdiction in a district (not being a High Court).</p>	<p>Commercial Court exercising territorial jurisdiction over such arbitration where such Commercial Court has been constituted.</p>

**BAR ON JURISDICTION**

As per Section 11 of the Act a Commercial Court or a Commercial Division shall not entertain or decide any suit, application or proceedings relating to any commercial dispute in respect of which the jurisdiction of the civil court is either expressly or impliedly barred under any other law for the time being in force.

**PRE-INSTITUTION MEDIATION AND SETTLEMENT**

Section 12A of Chapter IIIA inserted w.e.f. 3/5/2018 requires that *A suit, which does not contemplate any urgent interim relief under this Act, shall not be instituted unless the plaintiff exhausts the remedy of pre-institution mediation in accordance with such manner and procedure*

*as may be prescribed by rules made by the Central Government.*

This means the plaintiff has to exhaust remedy of pre-institutional mediation before institution of any suit under this Act. This requirement however does not apply where the plaintiff seeks any urgent interim relief.

Other relevant provisions as provided in the aforesaid section read with Commercial Courts (Pre-institution Mediation and Settlement) Rules, 2018 are:

- i. The Central Government may, by notification, authorise the Authorities constituted under the Legal Services Authorities Act, 1987, for the purposes of pre-institution mediation.
- ii. The Authority authorised by the Central Government shall complete the process of mediation within a period of three months from the date of application made by the plaintiff.
- iii. The period of mediation may be extended for a further period of two months with the consent of the parties.
- iv. Period during which the parties remained occupied with the pre-institution mediation, such period shall not be computed for the purpose of limitation under the Limitation Act, 1963.
- v. If the parties to the commercial dispute arrive at a settlement, the same shall be reduced into writing and shall be signed by the parties to the dispute and the mediator.
- vi. The settlement arrived at under this section shall have the same status and effect as if it is an arbitral

award on agreed terms under sub-section (4) of section 30 of the Arbitration and Conciliation Act, 1996 .

- vii. A party to a commercial dispute may make an application to the Authority in Form 1 for initiation of mediation process under the Act.
- viii. Where both the parties consent for the mediation, the Authority shall assign the commercial dispute to a Mediator.
- ix. Venue of mediation shall be premises of the Authority.
- x. The mediator shall facilitate the voluntary resolution of commercial dispute between the parties and assist them in reaching a settlement.
- xi. A party to the dispute may appear before the Authority or Mediator, as the case may be either personally or through his duly authorized representative or counsel.
- xii. The Quantum of claim for payment of one-time mediation fee by the parties to be shared equally to the authority was specified in Schedule-II.

#### Appeals and expeditious disposal:

As per Section 13 and 14 Appellate Jurisdiction will be as below:

- i. Any person aggrieved by the judgment or order of a Commercial Court below the level of a District Judge may appeal to the Commercial Appellate Court.
- ii. Any person aggrieved by the judgment or order of a Commercial Court at the level of District Judge exercising original civil jurisdiction or, as the case may be, Commercial Division of a High Court may appeal to the Commercial Appellate Division of that High Court.
- iii. Appeal can be filed within a period of sixty days from the date of the judgment or order.
- iv. The Commercial Appellate Court and the Commercial Appellate Division, as the case may be shall endeavour to dispose of appeals filed before it within a period of six months from the date of filing of such appeal.

#### Act to have overriding effect:

Section 21 of the Act provides that save as otherwise provided, the provisions of this Act shall have effect, notwithstanding anything inconsistent therewith contained in any other law for the time being in force or in any instrument having effect by virtue of any law for the time being in force other than this Act.

#### ROLE OF COMPANY SECRETARIES

Company Secretaries having a good legal acumen and business understanding can significantly contribute to the respective Companies in effectively utilise the legal recourses available. Effective drafting of commercial agreements may help resolving commercial disputes in

effective and timely manner in least cost. The contracts may have a provision of alternative dispute resolution by way of mediation or arbitration or conciliation. If the contract already has an arbitration clause and the Company has gone through the arbitration process, it will not require to go for mediation process again. However, in other case if company intends to file a suit in commercial court it shall have to exhaust the remedy of mediation. The Company Secretaries can advise the Company to take appropriate action plan so that multi steps could be avoided.

Company Secretary can also help companies in formulating their claims or defences by thoroughly analysing the rights and obligations of the parties under the contract. Effective understanding will also help keeping the evidences ready for establishing the claim or defence or counter claim, as the case may be.

Besides, Company Secretaries may effectively brief the legal counsel about intricacies of particular contract or wherever permitted by law may appear before the Mediator as authorised representative. Besides, Companies may be helped in advising on matters of limitation period, jurisdiction and impleading the right parties against whom relief is sought.

#### CONCLUSION

It is aptly clear that effective dispute resolution ensures effective enforcement of contract. Effective enforcement of contracts helps protecting economic interest involved in a contract. Protected interest builds confidence in the investors. More investments ensure money inflow and setting up of industries in the Country. Investment and Setting-up of industries by international investors will contribute to the fast growth of the Indian economy resulting in higher GDP, higher national income, creation of more jobs, more economic stability, positive forex rate, enough forex reserves, modernisation and adoption of technologies.

Since it is our collective responsibility to handle and settle business problems amicably through the use of the legal remedies at our disposal. We will undoubtedly reach the aim of "Viksit-Bharat" by 2047 if we professionals assist the industry and the regulator by adopting the greatest degree of professionalism, raising awareness, and using alternative dispute resolution techniques effectively.

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# EoDB Ranking and ESG - A Pathway to Resilient and Responsible Business Practices

A higher EoDB ranking also enhances India's competitiveness globally, enabling businesses to operate more efficiently and effectively. Government reforms aimed at improving the business climate not only benefit businesses but also contribute to overall governance improvements, promoting transparency and accountability.



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## INTRODUCTION

The Ease of Doing Business (EoDB) Ranking holds significant implications for businesses and the economy in India. Improving India's EoDB ranking enhances its attractiveness as an investment destination, spurring both domestic and foreign investments. Streamlined regulations and efficient bureaucratic processes foster entrepreneurship by making it easier to start and operate businesses. This, in turn, drives innovation, job creation, and economic growth. A higher EoDB ranking also enhances India's competitiveness globally, enabling businesses to operate more efficiently and effectively. Government reforms aimed at improving the business climate not only benefit businesses but also contribute to overall governance improvements, promoting transparency and accountability. Ultimately, a conducive business environment created through improvements in the EoDB ranking stimulates socio-economic development, leading to increased prosperity and well-being for Indian citizens.

## INDIA'S COMMITMENT TOWARDS ESG

India has been increasingly demonstrating its commitment towards Environmental, Social, and Governance (ESG) principles in recent years. Some key aspects of India's commitment towards ESG is presented below and followed by a brief analysis of the same.

1) **Policy Initiatives:** The Indian government has introduced various policies and initiatives aimed at

promoting sustainability and responsible business practices. This includes the National Action Plan on Climate Change, the Sustainable Development Goals (SDGs), and the Corporate Social Responsibility (CSR) mandate, which requires certain companies to spend a portion of their profits on social and environmental initiatives.

- 2) **Renewable Energy:** India has been making significant strides in renewable energy development. It has set ambitious targets for renewable energy capacity expansion, including solar and wind power. The government has implemented various schemes and incentives to promote renewable energy generation and adoption.
- 3) **Social Welfare Programs:** India has several social welfare programs aimed at addressing poverty, improving healthcare, education, and sanitation. These initiatives contribute to the social aspect of ESG by improving the quality of life for its citizens.
- 4) **Corporate Governance Reforms:** There have been efforts to enhance corporate governance standards in India. Regulatory bodies like the Securities and Exchange Board of India (SEBI) have introduced measures to improve transparency, accountability, and Board independence in listed companies.
- 5) **Sustainable Finance:** India has seen a growing interest in sustainable finance, including green bonds, social impact investing, and sustainable banking practices. Financial institutions are increasingly integrating ESG factors into their investment decisions and risk assessments.
- 6) **Stakeholder Engagement:** There is a growing emphasis on stakeholder engagement and dialogue in India, with companies recognizing the importance of engaging with investors, employees, communities, and other stakeholders to address ESG concerns and build trust.

## EODB RANKING AND ESG PERFORMANCE – A BRIEF ANALYSIS

The potential synergies between Ease of Doing Business (EoDB) ranking and Environmental, Social,



and Governance (ESG) performance offer a promising pathway toward fostering resilient and responsible business practices. At their core, both EoDB ranking and ESG performance aim to enhance the sustainability and competitiveness of businesses while addressing societal and environmental concerns. By examining their interplay, several key synergies emerge.

Firstly, improvements in EoDB ranking can facilitate the implementation of ESG initiatives. A favorable business environment, characterized by streamlined regulatory processes, efficient governance structures, and robust legal frameworks, provides a conducive platform for companies to integrate ESG considerations into their operations. For instance, simplified administrative procedures for obtaining permits and licenses can expedite the adoption of environmentally sustainable practices, such as renewable energy investments or waste management initiatives. Similarly, transparent and accountable governance mechanisms supported by a strong rule of law can enhance corporate accountability and promote ethical behavior, aligning with social and governance aspects of ESG performance. Conversely, advancements in ESG performance can enhance a country's attractiveness for investment and business development, thereby contributing to an improved EoDB ranking. Companies with strong ESG credentials are increasingly viewed as more resilient and better equipped to manage risks and capitalize on opportunities in a rapidly changing business landscape. Consequently, investors and multinational corporations are drawn to jurisdictions that demonstrate a commitment to sustainable development and responsible governance practices. This influx of investment and expertise can stimulate economic growth, innovation, and job creation, ultimately boosting a country's EoDB ranking by fostering a vibrant and competitive business ecosystem. Moreover, the pursuit of EoDB reforms and ESG goals can reinforce each other, leading to mutually beneficial outcomes. For instance, initiatives aimed at enhancing transparency, accountability, and stakeholder engagement, integral to ESG principles, can also contribute to improving the ease of doing business by reducing regulatory uncertainty and enhancing investor confidence. Similarly, investments in infrastructure development and digitalization, often prioritized in EoDB reforms, can support environmental sustainability and social inclusivity objectives by promoting resource efficiency, enhancing access to essential services, and bridging digital divides.

## BALANCING EODB REFORMS WITH ESG CONSIDERATIONS – A FEW CHALLENGES AND TRADE-OFFS

Balancing Ease of Doing Business (EoDB) reforms with Environmental, Social, and Governance (ESG) considerations presents several challenges and trade-offs that policymakers, businesses, and stakeholders must understand:

- 1) **Regulatory Complexity vs. Environmental Protection:**
  - a. **Challenge:** Streamlining regulations to improve EoDB ranking may lead to the dilution



of environmental standards and oversight, potentially resulting in adverse ecological impacts.

- b. **Trade-off:** Striking a balance between regulatory simplification and environmental protection is crucial. While reducing bureaucratic hurdles can enhance business competitiveness, it must not compromise environmental sustainability. Policymakers need to ensure that EoDB reforms incorporate robust environmental safeguards and enforcement mechanisms.
- 2) **Labor Market Flexibility vs. Social Welfare:**
    - a. **Challenge:** Flexibilizing labor markets to enhance EoDB ranking may erode labor rights and protections, exacerbating income inequality and social unrest.
    - b. **Trade-off:** Balancing labor market flexibility with social welfare entails reconciling the need for business agility with ensuring fair wages, safe working conditions, and social security nets. Policymakers must design EoDB reforms that promote job creation and entrepreneurship while safeguarding workers' rights through labor laws and social protection programs.
  - 3) **Financial Deregulation vs. Financial Stability:**
    - a. **Challenge:** Deregulating financial markets to improve EoDB ranking can heighten systemic risks and vulnerabilities, as witnessed during financial crises.
    - b. **Trade-off:** Managing the trade-off between financial deregulation and stability requires prudential oversight and risk management frameworks. Policymakers must ensure that EoDB reforms promote financial inclusion and access to credit without compromising market integrity or exposing economies to excessive speculation and volatility.
  - 4) **Corporate Governance vs. Shareholder Value:**
    - a. **Challenge:** Emphasizing corporate governance practices to boost ESG performance may conflict with short-term profit maximization goals, particularly in shareholder-centric business models.

b. **Trade-off:** Aligning Corporate Governance with ESG considerations necessitates a shift toward long-term value creation and stakeholder engagement. Companies must balance shareholders' interests with broader societal concerns, integrating sustainability principles into their decision-making processes and corporate strategies.

5) **Investor Confidence vs. Regulatory Certainty:**

a. **Challenge:** Striking a balance between attracting investment and ensuring regulatory certainty is challenging, as investors often seek stable and predictable operating environments.

b. **Trade-off:** Maintaining investor confidence while pursuing ESG objectives requires clear and consistent regulatory frameworks. Policymakers must communicate their commitment to sustainability and responsible governance practices while providing investors with assurances of regulatory stability and legal protection.

## EODB REFORMS AND ESG OBJECTIVES – A POWERFUL FRAMEWORK FOR FOSTERING RESILIENT AND RESPONSIBLE BUSINESS PRACTICES

1) **Embrace Holistic Thinking:** Let us move away from siloed approaches and recognize that EoDB reforms and ESG principles are complementary rather than competing agendas. By adopting a holistic perspective, we can identify synergies and leverage points that maximize benefits across economic, environmental, and social dimensions.

2) **Integrate ESG Considerations into Business Strategies:** Businesses must integrate ESG considerations into their core strategies and decision-making processes. By embedding sustainability principles into business models, operations, and supply chains, companies can enhance their resilience, reputation, and long-term value creation.

3) **Advocate for Policy Coherence:** Policymakers play a crucial role in creating an enabling environment that supports both EoDB reforms and ESG objectives. Advocate for policy coherence and alignment across government agencies to ensure that regulatory frameworks incentivize sustainable practices and responsible investment.

4) **Promote Collaboration and Partnership:** Collaboration between policymakers, businesses, investors, civil society organizations, and academia is essential for driving systemic change. Foster partnerships that facilitate knowledge sharing, innovation, and collective action to address shared challenges and leverage opportunities.

5) **Encourage Transparent Reporting and Disclosure:** Transparency and accountability are foundational principles of both EoDB reforms and ESG principles. Let us encourage businesses and investors to adopt transparent reporting practices that disclose ESG performance metrics, risks, and impacts, enabling stakeholders to make informed decisions.

Improvements in EoDB ranking can facilitate the implementation of ESG initiatives. A favorable business environment, characterized by streamlined regulatory processes, efficient governance structures, and robust legal frameworks, provides a conducive platform for companies to integrate ESG considerations into their operations.

6) **Invest in Capacity Building and Education:** Building awareness and enhancing capacity are essential for mainstreaming ESG principles and promoting responsible business practices. Invest in education, training, and skill development initiatives that empower individuals and organizations to embrace sustainability as a driver of competitive advantage and societal impact.

7) **Measure Progress and Impact:** We establish clear metrics and benchmarks to track progress and measure the impact of our collective efforts. By monitoring EoDB reforms and ESG performance indicators, we can assess our performance, identify areas for improvement, and celebrate successes along the way.

8) **Lead by Example:** As leaders and influencers in our respective domains, we lead by example and demonstrate our commitment to fostering resilient and responsible business practices. Whether as policymakers, business leaders, investors, or advocates, each of us has a role to play in shaping a sustainable and inclusive future.

## CONCLUSION

In the light of the above, recognizing the interconnectedness of EoDB reforms and ESG principles is not only a moral imperative but also a strategic imperative for long-term success and sustainability. Let us seize this opportunity to collaborate, innovate, and drive positive change, building a world where businesses thrive, communities prosper, and the planet thrives for generations to come.

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# Need For Cautious Approach in Scripting EoDB

Business enterprises generate revenue and are major contributors to the economy of a country. MNCs produce goods and services with the factors of production, land, labour, capital and organization available in the country where manufacturing base is set up. They generate jobs, pay taxes and cater to the need of the society. Objective of all economies is to create jobs for the people of the country. MNCs help to provide such jobs. But they in turn transfer funds to their country of origin though dividend.



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## INTRODUCTION

With globalization countries have become closer to each other. One thinks in one country and delivers in another country. Today, 'Idly' the breakfast item is popular in Singapore also. Hewlett Packard ('HP') products initially manufactured in US are used in India being manufactured in China, Taiwan and many other countries are available for use in India. 'Samsung', 'WhirlPool' and 'Volvo' are all global brands. Manufacturers of such brands are referred to as multi-national companies (MNCs). The trade name of a product unifies a product. WTO countries all have trade mark laws which are more or less the same except of provisions which are related to the local conditions. A brand registered first in Sweden under the trade mark law will be allowed to register the mark in other WTO countries like India.

With the support of the Trade Mark Law, brands registered in one WTO country enjoy protection of the brand all the WTO countries provided they apply for registration. MNCs enjoy the global market and are ravaging through the market eliminating local players. Brands like 'Coca Cola' and 'Pepsi' in the cold drink market thwarted the efforts of local producers until RIL bought the once popular brand, 'Campa Cola' and have entered the market. How 'Campa Cola' fairs in the Indian market is to be seen. Companies are known by brands world over. There is ample proof to show that global brands with

their might block Indian brands from making a mark in the market.

Coming to global brands, top ten companies in the world in terms of market capitalization (Number of Shares x market price of each share as on 23<sup>rd</sup> June, 2023) are Apple with USD 2.95 trillion, at the top company followed by, Microsoft with USD 2.52 trillion, Saudi Aramco, with USD 2.09 trillion, Alphabet with USD 1.59 trillion, Amazon with USD 1.33 trillion, NVIDIA, USD 1.06 trillion, Tesla with USD 813.2 billion, Meta Platforms with USD 739.9 billion. Coming to India top ten most valuable companies in terms of market capitalization in 2023 were RIL with Rs 15.64 Trn, TCS, with Rs 12.56 Trn, HDFC Bank with Rs 11.25 Trn, ICICI Bank with Rs 6.47 Trn, Infosys with Rs 5.71 Trn, Bharti Airtel with Rs 5.58 Trn, ITC with Rs 5.36 Trn, Larsen & Toubro with Rs 4.02 Trn, HCL Technologies with Rs 3.43 Trn and Kotak Mahindra Bank with Rs 3.41 Trn. Business enterprises generate revenue and are major contributors to the economy of a country.

MNCs produce goods and services with the factors of production, land, labour, capital and organization available in the country where manufacturing base is set up. They generate jobs, pay taxes and cater to the need of the society. Objective of all economies is to create jobs for the people of the country. MNCs help to provide such jobs. But they in turn transfer funds to their country of origin through dividend. There are a number of MNCs operating in India. After Covid-19, foreign entities are setting up base in India preferring over other South Asian countries and China. Swami Vivekananda during his stay in 1893 onwards till early 1897 observed the popularity and success of organizations in US. Coming to India, on 1<sup>st</sup> May, 1897, Swami ji set up Ramkrishna Math and Mission at Belur. While setting it up he said that the Math and Mission was set to last for about 1500 years. Swami ji understood that to build the Math and Mission he required funds and the source was foreign funds. Land at Belur was bought with the donation of Mrs Ole Bull of US. In commercial parlance fund brought into the country from a foreign source for any project is termed Foreign Direct Investment ('FDI'). RKM today provides services to support the society and undertakes acts and deeds for eradicating hunger, providing education, vocational training to make the trainees ready to be employable.

From the SURVEY REPORT it is clear that the Central Government took immediate steps to improve the country's ranking in 'Ease of Doing Business Index.' Department for Promotion of Industry and Internal Trade (DPIIT) launched the Business Reform Action Plan (BRAP) 2020 (Fifth Edition).

## BUSINESS AND ITS OPERATION & EASE OF DOING BUSINESS

Business is a major contributor to a country's economy. For the country to progress business enterprises should be able to continue their activities without hindrance. In 2003, World Bank introduced the concept of 'Ease of Doing Business' ('EoDB') in 190 countries world wide. 'Ease of Doing Business Index' was created jointly by three US Economists namely, Simeon Djankov, Michael Klein and Caralee McLiesh. Their creation was adopted and utilized to determine the level of efficiency activities included in the index. In 2022 India ranked 63 among 190 countries, in 'Ease of Doing Business Index'. In 2014 India ranked 142 among the 190 countries. The Government realized the need to improve the activities covered by the Index and pull up the ranking among the 190 countries. Initiative taken by the Government to remove blockages in the activities included in the index improved the country's ranking in terms of the Index. From the rank of 142 in 2014, India's ranking shot up to 63 in 2020. The feat is indeed admirable. EoDB Index has ten sub indices. EoDB is used by foreign entities to determine global investment and also learn the level of the activities listed in EoDB index.

### EoDB comprise of the following sub indices:

- i) Starting a business – Procedure, time, cost, and minimum capital to open a new business.
- ii) Dealing with construction permits – Procedures, time, and cost to build a warehouse.
- (iii) Getting electricity – procedures, time, and cost required for a business to obtain a permanent electricity connection for a newly constructed warehouse.
- (iv) Registering property – Procedures, time, and cost to register commercial real estate.
- (v) Getting credit – Strength of legal rights index, depth of credit information index.
- (vi) Protecting investors – Indices on the extent of disclosure, the extent of director liability, and ease of shareholder suits.

- (vii) Paying taxes – Number of taxes paid, hours per year spent preparing tax returns and total tax payable as a share of gross profit.
- (viii) Trading across borders – Number of documents, cost, and time necessary to export and import.
- (ix) Enforcing contracts – Procedures, time, and cost to enforce a debt contract.
- (x) Resolving insolvency – The time, cost, and recovery rate(%) under a bankruptcy proceeding.

The Doing Business project also offers information on the following data sets :

- (a) Distance to the frontier – Shows distance of each economy to the "frontier," representing the highest performance on each of the indicators across all economies included since each indicator was included in *Doing Business*.
- (b) Good practices – Provide insights into how governments have improved the regulatory environment in the past in areas measured by *Doing Business*.

Report in the third quarter of 2022-23 projected Canada, Singapore and Denmark as the promising 3 countries among the 190 countries that would feature among the top three countries under the Ease of Doing Business Index.

## CENTRAL GOVERNMENT STUDY AND STEPS TAKEN IN EASING DOING BUSINESS IN THE COUNTRY

From the SURVEY REPORT it is clear that the Central Government took immediate steps to improve the country's ranking 'Ease of Doing Business Index.' Department for Promotion of Industry and Internal Trade (DPIIT) launched the Business Reform Action Plan (BRAP) 2020 (Fifth Edition). BRAP aimed at improvement of business environment in the country by improving in the steps that are included in the index and sub indices of EoDB. In June, 2022, BRAP brought about 7496 reforms together with the States and Union Territories ('UTs'). Administrations under the Central Government, State Government and Union Territories together they eliminated 39000 compliances considered to be of little significance in the current scenario and aimed to remove blockages in ease of doing business. SURVEY REPORT, states that 'Reducing Compliances Burden (RCB) on businesses and citizens is a continuous exercise. Following the continuity jumping to the next level of governance excellence and improve Ease of Living is within reach. Central Ministries, States UTS acting together as on 17<sup>th</sup> January, 2023 decriminalised more than 3,500 provisions of different enactments. Deletion from the provisions of the acts included minor technical or procedural defaults. In September 2021, a National Single Window System ('NSWS') was launched aimed at easing doing business. As on 10<sup>th</sup> January,



2023, NSWS the single digital platform for investors for approvals, issued clearances and had 4.3 Lac unique visitors. The SURVEY REPORT states that the portal facilitated 81,000 plus approvals. There are around 43,000 applications awaiting approval and are being processed.

The companies (Amendment) Act, 2020 passed by the Parliament was made effective on 30<sup>th</sup> October, 2020. It decriminalized a number of provisions. The SURVEY REPORT states that the Government has replaced criminal liabilities for simple defaults not in the nature of fraud with provisions of civil liabilities. Where nature of lapse is procedural, the Government has taken steps to further ease of doing business for both domestic and global investors. The REPORT further states that more than 1400 default cases were decided by Authorities without going to Court. Given opportunity to rectify defaults not of serious consequence, 4000 plus companies to avoid being penalized willingly rectified past defaults. Reforms have been brought under GST, Insolvency and Bankruptcy, Labour Laws, Foreign Investment. Implementation of the labour reforms have not taken off fully with many states not having implemented the same. Other structural reforms have been carried out that have helped to improve ease of doing business in the country.

Example of simplification includes Spice + Form and the simplified web form for incorporation of companies. Steps to simplify provisions under the Insolvency and Bankruptcy Act, 2016 and allied acts are being taken.

### **DECRIMINALISATION THROUGH THE JAN VISHWAS (AMENDMENT OF PROVISIONS) ACT, 2023 - STEP TOWARDS FURTHER EODB**

The Jan Vishwas (Amendment of Provisions) Act, 2023 ('JVA') was implemented from 11<sup>th</sup> August, 2023. It rationalizes criminal punishment for 183 minor offences across 42 Central Acts under 19 Ministries of the Central Government. JVA in one stroke has decriminalised provisions under the several acts and aims at trust-based Governance. With the enactment Court burden reduction is aimed. The Acts amended through the amending Act include the Pharmacy Act, 1948, the Copyright Act, 1957, the Patent Act, 1970, the Environment (Protection) Act, 1986, the Motor Vehicles Act, 1988, the Trade Marks Act, 1999, the Information Technology Act, 2000, the Prevention of Money Laundering Act, 2002, the Food and Safety Standards Act, 2006 and the Legal Metrology Act, 2009. Example of deletion of provisions for minor offences under the Indian Post Office Act, 1898 are given as under:

1. Voluntary withdrawal from duty, making false entry in the register, defining or injuring post office letter boxes were punishable with imprisonment upto 1 month, 6 months and 1 year respectively along with fine.
2. Sending unpaid postal article attracted imprisonment upto to two years.



JVA aims to balance between severity of violation and gravity of prescribed punishment. Many offences being either minor, technical or procedural in nature, for which the punishment was considered disproportionate, have been decriminalized. Several specific offences minor, technical or procedural in nature being subject to imprisonment and/or fine to penalty have been decriminalised. Complete decriminalization of such offences give relief to the Board of companies from facing the rigours of criminal trial before conviction. With JVA coming into force such offences are now punishable with penalty thus relieving the Courts from dealing with such offences.

Decriminalisation of offences for non-production of documents or information, required by law, makes sense as there are other mechanisms e.g. search and seizure, obtaining information from other regulators or offices of the Government, Decriminalisation of offences punishable under the residual category (for which no specific punishment was prescribed) is an appropriate step.

Confederation of Indian Industry (CII) submitted a number of suggestions. They were considered while drafting the JVA. CII recommended a system of self-governance in which criminal provisions were to exist only for serious offences. For minor offences CII recommended replacement of 'imprisonment' and / or 'fine' with 'penalty' an executive decision, rather than Court.

While the JV Bill was drafted, efforts were made to save businesses from unnecessary blockages so that the judiciary is not over burdened. Imprisonment term in the Legal Metrology Act for many of the repeat offences has now been replaced with increased fine. This aims at reducing burden of the judiciary.

Industry believes that JVA is only the first step in the direction of ease of doing business. Other Central Acts that may be amended are the Consumer Protection Act, 2019, Water (Prevention and Control of Pollution) Act, 1974 and other statutes. At the State level acts like the Factories Act, 1948, Inter State Migrant Workmen Act, 1979, Maternity Benefit Act, 1961 might be simplified. Government is identifying further areas. More provisions for rationalization/discriminialisation of inactions/action in pursuing business and other laws in consultation with stakeholders, including CII is on.

Steps cited would free up judicial time. The amendments could be even better served if the benefit of JVA is extended to existing offences as well. In the past, the Hon'ble Supreme Court has also taken the view in T.Barai v Henry Ah Hoe that the benefit of reduced punishment for an offence should be extended to past contraventions, as it helps to mitigate the rigour of law. 'The Joint Committee on Jan Vishwas (Amendment of Provisions) Bill, 2022 ('JV Bill') in its report recommended looking into legalities, possibilities, and other consequences of giving retrospective effect. This not only has the potential to further reduce the burden on business as well as judiciary but also to increase the efficiency of Government work as well as focus on policy making'.

The recent amendment to the Companies Act, 2013 and JVA, 2023 will be the prologue to the swelling act for bringing about rationalization in the other laws in force which are not of that nature that requires imprisonment. Criminal provisions in economic legislations for minor offences dissuade promoters, young entrepreneurs and domestic and foreign investors. This creates negative impact on investment decisions.

Balance between ease of doing business mitigating punishment through imposition of penalty instead of imprisonment in the various other legislations is the current need.

## CONCLUSION

Ease of doing of business with the least worry of punishment involving imprisonment for petty offences is the sine qua non for a healthy economic scenario in a state. But business is not restricted to promoters of the country of origin. Today MNCs are controlling global business. In moving from the present form of punishment for offences to the penalty regime for small offences it should be carefully examined that foreigners do not take advantage of the situation. France press reported that business entities got away with withholding payment of penalty through appeals with the higher forum and payment of fine continued to be withheld. There have been instances of frauds / mis-selling/mis-representation in respect of many business both internationally and in India. So all amendments to safe guard doing business in the country needs to be adequately guarded.

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# Navigating the Regulatory Landscape: Harmonizing Ease of Doing Business (EoDB) with Effective Governance

The challenge lies in finding the right balance between facilitating a conducive business environment and maintaining effective governance. Striking this equilibrium requires governments to adopt policies that encourage entrepreneurship and investment while safeguarding against potential abuses and ensuring societal well-being.



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## INTRODUCTION

In the dynamic landscape of economic development, governments worldwide strive to strike a delicate balance between fostering a business-friendly environment and ensuring effective governance.

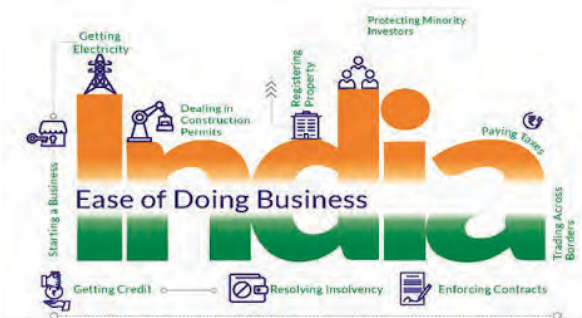
Ease of Doing Business (EoDB) is a metric that evaluates the regulatory environment in a country concerning the ease with which businesses can be established, operate, and thrive. A higher EoDB ranking generally indicates a more business-friendly environment, attracting both domestic and foreign investments.

Governance, on the other hand, refers to the system of rules, practices, and processes by which a country is directed and controlled. It involves ensuring transparency, accountability, and the rule of law, which are vital for preventing corruption, protecting stakeholders, and promoting sustainable development.

The challenge lies in finding the right balance between facilitating a conducive business environment and maintaining effective governance. Striking this equilibrium requires governments to adopt policies that encourage entrepreneurship and investment while safeguarding against potential abuses and ensuring societal well-being.

Key considerations in achieving this balance include:

- Streamlined Regulatory Processes:** Governments must simplify bureaucratic procedures, reduce red tape, and digitize processes to enhance efficiency. This not only expedites business operations but also minimizes opportunities for corruption.
- Transparent Legal Frameworks:** Clear and transparent legal frameworks build trust and confidence among investors. Governments should ensure that laws and regulations are easily accessible, understandable, and consistently enforced.
- Effective Compliance Mechanisms:** While promoting a business-friendly environment, robust compliance mechanisms are essential to prevent malpractices. Regular audits, inspections, and reporting requirements can help maintain accountability.
- Investor Protection:** Establishing mechanisms for investor protection, such as strong contract enforcement, dispute resolution, and intellectual property rights, fosters confidence among businesses and investors.
- Social and Environmental Responsibility:** Governments should incorporate policies that encourage businesses to adopt sustainable practices. Balancing economic growth with social and environmental responsibility is crucial for long-term stability.



Due to the circumstances which existed before, there was a time when it was asked - Why India? Now after looking at the impact of the reforms that have taken place in the country, it is being asked - 'Why not India?'

6. **Stakeholder Engagement:** Involving stakeholders, including businesses, civil society, and the public, in the policymaking process ensures a more inclusive and representative regulatory framework.

Governments that successfully navigate this regulatory balancing act are better positioned to attract investments, stimulate economic growth, and build a resilient and sustainable business environment. By fostering both Ease of Doing Business and effective Governance, countries can create a conducive atmosphere for prosperity, innovation, and societal well-being.

## DECADE OF CORPORATE EVOLUTION: UNVEILING THE COMPANIES ACT, 2013

The Companies Act, 2013, heralded a significant shift in the regulatory landscape for corporate entities in India. Enacted to replace the Companies Act, 1956, the new legislation aimed at modernizing corporate governance, enhancing transparency, and aligning with global best practices. As we reflect upon its journey over the past 10 years, it becomes evident that the Act has played a pivotal role in shaping the corporate environment in the country.

### Key Milestones and Reforms:

1. **Corporate Governance Enhancements:** The Companies Act, 2013, introduced a comprehensive framework for corporate governance, emphasizing the role of Independent Directors, audit committees, and shareholder activism. These provisions aimed to bolster transparency, accountability, and ethical conduct within corporate entities.
2. **CSR Mandate:** A groundbreaking feature of the Act was the introduction of Corporate Social Responsibility (CSR) provisions. For the first time, companies meeting specific criteria were required to allocate a portion of their profits towards social and environmental causes, fostering a sense of corporate responsibility.
3. **Ease of Doing Business (EoDB):** The Act streamlined various processes and introduced the concept of a one-person company, simplifying the formation and administration of businesses. These measures were in line with the broader governmental efforts to improve the ease of doing business in India.
4. **Increased Regulatory Oversight:** The Act strengthened regulatory oversight through the establishment of bodies like the National Company Law Tribunal (NCLT) and the National Company Law Appellate Tribunal (NCLAT). These institutions played a crucial role in expediting dispute resolution and enforcing compliance.
5. **Audit and Auditors:** Stricter norms regarding the appointment and rotation of auditors were introduced to enhance the independence and quality of financial audits. The Act aimed to ensure that auditors act as watchdogs, promoting the integrity of financial reporting.

### Challenges and Evolving Dynamics:

1. **Amendments and Iterations:** Over the years, the Companies Act, 2013, has undergone several amendments to address emerging challenges and fine-tune regulatory frameworks. These amendments reflect a commitment to adaptability and responsiveness to the evolving needs of the corporate sector.
2. **Compliance Burden:** While the Act aimed to simplify procedures, the evolving regulatory landscape has, at times, increased the compliance burden on companies. Striking a balance between regulatory oversight and minimizing administrative challenges remains an ongoing concern.
3. **Digital Transformation:** The Act has witnessed an increasing reliance on digital platforms for compliance filings and disclosures. This shift has both streamlined processes and posed challenges related to data security and accessibility, necessitating a continual adaptation to technological advancements.

## CORPORATE LEGISLATION UNVEILED: TRACING THE EVOLUTION IN LIGHT OF EASE OF DOING BUSINESS

The Companies Act of 2013 in India marked a significant milestone in corporate governance and regulation. As we reflect on the past decade, the evolution of company law has been shaped by the dynamic interplay between regulatory frameworks and the imperative of improving the Ease of Doing Business (EoDB). This journey unfolds a narrative of reforms, challenges, and accomplishments in fostering a more business-friendly environment.

### 1. Simplified Incorporation Processes:

Over the years, amendments to the Companies Act have streamlined the process of company incorporation. The reduction of bureaucratic hurdles and the introduction of online registration mechanisms have contributed to a more efficient and accessible business environment.

### 2. Enhanced Corporate Governance:

The Companies Act, 2013, emphasized corporate governance by introducing provisions for Independent Directors, audit committees, and enhanced disclosure norms. This aligns with EoDB principles, ensuring transparency, accountability, and ethical practices within corporate entities.

### 3. Digital Transformation and Compliance:

Embracing technology has been pivotal in aligning with EoDB goals. The shift towards digitization in compliance procedures, such as electronic filing of documents and e-governance initiatives, has not only improved efficiency but also reduced opportunities for corruption and malpractices.



4. **Ease of Capital Mobilization:**

Amendments in the law have facilitated fundraising for companies by simplifying processes related to share capital, debentures, and private placements. This has enhanced the ease with which businesses can access capital, a key factor in fostering economic growth.

5. **Focus on Insolvency and Bankruptcy:**

Recognizing the importance of a robust insolvency framework, the Companies Act was amended to introduce the Insolvency and Bankruptcy Code (IBC). This has provided a more efficient resolution mechanism, reducing the time and resources involved in winding up distressed companies.

6. **Stakeholder Engagement and Social Responsibility:**

The evolving company law has placed increased emphasis on stakeholder engagement and Corporate Social Responsibility (CSR). Aligning with global trends, these provisions reflect a broader understanding of corporate success that goes beyond mere financial metrics.

**EMPOWERING MARKETS: NAVIGATING SEBI REGULATIONS FOR BUSINESS FACILITATION**

The Securities and Exchange Board of India (SEBI) plays a pivotal role in regulating the securities market in India. As we assess the regulatory landscape over the years, it becomes evident that SEBI’s regulations have not only ensured market integrity and investor protection but have also been instrumental in fostering the Ease of Doing Business (EoDB). This article explores the regulatory journey of SEBI and its evolving role in creating a conducive environment for businesses.

1. **Listing and Disclosure Norms:** SEBI’s regulations have significantly contributed to the simplification of listing and disclosure norms for companies going public. The streamlining of Initial Public Offering (IPO) processes and disclosure requirements enhances transparency, attracting more companies to consider the capital markets for fundraising.
2. **Corporate Governance Standards:** SEBI has been proactive in enforcing corporate governance standards for listed entities. By mandating the appointment of Independent Directors, ensuring board accountability, and enhancing disclosure norms, SEBI’s regulations align with EoDB principles, instilling investor confidence and ensuring fair business practices.
3. **Market Access and Ease of Trading:** Continuous efforts to improve market infrastructure and trading mechanisms have been evident in SEBI’s initiatives. Measures such as dematerialization of securities, electronic trading, and the introduction of the Unified Market Platform contribute to the ease with which investors can trade in the market.

The Companies Act, 2013, emphasized Corporate Governance by introducing provisions for Independent Directors, audit committees, and enhanced disclosure norms. This aligns with EoDB principles, ensuring transparency, accountability, and ethical practices within corporate entities.

4. **SME Exchange and Start-up Platform:** Recognizing the importance of supporting small and medium enterprises (SMEs) and start-ups, SEBI has introduced dedicated platforms for these entities to raise capital. These initiatives not only encourage entrepreneurship but also contribute to the diversification and growth of the market.
5. **Regulatory Technology (RegTech) Integration:** SEBI has embraced technology to streamline regulatory processes. The introduction of online filing systems, electronic reporting, and the use of data analytics in surveillance activities not only improves efficiency but also reduces the burden of compliance on market participants.
6. **Investor Education and Protection:** SEBI’s emphasis on investor education and protection aligns with the broader EoDB goals. Informed and protected investors are more likely to participate in the market, contributing to a robust and dynamic investment environment.
7. **Challenges and Future Considerations:** While SEBI has made significant strides, challenges such as market volatility, emerging technologies, and global regulatory developments persist. Future considerations may involve striking a balance between innovation and investor protection, adapting regulations to technological advancements, and further simplifying compliance procedures.

**EODB & GOVERNANCE SYMBIOSIS: STRIKING THE REGULATORY EQUILIBRIUM**

The pursuit of economic growth and sustainable development requires governments to strike a delicate balance between promoting the Ease of Doing Business (EoDB) and upholding effective governance. This delicate equilibrium involves navigating a complex landscape where streamlined business operations coexist with robust regulatory frameworks. This article explores the challenges and strategies involved in achieving harmony between EoDB and governance.

1. **Harmonizing Regulatory Reforms:**

Successful governance in the context of EoDB demands a harmonious approach to regulatory reforms.



Governments must prioritize the simplification of business processes, reduction of red tape, and the digitalization of regulatory procedures without compromising on the core principles of governance, such as accountability and transparency.

**2. Proactive Compliance Mechanisms:**

Balancing EoDB and governance requires the establishment of proactive compliance mechanisms. While simplifying regulatory procedures, governments must ensure that effective monitoring and enforcement mechanisms are in place to prevent malpractices, fraud, and other non-compliance issues.

**3. Stakeholder Engagement and Inclusivity:**

Governance should not be seen as an impediment to business but rather as a collaborative effort. Governments must actively engage with stakeholders, including businesses, civil society, and the public, to ensure that regulatory frameworks are inclusive and represent the interests of all parties.

**4. Transparent Legal Frameworks:**

Building a foundation of trust and confidence involves maintaining transparent legal frameworks. Governments should ensure that laws and regulations are easily accessible, understandable, and consistently enforced. This transparency fosters a conducive environment for businesses while reinforcing the principles of good governance.

**5. Innovative Solutions for EoDB:**

Balancing the balance requires innovative solutions for promoting EoDB. Leveraging technology, data analytics, and regulatory technology (RegTech) can

significantly enhance the efficiency of regulatory processes, reducing the burden on businesses while maintaining effective oversight.

**6. Social and Environmental Responsibility:**

Governance must extend beyond economic considerations to include social and environmental responsibility. Striking a balance involves integrating policies that encourage businesses to adopt sustainable practices, contributing to long-term societal well-being.

**7. Continuous Monitoring and Adaptation:**

Achieving equilibrium between EoDB and governance is an ongoing process. Governments should continuously monitor the impact of regulatory changes, solicit feedback from stakeholders, and be agile in adapting policies to address emerging challenges and opportunities.

**LEGISLATIVE WAVES: CATALYSTS DISRUPTING THE STATUS QUO**

In the ever-evolving landscape of governance and regulation, the introduction of new legislations serves as a catalyst, challenging the existing status quo and shaping the trajectory of societal and economic progress. This article delves into the transformative impact of recent legislations, exploring how they challenge established norms, foster innovation, and contribute to a dynamic and adaptive legal framework.

**1. Digital Economy and Data Protection Laws:**

The rise of the digital economy has prompted the enactment of comprehensive data protection laws. These legislations not only safeguard individual

privacy but also redefine how businesses collect, process, and utilize data. Balancing the needs of a data-driven society with privacy concerns challenges the traditional notions of information governance.

**2. Environmental Sustainability Regulations:**

With growing awareness of environmental issues, legislations focused on sustainability have gained prominence. Governments worldwide are adopting measures to regulate carbon emissions, promote renewable energy, and encourage eco-friendly practices. These new laws challenge traditional business models, compelling industries to embrace sustainable practices.

**3. Remote Work and Labor Laws:**

The advent of remote work has necessitated the re-evaluation of labour laws. New legislations aim to address the challenges and opportunities associated with remote work, ensuring fair treatment of employees and adapting employment regulations to the evolving nature of work in the digital age.

**4. Cryptocurrency and Blockchain Regulations:**

The emergence of cryptocurrencies and blockchain technology has prompted the introduction of legislations to govern these innovative financial instruments. Striking a balance between fostering financial innovation and preventing potential risks challenges traditional notions of monetary control and regulatory frameworks.

**5. Healthcare Reforms in Response to Global Crises:**

Recent global health crises have spurred legislative reforms in the healthcare sector. New laws focus on strengthening public health infrastructure, improving crisis response mechanisms, and enhancing international collaboration. These legislations challenge established healthcare norms and prioritize resilience in the face of unforeseen challenges.

**6. Artificial Intelligence Governance:**

As artificial intelligence (AI) becomes increasingly integrated into various sectors, legislations are being enacted to govern its ethical use, accountability, and potential societal impact. These laws challenge traditional notions of liability and accountability in the context of autonomous systems and machine learning algorithms.

**7. Inclusive Diversity and Equality Laws:**

Societal shifts towards inclusivity and diversity have led to the enactment of legislations promoting equality in various spheres, including gender, ethnicity, and sexual orientation. These laws challenge existing social norms, fostering a more inclusive and equitable environment.

**UNLEASHING BUSINESS POTENTIAL: INDIA'S ASCENDANCE AS A GLOBAL EASE OF DOING BUSINESS (EODB) EXEMPLAR**

In recent years, India has undergone a remarkable transformation in its business environment, positioning itself as a global benchmark for Ease of Doing Business (EoDB). This article explores the key factors contributing to India's rise as a favourable destination for businesses, the reforms implemented, and the challenges that lie ahead as it strives to maintain its global standing.

**1. Landmark Reforms and Initiatives:**

India has witnessed a series of landmark reforms and initiatives aimed at simplifying business processes. Initiatives such as the Goods and Services Tax (GST), the Insolvency and Bankruptcy Code (IBC), and the Make in India campaign have significantly contributed to creating a more conducive business environment.

**2. Streamlined Business Registration:**

Efforts to streamline the business registration process have borne fruit, with the introduction of online platforms and a more user-friendly interface. The digitization of processes has reduced bureaucratic hurdles, making it easier for entrepreneurs to establish and operate businesses in India.

**3. Improved Infrastructure and Connectivity:**

Investments in infrastructure development and improved connectivity have played a crucial role in enhancing the overall business ecosystem. Modernized transportation networks, logistics, and communication infrastructure contribute to smoother business operations and efficient supply chains.

**4. Digital India Initiative:**

India's Digital India initiative has propelled the country into the digital age, offering businesses a platform for online transactions, electronic document submission, and e-governance. This digital transformation has significantly reduced paperwork and increased the speed of business processes.

**5. Proactive Regulatory Reforms:**

The Indian government has demonstrated a proactive approach to regulatory reforms, constantly reviewing and amending policies to align with global best practices. This adaptability fosters investor confidence and creates an environment conducive to sustainable business growth.

**6. Focus on Investor Protection:**

Enhancements in corporate governance standards and a focus on investor protection have been integral to India's EoDB journey. Measures such as improved

disclosure norms, stringent audit requirements, and the establishment of regulatory bodies contribute to a secure investment environment.

#### 7. **Global Recognition and Rankings:**

India's consistent improvement in global EoDB rankings reflects its commitment to fostering a business-friendly environment. Recognition from international organizations, such as the World Bank's Doing Business Report, further solidifies India's position as a global benchmark for EoDB.

#### 8. **Challenges and Future Considerations:**

While India has made significant strides in improving its EoDB rankings, challenges such as bureaucratic inefficiencies, regulatory overlaps, and regional disparities persist. Continued efforts to address these challenges, coupled with a focus on sustainable practices and social responsibility, will be crucial for India to sustain its status as a global benchmark for Ease of Doing Business.

## SHAPING LEGISLATIVE DYNAMICS THE ESSENTIAL CONTRIBUTION OF GOVERNANCE PROFESSIONALS

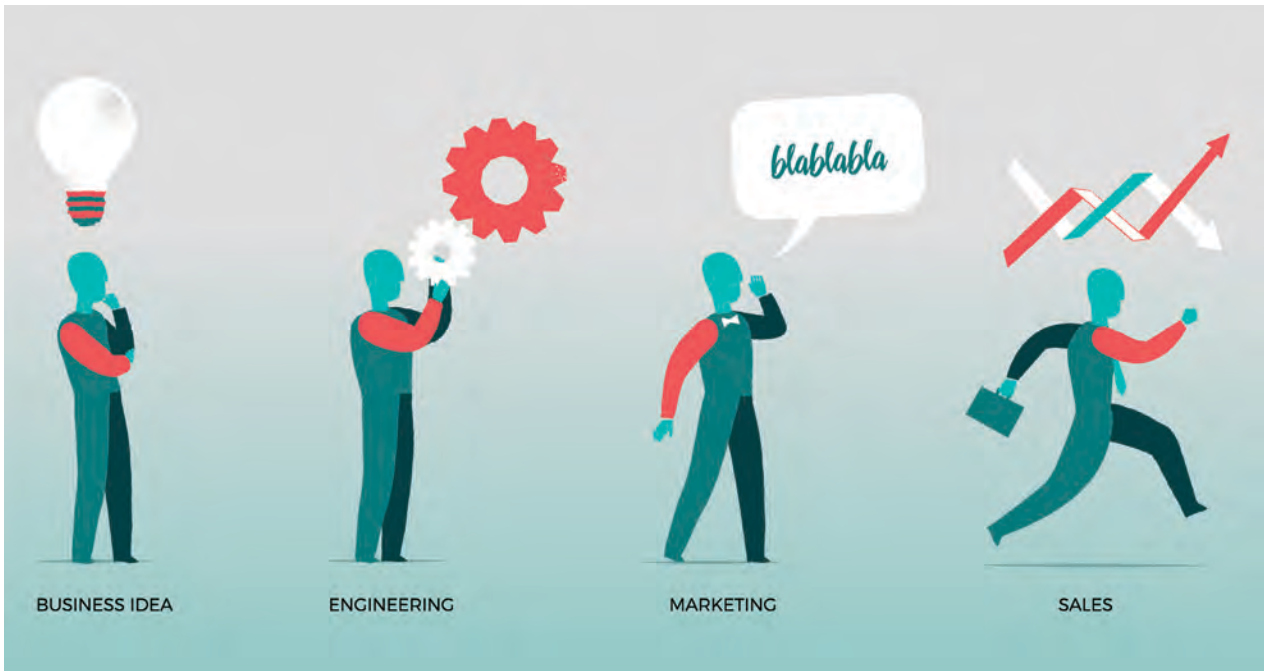
In the face of evolving regulatory landscapes and dynamic legislative dynamics, governance professionals play a pivotal role in shaping and navigating the complexities of modern governance. This article explores how these professionals contribute to the alteration of legislative dynamics, ensuring compliance, fostering ethical practices, and enhancing overall corporate governance.

- 1. Interpreting and Implementing Regulations:** Governance professionals act as interpreters of complex regulations, deciphering legal intricacies and translating them into actionable strategies for organizations. Their role is crucial in ensuring that businesses understand and implement legislative changes in a manner that aligns with ethical standards and best practices.
- 2. Advisory and Compliance Oversight:** The ever-changing legislative environment demands proactive compliance management. Governance professionals serve as advisors, keeping organizations abreast of regulatory updates and providing guidance on compliance strategies. Their oversight helps mitigate legal risks and ensures adherence to evolving legislative standards.
- 3. Ethical Decision-Making and Corporate Culture:** As guardians of ethical standards, governance professionals contribute to shaping a robust corporate culture. Their role extends beyond legal compliance to fostering a culture of integrity, responsibility, and transparency. This proactive stance helps organizations navigate legislative changes with an ethical compass.

- 4. Stakeholder Communication and Transparency:** Effective governance involves transparent communication with stakeholders. Governance professionals play a key role in ensuring that organizations communicate legislative changes transparently to stakeholders, building trust and maintaining the credibility of the organization in the eyes of investors, employees, and the public.
- 5. Risk Management and Legal Strategy:** Legislative alterations often bring new risks and challenges. Governance professionals are instrumental in identifying, assessing, and managing these risks. They contribute to the formulation of legal strategies that not only ensure compliance but also position the organization strategically in the face of legislative changes.
- 6. Continuous Professional Development:** Staying ahead of legislative dynamics requires governance professionals to engage in continuous professional development. This involves keeping abreast of legal updates, attending relevant training programs, and collaborating with industry peers. A well-informed and adaptive governance professional is an asset to any organization.
- 7. Advocacy and Policy Influence:** Governance professionals often engage in advocacy efforts to influence policy formulation. By participating in industry associations, regulatory consultations, and public policy discussions, they contribute to shaping legislative frameworks that are fair, balanced, and supportive of responsible business practices.

**The challenges and considerations in achieving this equilibrium. Here are a few noteworthy examples:**

- 1. Singapore's Regulatory Framework:** Singapore is often cited as a leading example of successfully balancing EoDB and governance. The country has consistently ranked high in global EoDB indices. The regulatory framework in Singapore is known for its efficiency in business incorporation, transparency, and effective governance. The city-state's success is often attributed to its ability to maintain a conducive business environment while upholding strong legal and regulatory standards.
- 2. Delaware Corporate Law (United States):** Delaware is a jurisdiction within the United States renowned for its business-friendly legal environment. The Delaware General Corporation Law (DGCL) is considered a leading example of corporate law that balances the interests of businesses and shareholders. The state's legal system provides flexibility in corporate governance, allowing businesses to adopt statutes that suit their needs while maintaining a level of accountability to shareholders.
- 3. United Kingdom's Corporate Governance Code:** The UK Corporate Governance Code is



a set of principles and best practices that guide companies in the UK. It emphasizes the importance of transparency, accountability, and shareholder engagement. The Code’s flexibility allows companies to adopt practices that suit their specific circumstances, striking a balance between facilitating business operations and ensuring responsible governance.

4. **German Corporate Governance Code:** Germany’s Corporate Governance Code is another example that addresses the relationship between companies and their stakeholders. It emphasizes the role of supervisory boards, shareholder rights, and corporate responsibility. Germany’s governance approach is often praised for its emphasis on long-term sustainability and the protection of various stakeholder interests.
5. **Japan’s Corporate Governance Code:** Japan implemented a Corporate Governance Code to enhance the governance practices of Japanese companies. The code focuses on promoting transparency, accountability, and effective shareholder engagement. The Japanese example reflects efforts to align with global governance standards while considering the unique cultural and business context of the country.

While these examples showcase successful attempts to balance EoDB and governance, it’s essential to note that the effectiveness of regulatory frameworks can vary based on the socio-economic and cultural context of each country. Ongoing developments and adjustments to legal frameworks globally continue to provide insights into achieving this delicate equilibrium.

## CONCLUSION

In an era of altering legislative dynamics, the role of governance professionals is more critical than ever. Their multifaceted contributions go beyond mere compliance, encompassing ethical leadership, risk management, and strategic positioning. As organizations navigate the complexities of the legislative landscape, governance professionals serve as the linchpin, ensuring that businesses not only adhere to the law but also thrive in an environment of integrity and accountability. Their expertise is indispensable in shaping a sustainable and resilient future for corporate governance.

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# Regulatory Scenario - Balancing Ease of Doing Business and Governance

The Companies Act, 2013 marks a significant milestone in the corporate regulatory landscape of India. Enacted on August 29, 2013, it replaced the erstwhile Companies Act, 1956, and brought about substantial reforms to modernize and streamline Company Law in India. As we reflect on its journey of ten years since enactment, several key aspects come to the forefront.



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## INTRODUCTION

### COMPANIES ACT, 2013: A JOURNEY OF 10 YEARS

The Companies Act, 2013 marks a significant milestone in the corporate regulatory landscape of India. Enacted on August 29, 2013, it replaced the erstwhile Companies Act, 1956 and brought about substantial reforms to modernize and streamline Company Law in India. As we reflect on its journey of ten years since enactment, several key aspects come to the forefront:

- 1. Modernization and Simplification:** The Companies Act, 2013 aimed to modernize corporate governance practices in India by aligning them with international standards. It introduced provisions for electronic filing, e-governance, and simplified procedures for company incorporation, thereby enhancing efficiency and transparency in corporate operations.
- 2. Enhanced Corporate Governance:** The Act laid down comprehensive provisions to strengthen corporate governance mechanisms, including the establishment of new norms for Independent Directors, audit committees, Nomination and Remuneration Committee, Internal Auditor, rotation of auditors, Whistle Mechanism and corporate social responsibility (CSR) obligations. These measures were designed to enhance accountability, transparency, and stakeholder protection within corporate entities.
- 3. Strengthened Regulatory Oversight:** The Act empowered regulatory authorities such as the

Ministry of Corporate Affairs (MCA) and Serious Fraud Investigation Office (SIFP), National Financial Reporting Authority (NFRA), the Securities and Exchange Board of India (SEBI) to exercise greater oversight over corporate activities. It introduced stringent provisions to curb corporate fraud, insider trading, and other malpractices, thereby fostering investor confidence in the Indian capital markets.

- 4. Promotion of Responsible Business Practices:** The Companies Act, 2013 mandated corporate entities to fulfill their social responsibilities by allocating a portion of their profits towards CSR activities. This provision encouraged companies to contribute positively to society by supporting initiatives related to education, healthcare, environmental sustainability, and poverty alleviation.
- 5. Adaptation to Changing Business Environment:** Over the past decade, the Companies Act, 2013 has undergone several amendments to address emerging challenges and align with evolving business dynamics. These amendments have focused on simplifying compliance requirements, enhancing the ease of doing business, and promoting entrepreneurship and innovation in the corporate sector.
- 6. Challenges and Criticisms:** Despite its transformative impact, the Companies Act, 2013 has faced criticism for certain provisions perceived as overly restrictive or cumbersome for businesses, particularly small and medium enterprises (SMEs). Compliance burden, regulatory delays, and ambiguities in interpretation have been cited as key challenges hindering the full realization of the Act's objectives.
- 7. Future Prospects:** Looking ahead, the Companies Act, 2013 is expected to continue evolving in response to emerging regulatory trends, technological advancements, and global best practices. Efforts to further streamline compliance procedures, enhance regulatory clarity, and foster a conducive environment for business growth and innovation will remain key priorities for policymakers and stakeholders alike.

In conclusion, the Companies Act, 2013 represents a transformative milestone in India's corporate governance framework, shaping the conduct and operations of companies across the country. As it embarks on its journey of ten years, the Act's legacy lies not only in its

statutory provisions but also in its enduring impact on India's corporate culture, ethics, and accountability standards. The Central Government is also working for further amendments in the Companies Act, 2013 and the Rules made thereunder and necessary exercise has already been started at the Regional Directors level to seek the comments from the professional bodies such as ICAI, ICSI, CMA, Chamber of Commerce etc. for smooth functioning and compliances.

## COMPANY LAW: THE ALTERING DYNAMICS THROUGH EASE OF DOING BUSINESS LENS

Company Law plays a crucial role in shaping the business environment of a country and is closely intertwined with the ease of doing business. The altering dynamics of company law, particularly viewed through the lens of ease of doing business, reflect the evolving regulatory landscape aimed at facilitating entrepreneurship, investment, and economic growth. Here's how company law has been influenced by the imperative of improving the ease of doing business:

- 1. Simplified Incorporation Procedures:** One of the primary objectives of Company Law reforms is to streamline the process of incorporating businesses. Governments worldwide have introduced measures to simplify registration procedures, reduce bureaucratic hurdles, and expedite the establishment of companies. Online registration portals, through the Centralised Office for all over India, one-stop shops, and e-governance initiatives have significantly enhanced the ease and efficiency of starting new ventures.
- 2. Reduced Regulatory Burden:** Company Laws have been amended to rationalize regulatory requirements and minimize the compliance burden on businesses, particularly small and medium-sized enterprises (SMEs), Start-up, etc. Governments have undertaken initiatives to eliminate redundant regulations, simplify reporting obligations, and introduce risk-based compliance frameworks that prioritize areas of significant impact on stakeholders. Now certain forms shall be proceed through the Central Agency, on face less basis so that the Registrar of Companies may pay more time to check the proper compliance of law.
- 3. Enhanced Corporate Governance Standards:** Strengthening corporate governance frameworks is integral to fostering investor confidence and promoting a conducive business environment. Company Laws often incorporate provisions aimed at enhancing transparency, accountability, and board oversight within corporate entities. Measures such as the appointment of Independent Directors, disclosure requirements, and shareholder rights protections contribute to improving governance standards and mitigating corporate risks.
- 4. Facilitation of Cross-Border Transactions:** In an increasingly globalized economy, facilitating cross-border transactions and investment flows is essential

for fostering economic growth and competitiveness. Company Laws are adapted to accommodate international best practices, harmonize regulatory standards, and facilitate foreign investment by simplifying procedures for foreign company registration, capital repatriation, and compliance with international norms.

- 5. Promotion of Investor Protection:** Investor confidence is paramount for attracting capital and stimulating economic activity. Company Laws incorporate provisions aimed at safeguarding investor interests, promoting fair treatment, and providing avenues for recourse in case of disputes or corporate misconduct. Legal frameworks governing securities regulation, minority shareholder rights, and corporate disclosures contribute to enhancing investor protection and market integrity.
- 6. Adoption of Technology and Innovation:** Embracing technological advancements is key to modernizing Company Law and enhancing the ease of doing business. Governments leverage technology-driven solutions such as electronic filing systems, digital signatures, and online compliance platforms to automate processes, reduce administrative costs, and improve accessibility for businesses and stakeholders through the V3 version.
- 7. Continuous Regulatory Reforms:** Company Law remains a dynamic field subject to ongoing reforms and adjustments to address emerging challenges and opportunities. Governments collaborate with industry stakeholders, regulatory bodies, and international organizations to identify regulatory bottlenecks, assess regulatory impact, and implement targeted reforms aimed at enhancing the business environment and promoting sustainable economic development.

In conclusion, Company Law undergoes continuous evolution to adapt to changing business dynamics and promote the ease of doing business. By embracing regulatory reforms, fostering corporate transparency, and embracing technological innovation, governments can create an enabling environment that nurtures entrepreneurship, fosters investment, and drives economic prosperity.

## SEBI REGULATION: THE EASE OF DOING BUSINESS PERSPECTIVE

SEBI (Securities and Exchange Board of India) regulations play a crucial role in shaping the business environment in India, especially in the financial and securities markets. Viewing SEBI regulations through the lens of ease of doing business provides insights into how regulatory frameworks impact market participants, investors, and businesses. Here's an analysis of SEBI regulations from the ease of doing business perspective:

- 1. Enhanced Investor Confidence:** SEBI regulations aim to instill investor confidence by ensuring fair,

transparent, and orderly conduct in the securities markets. Measures such as stringent disclosure requirements, insider trading regulations, and prohibition of fraudulent practices contribute to creating a level playing field for investors, thereby fostering trust and participation in the capital markets.

2. **Streamlined Regulatory Processes:** SEBI has undertaken initiatives to streamline regulatory processes and reduce administrative burdens on market participants. The introduction of online filing systems, electronic communication platforms, and simplified compliance procedures enhances the efficiency of regulatory interactions, minimizes paperwork, and facilitates smoother transaction processes for market intermediaries and issuers.
3. **Promotion of Market Integrity:** SEBI regulations prioritize market integrity and investor protection through stringent enforcement mechanisms and surveillance activities. Regulatory oversight over market participants, including stock exchanges, brokers, and listed companies, helps detect and deter market manipulation, fraudulent activities, and non-compliance with regulatory requirements, thereby safeguarding the interests of investors and maintaining market integrity.
4. **Encouragement of Innovation and Market Development:** SEBI fosters innovation and market development by introducing conducive regulatory frameworks that accommodate new financial products, trading mechanisms, and market infrastructure. Initiatives such as the introduction of alternate investment funds (AIFs), regulatory sandboxes, and facilitation of fin-tech initiatives promote diversity, resilience, and competitiveness within the financial ecosystem, thereby stimulating economic growth and investment opportunities.
5. **Inclusive Market Participation:** SEBI regulations promote inclusive market participation by encouraging broader investor participation, especially from retail investors and smaller market participants. Measures such as investor education initiatives, simplified investment products, and accessibility enhancements in trading platforms contribute to democratizing access to financial markets, empowering investors, and fostering financial inclusion.
6. **Alignment with Global Best Practices:** SEBI continuously aligns its regulatory frameworks with international best practices, standards, and regulatory trends to enhance market competitiveness, investor confidence, and regulatory harmonization. Collaborative engagements with global regulatory bodies, participation in international forums, and adoption of global standards contribute to strengthening India's position as a preferred investment destination and fostering cross-border capital flows.

SEBI (Securities and Exchange Board of India) regulations play a crucial role in shaping the business environment in India, especially in the financial and securities markets. Viewing SEBI regulations through the lens of ease of doing business provides insights into how regulatory frameworks impact market participants, investors, and businesses.

7. **Balancing Regulatory Objectives with Business Needs:** SEBI strives to strike a balance between regulatory objectives and business imperatives to create a conducive environment for sustainable growth and innovation. Consultative approaches, stakeholder engagements, and periodic reviews of regulatory frameworks enable SEBI to calibrate regulatory interventions, address emerging risks, and adapt to evolving market dynamics while minimizing unintended regulatory burdens and market disruptions.

In conclusion, SEBI regulations play a pivotal role in promoting investor confidence, market integrity, and inclusive growth while fostering a conducive environment for businesses and investors. By embracing regulatory reforms, fostering innovation, and maintaining a robust regulatory framework, SEBI contributes to enhancing the ease of doing business and reinforcing India's position as a dynamic and vibrant investment destination in the global financial landscape.

## EASE OF DOING BUSINESS AND GOVERNANCE: BALANCING THE BALANCE

Balancing ease of doing business and governance is a delicate endeavor that requires policymakers to navigate a complex interplay of regulatory objectives, economic imperatives, and societal interests. While promoting a favorable business environment is crucial for attracting investment, fostering entrepreneurship, and driving economic growth, effective governance mechanisms are equally essential for safeguarding public interests, ensuring accountability, and promoting sustainable development. Here are some key considerations for balancing the balance between ease of doing business and governance:

1. **Regulatory Clarity and Simplicity:** Striking a balance between regulatory clarity and simplicity is paramount for enhancing the ease of doing business while upholding governance standards. Regulatory frameworks should be transparent, predictable, and easy to understand for businesses, investors, and stakeholders. Simplifying compliance procedures, eliminating redundant regulations, and providing clear guidance on regulatory requirements can help minimize regulatory burdens without compromising governance objectives.



2. **Risk-Based Regulation:** Adopting a risk-based approach to regulation allows policymakers to prioritize regulatory interventions based on the potential impact on stakeholders and the likelihood of regulatory breaches. By focusing regulatory efforts on areas of higher risk or systemic importance, policymakers can allocate resources more efficiently, target regulatory oversight effectively, and mitigate regulatory burdens on low-risk businesses.
3. **Proportionate Regulation:** Tailoring regulatory requirements to the size, complexity, and risk profile of businesses is essential for promoting proportionate regulation. Recognizing that one-size-fits-all regulatory approaches may disproportionately burden smaller enterprises, policymakers should calibrate regulatory requirements based on the scale and nature of business activities. Implementing tiered regulatory frameworks, exemptions for small businesses, and simplified compliance options can help to promote proportionate regulation while maintaining governance standards.
4. **Promotion of Technology and Innovation:** Leveraging technology and innovation in regulatory processes can enhance the ease of doing business while strengthening governance frameworks. Digital solutions, such as online registration portals, electronic filing systems, and regulatory sandboxes, can streamline administrative processes, reduce compliance costs, and improve regulatory efficiency without compromising governance objectives. Embracing technological advancements also facilitates real-time monitoring, data analytics, and risk assessment, enabling regulators to proactively identify and address emerging risks.
5. **Stakeholder Engagement and Consultation:** Engaging stakeholders, including businesses, investors, civil society organizations, and regulatory bodies, in the policymaking process is essential for balancing competing interests and perspectives. Consultative approaches allow policymakers to solicit feedback, assess the potential impact of regulatory changes, and identify practical solutions that reconcile ease of doing business with governance imperatives. Meaningful dialogue and collaboration foster trust, consensus-building, and accountability in the regulatory process.
6. **Continuous Monitoring and Evaluation:** Regular monitoring, evaluation, and review of regulatory frameworks are critical for assessing their effectiveness, identifying gaps or unintended consequences, and adapting regulatory approaches to evolving market dynamics. Establishing robust monitoring mechanisms, conducting impact assessments, and soliciting feedback from stakeholders enable policymakers to make evidence-based decisions, refine regulatory frameworks, and maintain an optimal balance between ease of doing business and governance objectives.
7. **Alignment with International Standards:** Harmonizing regulatory frameworks with international standards and best practices enhances the credibility of regulatory regimes, fosters investor confidence, and promotes cross-border investment and trade. Aligning regulatory requirements with global benchmarks, codes of conduct, and regulatory principles facilitates regulatory convergence, reduces compliance costs for businesses operating in multiple jurisdictions, and enhances the overall competitiveness of the economy.

In conclusion, balancing the balance between ease of doing business and governance requires a nuanced approach that acknowledges the interconnectedness of regulatory objectives, economic imperatives, and societal interests. By promoting regulatory clarity, proportionate regulation, stakeholder engagement, technological innovation, and continuous monitoring, policymakers can foster a conducive business environment while upholding governance standards and promoting sustainable development.

## NEW LEGISLATIONS: CHALLENGING THE STATUS QUO

The enactment of new legislation often challenges the status quo by introducing reforms, addressing emerging issues, and reshaping regulatory frameworks to better align with evolving societal, economic, and technological dynamics. New legislations can challenge the status quo in several ways:

1. **Addressing Contemporary Issues:** New legislations are often introduced in response to emerging challenges and contemporary issues facing society. Whether it's environmental sustainability, data privacy, or public health concerns, new laws seek to address pressing issues that may not have been adequately addressed by existing regulatory frameworks.
2. **Promoting Innovation and Technological Advancement:** In the digital age, new legislations frequently aim to promote innovation and facilitate technological advancement across various sectors. Laws regulating emerging technologies such as artificial intelligence, blockchain, and biotechnology seek to create an enabling environment for innovation while managing associated risks and ensuring ethical standards.
3. **Enhancing Regulatory Compliance and Enforcement:** New legislations may introduce stricter regulatory requirements and enforcement mechanisms to enhance compliance and accountability. By raising standards of conduct and imposing penalties for non-compliance, new laws aim to deter misconduct, promote transparency, and restore public trust in regulatory institutions.
4. **Fostering Inclusive Growth and Social Equity:** New legislations often seek to promote inclusive growth and address social disparities by introducing measures to support marginalized communities,

promote gender equality, and reduce socioeconomic inequalities. Laws governing employment, healthcare, education, and social welfare programs aim to create a more equitable society and expand opportunities for all citizens.

5. **Streamlining Administrative Processes:** New legislations may streamline administrative processes, reduce bureaucratic hurdles, and simplify regulatory requirements to enhance the ease of doing business. By eliminating red tape, optimizing regulatory procedures, and promoting efficiency in government services, new laws aim to stimulate economic growth, encourage entrepreneurship, and attract investment.
6. **Adapting to Global Trends and Standards:** New legislations often reflect evolving global trends, international commitments, and best practices in regulatory governance. Countries may enact laws to align with international conventions, trade agreements, and multilateral initiatives, thereby enhancing interoperability, promoting regulatory harmonization, and facilitating cross-border cooperation.
7. **Balancing Competing Interests and Stakeholder Perspectives:** New legislations face the challenge of balancing competing interests and reconciling divergent stakeholder perspectives. Policymakers must navigate complex trade-offs between economic objectives, social priorities, and environmental considerations to craft laws that are equitable, effective, and sustainable in the long term.

In conclusion, new legislations play a vital role in challenging the status quo, driving change, and shaping the future trajectory of governance, economy, and society. By addressing emerging challenges, promoting innovation, enhancing regulatory compliance, fostering social equity, and adapting to global trends, new laws contribute to creating a more resilient, inclusive, and sustainable world. However, the success of new legislations ultimately depends on effective implementation, stakeholder engagement, and continuous evaluation to ensure they achieve their intended objectives while minimizing unintended consequences.

## EASE OF DOING BUSINESS: INDIA AS A GLOBAL BENCHMARK

India's progress in improving the ease of doing business has been a significant focus of policymakers and economists in recent years. While India has made notable strides in certain areas, it still faces challenges in becoming a global benchmark for ease of doing business. Here's an overview of India's efforts and its position in the global context:

1. **Improvements in Ranking:** India has witnessed improvements in its rankings in global ease of doing business indices, such as the World Bank's Doing Business report. Over the years, India has implemented reforms aimed at simplifying regulatory processes, enhancing investor protection, and streamlining business operations. These efforts have contributed to



India's rise in rankings, reflecting its commitment to creating a more business-friendly environment.

2. **Initiatives for Reform:** The Government of India has launched several initiatives and programs to improve the ease of doing business across various sectors of the economy. Initiatives such as "Make in India," "Start-up India," and "Digital India" aim to promote investment, entrepreneurship, and innovation while addressing regulatory bottlenecks and administrative inefficiencies.
3. **Simplification of Regulatory Processes:** India has taken steps to simplify regulatory procedures, reduce bureaucratic hurdles, and expedite business approvals. Initiatives such as online business registration, single-window clearances, and digital payment systems have contributed to streamlining administrative processes and enhancing the overall business environment.
4. **Legal and Regulatory Reforms:** India has enacted significant legal and regulatory reforms to promote ease of doing business and attract investment. Reforms in areas such as company law, taxation, bankruptcy resolution, labor regulations, and land acquisition aim to create a more conducive environment for business growth, investment, and job creation.
5. **Challenges and Bottlenecks:** Despite progress, India continues to face challenges in improving the ease of doing business. Persistent issues such as bureaucratic delays, complex regulatory requirements, legal uncertainties, and inadequate infrastructure pose significant obstacles for businesses operating in India. Addressing these challenges requires sustained efforts, institutional reforms, and greater coordination between central and state governments.
6. **Regional Disparities:** While India's overall ranking in ease of doing business has improved, there are significant regional disparities within the country. States vary widely in terms of business regulations, infrastructure, governance quality, and investment

climate. Bridging the gap between states and promoting uniformity in regulatory practices are critical for creating a more cohesive and competitive business environment across India.

- Global Benchmarking:** While India has made progress, it still lags behind many other countries in global ease of doing business rankings. Countries such as Singapore, New Zealand, Denmark, and South Korea consistently rank among the top performers due to their robust regulatory frameworks, efficient governance systems, and business-friendly policies. India can learn from these global benchmarks and adopt best practices to further enhance its business environment.

In conclusion, while India has made commendable progress in improving the ease of doing business, there is still significant room for enhancement. Addressing structural bottlenecks, fostering regulatory consistency, enhancing infrastructure, and promoting transparency and accountability are key priorities for India to establish itself as a global benchmark for ease of doing business. Continued reforms, investments in human capital, and stakeholder engagement are essential for unlocking India's full potential as an attractive destination for investment, innovation, and entrepreneurship on the global stage.

## ALTERING LEGISLATIVE DYNAMICS: ROLE OF GOVERNANCE PROFESSIONALS

Altering legislative dynamics involves navigating complex legal, regulatory, and political landscapes to shape laws and regulations that reflect the evolving needs of society. Governance professionals play a pivotal role in this process by providing expertise, guidance, and strategic insights to policymakers, regulatory bodies, and organizations. Here's how governance professionals contribute to altering legislative dynamics:

- Policy Analysis and Research:** Governance professionals conduct in-depth analysis and research on legislative proposals, regulatory trends, and policy implications to identify potential opportunities and challenges. By examining the socio-economic impact, legal feasibility, and stakeholder perspectives, they help policymakers make informed decisions and design effective policy solutions.
- Stakeholder Engagement and Advocacy:** Governance professionals facilitate constructive dialogue and engagement with diverse stakeholders, including government agencies, industry associations, civil society organizations, and advocacy groups. By representing the interests of their constituencies, advocating for policy reforms, and building consensus on legislative priorities, they help shape public discourse and influence the policymaking process.
- Compliance and Regulatory Affairs:** Governance professionals provide guidance and support to organizations in navigating regulatory requirements, ensuring compliance with applicable laws, and managing regulatory risks. By staying abreast of regulatory developments, interpreting complex

regulations, and implementing compliance frameworks, they help organizations adapt to evolving regulatory landscapes and mitigate legal exposures.


- Ethical and Governance Standards:** Governance professionals promote ethical conduct, transparency, and good governance practices within organizations and across regulatory frameworks. By developing codes of conduct, ethical guidelines, and governance frameworks, they foster a culture of integrity, accountability, and responsible decision-making that aligns with legal requirements and societal expectations.
- Legal and Policy Advocacy:** Governance professionals advocate for legal and policy reforms that promote fairness, equity, and justice in society. By identifying systemic issues, advocating for legislative amendments, and championing social justice initiatives, they contribute to shaping laws and regulations that advance the public interest and protect fundamental rights.
- Risk Management and Crisis Response:** Governance professionals play a critical role in identifying, assessing, and mitigating legal and regulatory risks that may impact organizations or the broader society. By conducting risk assessments, developing contingency plans, and providing strategic counsel during crises or regulatory investigations, they help organizations navigate uncertainty and maintain stakeholder trust.
- Capacity Building and Professional Development:** Governance professionals invest in continuous learning, professional development, and capacity building to stay abreast of emerging trends, best practices, and regulatory requirements. By sharing knowledge, providing training, and fostering collaboration within the governance community, they contribute to building a skilled workforce capable of addressing complex governance challenges and driving positive change.

In conclusion, governance professionals play a multifaceted role in altering legislative dynamics by providing expertise, advocacy, and stewardship in navigating legal, regulatory, and ethical complexities. By leveraging their knowledge, experience, and networks, they help shape laws and regulations that promote transparency, accountability, and the rule of law while addressing societal needs and fostering sustainable development.

## CONCLUSION

In navigating the regulatory scenario, striking a balance between facilitating the ease of doing business and ensuring effective governance is paramount. By simplifying regulations, enhancing transparency, and engaging stakeholders, policymakers can create an environment that fosters entrepreneurship, attracts investment, and upholds ethical standards. Finding this equilibrium is crucial for fostering sustainable economic growth, promoting innovation, and building trust in regulatory frameworks.

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# Company Law-The Altering Dynamics Through EoDB Lens

While the initial years of the Companies Act, 2013 was felt as “nearly impossible to comply” with the provisions such as Independent Director, Women Director, Statutory auditor rotation, related party transactions, but over the years with the amendments liberalizing Small Companies, Government companies and Private companies the act has enabled Ease of Doing Business in India. With the introduction of Start-up India initiative in 2016, the incorporation of start-ups as private companies has proved that the company law is a more favorable legislation for business entities.



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## INTRODUCTION

A decade ago, the Companies Act, 2013 was introduced replacing the erstwhile Companies Act, 1956. Over the years, the act has gone through lots of changes enabling a conducive atmosphere for the corporate sector to carry on business as well as simplifying compliance requirements.

While the initial years of the Companies Act, 2013 was felt as “nearly impossible to comply” with the provisions such as Independent Director, Women Director, Statutory auditor rotation, related party transactions, but over the years with the amendments liberalizing Small Companies, Government companies and Private companies the act has enabled Ease of Doing Business in India.

With the introduction of Start-up India initiative in 2016, the incorporation of Start-ups as private companies has proved that the company law is a more favorable legislation for business entities.

Besides, the Companies Act, 2013 and all of its amendments till date are a proof that our Indian Companies Act is responsive and evolving with the global changes.

## EASE OF INCORPORATING A COMPANY

The first step of Incorporation starts with checking the name availability and reserving the name of the proposed company which was earlier required to be applied using a Digital Signature (DSC) of the applicant. With the introduction of RUN Service a simple web form has been introduced for making an application for reservation of name without the need to have a DSC by the applicant.

With the introduction of “SPICE+ e-form” and “Web Incorporation form Spice+” for incorporation of companies, the pre-requisite to have a DIN (Director Identification Number) and physical signing of Memorandum, Articles of Association are done away with. SPICE+ is a Single window e-form for incorporating a company, wherein a person can obtain DIN number (if he/she doesn’t have a DIN previously); Obtaining PAN; TAN; EPFO registration; ESIC; Profession Tax registration (in case of Maharashtra, Karnataka, West Bengal); Opening of Bank account; GSTIN for the company.

This e-form enables a new company to avail the services of Central Govt. and State Govts., in one place. Hence, the company can start its operations, the moment it is incorporated, without the need for any further approval.

The Start-up community has been largely benefitted by the introduction of SPICE+ forms, wherein the young entrepreneurs who wanted to start a business can incorporate their companies easily.

## REQUIREMENT OF MINIMUM PAID-UP CAPITAL

The Companies Amendment Act, 2015 modified the definition of Section 2(68) of “Private Company” and Section 2(71) “Public company” by eliminating the minimum paid up capital requirement for Incorporating a company. Previously minimum capital requirement was Rs. 1 lakh and Rs. 5 lakh respectively. Paid up capital is the amount to be brought in upfront by the promoters of the company to incorporate a company.

Even with Zero paid up capital a company can be incorporated. This has helped the Start-up communities, who have high “knowledge capital” but lesser financial capital to start their business with ease, having to bear only a minimal cost on incorporation.

## COMMENCEMENT OF BUSINESS

The requirement to obtain a Certificate of Commencement of Business for public companies has been done away with. This will help the entrepreneurs to start their operations immediately after the incorporation of the company thereby saving time.

## EODB FOR SMALL COMPANIES

The scope of Small companies have been widened by including those companies having paid up capital upto

Rs. 4 crore and Turnover upto Rs. 40 crores. This does not include any public company or a company having a holding or subsidiary relation with any other company or a Section 8 company or for a company / body corporate governed under any special act.

The capital requirement for certain companies involving scientific research may require a capital above Rs.1 crore. Widening the Small companies' paid up capital requirement will enable the Entrepreneurs, to tap in finance requirement for their business and as well as reduce their compliance requirements. This has enabled the Start-up and Young entrepreneurs to obtain Venture capital or Angel investments from such investors without the need to expand their periodic compliance requirement.

### SELF-REGULATORY MOVES

While the business communities at large have seen the compliance as a cost and time consuming activity, the Company Law has reduced the burden of conducting 4 Board Meetings to 2 Board Meetings in a financial year for Small Companies and OPCs.

The periodic e-forms required to be filed by the Small companies and OPCs have been considerably reduced typically mandating only filing of Audited Financial Statements in e-form AOC-4 and Annual Return in MGT-7A and filing certain Board resolutions and General Meeting resolutions in MGT-14.

Further the requirement to get e-forms certified by practicing professionals has been eliminated for the One Person Companies and Small Companies. The Directors themselves can sign the e-forms digitally and file the same in MCA portal. For small companies and OPCs this has reduced the cost of filing e-forms and the responsibility of the information being disclosed in the e-forms has been shifted to the Directors.

Also, apart from those e-forms which require approval of the Registrar of companies / Regional Directors, all other e-forms are automatically approved by the MCA portal via Straight through process (STP). This reduces the need to wait for authorities' approval.

Hence, the Board of Directors of small companies can themselves certify and file the e-forms required under companies act.

### VIRTUAL BOARD ROOMS

With the evolving global scenario, the Companies act enables conducting the Board Meetings in audio-visual means without the physical presence of directors. Though this might seem to be a new normal nowadays, but the conducting of Board Meetings in online mode was introduced in the Companies Act, 2013 a decade ago. The restrictions that were placed on conducting Board Meetings through e-mode for certain Agenda items such as "Approval of Financial Statements, Board report, Approval of Prospectus, Approval of Amalgamation, Merger Takeover" were done away with since the Companies (Meetings of Board and its Powers) Amendment Rules, 2021 with effect from 15.06.2021. This was brought in as an impact of the Covid-19 pandemic. Hence, the Directors can conduct their meetings from any part of the world without the need to travel, thereby saving their time and money.

While the business communities at large have seen the compliance as a cost and time consuming activity, the company law has reduced the burden of conducting 4 Board Meetings to 2 Board Meetings in a financial year for Small Companies and OPCs. The periodic e-forms required to be filed by the Small companies and OPCs have been considerably reduced typically mandating only filing of Audited Financial Statements in e-form AOC-4 and Annual Return in MGT-7A and filing certain Board resolutions and General Meeting resolutions in MGT-14.

### ELECTRONIC GENERAL MEETINGS

The Company Law has provision for mandatory remote e-voting for listed companies and those companies having 1000 members. This was brought with the intent to have active participation of the shareholders in the affairs of the company.

The outbreak of the pandemic COVID-19 has posed lots of hindrance to the world at large. While, the business community too suffered, at the same time, it posed several alternate opportunities. Working from anytime anywhere without the necessity to commute, online meeting rooms, virtual offices etc.

In the wake of the new normal scenario, the compliance requirement of conducting General Meetings was also relaxed by allowing companies to conduct their Annual General Meetings and/or Extra-Ordinary General Meetings through Audio-visual means. Necessary guidelines as to conducting General Meetings and passing of resolutions through virtual mode were provided by way of General Circular No. 14/2020 dated 08<sup>th</sup> April 2020 and General Circular No. 20/2020 dated 05<sup>th</sup> May 2020. These circulars provide the rules and procedures for conducting General Meetings through virtual mode. The meetings should provide a facility of two-way communications, as well as to pose questions at the meeting. The VC meetings should have the facility of allowing 1000 members to participate at a time and should be open at least 15 minutes before the scheduled time and to be closed 15 minutes after the end of the meeting.

Further the meetings circular provided that only the members, who are present in the meeting through VC facility and have not cast their vote on resolutions through remote e-voting and are otherwise not barred from doing so, shall be allowed to vote through e-voting system or by show of hands in the meeting.

### RELAXATIONS TO PRIVATE COMPANIES AND GOVERNMENT COMPANIES AND SECTION 8 COMPANIES

The Companies Act, 2013 came with effect from 01<sup>st</sup> April 2014. At the introduction of the act, the compliance



requirement for private companies, Section 8 companies and Government companies faced several challenges, which was later relaxed by providing exemptions to these companies with effect from 05<sup>th</sup> June 2015.

Government companies are exempted from certain provisions relating to Dividend, Appointment and Qualifications of Directors and Independent Directors, Audit committee, Nomination Committee, Loan to Directors and their interested entities, Investments, Managerial Remuneration.

In order to reduce the cost of compliance for private companies, further exemptions were given with respect to related party transactions, acceptance of deposits from members without the necessity to circulate offer documents and filing of Board resolutions under Section 117 has been Exempted. An interested director of a private company can participate in the Board Meeting after declaring his interest.

Charitable companies incorporated under Section 8 have been exempted from appointing Independent Directors and NRC committees. Exempted from conducting 2 Board Meetings instead of 4 Board Meetings in a financial year. Exempted from provisions requiring notice to be given for standing for Directorship if their articles provide for election of Directors by ballot.

The 2017 amendment act simplified several disclosures and insisted upon publishing of information's in the website of the company. 'Website of the company' is the doorway through which one can get to know about the company, be it an investor, prospective employees, customers, dealers etc.. Various policies, annual return, audited financial statements, Annual report, CSR policies and CSR activities should be mandatorily published in the website of the company.

The resolutions that are required to be passed by postal ballot must be passed through e-voting facility by those companies, who are required to provide e-voting facility under Section 108. (Listed companies and companies with more than 1000 members).

Reporting of Change in promoters and top ten shareholders by listed companies to the Registrar of Companies (ROC) has been done away. As it amounts to duplication of reporting since the same is disclosed to Stock Exchanges / SEBI.

## RELAXATION IN 2020

The Companies Amendment Act, 2020 decriminalized certain offences which did not involve public interest or where there is no intention to defraud.

The definition of "Listed Company" exempted those companies who have listed their Non-convertible securities but have not listed their Equity shares in a recognized stock

exchange. This move reduces the compliance burden for smaller companies who have listed their non-convertible securities and can easily focus on their business instead of having compliance worries.

On 24<sup>th</sup> January 2024 the MCA has introduced Companies (Listing of Equity shares in permissible jurisdictions) Rules, 2024 which enables unlisted public companies to list its Equity shares in Permissible Stock exchanges (India International Exchange and NSE International Exchange) in permissible jurisdiction (International Financial Services Centre in India). This move will enable the Indian companies to tap in Capital from Overseas investors in foreign currency without the need to list in a foreign country.

The timeline for offer period under rights issue has been reduced to 7 days, thereby enabling speedier completion of the Rights issue and access to further capital.

CSR (Corporate Social Responsibility) provisions have been relaxed wherein the companies who have spent excess amount of their obligation can set off the same in the subsequent financial years. Further relaxation provided in constitution of CSR committee, if the amount to be spent is less than Rs. 50 lakhs. In case a company has made a default in complying with the CSR provisions under Section 135(5) or 135(6), such company shall be liable to penalty of twice the amount required to be transferred by the company to the Unspent CSR account or Rs. 1 crore, whichever is less. In addition to that, every officer shall also liable to pay a penalty of 1/10<sup>th</sup> of the amount required to be transferred in Unspent CSR Account or Rs. 2 lacs, whichever is less.


Monetary penalty has been prescribed for contravention of provisions of Related party transactions which was earlier punishable with imprisonment or fine.

Remuneration for Independent Directors and Non-Executive directors in case of inadequacy of profits has been introduced with effect from 18<sup>th</sup> March 2021. Earlier there was provision for paying remuneration to MD / Whole Time Directors only, in times of inadequacy of profits. But in order to provide encouragement for the value addition and transparency brought in by the Independent Directors and Non-Executive Directors, the company can pay remuneration to them, even during times of loss or inadequacy of profits, subject to compliance with Schedule V and after obtaining approval of shareholders by way of Special resolution.

## CONCLUSION

India is one of the largest market with diversified consumers. Several business booms and flourishes in the Indian market. With the advent of globalization, the Foreign policies have been relaxed to bring in more capital from overseas and a promising return on investment for the global investors.

With the ever evolving and dynamic global scenario, the company law has also been changing its provisions, in order to support the business communities. The times have changed and the environment is more conducive to corporate citizen in carrying out their business and having a hassle free compliance atmosphere.

The Decriminalization of offences has ensured smooth operations of companies as well it has promoted setting up of more businesses in India. Genuine corporate citizens who are ready to make good the compliance lacunas are being benefitted by the legal atmosphere. Hence Corporates can carry on their business smoothly by following the compliances with ease. 

# Enhancing CSR Impact: A Win-Win Collaboration for Corporates & Voluntary Organizations (VOs)

Voluntary Organizations (VOs) serve as indispensable pillars within the Corporate Social Responsibility (CSR) framework, playing a pivotal role in bridging the gap between corporate entities and the communities they serve. Their invaluable contribution lies in facilitating the effective implementation of CSR initiatives, ensuring that resources are channelled efficiently towards projects that address pressing societal needs.



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## INTRODUCTION

As we commemorate a decade of Corporate Social Responsibility (CSR) within the realm of India Inc, it's evident that CSR has undergone a remarkable transformation. What once constituted sporadic acts of philanthropy has now evolved into a structured and obligatory framework, mandated by the Companies Act of 2013. Initially voluntary, CSR provisions became mandatory for Indian corporates in 2021, backed by penal consequences for non-compliance.

The CSR Act and rules underwent significant amendments in 2021 following recommendations from the CSR committee established by the Ministry of Corporate Affairs (MCA) to assess and enhance the CSR framework. This initiative by the government aimed to realign the CSR framework with the evolving socio-economic landscape of India.

This article delves into the intricacies of CSR framework & funding opportunities and outlines essential steps for Voluntary Organizations (VOs) aiming to become recognized CSR implementing agency.

Under these regulations, companies are mandated to allocate 2% of their annual net profits for CSR activities and report their expenditure to the Government within specified timelines. The Government has also delineated specific areas where corporates are expected to allocate their CSR funds, emphasizing the importance of reaching the most vulnerable segments of society.

In this framework, Voluntary Organizations (VOs) have emerged as pivotal "implementing agencies" for CSR initiatives, fundamentally altering their role in the social landscape. With approximately 21,000 corporates in India required to collectively spend around 27 thousand Crores rupees annually on CSR activities, there exists a significant opportunity for genuine and committed VOs to register and actively engage in CSR endeavors.

Simultaneously, it is advantageous for these VOs to explore avenues for attracting CSR funds to sustain their ongoing social and charitable projects while initiating new initiatives. The CSR regime has not only enabled VOs to establish themselves as reliable conduits for reaching marginalized communities but has also enhanced their reputation and value within the social service spectrum.

These registered entities are increasingly becoming the cornerstone of social service in India, necessitating their registration as CSR implementing agencies to undertake CSR projects effectively.

## UNDERSTANDING THE SCHEME OF CSR UNDER THE COMPANIES ACT, 2013

Under the Companies Act of 2013, Corporate Social Responsibility (CSR) becomes obligatory for select companies in India. This legislation delineates the stipulations and prerequisites governing CSR initiatives to be undertaken by eligible firms. Below is an outline detailing the framework of CSR delineated within the Companies Act of 2013:

**Applicability:** The CSR provisions are applicable to companies meeting the following criteria:

Companies with:

- i) Net worth of Rs. 500 crore or more; or
- ii) Turnover of Rs. 1,000 crore or more; or
- iii) Net profit of Rs. 5 crore or more during the preceding financial year.

**CSR Committee:** Companies covered under the CSR provisions needs to constitute a CSR Committee consisting of at least three Directors, including at least one Independent Director, if any. Companies having CSR spending requirements of less than Rs. 50 Lakhs are given the option to constitute CSR committee or carry out the CSR activities through the Board.

**CSR Expenditure:** The Act requires qualifying companies to spend at least 2% of their average net profits made during the preceding three financial years on CSR activities. For Companies who have not completed 3 years of existence are required to calculate CSR obligation based on profit of immediately preceding financial year. The net profits are essentially profits before tax and are calculated as per formula provided in the Act.

**Eligible CSR Activities:** The Act presents a comprehensive framework for eligible CSR activities outlined in Schedule VII. Companies possess the freedom to select any activities or a combination thereof. It's important to note that the activities listed in the schedule serve as guiding principles, and companies can adapt or refine the description of such activities while retaining their impactful social essence. However, it's imperative to mention that companies are prohibited from conducting activities aimed at personal or employee benefits under the CSR mandatory spending category. Further elaboration on eligible activities is provided later in this article.

**CSR Implementation:** Companies have the flexibility to either implement CSR activities on their own or through:

- a company established under Section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of Section 10 or registered under Section 12A and approved under 80 G of the Income Tax Act, 1961, established by the company, either singly or along with any other company; or
- a company established under Section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
- any entity established under an Act of Parliament or a State legislature; or
- a company established under Section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of Section 10 or registered under Section 12A and approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

**CSR policy:** Company is required to prepare and adopt CSR policy consisting of its broader goals, target areas, target beneficiaries (women, disabled people, children etc) involvement of its employees, monitoring and process for carrying out annual CSR activities etc.

**Spending:** The CSR Committee/ Board (where CSR committee is not mandatory) holds the responsibility of proposing the expenditure amount for CSR initiatives, overseeing the CSR policy, and ensuring the execution of CSR activities. It is tasked with identifying projects, determining their expenditure, and recommending the proposed amount to be allocated to each activity for the fiscal year. In instances where no viable projects can be

identified for implementation within a particular year, the committee may suggest depositing or donating the allocated amount to Government funds as specified in the schedule VII.

Implementing agencies play a crucial role in facilitating projects for CSR companies, thereby preventing the transfer of CSR funds to government coffers. It is advisable for Corporate to indulge in transferring CSR funds to government funds only as a last resort, rather than proactively. Such a proactive approach may dilute the intended impact of CSR initiatives on social development. The strategic involvement of implementing agencies ensures that the CSR funds are effectively utilized in projects that align with the desired social impact, preserving the original intent of the CSR commitment.

**Reporting:** The Company is required to disclose its CSR initiatives, project undertaken, its impact, beneficiaries, amount spent and amount unspent in its Board's report. CSR implementing agencies are also required to periodically report to the Company and CSR committee about the progress of the project adopted, amounts spend, beneficiaries etc.

Companies are also required to disclose all details about their CSR Policy & CSR activities on their website.

**Governance & Compliance:** Companies are mandated to allocate funds for CSR, while implementing agencies such as voluntary organizations (VOs) are entrusted with ensuring genuine and effective implementation, primarily benefiting the last-mile stakeholders. Hence, it is imperative for both entities to embrace robust governance practices and implement stringent compliance management protocols. Engaging governance and compliance professionals can aid in navigating the intricacies of this specialized domain.

In cases where a company falls short of fulfilling its CSR obligations, it must furnish a detailed explanation in its annual report. Non-compliance, whether in meeting spending targets or procedural adherence, does not carry the risk of directorial imprisonment. However, it exposes companies and Directors to monetary fines and penalties.

## ELIGIBILITY AND REGISTRATION AS CSR IMPLEMENTING AGENCY

Non-profit entities registered under Section 8 (formerly Section 25) of the Act, as well as registered public trusts or societies, are empowered to serve as implementing agencies within the CSR framework. Their pivotal role lies in bridging the gap between CSR companies and their intended beneficiaries. These agencies ensure the seamless and effective execution of CSR projects and programs, acting as intermediaries on behalf of the Company. Leveraging their volunteer teams, they oversee project implementation and monitoring.

In exchange for their services, implementing agencies are entitled to administrative service charges from the company. The successful implementation of CSR



projects by these agencies serves as a crucial track record, enhancing their credibility and paving the way for future fundraising endeavors or even listing on social stock exchanges.

To register as CSR implementing agency, these entities need valid registration under Section 12A and Section 80G of Income Tax Act, 1961 and should have track record of at least 3 years in undertaking similar activities.

Such entities on their own or with the help of professionals can arrange for required information and documents and can apply in form CSR-1 to the MCA for getting registered as implementing agency. Such form is required to be certified by practicing professional involved in registration. MCA after examination of each application, if found appropriate grant registration as CSR implementing agency and issues letter of registration to that effect. Such letter contains the registration number and date of registration. Post registration such agency is expected to quote registration number everywhere and need to display/ produce such registration certificate.

Such registration once granted by MCA is permanent registration.

All VOs should promptly pursue registration for such endeavors in their best interest. Seeking professional assistance for this registration process is strongly recommended.

## CSR ACTIVITIES COVERAGE AND SCOPE

As previously mentioned, Schedule VII of the Companies Act outlines a broad spectrum of indicative CSR areas available to companies. Upon the applicability of CSR provisions, companies are tasked with adopting one or more CSR areas as their goals through the formulation of CSR policies. However, companies retain the flexibility to modify or alter these goals or activities as needed by amending their CSR policy.

While companies are typically expected to undertake CSR projects within the vicinity of their factory or office location, there are no restrictions on conducting CSR activities beyond these boundaries. The only mandatory requirement is the adoption and implementation of a proper CSR project. It's important to note that one-off activities, events, or promotional endeavors do not qualify as CSR projects. Additionally, projects that provide direct or indirect benefits to the company, its business, employees, supply chain entities, or promote the company itself are prohibited under CSR guidelines.

Broad coverage of CSR activities specified in Schedule VII of the Companies Act, 2013.

- Eradicating hunger, poverty and malnutrition, promoting health care, sanitation.
- Promoting education, including special education and employment enhancing vocation skills.

Companies may actively identify social and environmental issues that are relevant to their business operations and have a significant impact on society. This involves conducting thorough assessments and engaging with stakeholders to understand the most pressing challenges.

- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and measures for reducing inequalities faced by socially and economically backward groups.
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.
- Protection of national heritage, art and culture, setting up public libraries, promotion and development of traditional art and handicrafts.
- Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.
- Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or contribution to the Swach Bharat Kosh or contribution to the Clean Ganga Fund.
- Contribution to any other fund set up by the Central Govt. for socio economic development and relief and welfare of the Schedule Caste, Tribes, Other Backward Classes, Minorities and women.
- Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government.
- Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organization (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research

(ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

- Rural development projects.
- Slum area development.
- Disaster management, including relief, rehabilitation and reconstruction activities.

Below mentioned activities shall not be considered as CSR activities: -

- Activities undertaken in pursuance of normal course of business of the company;
- Any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- Contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- Activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019;
- Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- Activities carried out for fulfilment of any other statutory obligations under any law in force in India.

## IDENTIFICATION OF PROJECT

CSR projects can vary in terms of duration and complexity, underscoring the importance of clearly defining each project's objectives. The initial step in evaluating a CSR project involves precisely outlining its goals. This phase is pivotal for understanding the correlation between project objectives and the sustainability of the CSR strategy.

Defining the project goals is instrumental in identifying the resources required for successful implementation and monitoring of the project's progress. For instance, if a company opts to engage in an employee volunteer program, the project goal might entail completing a specific number of volunteer hours. Conversely, if the CSR strategy revolves around monetary donations to a specific charity, the project goal could focus on raising a predetermined amount of funds.

While some projects may be inherently sound, it's possible that partners involved may lack the requisite expertise. Below are some hallmark features of a well-conceived CSR project:

- A detailed proposal on the project,
- Covering the problem that it is intended to solve,

- The solution that it foresees once implemented,
- The resource requirement in terms of budgets and human resources,
- The impact, measures, metrics applicable,
- Reporting frequency, formats, responsible roles,
- Volunteering opportunities,
- Branding opportunities for the organization,
- Project sustainability,
- Success criteria and exit criteria,
- Completion of project & its reporting.

As explained earlier, duration or nature of project is not material but its impact is important. Hence any short term or long term project or project creating immovable asset like building a school or well are equally good projects.

To foster India's holistic development, CSR companies can strategically align their CSR goals with long-term national priorities and pressing issues. Projects may span local or national scales, addressing critical areas such as poverty alleviation, hunger eradication, environmental sustainability, and skill development, which are vital for the nation's progress. Long-term national projects could focus on initiatives like poverty eradication, environmental preservation, and skill enhancement, aiming to create lasting societal impact.

Additionally, short-term local projects can also be impactful, such as initiatives to clean and preserve local rivers, enhance traffic safety, improve roads, or maintain historical monuments. These projects cater to immediate community needs, enhancing the quality of life and fostering local development.

VOs typically possess valuable insights into local social needs and challenges. They play a crucial role in advising companies on selecting projects that align with community needs, ensuring effective project duration, and targeting the right stakeholders. By leveraging the expertise of VOs, companies can enhance the relevance and impact of their CSR initiatives, driving meaningful change at the grassroots level.

## PROJECT OBLIGATIONS

Under Corporate Social Responsibility (CSR), companies have certain obligations and responsibilities towards society and the environment. Here are some key project obligations typically associated with CSR:

**Identification of Social and Environmental Issues:** Companies may actively identify social and environmental issues that are relevant to their business operations and have a significant impact on society. This involves conducting thorough assessments and engaging with stakeholders to understand the most pressing challenges.

**Project Planning and Implementation:** Once the social and environmental issues are identified, companies need

to develop CSR projects or initiatives aimed at addressing these challenges. Project planning involves setting clear goals, defining strategies, allocating resources, identification & selection of implementation agency, if any and establishing a timeline for implementation. Local area where Company is having its operations is preferred for CSR spending.

**Stakeholder Engagement:** Engaging relevant stakeholders, such as local communities, NGOs, government agencies, and employees, is essential in CSR projects. Companies should actively involve stakeholders in the planning, implementation, and evaluation of projects to ensure their perspectives are considered and their needs are met.

**Financial Allocations:** CSR projects require financial resources to be executed effectively. It is crucial to ensure that these financial resources are utilized efficiently and transparently.

**Monitoring and Evaluation:** Companies have the responsibility to monitor the progress and impact of their CSR projects regularly. This involves establishing appropriate monitoring mechanisms, collecting relevant data, and evaluating the effectiveness of projects in addressing the identified social and environmental issues. Feedback from stakeholders should also be incorporated into the evaluation process.

**Reporting and Transparency:** Companies should maintain transparency in their CSR initiatives by preparing comprehensive reports that disclose their activities, impact, and financial allocations. These reports should be made available to stakeholders and the public to foster accountability and build trust.

**Continuous Improvement:** CSR is an ongoing process, and companies should continuously strive to improve their projects and initiatives. Regularly reviewing and reassessing the effectiveness of CSR activities allows companies to adapt to changing needs, emerging issues, and evolving best practices.

By fulfilling these project obligations, companies can make a positive contribution to society and the environment, promoting sustainable development and addressing societal challenges.

## OBLIGATION TO SPEND, CARRY FORWARDS & SET OFF

The primary responsibility for undertaking CSR activities and allocating funds lies with the CSR Company. While voluntary organizations (VOs) can be engaged to execute and oversee projects on the company's behalf, it is crucial for the company to fulfill its annual CSR spending obligations effectively.

Merely transferring funds to the implementing agency and considering the task complete does not suffice for CSR compliance. The company must ensure that the allocated funds are utilized for meaningful CSR projects that benefit stakeholders. The true measure of CSR fulfillment

lies in the tangible impact and benefits extended to the intended beneficiaries.

At the end of each financial year, the company, Key Management Personnel (KMP), or the implementing agency must provide a certificate confirming the utilization of CSR funds. This certificate is then disclosed to shareholders through the company's annual report, ensuring transparency and accountability in CSR expenditure.

**Short term & Long term projects:** Now Act has allowed the Companies to carry forward its unspent CSR amounts for further period of 3 years, it has categorized projects as short term or long term, basically a multiyear project. So a project overlapping one financial year upto 3 years is Long term project. So if project commenced in the month of September and expected to complete by next August is a long term project. Company is allowed to book actual spending done on the said project till March end and the remaining unspent amount is required to be transferred to special account opened by the Company in scheduled bank called as "Unspent CSR account on or before 30 days from the end of financial year i.e. 30<sup>th</sup> April. Such funds are to be utilized towards the CSR Ongoing/ long term project within 3 further financial years.

If there is no possibility for Company to spend entire CSR amount or any portion of it before close of the particular financial year, then Company is mandated to transfer such CSR unspent amounts to fund established by the government in this regard within 6 months of close of financial year to transfer.

Any excess CSR spending over and above required amount (2% of the profits) is allowed to be carried forward upto succeeding 3 financial years. After such set off adjustment, Company will have to spend only balance amounts in the respective financial years on CSR activity. The accounting and taxation angle for carried forward and set off needs to be considered as well.

## DOCUMENTATION

Corporate Social Responsibility (CSR) documentation refers to the records, reports, and information related to a company's CSR initiatives, policies, and practices. It includes the documentation of the company's commitment to social and environmental responsibility, as well as its efforts to make a positive impact on society.

Below are common types of documentation that Corporate often maintain concerning their CSR activities:

**CSR Policy:** This document outlines the company's commitment to CSR, its guiding principles, and its approach to addressing social and environmental issues. It may include information on the company's focus areas, targets, and strategies for CSR implementation.

**CSR Reports:** These reports provide detailed information about the company's CSR initiatives, progress, and performance. They typically cover aspects such as

community engagement, environmental sustainability, employee well-being, and ethical business practices. CSR reports can be annual, biennial, or issued at regular intervals.

**Codes of Conduct:** These documents establish guidelines for ethical behavior within the company and often extend to the company's suppliers, contractors, and business partners. They cover areas such as human rights, labor practices, anti-corruption measures, and environmental stewardship.

**Stakeholder Engagement Documentation:** This includes records of interactions and engagements with stakeholders such as local communities, NGOs, government bodies, employees, and customers. It can encompass meeting minutes, feedback forms, surveys, and other means of documenting communication and collaboration.

**Environmental Impact Assessments (EIAs):** When a company undertakes significant projects or operations that may have environmental implications, EIAs are conducted to assess the potential environmental impacts. These assessments provide valuable documentation of the company's efforts to mitigate and manage environmental risks.

**Supplier and Vendor Evaluation:** Documentation related to the evaluation and monitoring of suppliers and vendors may include criteria for assessing their CSR practices, records of audits or assessments conducted, and documentation of corrective actions taken.

**Philanthropy and Community Investment Records:** Companies often maintain records of their philanthropic activities, including charitable donations, grants, sponsorships, and community development projects. These records demonstrate the company's contributions to the well-being of the community.

**Training Materials:** Companies may develop training materials, presentations, or manuals related to CSR initiatives. These materials can document the company's efforts to educate employees on ethical practices, sustainability, and responsible business conduct.

Accurate and current documentation of CSR activities is pivotal for companies, serving as a testament to their dedication to social responsibility and facilitating progress tracking. The nature of documentation required may vary based on factors like industry, company size, CSR Project undertaken and CSR objectives.

## REPORTING OBLIGATIONS

The newly introduced form CSR-2 (report on Corporate Social Responsibility) is required to be filed by those companies which fall under the provisions of Section 135

of the Companies Act, 2013, i.e., the companies which are required to comply with the provisions of Corporate Social Responsibility (CSR).

Rule 8 of the CSR Rules provides that the companies, upon which the CSR Rules are applicable on or after 1<sup>st</sup> April, 2014 shall be required to incorporate in its Board's report an annual report on CSR containing the following particulars:

- A brief outline of the company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs;
- The composition of the CSR Committee;
- Average net profit of the company for last three financial years;
- Prescribed CSR Expenditure (2% of the amount of the net profit for the last 3 financial years);
- Details of CSR Spent during the financial year;
- In case the company has failed to spend the 2% of the average net profit of the last three financial years, reasons thereof;
- A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company. The disclosure of contents of Corporate Social Responsibility Policy in the Board's report and on the company's website, if any, shall be as per annexure attached to the CSR Rules.

## CONTINUING COMPLIANCES

- Constitution of a CSR Committee with three or more Directors, out of which at least one Director shall be an Independent Director. Where a Company is not required to appoint an Independent Director, it shall have in its CSR Committee two or more Directors.
- Formulation of CSR Policy;
- Spending 2% of the average net profits of the Company made during the three immediately preceding financial years OR give reasons for not spending the amount in Board Report; and
- Reporting Compliances as explained above.

## CSR AUDIT & IMPACT ASSESSMENT

**CSR Audit/ Monitoring:** Requirement of audit of CSR activities seems not mandatory as per Companies Act, 2013. However, various provisions of the Companies (Company Social Responsibilities Policy) Rules, 2014 require the monitoring and reporting mechanism for CSR activities. These include:

Sr. No	Provision	Requirement
1	Proviso to sub-rule (2) of Rule 4	Provided that if, the Board of a company decides to undertake its CSR activities through a company established under Section 8 of the Act or a registered trust or a registered society, other than those specified in this sub-rule, such company or trust or society shall have an established track record of three years in undertaking similar programs or projects; and the company has specified the projects or programs to be undertaken, the modalities of utilisation of funds of such projects and programs and the monitoring and reporting mechanism.
2	Sub-Rule (2) of Rule 5	The CSR Committee shall institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company.
3	Sub-rule (1)(b) of Rule 6	The CSR Policy of the company shall, inter alia, include monitoring process of such projects or programs.

**Impact assessment:** Every company having average CSR spending obligation of Rs.10 cr. or more, in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of Rs.1 Crores or more, and which have been completed not less than one year before undertaking the impact study.

The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

A Company undertaking impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed 2% [two percent] of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is higher.

There are no limits prescribed under the act for payment of fees to such impact assessment agencies.

### LIMITATIONS ON ADMINISTRATIVE FEES

Administrative fees are expenses incurred by the company for general management and administration of Corporate Social Responsibility functions in the Company, excluding expenses directly incurred for designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility (CSR) project or programme. Rule 7 (1) caps the expenses falling under the ambit of Administrative Overheads at 5 % of the CSR expenditure. Implementing agencies are entitled to earn service fees within such cap from the CSR Company. Expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme does not form part of this 5% cap.



### AVENUES FOR GETTING CSR FUNDING

- “BSE Sammaan” is a unique platform established by BSE in Partnership with Confederation of Indian Industries (CII) & Indian Institute of Corporate Affairs (IICA). BSE Sammaan is working to create opportunities for NGOs to approach corporates directly. With BSE Sammaan, users can discover companies interacting with various not-for-profit organizations in an effort to help NGOs who need it most. BSE Sammaan assists NGOs in presenting their CSR projects to various corporates simultaneously in an interactive manner, allowing them to interact with your project. BSE Sammaan is a powerful solution for managing all of your CSR-related activities and content. It is an effective platform for your CSR needs.
- The Professional firms of Company Secretaries can act as match maker between NGOs and Corporate and help NGOs to approach corporate directly and present their idea to the corporate. By leveraging their expertise and extensive network, a professional bridges the gap between NGOs and corporations, streamlining the process of connecting these two entities.
- Submit the idea to the companies and request a meeting. In such cases the projects can be submitted by Professional firms of Company Secretaries only to few companies located within the geographical area. A strong relationship between the Corporate and NGO is the key factor in getting a CSR project approved.
- Local businesses and Corporate Social Responsibility (CSR) fund raising events have always been a major contributor to funding NGO activities. Sometimes, in such cases, one needs to match the expectations of the CSR partner.

### FUNDRAISING THROUGH REGISTRATION & LISTING ON SOCIAL STOCK EXCHANGES

In July 2022, the Securities and Exchange Board of India (SEBI) introduced the regulatory framework for the innovative concept of the Social Stock Exchange (SSE) in India, marking a significant development for Voluntary Organizations (VOs). The National Stock Exchange (NSE)

has spearheaded the launch of SSE, with approximately 20 to 25 NGOs already registered on the platform.

This platform offers VOs a unique opportunity to register and list themselves on the SSE, thereby delving into the realm of market-driven fundraising. The listing requirements are relatively accessible, posing no significant hurdles for well-managed VOs. Unlike traditional stock exchanges, SSE does not impose minimum net-worth criteria for entry. However, a noteworthy prerequisite for listing is a demonstrated track record of successful fundraising for charitable endeavors.

It's important to note that SSE is currently exclusive to VOs and does not extend its services to political, corporate, religious, or infrastructure organizations. Moreover, there's no obligation for VOs to engage in fundraising activities to secure registration on the SSE. Merely meeting the listing norms suffices for registration. Nevertheless, adherence to stringent governance and compliance standards is imperative for maintaining continued listing status.

The listing on SSE holds promising prospects for VOs, enabling them to attract CSR funds, secure financing for projects, or even issue green or social bonds in the future. This platform serves as a conduit for channeling financial resources towards social causes, thereby fostering sustainable development and societal well-being.

### PRACTICAL CHALLENGES:

The CSR framework of India will soon celebrate its 10<sup>th</sup> anniversary, marking a significant milestone in its evolution. Over the past decade, Corporates, Voluntary Organizations, Professionals, volunteers, and regulatory bodies have collectively navigated numerous challenges that have shaped the landscape of Corporate Social Responsibility. It's imperative to acknowledge and address these challenges at the appropriate levels to ensure the continued effectiveness and sustainability of CSR initiatives.

- Setting sector & location base priority for each 5 years' block will channelize CSR funds for more impactful social development.
- Voluntary Organizations expects the introduction of a national capacity-building exercise for CSR project identification/ designing/ implementation/ monitoring etc to enhance the skills of their volunteers.
- Corporates are urged to allocate a portion of their CSR funds to support Voluntary Organizations' capital expenditures, technology upgrades, manpower, and capacity-building initiatives, thereby strengthening the CSR ecosystem in the long run.
- Increased allocation of CSR funds is expected for Entrepreneurship Development, fostering job creation and economic growth.
- There is a need for clear identification and dissemination of information regarding the sectoral and geographical needs of society to ensure impactful CSR initiatives.
- Standardization of Voluntary Organizations' corporate onboarding processes, due diligence procedures, project

selection, allocation mechanisms & reporting formats is essential for efficient CSR implementation.

- Introduction of accreditation and rating systems for Voluntary Organizations to enhance transparency and accountability in the CSR sector.
- The CSR policy framework should prioritize a social impact approach over a policy-centric approach to maximize the effectiveness of CSR initiatives.
- Clarity regarding the applicability of GST and income tax provisions to CSR funding is necessary for better compliance and understanding.
- Harmonization of the definition of "Social Work" across various laws, including Income Tax, Company Law and GST, is crucial for consistency and legal clarity.
- Standardization of impact indicators is essential to facilitate meaningful assessment and comparison of CSR outcomes across different initiatives.
- A defined plan for Voluntary Organizations to exit from long-term projects and ensure a smooth handover process is necessary for sustainable project management.
- Introduction of formal CSR professional courses would benefit individuals working in this domain by providing specialized training and skill development opportunities.

### CONCLUSION

Voluntary Organizations (VOs) serve as indispensable pillars within the Corporate Social Responsibility (CSR) framework, playing a pivotal role in bridging the gap between corporate entities and the communities they serve. Their invaluable contribution lies in facilitating the effective implementation of CSR initiatives, ensuring that resources are channeled efficiently towards projects that address pressing societal needs. Beyond acting as intermediaries, VOs bring deep-rooted understanding of local challenges, enabling corporations to tailor their CSR efforts for maximum impact. Moreover, VOs serve as advocates for transparency, accountability, and ethical practices, thus enhancing the overall credibility and sustainability of CSR endeavors.

Nurturing the development of Voluntary Organizations (VOs) and empowering social workers with enhanced capabilities are fundamental imperatives for driving the success of the forthcoming phase of impactful Corporate Social Responsibility (CSR). It becomes paramount to fortify their infrastructure, expand their reach, and equip them with the necessary resources and skills to execute transformative initiatives. Investing in the capacity-building of social workers emerges as a strategic priority, as they serve as the frontline catalysts for translating CSR investments into tangible, meaningful outcomes within communities. By providing targeted training, mentorship, and access to innovative tools and methodologies, social workers can leverage their expertise more effectively, navigate complex societal challenges, and devise tailored solutions that address the unique needs of diverse stakeholders.

As such, by fostering strong partnerships between corporates and VOs is essential for driving holistic and sustainable development, ultimately leading to a brighter and more equitable future for all stakeholders involved.



# Can a Private Limited Company do a Treasury Buy Back of Shares?

Treasury buy back is a kind of buy back in which the shares although purchased (bought back) by the issuing company, are not extinguished and are retained with an idea to sell it at an opportune time. Section 67 of Companies Act, 2013 (“the Act”) puts a prohibition on company to purchase its own shares. Section 68 of the Act specifically allows companies, both and private and public, to purchase their own shares subject to certain conditions, one of which is mandatory extinguishment of bought back shares. On 5 June 2015, Ministry of Corporate Affairs (MCA) granted certain exemptions to private limited companies, and one of those exemptions granted for private companies is exemption from compliance of section 67. Therefore, in case of private companies, there can be a possibility that it may do a treasury buy back, as there is no longer restriction on private companies under section 67 from purchasing its own shares. In this background, what can be the interplay between section 66, 67, 68 and MCA exemption notification dated 5 June 2015 and how one can interpret these provisions in the light of earlier Working Group Reports / Expert Committee Reports of Department of Company Affairs (DCA) are some questions deliberated in this article.



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## INTRODUCTION

### WHAT IS TREASURY BUY BACK?

**A**s per Collins dictionary, ‘treasury buy back’ means ‘shares of issued stock are re-acquired by the issuing corporation and held by it’. There are two things (1) re-acquisition of issued shares by issuing company; and (2) holding those shares in its name. That means, those shares although purchased (bought) by the issuing company, are not extinguished and are retained

with an idea to sell it at an opportune time. To put it in simple words, in treasury buy back, on the liability side of balance sheet, paid up share capital appears and on the asset side of balance sheet, under investment head, investment in its own shares can appear.

However, Section 67 of Companies Act, 2013 (“the Act”) puts a prohibition on company to purchase its own shares. Section 68 of the Act specifically allows companies, both private and public, to purchase their own shares subject to certain conditions. Though Section 68 allows purchasing its own shares, it does not allow to retain it as investment. Further, sub section (7) of Section 68 requires all companies doing purchase of its shares to extinguish those shares from its capital and physical share certificates too. This type of purchase is called as buy back of shares under the Act. This is not same as ‘treasury buy back’ mentioned above.

On 5 June 2015, private limited companies have been granted exemption from compliance of Section 67 and therefore there is a possibility that private limited companies may do a treasury buy back.

### WHAT IS 5 JUNE 2015 NOTIFICATION?

In exercise of power conferred under Section 462 in the Act, a notification was issued by Central Government on 5 June 2015 granting exemptions to private limited companies from compliance of sixteen Sections of the Act (“exemption notification”). One of the exemptions in that notification is from Section 67 of the Act. As a result of this notification, certain private companies, which fulfil the below requirements, are exempted from compliance of Section 67 –

- *In whose share capital no other body corporate has invested any money;*
- *If the borrowings of such a company from banks or financial institutions or any body corporate is less than twice its paid up share capital or fifty crore rupees, whichever is lower; and*

Can a Private Limited Company do a Treasury Buy Back of Shares?

- *Such company is not in default in repayment of such borrowings subsisting at the time of making transactions under this Section.*

This means, if any private company fulfils these 3 conditions, prohibition under Section 67 will not apply.

### INTERPLAY BETWEEN SECTION 66, 67 & 68

Since company is an artificial entity, stakeholders' protection has to be ensured. As a structure, this protection and fairness is ensured via principles of doctrine of constructive notice, ultra vires and indoor management. Similarly, concept of capital also gives lot of confidence to creditors. The capital once brought in, should remain in the company and be utilised for its business, is one essential condition to give confidence to creditors. This confidence is given by Section 66 of the Act, which mandates any company wanting to reduce its share capital to take prior approval of shareholders. Section 66 also mandates approval of National Company Law Tribunal for reduction of capital. Whereas Section 68 starts with a non obstante clause saying, *'notwithstanding anything contained in this act, but subject to provisions of sub section (2), a company may purchase its own shares'*. Section 68 also provides a detailed framework subject to which this non-obstante clause functions. Sub section (7) requires every company doing purchase of shares to extinguish and physically destroy the shares or securities so bought back.

Section 66 talks about reduction of capital, which essentially means cancellation of share capital, Section 68 has a non obstante clause which overrides Section 66, however it requires extinguishment of shares. Both Section 66 and 68 are talking about cancellation of share capital.

Section 67 prohibits any company to purchase its own shares. Section 67 does not use word cancellation or reduction but uses word purchase. Heading of Section 67 is – *'Restriction on purchase by the Company or giving of loans by it for purchase of its shares'*. Sub section (1) of Section 67 is a negative provision which says *'No company limited by shares or by guarantee and having share capital shall have power to buy its own shares unless the consequent reduction of share capital is effected under provisions of this Act'*. Section 66-67-68 trio makes this subject complete. Section 66 provides framework for reduction of capital, Section 67 prohibits any purchase of shares by company unless process under Section 66 is followed, and Section 68 overrides these two Sections subject to value equivalent to share capital to be bought back is either issued by the company or capital redemption reserve is created of that value<sup>1</sup>. As mentioned above, Section 68 also expects extinguishment of bought back/purchased shares. So a combined reading of these Sections makes it clear that once capital brought in the company, it has to be deployed in the company and no round tripping is allowed. This framework got disturbed after the said exemption notification.

<sup>1</sup> As per Section 69 of the Act

### HOW TO INTERPRET WORD “NOTWITHSTANDING” USED IN SECTION 68?

Section 68 starts with the word *'notwithstanding anything contained in this act, but subject to provisions of sub section (2), a company may purchase its own shares'*. 'Notwithstanding' means, in spite of; without being opposed or prevented by; nevertheless; although, regardless of<sup>2</sup>. There is no doubt that by non-obstante clause, the Legislature creates a means, which are usually applied to give effect to certain provisions over some contrary provision that may be found either in the same enactment or some other statute. Section 68 specifically confines to this Act and therefore it overrides over other Sections of the Act which may contradict.

Although the non obstante nature of a provision may be of a wide amplitude, the interpretative process thereof must be kept confined to the legislative policy<sup>3</sup>. While interpreting non obstante clause, the court is required to find out the extent to which the legislature intended to do so and the context in which non obstante clause is used.<sup>4</sup>

Clearly, the word 'notwithstanding' was used in Section 68 to create an exception to Section 66 which requires approval of NCLT for reduction of capital. And therefore, if Section 68 is followed, Section 66 need not be complied with i.e., if buy back is done in compliance with Section 68 and corresponding rules, provisions of Section 66 need not be complied with. Section 67, as such, is a negative provision and it prohibits any company from purchasing its own shares, however private companies have got an exemption from this Section. The question that remains to be answered is how to read Section 68 and the said exemption notification together? Can we give effect to both harmoniously? Do they contradict each other? If yes, which one will prevail?

It is a cardinal rule of construction that when there are in a Statute two provisions which are in conflict with each other such that both of them cannot stand, they should, if possible, be so interpreted that effect can be given to both, and that a construction which renders either of them inoperative and useless should not be adopted except in the last resort<sup>5</sup>. If one interprets that for every purchase of its own shares by a private limited company Section 68 will have to be followed, it may mean that exemption provided to private companies under Section 67 will become redundant, and therefore such interpretation should be avoided. Let us try to apply different principles of interpretation in this scenario:

#### A. Purposive interpretation principle

Purposive interpretation is applied when the plain words of a statute are ambiguous or lead to no intelligible results or if read literally, would nullify the very object of the statute.<sup>6</sup>

<sup>2</sup> Meaning of 'Notwithstanding' as per Collins Dictionary

<sup>3</sup> ICICI Bank Ltd V. Sidco Leathers Ltd (2006) 131 Comp Cas 451 (Cal).

<sup>4</sup> Central Bank of India V. State of Kerala 2010 AIR SCW 2436

<sup>5</sup> Bengal Immunity Co. Ltd. v. State of Bihar AIR 1955 SC 661

<sup>6</sup> B. Premanand v. Mohan Koikal AIR 2011 SC 1925



Looking at the historical background, buy-back provision was introduced in the year 1998-99 under Section 77A in the Companies Act, 1956. Section 77 relating to restrictions on purchase of its own shares by a Company was there under the former Companies Act, 1956 also. There was no exemption granted to private Companies then. It was very clear that a Company can either buy back its securities or reduce its share capital or forfeit its shares.

Historically, exemption from purchasing its own shares by a private Company wasn't there in the former Companies Act, 1956. However, the exemption has been introduced under the Companies Act, 2013. What would be the purpose for the same to be introduced under 2013 Act? Let us find out and understand the views of Working Group and Expert Committees.

**Reports of Working Group/Committees on Treasury Buy-back** - The Working Group on Companies Act, 1956, in its Report submitted on 12<sup>th</sup> February 1997 recommended that the Companies should have flexibility, after completion of buy-back, to retain shares as Treasury Stocks for being issued later. In response to the same, Department of Company Affairs (DCA) had initially considered this alternative. While views of experts, commercial and trade bodies were taken, they put forth that, if treasury option was adopted and the Companies were allowed to reissue the shares bought back, the Directors could be tempted to manipulate the stock market in a manner that their own relatives and friends would benefit by selling shares purchased by them at low price to the Company and gain significant personal profits. In this process, companies are likely to suffer. Hence, the DCA decided to permit cancellation / extinguishment of shares option only in the scheme of buy-back.

Further, the treasury stock concept was once again discussed by the Expert Committee, in the year 2004, as mentioned in its report. The report stated that while an enabling provision for treasury stocks or treasury buy-back could be incorporated in the new law, actual introduction of treasury stocks or treasury buy-back was required to be preceded by the preparatory action. It was suggested to introduce the concept only when the necessary framework was ready.

From both the reports it becomes clear that law makers were concerned about possible manipulation in stock market. There was also a thought that once there is a framework, treasury buy back can be considered. Since shares of private limited companies are not freely tradable and there is no possibility manipulation in stock market, probably private limited companies were allowed to do treasury buy back. It also appears that three conditions mentioned in instant notification ensures that debt equity ratio is maintained and this exemption is not available for those who have defaulted in servicing debts. That means some framework is in place to ensure creditors don't suffer. It appears a very well thought out decision

Section 68 allows any company to purchase its own shares only out of sources permitted under sub section (1) of Section 68 and only under limits of sub section (2) and other conditions mentioned in Section 68. This section allows both private and public limited companies to purchase their own shares. If company wants to cancel its capital against losses or return the capital without complying with provisions of Section 68, it has to follow a process of Section 66 i.e. reduction of capital.

to allow private limited companies to purchase their own shares and hold it and not to extinguish those.

#### B. Former Vs. Later

Whenever there is any conflict between two provisions, the provision which was issued or notified at a later stage will prevail. In this case, Section 68 is effective from 1 April 2014 and exemption to private limited companies from compliance of Section 67 came later i.e., vide notification issued by Ministry of Corporate Affairs on 5 June 2015. Therefore, we cannot interpret Section 68 in a way that private company can purchase its shares but only in compliance with Section 68. By taking such view, we will make the said exemption notification redundant. And therefore, an effort has to be made to interpret harmoniously.

#### C. Harmonious construction

Harmonious Construction principle states that the provisions of a statute should be read so as to harmonize with one another and the provisions of one Section cannot be used to defeat those of another unless it is nearly impossible to effect reconciliation between them. When there are two conflicting provisions in an Act, which cannot be reconciled with each other, they should be so interpreted that, possible effect should be given to both. This means that no provision shall be null and void across all circumstances. It is only when the words of a statute are unclear or ambiguous that other aids to interpretation are to be resorted to. If the words of the statute are of themselves precise and unambiguous, then no more can be necessary than to expound those words in their natural and ordinary sense. The words themselves do, in such case, best declare the intention of the Legislature.<sup>7</sup>

If we read Section 68 and Section 67 read with the said exemption notification harmoniously, it appears that a private limited company has 3 options—

1. Follow reduction of capital process under Section 66,
2. Follow buy back process under Section 68, OR
3. Purchase its own shares under Section 67.

<sup>7</sup> *Sussex Peerage case (1844) 11 Cl&F 85*



Section 68 allows any company to purchase its own shares only out of sources permitted under sub section (1) of Section 68 and only under limits of sub section (2) and other conditions mentioned in Section 68. This Section allows both private and public limited companies to purchase their own shares. If company wants to cancel its capital against losses or return the capital without complying with provisions of Section 68, it has to follow a process of Section 66 i.e. reduction of capital. And if a private limited company which fulfils three conditions mentioned in the said exemption notification, wants to purchase its own shares without cancelling capital, it can do so under Section 67. Only when a private limited company wants to extinguish its capital by repaying some money to shareholders, it must take a recourse either under Section 66 or 68 of the Act.

### WHETHER FRAMEWORK OF THE SAID EXEMPTION NOTIFICATION (5 JUNE 2015 NOTIFICATION) IS ADEQUATE?

If a private company fulfilling three conditions of the said notification purchases its own shares and hold it without extinguishing it, following conditions will not apply to it arising from Section 68 of the Act –

1. Requirement of shareholder approval will not apply; though provisions of Section 186 and even Section 188 may trigger if purchase is from a related party<sup>8</sup>.
2. No need for proportionate buy back; though decisions cannot be done to oppress minority and it has to be fair and in the best interest of the company<sup>9</sup>.
3. No restriction about source of finance, it need not be out of proceeds of fresh issue or free reserves; though company has to ensure that borrowing from bank and institution should not be more than twice of its paid up share capital<sup>10</sup>.
4. No need to create Capital Redemption Reserve because capital may not be getting extinguished.

<sup>8</sup> Purchasing shares means purchase of goods or property and therefore will be one of the transactions covered under Section 188 of the Act

<sup>9</sup> Section 166 - Duties of Director

<sup>10</sup> One of the conditions of 5 June 2015 Notification

5. No need for letter of offer or return of buy back.

In addition to this some questions remain unanswered like, whether provisions of Section 179 will apply to such purchases made by private limited company? Generally, treasury investments are in liquid securities and shares of private limited company are illiquid and if that is so, why such purchase is allowed for private limited companies?

Role of Board of Directors of private limited companies doing such purchases is also very crucial. The Board will have to ensure that provisions of articles of association with respect to transfer of shares are followed. If there is any Foreign Direct Investment, whether it would be permissible? The Board will also have to ensure that transactions are not done to give any preference to related parties and it is in best interest of stakeholders.

Though there is some framework in the said exemption notification, it does not appear adequate. For example there is no restriction on maximum amount which can be deployed for such purchase, valuation at which such transaction can happen, how long company can retain such shares in its name? Whether company will receive dividend on those self-issued and self-held shares? How SBO will be determined? Will Directors be in compliance with their duties under Section 166? There is no duty cased on auditor or Company Secretary in practice to comment about this in their reports ...and so on ...

### CONCLUSION

Undoubtedly, both private and public companies can do buy back in compliance with provisions of Section 68. But fact that private companies have been exempted from Section 67 (subject to certain conditions) will have to be given its respect. Careful reading of exemption notification, indicate that Section 66,67,68 are three options for a private company. Otherwise, exemption notification becomes meaningless.

Considering that this exemption notification is a well thought decision of law maker, a framework under Section 67 needs to be fortified addressing concerns raised in this article. Till then Board of a private limited company wanting to do such treasury buy back should adopt their own framework and ensure that it is documented properly to sustain any questions in future.



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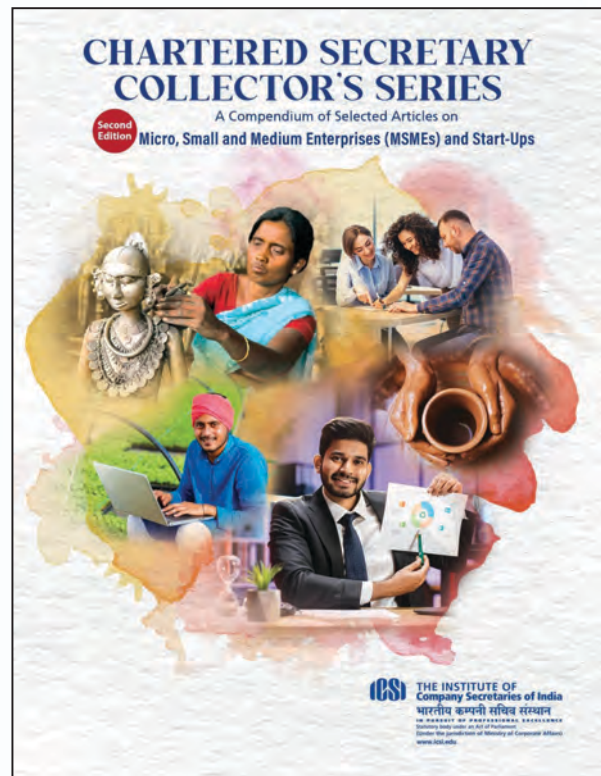
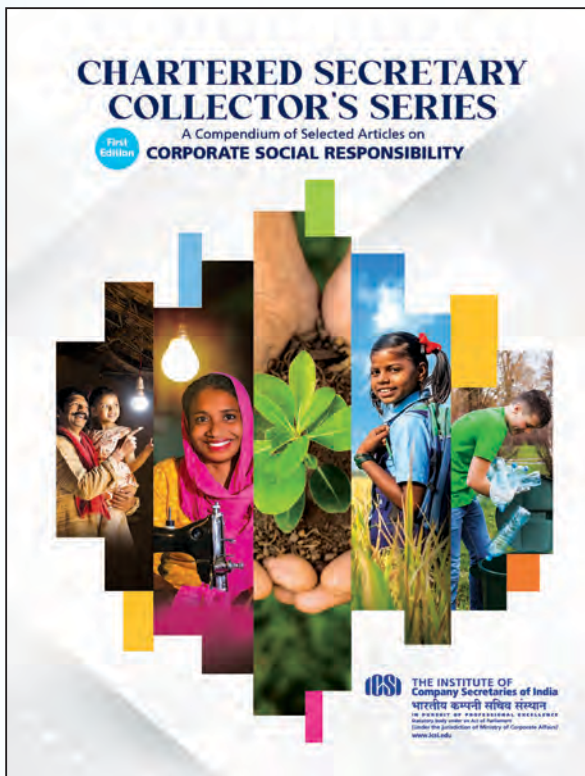
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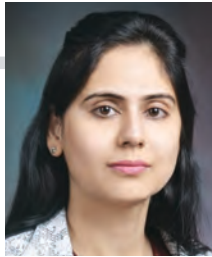
## RESEARCH CORNER



- JOURNEY OF EASE OF DOING BUSINESS IN INDIA UNDER THE DIRECT TAX ENVIRONMENT AND THE WAY FORWARD

# Journey of Ease of Doing Business in India under the Direct Tax Environment and the Way Forward

When the tax process is transparent, it instills confidence and understanding, allowing taxpayers to comprehend how their contributions are utilized for public services. Simultaneously, facilitating easy and streamlined tax payment procedures reduces the bureaucratic burden on individuals and businesses and promotes fairness and efficiency in the taxation system.



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## INTRODUCTION

The progress of an economy is intricately tied to its public expenditure. Taxation is crucial in financing public expenditures and sustaining various government initiatives. When the tax process is transparent, it instills confidence and understanding, allowing taxpayers to comprehend how their contributions are utilized for public services. Simultaneously, facilitating easy and streamlined tax payment procedures reduces the bureaucratic burden on individuals and businesses and promotes fairness and efficiency in the taxation system. This combination of transparency and user-friendly processes contributes to a positive and cooperative relationship between taxpayers and the government.

An ideal tax is believed to meet all the canons, such as equality, simplicity, economy, and convenience. Various tax reform committees have been set up to improve the income tax administration. Before the Economic Reforms of 1991, the tax administration in India depended on traditional manual processes. The Business Process Re-engineering was initiated in the 1990s to transform it into a modern and professional administration. Despite computerization, the processes did not integrate data at the assessment level. The Income Tax Department received a large volume of information from the taxpayers, Tax Deductors, and third parties. Due to a lack of integration, there were always mismatches between the information provided by the third parties and the tax credit claimed by the taxpayers, resulting in a rise in tax litigations, making the Income Tax Department one of the biggest litigants in the government departments.

Hence, there arose a need to build a robust technological environment wherein all the tax administration processes could be managed accurately and in an integrated manner. With time, the tax department also started addressing taxpayer grievances through email and help desk centers, reducing the human interface and unnecessary delays in filing responses and visiting the tax department. The success of these initiatives led to the concept of e-assessment, which was later renamed the Faceless Assessment Scheme.

The paper examines how the direct tax reforms have made it easy for the tax department to enhance the tax base and encourage tax filing 24\*7 at any time from any place. The introduction of TRACES and 26AS has made it easy for taxpayers to check their financial transactions quarterly. The paper has covered the entire capacity-building process introduced from time to time by the Income Tax Department from the perspective of the tax department and benefits to the taxpayers.

## DIGITALIZATION JOURNEY OF FOUR DECADES- FROM COMPUTERIZATION TO FACELESS ASSESSMENT SCHEME

The Faceless Assessment Scheme under the Income Tax Act was introduced in August 2020. Still, it originated in 1984 by introducing computers in the tax administration to file e-income and e-TDS returns. This journey from e-filing of Income Tax returns to faceless assessment is a milestone journey of tax reforms in the history of



the Indian Tax system, which can be explained under different phases as below:

**Phase 1: Computerization Phase of Income Tax Administration (1984-1989)**

The stepping into the digitalization process of taxation was initiated in 1984-85. This was when all the income tax processes were done manually, like return filing, processing, rectifying TDS, payment of taxes, allotment of PAN, and scrutiny selection. The digitalization journey was initiated by streamlining the process of PAN application and allotment in a technology-driven way. This process was instituted across 36 centers per the Commissionerate jurisdiction, with every center having its own process for issuing the PAN. Then, in 1986, the processing of tax payment challans under a computerized environment, along with return filing, was also launched. It was unsuccessful as the PAN allotment process had yet to be centralized, and data needed to be accurately available. Another reason for the failure was the need for more technology to capture the errors and the processing time of returns. Also, the income tax return forms could have been more user-friendly.

This was the beginning of digitalization, which had its pitfalls. Still, the tax department and the taxpayer both found little ease in doing business in the direct tax environment due to the following reasons:

**EASE OF DOING BUSINESS WITH COMPUTERISATION**

Income Tax Department	Taxpayers
The department could monitor taxpayers' activities by matching the third-party financial transactions, reducing gaps in income reported by the taxpayers.	The efforts during this phase led to transparency in the tax process for the taxpayers.
This also resulted in the saving of manual procedures for ITD officers.	Simplification of ITRs made filing easy, thereby improving tax compliance.



**Phase-2 Streamlining PAN Allotment Process and Online Processing of Bank Challans (1998-2004)**

The prime focus under this phase was to smoothen the Assessee Information System (AIS) for allotment of unique PAN and to set up the Tax Accounting System (TAS) so that bank receipts of challans could be maintained digitally, and to launch the Assessment System (AST) for processing of Income tax return. Hence, in 2002, the Tax Information Network (TIN) was set up to interact with taxpayers in online filing and processing of information. In 2003, the Income Tax Department outsourced the PAN allotment activities to National Securities Depositories Ltd to enhance efficiency and avoid the duplicity of the PAN allotment process. The tables below present how the duplicate number of PAN applications vanished altogether once the PAN allotment process was streamlined through NSDL.

**(A) ALLOTMENT OF PAN THROUGH INCOME TAX DEPARTMENT (APRIL 2001- JUNE 2003)**

FY	Opening balance of Applications	Additions during the year	Duplicate PAN Cases	Net applications for allotment	PAN allotted During the year	Balance (including Duplicate PAN cases)	Net Pendency (5-6)
1	2	3	4	(2+3- 4)=5	6	(5-6+4)=7	(5-6) =8
2000-01	23,56,052	17,27,875	13,84,272	26,99,655	23,00,218	17,83,709	3,99,437
2001-02	17,83,709	28,47,610	13,02,795	33,28,524	26,78,764	19,52,555	6,49,760
2002-03	19,52,555	55,36,180	12,60,432	62,28,303	58,74,623	16,14,112	3,53,680
2003-04 (Apr-June, 2003)	16,14,112	10,59,240	16,10,683	10,62,669	10,62,669	-	-

**(B) ALLOTMENT OF PAN THROUGH NSDL (JULY 2003 - MARCH 2004)**

Financial Year	Opening Balance	Additions during the year	Duplicate PAN	Net applications for allotment	PAN allotted	Balance (including Duplicate PAN cases)	Net Pendency
2003-04 (July 2003 to Apr-2004)	-	40,02,352	-	40,02,352	35,08,956	-	4,93,396

Source: Department of Revenue, Annual Report 2005-06

The PAN systematization process was considered the most significant reform of digitalization at a large scale. NSDL hosted the TIN to map the third-party transactions with the taxpayers' PAN. In 2004, the Centralized Processing Centre was also launched, and after that, 'Taxnet' was created to manage the networking of all the Income Tax department offices across the country. The networking process increased the cash revenue of the government of India at a faster pace and reduced bank challan's transmission data from 45 days to 2 days.

### EASE OF DOING BUSINESS BY STREAMLINING PAN ALLOTMENT PROCESS AND ONLINE PROCESSING OF BANK CHALLANS

Tax department	Taxpayer
Enabled data tracking in the Tax department and improved the data analysis process, resulting in a more robust and effective tax system.	Relieved from standing in long queues, saved time as the PAN allotment process is made online.
Eliminated the duplication of PAN, and errors in taxpayers' records were minimized.	It prevented errors in taxpayer identification and financial records, reducing the risk of compliance errors. Also, it secured the taxpayer by protecting the sensitive data from unauthorized access.
The process initiated seamless information exchange between the government agencies and the financial sectors.	Provided taxpayers with a unique identification number recognized across various financial institutions, like opening a bank account and interacting with the tax authorities.

### Phase-3 The year of Streamlining of Scrutiny Assessment and e-filing of TDS returns (2004)

The process of scrutiny assessment had always been harsh on the taxpayers, and a substantial number of manhours were lost in exhibiting the cases for scrutiny assessment. To streamline the process, an intelligence team comprised of 300 verticals to select the most anomalous scrutiny assessment cases. To widen the tax base and simplify the selection process of scrutiny assessment cases, Section 285BA was introduced w.e.f. 01-04-2004 requiring some specified persons to furnish the Annual Information Statement of various financial transactions incurred during the financial year to the Income Tax Authority, based on which the authority could select the cases for scrutiny assessment. The same year, e-TDS returns were introduced to simplify compliance, widen the tax base, and enhance government revenue.

Let's see how streamlining the Scrutiny Assessment has resulted in ease of doing business for the Tax department and Taxpayers.

### EASE OF DOING BUSINESS BY STREAMLINING OF SCRUTINY ASSESSMENT AND E-FILING OF TDS RETURNS

Tax department	Taxpayer
The tax authorities handled a large volume of cases, focusing on high-priority cases involving maximum tax evasion.	The taxpayers gained confidence in the integrity of the tax administration, which encouraged them to voluntary compliance.
Resulted in faster processing of Income tax assessment, leading to more rapid resolution of tax disputes.	Reduced the likelihood of disputes between the taxpayers and the tax department as it led to more reliable outcomes.
Tax administration could target high-risk taxpayers.	Fair treatment rather than selecting the assessments arbitrarily, thereby promoting the taxpayer's confidence in the tax system.
Reduced the overall cost of the tax department by optimum utilization of resources.	Reduced the processing time of completion of the assessment and reduced documentation from taxpayers, thereby resulting in cost savings.

### Phase-4 Income Tax Return e-filing (2006)

With the rising use of the internet globally and technological advancement, the voluntary e-filing of income tax returns was made mandatory for all corporates in 2006. In 2013, the e-filing of income tax returns was made compulsory for all. This Business Process Re-engineering led to the launch of different e-services like e-payment of taxes, e-processing of returns, e-view of TDS credit, e-filing of TDS returns, etc. In this way, in 2006, the department entered a technology-driven environment, and the data integration process was initiated for different assessments under the Income tax.

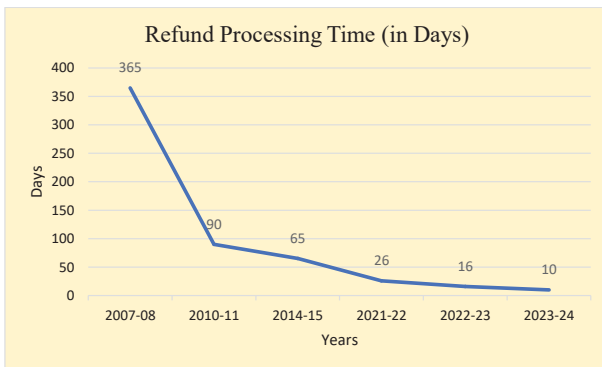
### EASE OF DOING BUSINESS BY INCOME TAX RETURN E-FILING

Tax Department	Taxpayer
Reduced the manual handling of paper returns and data entry tasks, which enhanced the tax department's efficiency.	Convenience in filing ITR anytime from any place without any visit to the tax department. It saved the paperwork and hassle of paper filing, resulting in time, interest, and penalty savings due to the timely submission of income tax returns.
E-filing enabled real-time monitoring to identify tax liabilities, quick assessments, and collection of taxes.	Reduced the processing time of income tax returns, improved the speed of refund processing, and quicker assessment.

Validation checks during the processing of e-filing of returns reduced frivolous demands, thereby resulting in fewer tax disputes.	Protected the taxpayer's confidential information as the return was filed in encrypted form compared to the paper return, wherein there has always been a risk of loss, theft, or unauthorized access to paper data.
Generation of electronic data for analyzing tax behaviors and identifying the non-compliance areas.	E-filing also enhanced transparency regarding the progress of refunds and the processing status.

**Phase-5 Project Refund Banker and Building Efficiency through Central Processing Centre (2007-2008)**

To speed up the processing of returns, the Centralized Processing Centre was established in Bangalore in 2008, and the return processing activities were outsourced to CPC Bangalore. In the same year, the Refund Banker scheme was introduced to clear the backlog of refund processing activities, and all the refund-related issues were outsourced to SBI. This scheme has resulted in the timely payment of tax refunds to taxpayers and initially reduced the refund processing time from 12 months to 90 days. With the technological process of CPC, the average time of refund was further reduced to 65 days in 2014-15, and now the average time of refund is 20 days. This can be seen in the below diagram:



Further, the refund banker and processing income tax returns through CPC enhanced taxpayers' confidence in tax administration. They eased in the following for the tax department and the taxpayer:

**EASE OF DOING BUSINESS BY PROJECT REFUND BANKER AND THROUGH CENTRAL PROCESSING CENTRE**

Tax Department	Taxpayer
Induced greater transparency in tax administration and reduced the human interaction between the taxpayers and the tax administration.	The refunds are directly credited to taxpayers' bank accounts, and the need to visit the tax office or get the refunds through the post office no longer existed.

**Phase-6 TDS Reconciliation Analysis and Correction Enabling System (TRACES 2012)**

TRACES was a game changer in the history of Indian taxation. Before 2012, the TDS credit was allowed based on the manual TDS certificates issued by the tax deductors, which could be forged. It was a tedious task for the ITD officials to manually verify the genuineness of TDS certificates through third-party verifications, leading to delays in the grant of refunds and an increase in the quantum of litigations. While conducting the BPR study, it was identified that the tax administration needed more technological advancements to manage the large volume of TDS statements received. Further there were process issues in reconciling the Tax Deducted and the Tax Credit claimed in tax returns. There were discrepancies in the 26AS statement and the manual TDS certificates. Due to these discrepancies, there was an unordinary delay in giving the tax credit to the taxpayer, which could sometimes be longer than 2-3 years. The need for an integration platform for tax deductors, deductees, and tax officials affected the business relationship and accounting. These anomalies in the TDS system led to the introduction of TRACES, which became a solution for the abovementioned issues.

Let's see how TRACES become a game changer for the tax department and the taxpayer for ease in doing business in the below summary:

**EASE OF DOING BUSINESS BY TRACES**

Tax Department	Taxpayer
TRACES facilitated the integration of different taxpayers' reports for decision-making.	The taxpayer got access to their tax credit statements and challan status on a real-time basis and with accuracy.
It enabled a smooth TDS verification process, resulting in instant detection of wrong claims and faster processing of TDS-verified claims in real-time.	The reconciliation process of TDS credit with the 26AS resulted in tax assessments in the limitation period.
The government expenditure towards interest on delayed tax refunds was also reduced as the refunds were made in less time.	The taxpayer is getting refunds speedily due to TDS mapping with 26AS.
The tax administration worked with clean and processed data for assessment.	The tax deductors could identify the PAN errors, short payments, delayed payments, and interest thereon on their own by logging into TRACES within very few days after filing the TDS return, reducing the human intervention of tax officers with deductors.

**Phase-7 Project E-Sehyog (2015)**

The project is also called the grievance redressal method of resolving taxpayers’ queries through effective SMS and e-mail communication. The objective of this project was to encourage voluntary compliance by the taxpayer.

The summarized benefits of E-Sehyog for the tax department and the taxpayer are as follows:

**EASE OF DOING BUSINESS BY PROJECT E-SEHYOG**

Tax Department	Taxpayer
It is a structured platform for resolving the grievances of the taxpayers on a prompt basis, which enhances the efficiency of the tax department by tracking the status of complaints and resolutions on a real-time basis.	Taxpayers could submit their complaints online from anywhere without visiting the tax office.
The project helped identify the recurring issues with the help of trend analysis and helped address the issues proactively.	The project ensures that taxpayers are informed of the status of their complaints. Therefore, it provides transparency.
The communication between the tax department and the taxpayer has improved the trust in the department.	The project has encouraged voluntary compliance by the taxpayers.

**Phase 8 Non-Filers Monitoring System Pilot Project (2019)**

Technology has played a vital role in re-engineering internal and external business processes. Promoting voluntary compliance and detecting tax evasion and the availability of information in electronic form has enabled the income tax department to develop a wide range of methodologies, including a Non-filer monitoring system. This project was launched to prioritize action against non-filers. The non-filers were informed of non-compliance by E-mail or SMS.

The identified non-filers to whom email or SMS was sent by the department were required to submit the compliance by logging in to the income tax department e-filing portal. The non-filers can check their respective non-compliance in the compliance tab of the portal. This system enables the non-filer to view the details of the Assessment Years for which it still needs to file the income tax return or submit information that the income tax department has received from third parties.

Let’s see how this system has made ease for the Tax department and the taxpayer:

The stepping into the digitalization process of taxation was initiated in 1984-85. This was when all the income tax processes were done manually, like return filing, processing, rectifying TDS, payment of taxes, allotment of PAN, and scrutiny selection.

**EASE OF DOING BUSINESS BY NON-FILERS MONITORING SYSTEM (NMS)**

Tax Department	Taxpayer
The NMS project assisted the tax administration in identifying the non-filers and non-compliant taxpayers.	It is an easy way to submit taxpayers’ voluntary compliance. If the income tax department is satisfied with the e-response submitted on the compliance portal, the case is closed, and the status can be checked on the portal.
This has facilitated data analysis of non-filers with potential tax liability dues with the AIR, CIB, and TDS/ TCS database for taking action against them.	This online submission has allowed the taxpayers to submit their compliance without the fear of interaction with the Assessing officer, encouraging them to accept the e-submissions. It has increased the awareness amongst the taxpayers.

**Phase-9 e-Assessment and Faceless Assessment Scheme (2017-2020)**

The digital journey of tax reforms, initiated in the 1990s, took the e-assessment path in September 2017 to eliminate the human interface in the Income-tax assessment and impart greater transparency and accountability. Initially, the e-Assessment scheme was introduced on a pilot basis in Mumbai, Delhi, Ahmedabad, Bangalore, and Chennai in 2015 and was later extended to Kolkata and Pune. Finally, when an integrated database platform was set up successfully by the Income tax department, the e- Assessment Scheme was rolled out in 2019. All the scrutiny assessments initiated on or after 12-09-2019 were governed by the e-Assessment Scheme, 2019. The intention behind introducing the e-Assessment Scheme was to reduce red tape, make a more transparent assessment system thereby reducing the quantum of frivolous litigations. Later on, w.e.f. On August 13, 2020, the e-Assessment Scheme was renamed the Faceless Assessment Scheme.

The scheme has been introduced recently. In a few years, it has made ease to handle the Income tax assessment for the tax department as well as for the taxpayer:

**EASE OF DOING BUSINESS BY E-ASSESSMENT AND FACELESS ASSESSMENT SCHEME**

Tax Department	Taxpayer
The faceless assessment scheme has reduced the manual processing and the paperwork to a large extent; therefore, the cost has been reduced considerably.	The taxpayers can submit their responses from anywhere using the internet.
A large volume of cases are being assessed on a timely basis without any hassle under the automated environment, as the taxpayers are not required to visit the tax department for the submissions; they can file those easily from anywhere.	The transparency has improved, and the bureaucratic layers have been removed.

**EXPECTATIONS AND THE WAY FORWARD**

Faceless Assessment is not a day reform in the Indian Taxation system. It has taken around twenty years to come into shape. It is not the culmination of the journey of reforms but a milestone for the tax administration. This journey has promoted voluntary compliance and also increased tax revenue. The administration has leapfrogged in its digital adoption and is focused on achieving its larger objective of improving efficiency where:

- Real-time access to GST transaction data and integrating the income tax database with various third parties has led to insightful data analytics.
- Tech adoption will result in only a few meaningful inquiries from the tax department and reduce the pie of tax disputes in the country.
- Clear visibility on outstanding demands and refunds across tax legislation will help with the faster disposal of matters and enhance taxpayer experience.

The way forward for the department is using Artificial Intelligence (AI), data analytics, and machine learning (MI) to make ITR filing more convenient, without official discretion, and business- and taxpayers-friendly.

In response to this ever-evolving regulatory environment, it has become crucial for companies to remain compliant. The business must focus on process improvements across different functions, with technology as an enabler more than ever. It will help improve the compliance index of business as well. The recipe for success is a future-ready and adaptive finance department enabled by automation and integration of all facets of business activities (Sales, Purchases, Accounts, and Banking).

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# 3

## LEGAL WORLD



- MAHARASHTRA TUBES LTD v. STATE INDUSTRIAL AND INVESTMENT CORPORATION OF MAHARASHTRA & ANR [SC]
- REEBOK INDIA COMPANY v. UNION OF INDIA & ORS [Del]
- SURENDRA KANAIYALAL SHAH v. MAGICON IMPEX PRIVATE LTD [NCLAT]
- GREATER NOIDA INDUSTRIAL DEVELOPMENT AUTHORITY v. PRABHJIT SINGH SONI & ANR [SC]
- RAJESH VIREN SHAH v. REDINGTON (INDIA) LIMITED[SC]
- NARESH CHANDRA AGRAWAL v. THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA & ORS [SC]
- ARUNIMA AUTOMOBILES v. MARUTI SUZUKI LTD [DEL]
- P.SASIDHAR v. KERALA STATE ROAD TRANSPORT CORPORATION [CCI]
- UNKNOWN v. OLA ELECTRIC LIMITED & ORS [CCI]



## Corporate Laws

### Landmark Judgement

**LMJ 03:03:2024**

**MAHARASHTRA TUBES LTD v. STATE INDUSTRIAL AND INVESTMENT CORPORATION OF MAHARASHTRA & ANR [SC]**

**Civil Appeal No. 289 of 1993**

**L.M. Sharma & A.M. Ahmadi, JJ. [Decided on 29/01/1993]**

**Equivalent citations: (1993) SCR (1) 340; (1993) SCC (2) 144; 1993 AIR SCW 991; (1993) 78 Comp Cas 803 (SC); (1993) 1 JT 310 (SC); (1993) 10 CLA 181.**

**Section 22 of the SICA 1985 read with section 29 of the State Financial Corporations Act, 1951- borrower company became sick- corporation intended to take over the possession of the premises- whether provisions of SFCA prevails over SICA- Held, No.**

#### **Brief acts:**

The appellant availed financial assistance from the Respondent corporation. The appellant company was before the BIFR. The respondent corporation sought to take possession of the factory premises of the Appellant. The appellant approached the Bombay High Court contending that it is protected by section 22 of the SICA, 1985 and therefore the Respondent cannot initiate any proceedings to recover the dues against it. The High Court dismissed the writ and upheld the right of the Respondent to take possession of the factory under section 29 of the State Financial Corporations Act, 1951. Hence the present appeal before the supreme court.

**Decision: Appeal allowed.**

#### **Reason:**

The short but interesting question which arises for determination in this appeal is whether in a case where an industrial concern makes any default in repayment of any loan or advance or any instalment thereof or otherwise fails to meet its obligations under the terms of any agreement with the Financial Corporation, such as the respondent herein, can the latter take recourse to sections 29 and/or 31 of the State Financial Corporations Act, 1951 (hereinafter called the '1951 Act') notwithstanding the bar of Section 22 of the Sick Industrial Companies (Special Provisions) Act, 1985 (hereinafter called the '1951 Act')?

Having reached the conclusion that both the 1951 Act and the 1985 Act are special statutes dealing with different situations the former providing for the grant of financial assistance to industrial concerns with a view to boost up industrialization and the latter providing for revival and rehabilitation of sick industrial undertakings, if necessary, by grant of financial assistance, we cannot uphold the contention urged on behalf of the respondent that the 1985 Act is a general statute covering a larger number of industrial concerns than the 1951 Act and, therefore, the latter would prevail over the former in the event of conflict. Both the statutes have competing non-obstante provisions. Section 46B of the 1951 Act provides that the provision of that statute and of any rule or order made thereunder shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force whereas section 32(1) of the 1985 Act also provides that the provisions of the said Act and of any rules or schemes made thereunder shall have effect notwithstanding anything inconsistent therewith contained in any other law. Section 22(1) also carries a non-obstante clause and says that the said provision shall apply notwithstanding anything contained in Companies Act, 1956 or any other law. The 1985 Act being a subsequent enactment, the non-obstante clause therein would ordinarily prevail over the non-obstante clause found in section 46B of the 1951 Act unless it is found that the 1985 Act is a general statute and the 1951 Act is a special one. In that event the maxim '*generalia specialibus non derogant*' would apply.

But in the present case on a consideration the relevant provisions of the two statutes we have come to the conclusion that the 1951 Act deals with pre-sickness situation whereas the 1985 Act deals with the post-sickness situation. It is, therefore, not possible to agree that the 1951 Act is a special statute vis-a-vis the 1985 Act which is at general statute. Both are special statutes dealing with different situations notwithstanding a slight overlap here and there, for example, both of them provide for grant of financial assistance though in different situations. We must, therefore, hold that in cases of sick industrial undertakings the provisions contained in the 1985 Act would ordinarily prevail and govern.

Now we come to the impugned decision. The High Court was considerably influenced by the fact that the appellant- company owed crores of rupees to banks and felt that so far as such creditors are concerned different considerations may come into play but the High Court with respect failed to appreciate that the 1985 Act was enacted primarily to assist sick industrial undertakings which inter alia failed to meet their financial obligations. It is, therefore, difficult to accept the view of the High Court that where the creditors of a sick industrial concern happen to be Banks or State Financial Corporations different considerations would come into play. It must be realised that in the modern industrial environment large industries are generally financed by banks and statutory corporations created especially for that purpose



and if they are permitted to resort to independent action in total disregard of the pending inquiry under sections 15 to 19 of the 1985 Act the entire exercise under the said provisions would be rendered nugatory by the time the BIFR is able to evolve a scheme of revival or rehabilitation of the sick industrial concern by the simple device of the Financial Corporation resorting to section 29 of the 1951 Act.

We are, therefore, of the opinion that where an inquiry is pending under section 16/17 or an appeal is pending under section 25 of the 1985 Act there should be cessation of the coercive activities of the type mentioned in section 22(1) to permit the BIFR to consider what remedial measures it should take with respect to the sick industrial company. The expression 'proceedings' in section 22(1) therefore, cannot be confined to legal proceedings understood in the narrow sense of proceedings in a court of law or a legal tribunal for attachment and sale of the debtors' property.

**LW 17:03:2024**

**REEBOK INDIA COMPANY v. UNION OF INDIA & ORS [Del]**

**Writ Petition (C) No.1546/2021**

**Subramonium Prasad,J. [Decided on 16/02/2024]**

**Companies Act,2013- section 18- conversion of company from "unlimited liability company" to "limited liability company"- investigation under SIFO and IPC were ongoing against the company- ROC rejected the application- whether correct- Held, Yes. Whether a company has a vested right for grant of certificate of conversion - Held, No.**

**Brief facts:**

The Registrar of Companies vide order dated 07.08.2020 rejected the conversion of the Petitioner's company from an "Unlimited Liability Company" to a "Limited Liability Company". This order was in challenge in the present petition.

**Decision: Dismissed.**

**Reason:**

The Division Bench of this Court in its Order dated 03.03.2020 had only directed the RoC to decide the application of the Petitioner afresh in accordance with law. As of today there is no challenge to the 2016 Regulations. This Court is of the opinion that since the 2016 Amendment was only curative in nature and only intended to protect the interests of the creditors, the amended rules, therefore, must apply to applications which are pending with the RoC, and the same must apply to the application of the petitioner/company. The right of the Petitioner for conversion from unlimited company to limited company has not been taken away. In fact, the petitioner/company had no vested

right to be granted a certification of conversion to a limited liability company. The rules have only become more stringent in as much as the RoC has additional criteria to satisfy himself regarding the net worth of the company and as to whether any investigation/inspection is pending against the company or not and only on being satisfied, the permission for conversion can be granted.

Viewed in this light, the reasons given by the RoC for rejecting the application of the Petitioner on the ground that various prosecutions have been filed by the Serious Fraud Investigation Organization against the Petitioner for offences under the Companies Act and the IPC and that the e- Form 27 which was to be filed with the Registrar of Companies was not in compliance with Rule 37 of the 2016 Rules cannot be said to be so perverse especially keeping in mind the interest of the shareholders and the interest of the creditors. The RoC has also observed that the petitioner/company has suffered substantial financial losses and has a net deficit in current liabilities over the assets in excess of Rs. 2100 Crores. The registrar was also not provided with an NOC or undertaking from all the shareholders to support the conversion application and the petitioner did not even issue a public advertisement inviting objections from various creditors/stakeholders on the issue of conversion.

The anxiety on the part of the Registrar of Companies that the creditors and stakeholder should not be left high and dry cannot be said to be completely unjustified. Accordingly, the Writ Petition is dismissed.

**LW 18:03:2024**

**SURENDRA KANAIYALAL SHAH v. MAGICON IMPEX PRIVATE LTD [NCLAT]**

**Company Appeal (AT) (Insolvency) No. 1326 of 2023**

**Ashok Bhushan, Barun Mitra & Arun Baroka. [Decided on 20/02/2024]**

**Insolvency and Bankruptcy Code,2016- section 7- CIRP by financial creditor- 2 applications filed- 1<sup>st</sup> application rejected as the amount was less than the threshold limit- 2<sup>nd</sup> application filed calculating interest in a different manner and the value was increased to higher than the threshold limit- again debt amount found to be lesser than the threshold limit- adjudicating authority dismissed the application- whether correct- Held, Yes**

**Brief facts:**

The present appeal filed by the Appellant arises out of the Order passed by the Adjudicating Authority whereby the Adjudicating Authority has dismissed the Section 7 petition filed by the financial Creditor/ Appellant holding that amount involved was less than the threshold limit.

**Decision: Dismissed.**

**Reason:**

Interestingly, we find that the Adjudicating Authority in the impugned order took notice of the fact that the Appellant had unsuccessfully filed a Section 7 application on an earlier occasion wherein the principal amount was shown as Rs. 70,00,000/- only along with an interest amount of Rs. 10,05,672/-. This Section 7 application had been dismissed on 27.05.2022 by the Adjudicating Authority on the ground that the total claim amount being Rs. 80,05,672/- only, which claim amount was clearly below the threshold limit. That this earlier Section 7 application was dismissed on grounds of threshold remains undisputed.

On perusal of the impugned order, we further find that the Adjudicating Authority while considering the instant Section 7 application, it also examined in details at para 7 the contents of Part-IV in Form I as filed by the Appellant in the Section 7 application on both the occasions. It has been noticed by the Adjudicating Authority that the principal amount claimed as outstanding in both the Section 7 petitions remained constant at Rs. 70,00,000/- only. Further it was also noted that the principal amount in both the applications also arose from the same transaction. It has also been noticed that the date of default in Part-IV is shown as 25.01.2020 on both these occasions. However, there is a variance in the computation of the interest amount in both the petitions. As against a lesser amount claimed as interest amount in the previous application, the interest amount in the present application has been enhanced by the Appellant to Rs. 41,63,151/- thus, aggregating a total outstanding amount of Rs. 1,11,63,151/-.

We also notice that the Adjudicating Authority has proceeded to unearth the reason as to how and why the interest amount stood at variance between the two Section 7 applications filed by the Appellant. The Adjudicating Authority in the impugned order has taken the trouble of comparing the computation of debt amount inclusive of principal amount and interest as made out by the Appellant in both the Section 7 applications as may be seen at para 10 of the impugned order. From the comparative analysis made by the Adjudicating Authority, it has been recorded that the difference in the interest amount claimed in the two applications arose since the Appellant calculated "Interest up to the date of Demand Notice" without however indicating the specified period for which the interest amount has been calculated for making the claim in both the applications.

At a time when the principal outstanding amount; the applicable rate of interest and date of default in both the Section 7 applications remained constant and the duration of Agreement was only one year, the interest calculations should have remained confined to one year only. The reason for calculating the interest amount for a different time-period in the

present Section 7 application, prima-facie, appears unjustified and irrational. We are therefore inclined to agree with the findings of the Adjudicating Authority that the interest calculation in the present Section 7 application has been unduly inflated and enhanced by the Appellant with the ulterior motive of crossing the threshold limit.

This now brings us to the other major contention as to whether "commission on sale" amount which has been excluded by the Adjudicating Authority should have been included in the computation of debt amount. We find that the Adjudicating Authority in the impugned order at para 17 has referred to the definition of 'financial debt' as given under Section 5(8) of the IBC and thereafter recorded its reasoned findings as to why "commission on sale" does not qualify to be a "financial debt".

Furthermore, it is a well settled proposition of law that any debt to be treated as "financial debt", there must take place disbursement of money and the disbursement must be against consideration for time value of money and also includes anything which is equivalent to the money that has been loaned as long as commercial effect of borrowing or profit is discernible.

Tested against this statutory construct of IBC with regard to "financial debt" and the settled position of law as mentioned in the preceding paragraphs, we do not find any good reason to disagree with the findings referred in the impugned order that "commission on sale" amount neither falls in the menu of transactions delineated at sub clauses (a) to (i) of Section 5(8) of the IBC nor does it fall in the category of being a disbursement having time value of money. To our minds, "commission on sale" does not carry the implications of commercial effect of borrowing either.

Given this backdrop, we find that the Adjudicating Authority did not commit any error in coming to the conclusion that the amount of outstanding financial debt is only Rs. 78,40,000/- and that this amount does not meet the threshold limit of Rs. 1 crore as stipulated under Section 4 of the IBC. We are also inclined to agree with the findings of the Adjudicating Authority that the Appellant having failed to meet the threshold limit in the earlier Section 7 application has now tried to overcome this impediment by inflating the claim amount by resorting to a calculation methodology which lacks rational basis. This is a clear case where the Appellant has reargued the same issue which had been already dismissed by the Adjudicating Authority on an earlier occasion simply to cross the threshold bar. This amounts to misuse of the provisions of IBC to resolve a contractual dispute. Such pernicious practice of filing frivolous litigations adds to the burden on both the adjudicatory and appellate forum and leads to unnecessary waste of their time and therefore found to be reproachable. Under these circumstances, the imposition of costs of Rs 1,00,000/- only on the Appellant as ordered by the Adjudicating Authority is affirmed.

**LW 19:03:2024**

**GREATER NOIDA INDUSTRIAL DEVELOPMENT AUTHORITY v. PRABHJIT SINGH SONI & ANR [SC]**

**Civil Appeal NoS.7590-7591 of 2023 [Diary No.3628 of 2023]**

**D.Y. Chandrachud, Manoj Misra & J.B.Pardiwala,JI. [Decided on 12/02/2024]**

**Insolvency and Bankruptcy Code,2016- CD defaulted in making payment to the allotted land-CD under CIRP- Appellant filed proof of claim as financial creditor- RP rejected the same- whether correct-Held,No.**

**Brief facts:**

The appellant allotted, by way of lease for 90 years, to the Corporate Debtor for a residential project, by charging premium, payable in instalments subject to payment of interest as well as penal interest, while reserving right to cancel the lease and resume the demised land, subject to certain conditions. The CD committed default in payment of instalments and was served with demand cum pre-cancellation notice.

CIRP was initiated against the Corporate Debtor and RP was also appointed. The appellant submitted its proof of claim as financial creditor. The RP refused to treat the appellant as financial creditor and considered it to be an operational creditor. The appellant did not submit revised proof of claim as operational creditor and the Resolution Plan was approved. The appellant sought the cancellation of the Resolution Plan and also to consider it as financial creditor. NCLT rejected the applications and, on appeal, NCLAT as well rejected the applications. Hence the present appeal before the Supreme court.

**Decision: Appeal allowed.**

**Reason:**

In our view the resolution plan did not meet the requirements of Section 30(2) of the IBC read with Regulations 37 and 38 of the CIRP Regulations, 2016 for the following reasons:

- a. The resolution plan disclosed that the appellant did not submit its claim, when the un rebutted case of the appellant had been that it had submitted its claim with proof on 30.01.2020 for a sum of Rs.43,40,31,951/- No doubt, the record indicates that the appellant was advised to submit its claim in Form B (meant for operational creditor) in place of Form C (meant for financial creditor). But, assuming the appellant did not heed the advice, once the claim was submitted with proof, it could not have been overlooked merely because it was in a different Form. As already discussed above, in our view the Form in which a claim is to be submitted is directory. What is necessary is that the claim must have support from proof. Here,

the resolution plan fails not only in acknowledging the claim made but also in mentioning the correct figure of the amount due and payable. According to the resolution plan, the amount outstanding was Rs. 13,47,40,819/- whereas, according to the appellant, the amount due and for which claim was made was Rs.43,40,31,951/- This omission or error, as the case may be, in our view, materially affected the resolution plan as it was a vital information on which there ought to have been application of mind. Withholding the information adversely affected the interest of the appellant because, firstly, it affected its right of being served notice of the meeting of the COC, available under Section 24 (3) (c) of the IBC to an operational creditor with aggregate dues of not less than ten percent of the debt and, secondly, in the proposed plan, outlay for the appellant got reduced, being a percentage of the dues payable. In our view, for the reasons above, the resolution plan stood vitiated. However, neither NCLT nor NCLAT addressed itself on the aforesaid aspects which render their orders vulnerable and amenable to judicial review.

- b. The resolution plan did not specifically place the appellant in the category of a secured creditor even though, by virtue of Section 13-A of the 1976 Act, in respect of the amount payable to it, a charge was created on the assets of the CD. As per Regulation 37 of the CIRP Regulations 2016, a resolution plan must provide for the measures, as may be necessary, for insolvency resolution of the CD for maximization of value of its assets, including, but not limited to, satisfaction or modification of any security interest. Further, as per Explanation 1, distribution under clause (b) of sub-section (2) of Section 30 must be fair and equitable to each class of creditors. Non-placement of the appellant in the class of secured creditors did affect its interest. However, neither NCLT nor NCLAT noticed this anomaly in the plan, which vitiates their order.

Under Regulation 38 (3) of the CIRP Regulations 2016, a resolution plan must, inter alia, demonstrate that (a) it is feasible and viable; and (b) it has provisions for approvals required and the timeline for the same. In the instant case, the plan conceived utilisation of land owned by the appellant. Ordinarily, feasibility and viability of a plan are economic decisions best left to the commercial wisdom of the COC. However, where the plan envisages use of land not owned by the CD but by a third party, such as the appellant, which is a statutory body, bound by its own rules and regulations having statutory flavour, there has to be a closer examination of the plan's feasibility. Here, on the part of the CD there were defaults in payment of instalments which, allegedly, resulted in raising of demand and issuance of pre-cancellation notice. In these circumstances, whether the resolution plan envisages necessary approvals of the statutory authority is an important aspect on which feasibility of the plan depends. Unfortunately, the order of approval does not envisage such approvals. But neither NCLT nor NCLAT dealt with those aspects.

As we have found that neither NCLT nor NCLAT while deciding the application /appeal of the appellant took note of the fact that,- (a) the appellant had not been served notice of the meeting of the COC; (b) the entire proceedings up to the stage of approval of the resolution plan were ex parte to the appellant; (c) the appellant had submitted its claim, and was a secured creditor by operation of law, yet the resolution plan projected the appellant as one who did not submit its claim; and (d) the resolution plan did not meet all the parameters laid down in sub-section (2) of Section 30 of the IBC read with Regulations 37 and 38 of the CIRP Regulations, 2016, we are of the considered view that the appeals of the appellant are entitled to be allowed and are accordingly allowed. The impugned order dated 24.11.2022 is set aside. The order dated 04.08.2020 passed by the NCLT approving the resolution plan is set aside. The resolution plan shall be sent back to the COC for re-submission after satisfying the parameters set out by the Code as explicated above. There shall be no order as to costs.



## General Laws

**LW 20:03:2024**

**RAJESH VIREN SHAH v. REDINGTON (INDIA) LIMITED[SC]**

**Criminal Appeal No \_\_\_\_\_2024 [@ SLP (CrI) No. No.6905 & 7050 of 2022)**

**Bench: B.R. Gavai & Sanjay Karol, JJ. [Decided on 14/02/2024]**

**Negotiable Instruments Act,1881- section 138 and 141- cheque bouncing- offence by company-director resigning before the issuance of the cheque- whether liable for the offence-Held,No.**

### **Brief facts:**

Whether a Director who has resigned from such position and which fact stands recorded in the books as per the relevant rules and statutory provisions, can be held liable for certain negotiable instruments, failing realization, is the sole short and common question that this Court must consider in these appeals.

**Decision: Appeals allowed.**

### **Reason:**

We also notice this Court to have observed, in regards to the exercise of the inherent powers under Section 482, CrPC, in cases involving negotiable instruments

that interference would not be called for, in the absence of some unimpeachable, incontrovertible evidence which is beyond suspicion or doubt or totally acceptable circumstances which may clearly indicate that the Director could not have been concerned with the issuance of cheques and asking him to stand the trial would be abuse of process of Court.

We find the High Court, in the impugned order to have elaborately discussed the principles of law in regard to the quashing of such proceedings but, however, not dealt with the factual matrix. Ex facie, we find that the complainant has not placed any materials on record indicating complicity of the present appellant(s) in the alleged crime. Particularly, when the appellant(s) had no role in the issuance of the instrument, which is evident from Form 32 (Exh.P.59) issued much prior to the date on which the cheque was drawn and presented for realisation.

The veracity of Form-32 has neither been disputed by the Respondent nor has the act of resignation simpliciter been questioned. As such, the basis on which liability is sought to be fastened upon the instant appellant(s) is rendered questionable.

The record reveals the resignations to have taken place on 9<sup>th</sup> December 2013 and 12<sup>th</sup> March 2014. Equally, we find the cheques regarding which the dispute has travelled up the courts to have been issued on 22<sup>nd</sup> March 2014. The latter is clearly, after the appellant(s) have severed their ties with the Respondent- Company and, therefore, can in no way be responsible for the conduct of business at the relevant time. Therefore, we have no hesitation in holding that they ought to be then entitled to be discharged from prosecution.

In this view of the matter, the judgments captioned above of the High Court of Judicature at Madras, deserve to be set aside. Accordingly, all criminal proceedings pertaining to the instant appellant(s) arising out of the complaints filed by the respondent herein are quashed. The appeal(s) are therefore allowed in the above terms.

**LW 21:03:2024**

**NARESH CHANDRA AGRAWAL v. THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA & ORS [SC]**

**Civil Appeal No.4672 of 2012**

**P. S. Narasimha & Aravind Kumar, JJ. [Decided on 08/02/2024]**

**Chartered Accountants Act,1949 – professional misconduct- and Director (Discipline) prima facie finds the auditor not committing professional misconduct- Board of Discipline disagrees and decided to refer the matter to the Disciplinary Committee for further action- whether tenable- Held, Yes.**

**Brief Facts:**

The Appellant was engaged by the Bank of Rajasthan Limited for the purpose of conducting audit work. Series of circuitous transactions involving large sums of money are said to have taken place in certain accounts of the branch, which were neither regular nor normal in nature. However, in the audit report submitted to the Complainant bank, these transactions were not flagged. Therefore, the bank lodged a complaint with the Respondent against the Appellant alleging professional misconduct.

On consideration of the complaint, the written statement and the other matters on record, the Director (Discipline) arrived at a prima facie conclusion that the Appellant was not guilty of any professional or other misconduct. The Board of Discipline had disagreed with the prima facie opinion of the Director (Discipline) and had decided to refer the matter to the Disciplinary Committee for further action.

This action of the Board was challenged the High Court of Delhi. The prayer in the said writ petition was to declare Rule 9(3)(b) of the Rules, 2007 as invalid on the ground that the said rule was ultra vires section 21 A (4) of the Act. The Ld. Division Bench having repelled the said challenge, the Appellants are now before the Supreme court.

**Decision: Dismissed.****Reason:**

In the instant case, the ultra vires challenge has been mounted on the ground that the impugned Rule exceeds the power conferred by the parent Act. If we look at the parent Act, the rule-making power has been conferred under Section 29A, which is titled as 'Power of the Central Government to make Rules'. While sub-clause (1) of Section 29A sets out the general power of delegation, sub-clause (2) provides for enumerated heads. As noted earlier, the power to make rules under the latter clause is without prejudice to the general power under the former clause. In exercise of the enabling power (Section 29A(2) (c)) to make rules relating to procedure of investigation under Section 21(4), the Rules 2007 have been made. Admittedly, Rule 9(3) goes beyond what is provided for under Section 21A(4) in terms of the options available to the Board of Discipline in case it disagrees with the opinion of the Director (Discipline). Other than the option of advising the director to further investigate, Rule 9(3) provides the additional option to the Board for proceeding to deal with the complaint by itself or referring it to the Disciplinary Committee, depending on whether the alleged misconduct falls under the First Schedule or the Second Schedule. But as we have seen from principles discussed above, the scrutiny cannot stop at examining if the impugned rule is relatable to any specific enumerated head. We must go further and examine if it can be related to the general delegation of power under Section 29A(1), which authorises the Central Government to make rules for carrying out the purposes of the Act.

The Chartered Accountants Act, 1949, is a legislation that governs the regulation of the chartered accountancy profession in India. The chapter on "Misconduct" in the Chartered Accountants Act, 1949, plays a crucial role in maintaining the ethical standards of the profession in India. Its main objectives are to set ethical guidelines, prevent actions that may compromise public interests, ensure accountability among chartered accountants, and preserve the profession's reputation. This Chapter defines and prohibits professional misconduct, while aiming to uphold honesty, integrity, and professionalism in the practice of chartered accountancy. By addressing instances of misconduct, it establishes a framework for accountability, reinforcing the credibility of individual professionals and the reputation of the entire profession. To achieve these goals, the Act includes a disciplinary mechanism, ensuring a fair and transparent process for investigating and adjudicating alleged cases of misconduct.

Seen in this background, we have not the slightest hesitation to conclude that the impugned rule is completely in sync with the object and purpose of framing the Chapter on 'Misconduct' under the Act. As has been rightly argued by the learned counsel for the Respondent, accepting the contention of the Appellant will create an anomalous situation. The Director (Discipline) who functions as a secretary to the Board of Discipline as per Section 21A (2) will be having greater powers than the Board itself. The 'prima facie' opinion of the Director will become nothing but a final opinion if the Board will have no option except to direct the Director (Discipline) to further investigate the matter. The Section is silent as to what would happen in a situation where the Director (Discipline) on further investigation concludes in accordance with his preliminary assessment. Therefore, even if we accept, for the sake of argument, that Rule 9(3) cannot be saved under Section 29A(2)(c), as it directly relates to furthering the purposes of the Act in ensuring that a genuine complaint of professional misconduct against the member is not wrongly thrown out at the very threshold, it can be easily concluded that the impugned Rule falls within the scope of the general delegation of power under Section 29A(1). Accordingly, we dismiss this appeal.

**LW 22:03:2024****ARUNIMA AUTOMOBILES v. MARUTI SUZUKI LTD [DEL]****Arbitration Petition No. 1166 of 2022****Dinesh Kumar Sharma, J. [Decided on 29/01/2024]**

**Arbitration and Conciliation Act, 1996- section 11- appointment of arbitrator- agreement between appellant partnership firm and respondent in 2005- Appellant converted into Pvt. Ltd company and initiated arbitration proceedings in 2007 - all claims rejected by the arbitrator in 2022- appellant firm again filed an application to appoint arbitrator- whether maintainable-Held, No.**

**Brief facts:**

The Petitioner Arunima Automobiles was a partnership firm and had entered into a MASS agreement with the Respondent in the year 2004. By this agreement the Petitioner was appointed as the authorised service station of the Respondent. The said agreement was terminated by the Respondent in the year 2005. The petitioner disputed the termination.

The Petitioner converted into a private limited company in the name of "Arunima Automobiles Pvt Ltd"[AAPL] and took the dispute to arbitration in the year 2007. The arbitrator rejected all the claims of the Petitioner in the year 2022 vide award dated 19.03.2022 stating that the dispute is non-arbitral and claims are not maintainable. This award was not challenged by AAPL.

Thereafter the Petitioner partnership firm filed the present petition for the appointment of arbitrator to adjudicate the dispute arose out of the MASS agreement.

**Decision: Dismissed.**

**Reason:**

Thus, even as per the documents of the petitioner itself the partnership firm M/S Arunima Automobiles has already been dissolved and did not remain in existence after the Arunima Automobiles Private Limited was formed. This plea was earlier also taken by Arunima Automobiles Private Limited when the Arbitration Petition No. 99/2007 was filed under Section 11 and the matter was referred to the learned arbitrator. It is also advantageous to mention that even in the claim petition filed before the learned arbitrator, Arunima Automobiles Private Limited had taken a plea that it is a successor in interest of the partnership firm and the partnership firm had been converted into a private limited company in the year 2006.

I consider that there is no substance in the contentions being taken by the petitioner. The partnership firm was earlier converted into a private limited company and the conversion itself is in violation of the terms of the MASS agreement dated 1<sup>st</sup> April 2004 and even thereafter, Arunima Automobiles Private Limited company filed a petition under Section 11 of the Arbitration and Conciliation Act, 1996 and followed the same for 15 years before the learned arbitrator and the present petition has been filed only after the learned arbitrator rejected all the claims of the petitioner. The present petition has been filed in the name of the partnership firm and it is pertinent to mention that if the partnership firm had already been dissolved and ceased to exist then it is beyond comprehension that how the present petition has been filed. Apparently, the present petition is nothing but an abuse of the process of the court and a sheer attempt to prosecute the ex-facia deadwood or the time-barred claim. I do not find any merit in the contention of the petitioner, hence the petition along with all the pending applications is dismissed.



**LW 23:03:2024**

**P.SASIDHAR v. KERALA STATE ROAD TRANSPORT CORPORATION [CCI]**

**Case No. 38 of 2022**

**Ravneet Kaur, Anil Agrawal & Sweta Kakkad  
[Decided on 22/01/ 2024]**

**Competition Act,2002- section 4- transport sector- buses run by State – allegation of exorbitant charges- whether constitute abuse of dominance- Held,No.**

**Brief facts:**

The Informant was primarily aggrieved by the exclusivity granted to KSRTC by the Government of Kerala by way of notification for operating buses on the Nilakkal- Pamba route to reach Sabarimala temple as well as charging of exorbitant fares from passengers on the said route. This has been alleged to be in contravention of provisions of Section 4 of the Act.

**Decision: Dismissed.**

**Reason:**

The Commission has perused the Information and other material available on record. It appears that the Informant is primarily aggrieved by the exclusivity granted to KSRTC by the Government of Kerala by way of notification for operating buses on the Nilakkal- Pamba route to reach Sabarimala temple as well as charging of exorbitant fares from passengers on the said route. This has been alleged to be in contravention of provisions of Section 4 of the Act.

With regard to grant of exclusivity to KSRTC for operating on certain routes, the Commission notes from the submission of KSRTC that the same has been done by the Government of Kerala, in exercise of powers conferred under the provisions of the Motor Vehicles Act, 1988 for providing adequate, economical and properly coordinated passenger road transport service in the public interest. Such grant of exclusivity to KSRTC is a policy decision of the Government of Kerala and may not be considered as anti- competitive in the facts and circumstances of this case. With regard to the allegation of charging excessive fares, the Commission notes that the fares are fixed by KSRTC in accordance with the Notification dated 30.04.2022. The Commission also notes that the said notification is applicable to both nationalized and non-

nationalized routes and has provisions for enhancement of rate of fares for: (a) Ghat roads and; (b) during the festival occasions as mentioned in the schedule appended to the said notification. The Commission further notes that the fares on per kilometer basis are being charged on a uniform basis as per the said notification by both public and private operators.

Against the aforesaid backdrop, the Commission is of the opinion that since there appears no discernible competition concern in the matter, it may not be appropriate to delve into allegations of abuse of dominant position.

In view of the foregoing, prima-facie, no case of contravention of Section 4 of the Act is made out in the facts, circumstances and allegations levelled in the case and the matter is ordered to be closed forthwith under Section 26(2) of the Act. Consequently, no case for grant of relief as sought under Section 33 of the Act arises in the matter.

**LW 24:03:2024**

**UNKNOWN v. OLA ELECTRIC LIMITED & ORS [CCI]**

**Case No. 31 of 2023**

**Ravneet Kaur, Anil Agrawal & Sweta Kakkad [Decided on 23/01/ 2024]**

**Competition Act, 2002- section 4- electric vehicle sector- electric scooters- allegation of overpricing by the manufacturers- whether constitute abuse of dominance-Held, No.**

#### **Brief facts:**

The gravamen of allegations of the Informant is underpricing by the OPs of their ETWs so as to avail the demand incentive/ subsidy provided by the Government under the FAME policy, charging for essential components such as charger, software etc. separately from the customer, and consequently foreclosing the benefit of subsidy to other manufacturers whose products actually fall within the price limit set under the FAME policy. The Informant has alleged abuse of dominant position by the OPs in contravention of provisions of Section 4 of the Act.

**Decision: Dismissed.**

#### **Reason:**

Demand side substitutability is a crucial dimension while delineating a relevant product market and includes all those products or services which are regarded as interchangeable or substitutable by the consumer, by reason of their characteristics, price and intended use. The perception of consumers with regard to utility and/ or interchangeability among products or services is one of the important parameters for defining the relevant product market. The Informant has stated the relevant market to be market for ETWs. In this regard, it is noted that in terms of functionality, ETWs, scooters and bikes offer quick mobility, good mileage, affordability and convenience for commuting. However, ETWs/electric vehicles may be considered as a separate segment for additional factors such as ease of charging, environment-friendly, low maintenance cost and also eligible for

Government subsidy. Electric vehicles market is relatively new and the Government is providing lots of incentives in promoting this market through subsidy, developing infrastructure in the form of charging stations, spreading awareness etc. Accordingly, the relevant product market in the instant matter may be delineated as market for manufacture and sale of ETWs. Further, it may be noted that the conditions of demand and supply are generally homogenous across India except differences in taxes imposed/incentives provided by different state governments. Therefore, the relevant geographic market may be delineated as India, and thus, the relevant market in the instant matter may be carved out as market for manufacture and sale of ETWs in India.

The Commission notes that as per the Informant, Ola, TVS Motors, Ather and Vida held 17.57%, 7.51%, 8.32% and 15.75%, respectively, in CY 2022. The Commission also notes from the information available in public domain<sup>3</sup> that Hero Electric and Okinawa are having a market share of 28.23% and 20.08% respectively, followed by Ampere with 10.65% market share, whereas the OPs viz. Ather, Ola and TVS garnered a market share of 8.63%, 6.21% and 4.09%, respectively, in FY 2022. Thus, the Commission notes that none of the market players appear to have a stable market share or position.

The Commission also observes that apart from the established groups such as Hero and TVS, there are a number of other major players such as Okinawa, Ampere, Ather and Ola having significant presence in the relevant market, besides new entrants such as RGM, Booma Innovative and Chandana Corporation.

The Commission also takes note that electric vehicles market is in growth stage with players coming up with lots of varieties and affordable ranges, and the competition is expected to intensify as more players fight for the market share and quickly ramp up production.

In view of the foregoing, the Commission notes that there appears to be no single player which is able to exert market power in its favour or appears to demonstrate a position of strength to operate independently of market forces in terms of explanation (a) to Section 4 of the Act, in the relevant market. Therefore, none of the OPs appear to have a dominant position in the relevant market.

Given the facts and circumstances of the present case, the Commission finds that no prima facie case of contravention of the provisions of Section 4 of the Act is made out against any of the OPs in the instant matter. Accordingly, the information is ordered to be closed forthwith in terms of the provisions contained in Section 26(2) of the Act. Consequently, no case for grant of relief(s) as sought under Section 33 of the Act arises and the said request is rejected.

Before parting with the order, the Commission notes that the Informant has prayed for grant of confidentiality over its identity and documents that may reveal its identity. Accordingly, in terms of the Regulation 35(1) of the CCI (General) Regulations, 2009, the Commission directs to keep the identity of the Informant and the documents revealing its identity confidential for a period of three years from the date of passing of this order.



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# 4

## FROM THE GOVERNMENT



- DEPLOYMENT AND USAGE OF CHANGE REQUEST FORM (CRF) ON MCA-21- REG.
- THE COMPANIES (REGISTRATION OFFICES AND FEES) AMENDMENT RULES, 2024
- RELAXATION OF ADDITIONAL FEES AND EXTENSION OF LAST DATE OF FILING OF FORM NO. LLP BEN-2 AND LLP FORM NO. 40 UNDER THE LIMITED LIABILITY PARTNERSHIP ACT, 2008- REGARDING
- THE CENTRAL GOVERNMENT HEREBY ESTABLISHES A CENTRAL PROCESSING CENTRE AT INDIAN INSTITUTE OF CORPORATE AFFAIRS
- CENTRALIZATION OF CERTIFICATIONS UNDER FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA) AND COMMON REPORTING STANDARD (CRS) AT KYC REGISTRATION AGENCIES (KRAs)
- REVISED PRICING METHODOLOGY FOR INSTITUTIONAL PLACEMENTS OF PRIVATELY PLACED INFRASTRUCTURE INVESTMENT TRUST (INVIIT)
- GUIDELINES FOR RETURNING OF DRAFT OFFER DOCUMENT AND ITS RESUBMISSION
- CAPITAL ADEQUACY GUIDELINES – REVIEW OF TRADING BOOK
- APPOINTMENT/RE-APPOINTMENT OF DIRECTOR, MANAGING DIRECTOR OR CHIEF EXECUTIVE OFFICER IN ASSET RECONSTRUCTION COMPANIES
- MASTER DIRECTION – RESERVE BANK OF INDIA (FILING OF SUPERVISORY RETURNS) DIRECTIONS - 2024
- AMENDMENT TO MASTER DIRECTION ON PREPAID PAYMENT INSTRUMENTS
- INCLUSION OF CLEARING CORPORATION OF INDIA LIMITED AS A FINANCIAL INFORMATION PROVIDER UNDER ACCOUNT AGGREGATOR FRAMEWORK
- INTEREST EQUALIZATION SCHEME (IES) ON PRE AND POST SHIPMENT RUPEE EXPORT CREDIT
- FORMATION OF NEW DISTRICT IN THE STATE OF ASSAM –ASSIGNMENT OF LEAD BANK RESPONSIBILITY
- EXCLUSION OF “RUPEE CO-OPERATIVE BANK LIMITED” FROM THE SECOND SCHEDULE TO THE RESERVE BANK OF INDIA ACT, 1934
- REVIEW OF FIXED REMUNERATION GRANTED TO NON-EXECUTIVE DIRECTORS (NEDs)
- PARTICIPATION OF INDIAN BANKS ON INDIA INTERNATIONAL BULLION EXCHANGE IFSC LIMITED (IIBX)



## Corporate Laws

### 01 Deployment and usage of Change Request Form (CRF) on MCA-21— reg.

**[Issued by the Ministry of Corporate Affairs [File No. 04/130/2021] dated 19.02.2024.]**

Stakeholders are informed that Change Request Form (CRF) has been made available on V3 portal for the convenience of users of MCA-21 services.

This web- based Form is to be used only under exceptional circumstances, for making a request to Registrar of Companies (RoCs), for the purposes which cannot be catered through any existing form or services or functionality available either at Front Office level (users of MCA-21 services) or Back Office level (RoCs). It is not a substitute to any reporting, application and registry requirements as per Companies Act, 2013, and LLP Act, 2008, and for such purposes the Form shall not be entertained and requests through this form are liable to be summarily rejected. This Form should also not be used as a substitute for any approval related and registration related queries for which existing tickets and help desk facilities must be used.

2. This Form primarily is intended to be used for purposes like Master Data correction and to comply with certain directions of Courts/Tribunals, which ordinarily cannot be complied with through existing functionality of forms or services on MCA-21 system.
3. The Form should be processed by RoCs within 03 days of its filing, after which it should be forwarded to Joint Director (e-governance cell), who shall process and decide the matter within a maximum time of 07 days.
4. This issues with the approval of the Competent Authority.

**VIVEK**

Deputy Director

### 02 The Companies (Registration Offices and Fees) Amendment Rules, 2024

**[Issued by the Ministry of Corporate Affairs [E No. 01/16/2013 CL-V (Pt-I)] dated 14.02.2024. Published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-Section (i)]**

In exercise of the powers conferred by sections 396, 398, 399, 403 and 404 read with subsections (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013), the Central

Government hereby makes the following rules further to amend the Companies (Registration Offices and Fees) Rules, 2014, namely:—

1. (1) These rules may be called the Companies (Registration Offices and Fees) Amendment Rules, 2024.  
(2) They shall come into force with effect from 16<sup>th</sup> day of February, 2024.
2. In the Companies (Registration Offices and Fees) Rules, 2014, after rule 10, the following rule shall be inserted, namely:-

“10A. Central Processing Center.- (1) The Registrar of the Central Processing Center established under subsection (1) of section 396 shall examine or cause to be examined every application or e-Form or document required or authorised to be filed or delivered as provided under sub-rule (3), for approval, registration or taking on record by the Registrar.

- (2) The Registrar shall take a decision on the application, e-forms or documents within thirty days from the date of its filing excluding the cases in which an approval of the Central Government or the Regional Director or any other competent authority is required.
- (3) The provisions of sub-rule (2) to (5) of rule 10 shall apply mutatis mutandis in relation to the examination of application, e-Forms or documents under this rule.
- (4) The Registrar of the Central Processing Center shall exercise jurisdiction all over India in respect of the examination of following application, e-Forms or documents, namely:-

Sl. No.	Details of application, e-Form or documents
i.	Filing of Resolutions and agreements to the Registrar under section 117 of the Act in e-Form no. MGT-14
ii.	Notice to Registrar of any alteration of share capital under section 64 of the Act in e-Form no. SH-7
iii.	Application for approval of Central Government for change of name under section 13 of the Act in e-Form no. INC-24
iv.	One Person Company- Application for Conversion under section 18 of the Act in e-Form no. INC-6
v.	Conversion of public company into private company or private company into public company under sections 14 and 18 of the Act in e-Form no. INC-27
vi.	Intimation to Registrar of revocation/surrender of license issued under section 8 of the Act in e-Form no. INC-20
vii.	Return of deposits under sections 73 and 76 of the Act in e-Form no. DPT-3
viii.	Application to ROC for obtaining the status of dormant company under sub-section (1) of section 455 of the Act in e-Form no. MSC-1

ix.	Application for seeking status of active company under sub-section (5) of section 455 of the Act in e-Form no. MSC-4
x.	Letter of Offer under section 68 of the Act in form e-Form no. SH-8
xi.	Declaration of Solvency under sub-section (6) section 68 of the Act in e-Form no. SH-9
xii.	Return in respect of buy-back of Securities under sub-section 10 of section 68 of the Act in e-Form no. SH-11

- (5) In case multiple applications, e-Forms or documents are filed at a time under sub-rule (4), then all the applications, e-Forms or documents shall be examined and decided by the Registrar of the Central Processing Center.
- (6) Nothing in this rule shall confer any power on the Registrar of the Central Processing Center under section 399 of the Act in case of applications, e-Forms or documents filed under sub-rule (4), and the Registrar having territorial jurisdiction shall continue to exercise his powers under the said section.”

**MANOJ PANDEY**  
Additional Secretary

### 03 Relaxation of additional fees and extension of last date of filing of Form No. LLP BEN-2 and LLP Form No. 40 under the Limited Liability Partnership Act, 2008- regarding

[Issued by the Ministry of Corporate Affairs [F.No.17/30/2018-CLV] dated 07.02.2024.]

The Ministry of Corporate Affairs has notified Limited Liability Partnership (Significant Beneficial Owners) Rules, 2023 vide G.S.R. No. 832(E) dated 09.11.2023 and prescribed E-form LLP BEN-2 to file Return to the Registrar in respect of declaration under section 90 of the Companies Act, 2013. Similarly, The Ministry of Corporate Affairs has notified Limited Liability Partnership (Third Amendment) Rules, 2023 vide G.S.R. No. 803(E) dated 27.10.2023 and prescribed E-form LLP Form no. 4D to file Return to the Registrar in respect of declaration of beneficial interest in contribution received by the LLP.

- In view of transition of MCA-21 from version-2 to version-3 and to promote compliance on part of reporting Limited Liability Partnerships, it is informed that such LLPs may file Form LLP BEN-2 and LLP Form No. 4D, without payment of any additional fees, upto 15.05.2024. The two forms shall be made available in version-3 for filing purposes w.e.f 15.04.2024.
- This issues with approval of the competent authority.

**ATMA SAH**  
Joint Director

### 04 The Central Government hereby establishes a Central Processing Centre at Indian Institute of Corporate Affairs

[Issued by the Ministry of Corporate Affairs [F. No. A-42/46/2023-Ad.II-MCA] dated 02.02.2024. Published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-Section (i)]

In exercise of the powers conferred by sub-sections (1) and (2) of section 396 of the Companies Act, 2013 (18 of 2013), the Central Government hereby establishes a Central Processing Centre at Indian Institute of Corporate Affairs, Plot No. 6,7,8, Sector 5, IMT Manesar, District Gurgaon (Haryana), Pin Code- 122050 having territorial jurisdiction all over India, for the purpose of the provisions of the said section.

- The Central Processing Centre shall process and dispose off e-forms filed along with the fee as provided in the Companies (Registration of Offices and Fees) Rules, 2014.
- The jurisdictional Registrar, other than Registrar of the Central Processing Centre, within whose jurisdiction the registered office of the company is situated shall continue to have jurisdiction over the companies whose e-forms are processed by the Registrar of the Central Processing Centre in respect of all other provisions of the Companies Act, 2013 and the rules made thereunder.
- This notification shall come into force from the 6<sup>th</sup> February, 2024.

**ANURADHA THAKUR**  
Additional Secretary

### 05 Centralization of certifications under Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS) at KYC Registration Agencies (KRAs)

[Issued by the Securities and Exchange Board of India vide Circular No. SEBI/HO/MIRSD/SECFATF/P/CIR/2024/12 dated 20.02.2024]

- SEBI circulars CIR/MIRSD/2/2015 dated August 26, 2015 and CIR/MIRSD/3/2015 dated September 10, 2015, and guidance note on FATCA and CRS norms issued by the Department of Revenue, Ministry of Finance state that the reporting financial institution (RFI) [as defined under rule 114F(7) of Income Tax Rules, 1962] shall obtain a self-certification from the client, as part of the account opening documentation, to determine the client's residence for tax purpose.
- In terms of rule 114G(11)(a) of Income Tax Rules, 1962, the regulators are, *inter alia*, required to issue necessary instructions and guidelines to provide the procedure and manner of maintaining the information by the reporting financial institution (RFI).
- Based on feedback received from stakeholders in securities market, and for ease of doing business

and compliance reporting, it is decided that the intermediaries, who are RFI, shall upload the FATCA and CRS certifications obtained from the clients onto the system of KRAs with effect from July 01, 2024.

4. The existing certifications obtained from clients prior to July 01, 2024 shall be uploaded by the intermediaries onto the systems of KRAs within a period of 90 days of implementation of this circular as mentioned above in para 3.
5. The onus of obtaining and reporting the FATCA and CRS certification and related compliances shall lie with the respective intermediaries.
6. The intermediary shall confirm the reasonableness of such certification based on the information obtained in respect of account opening, including any documentation obtained in accordance with Prevention of Money Laundering (Maintenance of Records) Rules, 2005 and shall update the self-certification, as and when, there is a change reported by the client.
7. The KRAs shall develop their systems/mechanism, in co-ordination with each other and shall follow uniform internal guidelines/standards, in consultation with SEBI.
8. This circular is being issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 and Regulation 17 of the SEBI {KYC (Know Your Client) Registration Agency} Regulations, 2011 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.
9. This circular is available at [www.sebi.gov.in](http://www.sebi.gov.in) under the link "Legal --- Circulars".

**SAPNA SINHA**

Deputy General Manager

## 06 Revised Pricing Methodology for Institutional Placements of Privately Placed Infrastructure Investment Trust (InvIT)

**[Issued by the Securities and Exchange Board of India vide Circular No. SEBI/HO/DDHS/DDHS-PoD/P/CIR/2024/10 dated 08.02.2024]**

1. Regulation 14(4) of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 ('InvIT Regulations') provides that any subsequent issue of units after initial public offer may be by way of institutional placement, in addition to other mechanisms provided in the regulations. Paragraph 7.9 of the SEBI Master Circular for InvITs dated July 06, 2023, provides the pricing guidelines for institutional placement of InvIT, which state that the institutional placement by InvIT shall be made at a price not less than the average of the weekly high and low of the closing prices of the units of the

same class quoted on the stock exchange during the two weeks preceding the relevant date.

2. Based on the request of the industry in respect of pricing for institutional placement by privately placed InvIT, recommendation of Hybrid Securities Advisory Committee (HySAC), and to promote Ease of Doing Business, the guidelines for pricing of institutional placements InvITs has been reviewed. Based on the said review, it has been decided that floor price for institutional placement for privately placed InvITs shall be NAV per unit of such InvIT.
3. Accordingly, the pricing for listed InvITs stand modified as under so that privately placed InvITs can undertake institutional placement based on NAV of the assets of the InvIT:

- 3.1. Paragraph 7.9.1 of the SEBI Master Circular for InvITs dated July 06, 2023 is modified as given below:

*"The institutional placement by public InvIT shall be made at a price not less than the average of the weekly high and low of the closing prices of the units of the same class quoted on the stock exchange during the two weeks preceding the relevant date.*

*Provided that the public InvIT may offer a discount of not more than five percent on the price so calculated, subject to approval of unitholders through a resolution as specified in para 7.2.1.*

*Explanation: "relevant date" for the purpose of clauses related to institutional placement shall be the date of the meeting in which the board of directors of the investment manager decides to open the issue."*

- 3.2. Insertion of Paragraph 7.9.2 to the SEBI Master Circular for InvITs dated July 06, 2023:

*"The institutional placement by privately placed InvIT shall be made at a price not less than the NAV per unit, based on the full valuation of all existing InvIT assets conducted in terms of InvIT Regulations."*

4. This circular shall be applicable with immediate effect.
5. This circular is being issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 and Regulation 33 of the InvIT Regulations. This circular is issued with the approval of the competent authority.
6. This Circular is available on the website of the Securities and Exchange Board of India at [www.sebi.gov.in](http://www.sebi.gov.in) under the category "Legal" and under the drop down "Circulars".

**RITESH NANDWANI**

Deputy General Manager

## 07 Guidelines for returning of draft offer document and its resubmission

[Issued by the Securities and Exchange Board of India vide Circular No. SEBI/HO/CFD/PoD-1/P/CIR/2024/009 dated 06.02.2024]

1. Adequate disclosures by the issuer and timely processing of offer documents are important for the vibrancy of the primary market. It is imperative that the offer documents as filed by the issuers and lead manager(s) are compliant with Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations"), which specifies information for disclosure in the draft offer document or the draft letter of offer and the offer document or the letter of offer, as applicable.
2. It has been observed that at times, draft offer documents / draft letter of offer filed with the Board for public issue / rights issue of securities (hereinafter "draft offer document") are found lacking in compliance with respect to instructions provided under Schedule VI of ICDR Regulations. Such documents require revisions/changes and thus lead to a longer processing time.
3. In order to ensure completeness of the offer document for investors and provide greater clarity & consistency in the disclosures and for timely processing, it has been decided to issue 'Guidelines for returning of draft offer document and its resubmission'.
4. Accordingly, the draft offer document shall be scrutinized based on the broad guidelines and such documents which are not compliant with the instructions provided under Schedule VI of ICDR Regulations and guidelines provided hereunder, shall be returned to the issuer.
5. Broad guidelines for returning of draft offer document and its resubmission are placed at Annexure A of this Circular.
6. In order to enhance ease of doing business for issuers, where draft offer document is returned in terms of these guidelines, there shall be no requirement for payment of any fees on account of resubmission of draft offer document.

### General Instructions

7. This Circular shall come into force with immediate effect.
8. The recognized stock exchanges are directed to bring the provisions of this circular to the notice of the listed entities and also to disseminate the same on their websites.
9. This Circular is issued in exercise of powers conferred by Section 11(1) of the Securities and Exchange Board of India Act, 1992 and Regulation 299 of ICDR

Regulations to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

10. A copy of this circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) under the categories "Legal Framework →Circulars".

**YOGITA JADHAV**  
General Manager

*Complete details are not published here for want of space. For complete notification readers may log on to [www.sebi.gov.in](http://www.sebi.gov.in)*

## 08 Capital Adequacy Guidelines – Review of Trading Book

[Issued by the Reserve Bank of India vide RBI/2023-24/128 DOR.MRG. REC.80/00-00-003/2022-23 dated 28.02.2024]

Please refer to Master Circular – Basel III Capital Regulations dated May 12, 2023, and Master Direction – Prudential Norms on Capital Adequacy for Local Area Banks (Directions), 2021 dated October 26, 2021 (hereinafter together referred to as 'capital adequacy guidelines').

2. As you are aware, the Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023 dated September 12, 2023 (hereinafter referred as 'MD on Investment') *inter alia* provides a clearly identifiable trading book under 'Held for Trading (HFT)' accounting sub-classification and introduces AFS-reserve which would be part of regulatory capital. In view of the changes cited above, it has been decided to amend the capital adequacy guidelines in alignment with the MD on Investment.
3. Accordingly, the provisions of Master Circular – Basel III Capital Regulations have been modified as provided in Annex 1.
4. It may be noted that 'Draft Guidelines on Minimum Capital Requirements for Market Risk – under Basel III' providing *inter alia* 'Definition of trading book' and 'Market Risk capital Requirements – Simplified Standardised Approach' were released on February 17, 2023 for public comments. While the revised definition of trading book for the purpose of capital adequacy will be as provided in Annex I of MD on Investment, the final guidelines on 'Market Risk Capital Requirements – Simplified Standardised Approach' will be implemented at a later date and detailed guidelines will be issued separately.
5. Considering the transition to 'Market Risk Capital Requirements – Simplified Standardised Approach', the extant market risk capital requirements have also been recalibrated by introducing intermediate scalars. Banks should keep this in view while reviewing their strategies and capital planning measures.

- Further, the provisions of Master Direction – Prudential Norms on Capital Adequacy for Local Area Banks (Directions), 2021 have been modified as provided in Annex 2.

#### Applicability

- These instructions shall be applicable from April 1, 2024 to all Commercial Banks (excluding Regional Rural Banks).

**USHA JANAKIRAMAN**  
Chief General Manager

## 09 Appointment/re-appointment of Director, Managing Director or Chief Executive Officer in Asset Reconstruction Companies

[Issued by the Reserve Bank of India vide RBI/2023-24/127 DOR.GOV. REC.79/18.10.006/2023-24 dated 27.02.2024]

In terms of Section 3(6) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and the guidelines contained in Para 5(i) of the Annex to our circular No. DoR.SIG.FIN.REC.75/26.03.001/2022-23 dated October 11, 2022 on 'Review of Regulatory Framework for Asset Reconstruction Companies (ARCs)', ARCs are required to obtain prior approval of the Reserve Bank for appointment/re-appointment of any Director, Managing Director or Chief Executive Officer.

- In order to have uniformity in the information submitted by ARCs for obtaining such approvals, a form for furnishing the requisite information about the candidate and an indicative list of documents required to be submitted along with the application are enclosed as Annex I and Annex II, respectively. ARCs are advised to submit applications, complete in all respect, along with duly signed Annex I and the documents/information mentioned in Annex II to this Department<sup>1</sup> at least ninety days before the vacancy arises / the proposed date of appointment or re-appointment. Reserve Bank may call for additional information/documents for processing the application, if required.
- These instructions shall come into force with immediate effect.

**SCENTA JOY**  
Chief General Manager

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## 10 Master Direction – Reserve Bank of India (Filing of Supervisory Returns) Directions - 2024

[Issued by the Reserve Bank of India vide RBI/DoS.DSG/2023-24/110 DoS. DSG.No.10/33.01.001/2023-24 dated 27.02.2024]

Please refer to paragraph 4 of Statement on Developmental and Regulatory Policies dated August 10, 2023. All

Supervised Entities (SEs) are required to submit certain supervisory returns to the Reserve Bank as per various directions / circulars/ notifications issued by the Bank from time to time.

- In order to create a single reference for all Supervisory Returns and to harmonize the timelines for filing of returns, all the relevant instructions have been rationalised and consolidated into a single Master Direction. In exercise of powers conferred under sub section (2) of section 27 and section 35A of the Banking Regulation Act, 1949 as amended from time to time; Section 56 of the Banking Regulation Act, 1949 and extant provisions of The Banking Regulations (Co-operative Societies) Rules, 1966; extant provisions of Chapters IIIA and IIIB of the Reserve Bank of India Act, 1934; and pursuant to section 12 A of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, the Reserve Bank of India being satisfied that it is necessary and expedient in the public interest to do so, hereby issues this Master Direction hereinafter specified.
- The summary of changes introduced in this Direction over the extant instructions is given in Annex I. The list of underlying notifications / circulars which form the basis of this Master Direction and are hereby being repealed (whole or in part) is furnished in Annex II. The set of applicable returns to be filed by SEs and the general description of the returns are compiled and presented in Annex III, with the alternate timelines for returns submission enlisted in Annex IV. Guidance on filing of these returns are available on Bank's Website under the 'Regulatory Reporting' tab. Details of online portals for filing of applicable returns by SEs are given in Annex V. The list of abbreviations used in this Master Direction is provided in Annex VI.
- It is clarified that submission of other regulatory/statutory returns will not be affected by these Directions.

**DR. VIJAY SINGH SHEKHAWAT**  
Chief General Manager

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## 11 Amendment to Master Direction on Prepaid Payment Instruments

[Issued by the Reserve Bank of India vide RBI/2023-24/126 CO.DPSS. POLC.No.S1092/02-14-006/2023-2024 dated 23.02.2024]

This has reference to the Master Directions CO.DPSS. POLC.No.S-479/02.14.006/2021-22 dated August 27, 2021 on Prepaid Payment Instruments (MD-PPIs) (as amended from time to time), which prescribes, *inter alia*, the various types of PPIs which banks and non-banks can issue after obtaining necessary approval / authorisation from RBI.

- Public transport systems across the country cater to a multitude of commuters on a daily basis. To provide

convenience, speed, affordability, and safety of digital modes of payment to commuters for transit services, it has been decided to permit authorised bank and non-bank PPI issuers to issue PPIs for making payments across various public transport systems. The MD-PPIs has been updated by revising paragraph 10.2 thereof.

- These instructions are issued under Section 18 read with Section 10 (2) of Payment and Settlement Systems Act, 2007 (Act 51 of 2007). These instructions shall come into effect immediately.

**GUNVEER SINGH**  
Chief General Manager

## 12 Inclusion of Clearing Corporation of India Limited as a Financial Information Provider under Account Aggregator Framework

**[Issued by the Reserve Bank of India vide RBI/2023-24/125 DoR.FIN. REC.77/03.10.123/2023-24 dated 22.02.2024]**

Please refer to the Master Direction – Non-Banking Financial Company - Account Aggregator (Reserve Bank) Directions, 2016.

- The RBI Retail Direct Scheme ('Scheme') was launched on November 12, 2021 to facilitate retail investors to invest in Government Securities. The Scheme enables individuals to open Retail Direct Gilt Accounts with the Bank and access the Government Securities market - both primary and secondary. To enable aggregation of financial information on Government Securities held by retail investors in their Retail Direct Gilt accounts under the Scheme, Clearing Corporation of India Limited has been included as a Financial Information Provider.
- The Master Direction – Non-Banking Financial Company - Account Aggregator (Reserve Bank) Directions, 2016 is being modified accordingly.

**J.P. SHARMA**  
Chief General Manager

## 13 Interest Equalization Scheme (IES) on Pre and Post Shipment Rupee Export Credit

**[Issued by the Reserve Bank of India vide RBI/2023-24/124 DOR.STR. REC.78/04.02.001/2023-24 dated 22.02.2024]**

Please refer to the instructions issued vide circulars No. DOR.STR.REC.93/04.02.001/2021-22 dated March 8, 2022 and DOR.STR.REC.39/04.02.001/2022-23 dated May 31, 2022.

- Government of India has allowed for extension of the Interest Equalization Scheme for Pre and Post Shipment Rupee Export Credit ('Scheme') up to June 30, 2024. The rate of interest equalization shall be 2% for Manufacturers and Merchant Exporters exporting under specified 410 HS lines and 3% to the MSME manufacturers exporting under any HS line.

- Further, Government has advised the following modifications to the scheme:

- Average interest rate: With effect from FY 2023-24, the banks which have priced the loans covered under this scheme at an average interest rate of greater than Repo Rate + 4% prior to subvention would be subjected to certain restrictions under the scheme. Based on an assessment undertaken for FY 2023-24, Director General of Foreign Trade (DGFT) will identify the banks which are in breach of the above provision. Such banks shall be restricted from participating in the scheme till they furnish an undertaking (in the format as enclosed in the Annex) to DGFT. Any further breach as assessed by DGFT thereafter may lead to debarment from the scheme.
- Cap on subvention amount: The annual net subvention amount has been already capped at Rs 10 Cr per Importer-Exporter Code (IEC) in a given financial year and the same has been communicated to the trade & industry and banks vide DGFT Trade Notice No.05 dated May 25, 2023. Accordingly, all disbursement from April 1, 2023 shall be reckoned for this purpose.

- All other provisions of the aforesaid circulars shall remain unchanged.

**VAIBHAV CHATURVEDI**  
Chief General Manager

*Complete details are not published here for want of space. For complete notification readers may log on to [www.rbi.org.in](http://www.rbi.org.in)*

## 14 Formation of new district in the State of Assam –Assignment of Lead Bank Responsibility

**[Issued by the Reserve Bank of India vide RBI/2023-24/123 FIDD.CO.LBS. BC.No.15/02.08.001/2023-24 dated 20.02.2024]**

The Government of Assam has notified formation of a new district, viz., Hojai in the state of Assam vide Gazette Notification ECF.No.367433/28 dated September 07, 2023. Accordingly, it has been decided to designate the Lead Bank of the new district as below:

Sr. No	Newly Created District	Lead Bank Responsibility assigned to	District Working Code allotted to new district
1	Hojai	State Bank of India	409 (to be read as 'numeral four, numeral zero, numeral nine')

- There is no change in the Lead Banks of the other districts in the state of Assam.

**NISHA NAMBIAR**  
Chief General Manager

## 15 Exclusion of "Rupee Co-operative Bank Limited" from the Second Schedule to the Reserve Bank of India Act, 1934

[Issued by the Reserve Bank of India vide RBI/2023-24/122 DOR.RET.REC.76/12.07.160/2023-24 dated 15.02.2024]

It is advised that "Rupee Co-operative Bank Limited" has been excluded from the Second Schedule to the Reserve Bank of India Act, 1934 vide Notification DoR.REG/LIC.No.S4847/07.12.000/2023-24 dated November 29, 2023, which is published in the Gazette of India (Part III - Section 4) dated December 26, 2023.

**BRIJ RAJ**

Chief General Manager

## 16 Review of Fixed Remuneration granted to Non-Executive Directors (NEDs)

[Issued by the Reserve Bank of India vide RBI/2023-24/121 DoR.HGG.GOV.REC.75/29.67.001/2023-24 dated 09.02.2024]

Please refer to paragraph 9 of circular dated April 26, 2021 (Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board) as per which ceiling of ₹20 lakh per annum was specified in respect of remuneration of Non-Executive Directors (NEDs), other than the Chair of the Board.

- Considering the crucial role of NEDs in efficient functioning of bank Boards and its various Committees and in order to further enable the banks to sufficiently attract qualified competent individuals on their Boards, it has been decided to revise the aforementioned ceiling to ₹30 lakh per annum.
- The banks are required to have suitable criteria for granting fixed remuneration to its NEDs, with the approval of its Board before any review of the extant remuneration. The Board of the bank may fix a lower amount within the ceiling limit of ₹30 lakh per annum depending upon the size of the bank, experience of the NED and other relevant factors.
- As hitherto, private sector banks would be required to obtain regulatory approval regarding remuneration to Part-time Chairman in terms of Section 10B(1A)(i) and 35B of the Banking Regulation Act, 1949.
- Banks are required to make disclosure on remuneration paid to the directors on an annual basis at a minimum, in their Annual Financial Statements.

### Applicability and Commencement

- The instructions would be applicable to all the Private Sector Banks including Small Finance Banks (SFBs) and Payment Banks (PBs) as also the wholly owned subsidiaries of Foreign Banks. The instructions would come into force with immediate effect.

### Power exercised

- The instructions have been issued in exercise of powers conferred by Section 35B of the Banking Regulation Act, 1949.

### Repeal

- The instructions on Guidelines on Compensation of Non-executive Directors of Private Sector Banks issued vide circular DBR.No.BC.97/29.67.001/2014-15 dated June 1, 2015 stand repealed.

**SCENTA JOY**

Chief General Manager

## 17 Participation of Indian Banks on India International Bullion Exchange IFSC Limited (IIBX)

[Issued by the Reserve Bank of India vide RBI/2023-24/120 DoR.AUT.REC.74/24.01.041/2023-24 dated 09.02.2024]

Please refer to the circular Branches of Indian Banks operating in GIFT-IFSC – acting as Professional Clearing Member (PCM) of India International Bullion Exchange IFSC Limited (IIBX) dated June 07, 2022. On review, it has been decided to additionally allow:

- Branch/subsidiary/joint venture of an Indian bank in GIFT-IFSC to act as a Trading Member (TM)/Trading and Clearing Member (TCM) of IIBX, and
- Indian banks authorized to import gold/silver to act as Special Category Client1 (SCC) of IIBX.

The detailed instructions in this regard are at ANNEX to this Circular.

- These instructions are issued in exercise of the powers conferred on the Reserve Bank of India under Section 35A of the Banking Regulation Act, 1949. In the event of non-compliance with extant guidelines, or if the Reserve Bank is satisfied that it is necessary and expedient in the public interest to do so, it may issue further necessary directions (including revocation of approval) and/or impose additional conditions, as it deems fit.

### Commencement

- The provisions contained in the circular shall be effective from the date of this circular.

### Applicability

- This circular is applicable to all Scheduled Commercial Banks (other than Regional Rural Banks).

**MANORANJAN PADHY**

Chief General Manager

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# 5

## NEWS FROM THE INSTITUTE



- MEMBERS RESTORED DURING THE MONTH OF JANUARY 2024
- CERTIFICATE OF PRACTICE SURRENDERED DURING THE MONTH OF JANUARY 2024
- LIST OF PEER REVIEWED UNITS
- NEW ADMISSIONS
- UPLOADING OF PHOTOGRAPH AND SIGNATURE
- OBITUARIES
- CHANGE / UPDATION OF ADDRESS



## Institute News

### MEMBERS RESTORED DURING THE MONTH OF JANUARY 2024

SL. NO	NAME	MEMB NO	REGION
1	CS S SUBHA	ACS - 12187	SIRC
2	CS LIPIKA GARG	ACS - 43789	NIRC
3	CS SARIKA ARORA	ACS - 13400	NIRC
4	CS JYOTSNA GULATI	ACS - 17359	NIRC
5	CS JYOTI SURESH AGRAWAL	ACS - 49917	WIRC
6	CS NIKITA GARG	ACS - 29850	NIRC
7	CS RAM GOPAL AGARWAL	FCS - 5874	EIRC
8	CS PRASHANT AGRAWAL	ACS - 32373	WIRC
9	CS PRANALI DHUMAL	ACS - 25564	WIRC
10	CS RAJIV KUMAR KAMRA	ACS - 34901	NIRC
11	CS MANISH BAID	ACS - 43699	EIRC
12	CS PRONAMIKA BHATTACHARYA	ACS - 19894	NIRC
13	CS PITRAM	ACS - 63714	NIRC
14	CS STAFFY GOYAL	ACS - 64276	NIRC
15	CS ADITYA TRIPATHI	ACS - 14468	NIRC
16	CS MEGHA RAMESH SHAH	ACS - 22300	WIRC
17	CS RICHA PATHAK	ACS - 39847	WIRC
18	CS KAUSHIK R VYAS	ACS - 11096	WIRC
19	CS MAHIMA KHANDELWAL	ACS - 66713	NIRC
20	CS RITA DEDHWAL	ACS - 25506	NIRC
21	CS SAURABH BHASKAR	ACS - 51421	SIRC
22	CS SAMEER RAJKUMAR LALWANI	ACS - 57275	WIRC
23	CS SHUBHRA MALOO	ACS - 63460	NIRC
24	CS V RAJKUMAR	ACS - 26416	SIRC
25	CS SHIKHA RAMPRAKASH PODDAR	ACS - 22666	NIRC
26	CS MOHIT DINESHBHAI KAVATKAR	ACS - 62465	WIRC

27	CS MUKESH KUMAR	ACS - 56016	EIRC
28	CS SANJAY KUMAR PALIWAL	ACS - 28068	NIRC
29	CS POOJA RAWAT	ACS - 38877	NIRC
30	CS SHIKHA KAPADIA	ACS - 20733	WIRC
31	CS RICHA SARDA	ACS - 42956	WIRC
32	CS VINTI VERMA	ACS - 44528	NIRC
33	CS PRAKASH B NEGANDHI	ACS - 3699	WIRC
34	CS HIRAL PRAKASH PARIKH	ACS - 44029	WIRC
35	CS AYESHA GOPALKA	ACS - 46068	EIRC

### CERTIFICATE OF PRACTICE SURRENDERED DURING THE MONTH OF JANUARY 2024

SL. NO	NAME	MEMB NO	COP NO	REGION
1	CS AISHWARYA TANEJA	ACS - 66275	24858	NIRC
2	CS AJAY KUMAR PRAJAPATI	ACS - 49295	22365	NIRC
3	CS AKASH JAISWAL	ACS - 48496	17704	NIRC
4	CS ANSHUL SHYAM	ACS - 42972	18127	NIRC
5	CS ASHITA AGRAWAL	ACS - 68792	25670	NIRC
6	CS AVINASH PRATAP	ACS - 31553	26623	NIRC
7	CS BARKHA BACHHUKA	ACS - 39515	26252	EIRC
8	CS BHUPENDRA DAVE	ACS - 31921	24293	WIRC
9	CS DHAVAL HASMUKHARAY MIRANI	ACS - 34823	24138	WIRC
10	CS DIVYA MALHOTRA	ACS - 56051	24192	NIRC
11	CS GEETIKA SHARMA	ACS - 40783	26108	NIRC
12	CS HIMANSHU MALIK	FCS - 8651	9703	WIRC
13	CS HITESH RAMESHBHAI MAKAVANA	ACS - 65440	25349	WIRC
14	CS ISHA	ACS - 59254	25614	NIRC
15	CS JHALAK TYAGI	ACS - 68352	26088	WIRC
16	CS JITESH KUMAR JHA	ACS - 27965	24770	NIRC
17	CS LAVITA	ACS - 38050	14233	NIRC
18	CS LAXMAN VASANDANI	ACS - 24051	22061	WIRC
19	CS MADHU TAPARIA	ACS - 58810	22198	EIRC
20	CS MAHENDRA C BHUTA	FCS - 1750	542	WIRC
21	CS MUKESH KUMAR MITTAL	ACS - 52942	25980	SIRC
22	CS NEHA CHACHAN	ACS - 56792	25382	NIRC
23	CS NUPUR JAIN	FCS - 12718	20313	NIRC
24	CS P V ANTONY	ACS - 11626	26657	SIRC
25	CS PALLVI SHARMA	ACS - 51237	25456	NIRC
26	CS PARANIVELAN PARAMASIVAM	ACS - 71843	26690	SIRC

27	CS PRATIKSHA KUMBHARE	FCS - 12098	21111	WIRC
28	CS PRINCE MOHAN SINHA	FCS - 10689	14448	NIRC
29	CS PRIYA PUNJABI	ACS - 21027	19395	EIRC
30	CS PRIYANKA JAIN	ACS - 41657	18675	NIRC
31	CS R KRISHNAN	ACS - 11514	22814	SIRC
32	CS RACHANA PATEL	FCS - 10662	14426	WIRC
33	CS RAHUL SINGH	ACS - 47839	25010	NIRC
34	CS RIDHI CHHAJER	ACS - 54370	24111	EIRC
35	CS RITU DOSI	ACS - 66610	26242	EIRC
36	CS SAKSHI SAREEN	ACS - 53583	26248	NIRC
37	CS SANGHAMITRA SARANGI	ACS - 37504	23841	SIRC

38	CS SHAMATHMIKA V	ACS - 39467	26558	SIRC
39	CS SHIWALI JHANWAR	ACS - 40572	17259	WIRC
40	CS SHUBHAM JAIN	ACS - 35293	23672	NIRC
41	CS SHWETA	FCS - 12061	18618	NIRC
42	CS SONIA AGGARWAL	ACS - 67209	25075	NIRC
43	CS SWATI SIOTIA	ACS - 42301	15683	EIRC
44	CS TANUSHREE CHATTERJEE	ACS - 66299	26532	NIRC
45	CS VIKASH KUMAR KHAITAN	ACS - 72485	27023	EIRC
46	CS VIVEK KUMAR SHUKLA	ACS - 52459	19624	NIRC
47	CS YUGANDHARA PRAKASH KOTHALKAR	FCS - 11537	10337	WIRC

### LIST OF PEER REVIEWED UNITS

The List of Peer Reviewed Units is updated on ICSI Website from time to time and can be accessed at <https://tinyurl.com/PRList2023>

We request members to visit the list for their reference and records.

Peer Review Secretariat

ICSI

### 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](http://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 Satish Kumar Batra** (19.12.1941 – 25.12.2023), a Fellow Member of the Institute from Raipur.

**CS Pradip Domadia** (25.07.1952 – 12.02.2024), a Fellow Member of the Institute from Kolkata.

May the Almighty give sufficient fortitude to the bereaved family members to withstand the irreparable loss.

May the departed souls rest in peace.

## CHANGE / UPDATION OF ADDRESS

The members are requested to check and update (if required) your professional and residential addresses ONLINE only through Member Login. Please indicate your correspondence address too.

The steps to see your details in the records of the Institute:

1. Go to [www.icsi.edu](http://www.icsi.edu)
2. Click on **MEMBER** in the menu
3. Click on **Member Search** on the member home page
4. Enter your membership number and check
5. The address displayed is your Professional address (Residential if Professional is missing)

The steps for online change of address are as under:

1. Go to [www.icsi.edu](http://www.icsi.edu)
2. On the Online Services ----select **Member Portal** from dropdown menu
3. Login using your membership number e.g. A1234/F1234
4. Under **My Profile** --- Click on View and update option and check all the details and make the changes required and save
5. To change the mobile number and email id click the side option "**Click Here to update Mobile Number and E-mail Id**"
6. Check the residential address and link the Country-State-District-City and check your address in the fields Add. Line1/Add. Line2 & Add. Line3 (Click Here to change residential address)
  - a) Select the Country<sup>#</sup>
  - b) Select the State
  - c) Select the City
  - d) Submit the Pincode which should be 6 digits without space.
  - e) Then click on "Save" button.
7. Select the appropriate radio button for Employment Status and check your address in the fields Add. Line1/Add. Line2 & Add. Line3 click the link on the right (Click Here to change Professional address)
  - a) Select the Country<sup>#</sup>
  - b) Select the State
  - c) Select the City
  - d) Submit the Pincode which should be 6 digits without space.
  - e) Then click on "Save" button.
8. Go back to the Dashboard and check if the new address is being displayed.

#in case of Foreign Country and State is not available in options then Select "**Overseas**" – A pop-up will open and you can add the "City, District, State" of that Country 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>



### Documents downloadable from the DigiLocker Platform

The National Digital Locker System, launched by Govt. of India, is a secure cloud based platform for storage, sharing and verification of documents and certificates. In the wake of digitization and in an attempt to issue documents to all the members in a standard format and make them electronically available on real-time basis, the Institute of Company Secretaries of India had connected itself with the DigiLocker platform of the Government of India. The initiative was launched on 5<sup>th</sup> October, 2019 in the presence of the Hon'ble President of India.

In addition to their identity cards and Associate certificates, members can also now access and download their Fellow certificates and Certificates of Practice from the DigiLocker anytime, anywhere.



#### How to Access:

- Go to <https://digilocker.gov.in> and click on Sign Up
- You may download the DigiLocker mobile app from mobile store (Android/iOS)

#### How to Login:

- Signing up for DigiLocker with your mobile number.
- Your mobile number is authenticated by an OTP (one-time password).
- Select a username & password. This will create your DigiLocker account.
- After your DigiLocker account is successfully created, you can voluntarily provide your Aadhaar number (issued by UIDAI) to avail additional services.

#### How to Access your Documents digitally:

Members can download their digital ID Card / ACS / FCS / COP certificate(s) by following the steps given below:

1. Log in to <https://www.digilocker.gov.in> website
2. Go to Central Government and select Institute of Company Secretaries of India
3. Select the option of ID card / Membership Certificate / Practice Certificate
4. For ID Card, enter your membership number e.g. ACS 12345 / FCS 12345.
5. For membership certificate, Enter your membership and select ACS / FCS from drop down.
6. For COP certificate enter your COP number e.g. 12345 and select COP.
7. Click download / generate.
8. The ID Card / Membership certificate / Practice Certificate can be downloaded every year after making payment of Annual Membership fees.



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

*Vision*

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

*Motto*

सत्यं वद। धर्मं चर। इदंकारं कृतं त्वापकेः अयोगेन तु कृतं त्वत्।

*Mission*

"To develop high calibre professionals  
facilitating good corporate governance"

# ICSI BLOOD Bank Portal



**Dedicated to  
the Service  
of the Nation**

The ICSI Blood Bank Portal has a huge  
database of blood donors with information  
on Blood Groups with their location

To find a donor near you or  
to register as a donor visit  
<https://www.icsi.in/bloodbank/>

Connect with ICSI

[www.icsi.edu](http://www.icsi.edu) |



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

# 6

## MISCELLANEOUS CORNER



- GST CORNER
- ETHICS IN PROFESSION
- CG CORNER

## CENTRAL TAX NOTIFICATIONS

NOTIFICATION NO. 06/2024 - CENTRAL TAX DATED 22<sup>ND</sup> FEBRUARY, 2024

This notification seeks to notify “Public Tech Platform for Frictionless Credit” as the system with which information may be shared by the common portal based on consent under sub-section (2) of Section 158A of the Central Goods and Services Tax Act, 2017.

**Source:**<https://taxinformation.cbic.gov.in/view-pdf/1010019/ENG/Notifications>

## NEWS AND UPDATES

Advisory: Enhanced E-Invoicing Initiatives & Launch of Enhanced <https://einvoice.gst.gov.in> portal

1. GSTN on occasion of one year of the successful going live with the additional five new IRP portals, the e-invoice master information portal, and the e-invoice QR Code Verifier app, announces the launch of the revamped e-invoice master information portal <https://einvoice.gst.gov.in>. This enhancement is part of ongoing effort to further improve taxpayer services. New Features of the revamped E-Invoice Master Information Portal are as follows:
    - i. **PAN-Based Search:** Users can check the e-invoice enablement status of entities using their Permanent Account Number (PAN) in addition to search with GSTIN.
    - ii. **Automatic E-invoice exemption List:** The portal now automatically publish updated list with all GSTINs that have filed for e-invoice exemptions at the start of the month and is available for users to download.
    - iii. **Global Search Bar:** A comprehensive search tab has been introduced that allows for quick access to the information across the portal.
    - iv. **Local Search Capabilities:** Enhanced search functionality within advisory, FAQ, manual, and other sections for efficient information access.
    - v. **Revamped Advisory and FAQ Section:** Now organized year-wise and month-wise for easier reference, offering comprehensive guidance.
    - vi. **Daily IRN Count Statistics:** The portal now includes statistics on the daily Invoice Reference Number (IRN) generation count.
    - vii. **Dedicated Section on Mobile App:** Information and support for the e-invoice QR Code Verifier app are readily available.
  - viii. **Improved Accessibility Compliance and UI/UX:** Adhering to the GIGW guidelines, the portal now offers improved features such as contrast adjustment, text resizing buttons, and screen reader support for enhanced accessibility.
  - ix. **Updated Website Policy:** The website policy has been thoroughly updated including the website archival policy, content management & moderation policy, and web information manager details.
2. In the past year alone, more than 1.6 crore e-invoices were reported through the new IRPs, demonstrating the robustness and efficiency of the system. Furthermore, GSTN has introduced an internal e-invoice comprehensive health dashboard to further enhance monitoring of the e-invoice ecosystem. As a result of these improvements in the GSTN E-Invoicing System, today we have:
    - a. **Expansion of IRP Portals:** Today, GSTN operates a total of six IRP portals through its partners, running robustly alongside the centralized de-duplication system.
    - b. **E-Invoicing Reporting Accessibility:** All taxpayers who are eligible for e-invoicing can report e-invoices through any of these six IRP portals. The reporting can be done online, via APIs, or through a mobile app, all free of cost, making the process accessible and convenient for taxpayers nationwide.
    - c. **Hourly Auto population** of e-invoices in GSTR-1 from new IRPs. Additionally, we are working with NIC-IRP to enable hourly auto-population of e-invoices in GSTR-1 reported on the NIC-IRP 1&2 portal.
    - d. **E-invoice download** for past six months for both buyers and sellers via e-invoice portals and G2B APIs.
    - e. **E-invoice QR code verifier App** for verification of e-invoice, and search IRN functionality for online verification of IRN.
  3. Additionally, an enhanced version of the e-invoice verifier app, packed with new features, will be launched shortly.
  4. GSTN remains dedicated to excellence in taxpayer services. GSTN appreciates your continued support and look forward to further facilitate your compliance journey on the portal.

**Source:**<https://www.gst.gov.in/newsandupdates/read/624>



## Soliciting clients or professional work: Company Secretaries in Practice



A Company Secretary in Practice cannot solicit clients or professional work, either directly or indirectly, by circular, advertisement, personal communication, or interview or by any other means. However, any Company Secretary is not prohibited from applying or requesting for or inviting or securing professional work from another Company Secretary in Practice; or a member is not prohibited from responding to tenders or enquiries issued by various users of professional services or organizations from time to time and securing professional work as a consequence. A Company Secretary in Practice cannot secure, any professional business, either through the services of a person who is not an employee of such company secretary or who is not his partner or by means which are not open to a Company Secretary.

Further, a Company Secretary in Practice cannot allow any person to practice in his name as a Company Secretary unless such person is also a Company Secretary in practice and is in partnership with or employed by him. A Company Secretary in Practice cannot pay or allow or agree to pay or allow, directly or indirectly, any share, commission or brokerage in the fees or profits of his professional business, to any person other than a member of the Institute or a partner or a retired partner or the

legal representative of a deceased partner, or a member of any other professional body or with such other persons having such qualifications as may be prescribed for the purpose of rendering such professional services from time to time in or outside India.

**“Professional and Other Misconduct”:** 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.

There are two Schedules to the Company Secretaries Act, 1980 viz. First Schedule and Second Schedule. First Schedule is divided into four parts and Second Schedule is divided into three parts.

**Part I of the First Schedule and Part I of Second Schedule includes acts or omissions of Professional and Other Misconduct which are specifically applicable to the Company Secretaries in Practice.**

## CASE STUDY

1. Information was received against a Company Secretary in Practice *inter-alia* alleging that some of the Company Secretaries in Practice are soliciting professional work online and quoting very low fees and the same is creating imbalance in the market. The Informant has provided a snapshot of a website through which professional work was solicited and quoted very low rates. The Informant has also provided one Form MGT-14 and Invoice issued by a sole proprietorship firm to one company on account of charges for certification of Form MGT-14 which was verified and digitally signed by the Respondent.
2. The Respondent has denied the allegations and contended that he was not indulged in any form of advertisement or marketing whether directly or indirectly, with respect to the secretarial work performed by him. The firm is a sole proprietorship firm independently owned and operated by an individual and it was one of his clients to which services were offered by him on retainership basis for lump sum payment. He is not involved in the marketing and advertising, if any, done by it. The fee was also controlled by them.
3. The Respondent has also contended that he has signed an agreement with *the said firm* which is non-disclosable to third parties, and he cannot share copy of such agreement without prior permission from his client. The Respondent has stated that he has conducted proper due diligence before certifying Form MGT-14 of the company as per the guidelines issued by the Institute; for example, he has searched MCA Portal and cross-checked data available on MCA Portal with the information filled in the Form MGT-14 before its filing.
4. Proprietor of the said firm in response to a legal notice has stated that the said website is just a platform paved for convenience of Clients considering contribution to Digital India promoted by the Government; he is not providing certification services in professional capacity rather they are being outsourced to various professional of different domain; her website shows no advertisements, solicitations, names of professionals or any other activity which may violate any law, rule or act of the country including the Company Secretaries Act, 1980; they has no names of Practicing Company Secretaries to be shared and is working as a support service e-platform and is not an advertising agency; and he is not a member of the Institute, and is not obligated under the Company Secretaries Act, 1980 and Rules and Regulations framed thereunder and expressed her complete denial of any such contravention being made against him.
5. The Disciplinary Committee after considering all the facts and circumstances, held the Respondent "Guilty" of Professional Misconduct under Clauses

(1), (2), (5) and (6) of Part I of the First Schedule and Clause (7) of Part I of the Second Schedule to the Company Secretaries Act, 1980, as the Respondent is indirectly soliciting professional work through the medium of the said firm/website and also the shares the income/professional fees received with them in the disguise of retainership. The Respondent has also failed to substantiate that he has exercised due diligence in certifying the alleged Form No. MGT 14. The Respondent is a Company Secretary in Practice and even in the case of retainership, he is required to do the professional work relating to his client only i.e. the said firm. The Respondent cannot, while being on retainership, verify and certify the Forms of third person referred to him by the said firm as a Company Secretary in Practice. The Respondent is indirectly indulged in soliciting professional work vicariously through the website of the said firm.

6. The Disciplinary Committee passed an Order of Reprimand; and Fine of Rs. 15000/- (Rupees Fifteen Thousand Only) against the Respondent.



### YOUR OPINION MATTERS

'Chartered Secretary' has been constantly striving to achieve Excellence in terms of Coverage, Contents, Articles, Legal Cases, Govt. Notification etc. for the purpose of knowledge sharing and constant updation of its readers. However, there is always a scope for new additions, improvement, etc.

The Institute seeks cooperation of all its readers in accomplishing this task for the benefit of all its stakeholders. We solicit your views, opinions and comments which may help us in further improving the varied segments of this journal. Suggestions on areas which may need greater emphasis, new sections or areas that may be added are also welcome.

You may send in your suggestions to the Editor, Chartered Secretary, The ICSI at [cs.journal@icsi.edu](mailto:cs.journal@icsi.edu)

# IFC Corporate Governance Progression Matrix for Listed Companies (Integrating Environmental, Social, and Governance Issues)

IFC has developed a matrix for listed companies encompassing the vital elements of environmental, social, and governance issues. The matrix has focused on the following key areas:

1. Commitment to Environmental, Social, and Governance (Leadership and Culture).
2. Structure and Functioning of the Board of Directors.
3. Control Environment (Internal Control System, Internal Audit Function, Risk Governance and Compliance).
4. Disclosure and Transparency.
5. Treatment of Minority Shareholders.
6. Governance of Stakeholders Engagement.

The four broad parameters under which the contents pertaining to aforesaid key areas have been covered are- *Basic Practices, Intermediate Practices, Good International Practices and Leadership*. Further following sub-parameters have been encompassed under each key area-

Key Areas	Commitment to Environmental, Social, and Governance (Leadership and Culture)	Structure and Functioning of the Board of Directors	Control Environment (Internal Control System, Internal Audit Function, Risk Governance and Compliance)	Disclosure and Transparency	Treatment of Minority Shareholders	Governance of Stakeholders Engagement
Sub-Parameters	Formalities	Evaluation and Performance	Internal Controls	Financial Reporting	Voting Rights	Stakeholder Mapping
	Code of Ethics and Culture	Oversight of E&S	Internal Audit	Risk Appetite	Protective Rights	Stakeholder Engagement Policy
	Designated Officer/ Functions	----	Risk Governance	Corporate Disclosure	Investor Relations	Worker Grievance Mechanism
	Recognition	----	Compliance	ESG Disclosure		Affected Communities Grievance Mechanism
		----	External Audit			
			Integrating of E&S			
			Subsidiary Governance			

To comprehend as to how IFC Corporate Governance Progression Matrix appears, as a sample the first key area of the mentioned matrix, i.e., Commitment to Environmental, Social, and Governance (Leadership and Culture) is presented below.

## A. Commitment to Environmental, Social, and Governance (Leadership and Culture)

Broad Parameters	1. Basic Practices	2. Intermediate Practices	3. Good International Practices	4. Leadership
Sub-Parameters				
<i>Formalities</i>	<ol style="list-style-type: none"> <li>Written policies/corporate governance (CG) code addressing, at a minimum, the role of the board, rights and treatment of shareholders and other stakeholders, compliance with the law and transparency and disclosure, and stating the objectives and principles guiding the company.</li> <li>Written policies that address, at a minimum, compliance with E&amp;S law and regulations.</li> </ol>	<ol style="list-style-type: none"> <li>CG code, which addresses E&amp;S issues.</li> <li>Periodic disclosure to shareholders on CG code and practices, and their conformance to the country's code of best practices.</li> </ol>		<ol style="list-style-type: none"> <li>Adequacy of ESG policies and procedures is disclosed.</li> </ol>
<i>Code of Ethics and Culture</i>	<ol style="list-style-type: none"> <li>Code of ethics and/or conduct approved by the board</li> </ol>	<ol style="list-style-type: none"> <li>Code of ethics included in employee orientation program</li> </ol>	<ol style="list-style-type: none"> <li>Codes of ethics and/or conduct fully integrate ESG practices in business activities.</li> </ol>	<ol style="list-style-type: none"> <li>Organization culture has embedded ESG awareness and a control consciousness throughout the organization.</li> </ol>
<i>Designated Officer/ Functions</i>	<ol style="list-style-type: none"> <li>A company officer serves as a corporate secretary</li> </ol>	<ol style="list-style-type: none"> <li>Designated fulltime CG officer and/or company/corporate secretary.</li> </ol>	<ol style="list-style-type: none"> <li>Designated compliance function ensuring compliance with ESG policies and procedures, code of ethics and/or conduct.</li> <li>Internal audit of implementation of ESG policies and procedures.</li> </ol>	
<i>Recognition</i>		<ol style="list-style-type: none"> <li>Publicly recognized as a national leader in ESG practices.</li> </ol>	<ol style="list-style-type: none"> <li>Publicly recognized as a regional leader in ESG practices.</li> </ol>	<ol style="list-style-type: none"> <li>Publicly recognized as a global leader in ESG practices.</li> </ol>

The Corporate Governance Progression Matrix can be recapitulated as under:

<b>Commitment</b>	The company and its shareholders have demonstrated a commitment to implementing high-quality corporate governance, including environmental and social matters.
<b>Board Structure and Function</b>	The board of directors is qualified and adequately structured to oversee the company's strategy, management, and performance.
<b>Control Environment</b>	The company's internal control system, internal audit function, risk management system, and compliance function ensure sound stewardship of the company's assets, operations effectiveness, reporting accuracy, and compliance with policies, procedures, laws, and regulations.
<b>Disclosure and Transparency</b>	The company's financial and nonfinancial disclosures are a relevant, faithful, and timely representation of material events to shareholders and other stakeholders.
<b>Minority Shareholder Treatment</b>	The company's minority shareholders' rights are adequate and not abused, and other stakeholders are treated equitably.
<b>Governance of Stakeholder Engagement</b>	The company's governance of stakeholder engagement includes oversight over stakeholder mapping, stakeholder engagement policy and grievance mechanisms.

Thus, it can be opined that the mentioned matrix has given equal emphasis on all the significant attributes of environmental, social and governance covered under the above stated key areas and broad and sub-parameters.

### REFERENCES:

- <https://www.ifc.org/content/dam/ifc/doc/2023/IFC-CG-Progression-Matrix-Listed-Companies-042219.pdf>
- <https://www.ifc.org/en/what-we-do/sector-expertise/corporate-governance/cg-methodology-tools>

# 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](mailto:cs.journal@icsi.edu) latest by 25<sup>th</sup> of each month.

The answer(s) will be reviewed by a Panel of reviewer(s). The winner will be given:

- (i) Certificate of Appreciation.
- (ii) His/Her name will be published in the next issue of the Journal.
- (iii) He/She will be awarded cash award of ₹ 2,500.

### Crossword

A new section 'Crossword' containing terminologies/concepts from Companies Act, IBC, NCLT and such related areas of profession is introduced. Members/ students are to send the answers of Crossword to [cs.journal@icsi.edu](mailto:cs.journal@icsi.edu) latest by 25<sup>th</sup> of each month.

- The answer(s) will be published in the next issue of CSJ.
- The winners will be selected randomly.
- The name of three winners will be published in the next issue of CSJ.



## CASE STUDY

Mrs. X (hereinafter referred as “the complainant”) selected and purchased certain items/articles from Store (hereinafter referred as “the opposite party” (OP)) and took them to the billing counter for making necessary payment. At the time of payment, she saw that an amount of Rs. 10/- was charged for a carry bag to carry the items bought by her. The complainant resisted the charging for carry bag, but of no avail. Alleging said act and conduct of the opposite party as deficiency in service and unfair trade practice, complaint was filed before the District Commission.

The opposite party contested the complaint and stated that to protect the environment at large and also to provide convenience to the visiting customers, the opposite party introduced the optional sale of carry bags. It was stated that the charges of Rs.10/- for a carry bag were taken only after the consent of the complainant and moreover, the requisite information was also displayed in the Store of the opposite party. It was further stated that the opposite party charged for the carry bag only if the customer consents for the same.

The District Consumer Disputes Redressal Commission allowed the complaint and directed the Opposite Party to refund to Mr. X, the customer, Rs. 10 charged for carry bag along with compensation for harassment and mental agony, litigation expenses and a deposit of Rs. 20,000/- in the “Consumer Legal Aid Account”.

The order was directed to be complied within one month by the OP along with interest @ 12% p.a. from the date of filing of the present complaint, till its realization w.r.t. payment to be made to the complainant.

The appellant/opposite party assailed the order of the District Commission on the ground that the respondent failed to disclose as to how charging for a carry bag could be construed as deficiency in service; that it was only after obtaining the consent of the respondent that she had been billed for the carry bag; that the customers could bring their own bags and purchase of carry bag in the store was optional and not compulsory and that the District Commission wrongly held that the case of the appellant is covered under Section 36 of the Sales of Goods Act and Section 14 of the Indian Contract Act, 1872.

Decide the following:

- (i) Decide the case in light of Section 36 of the Sales of Goods Act and Section 14 of the Indian Contract Act, 1872.
- (ii) Had a logo been put up by the Opposite Party on carry bag, would it have been an act of unfair trade practice on the part of the seller/OP?

**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 2024**

**CS Bharatsinh Chandrasinh Parmar**

ACS-20704

# BEST ANSWER CASE STUDY FEBRUARY, 2024

The following question has been asked in the given case:

*Give your professional opinion regarding whether High Court can waive requirement of pre-deposit stated in Section 21 of the RDBA.*

**Answer:**

## 1) Parties:

MNT Bank Private Limited.....

**Appellants**

V.

1. XYZ Limited.....Corporate Debtor,

2. Mr. X..... Personal Guarantor,

3. Mr. Y..... Personal Guarantor.....

**Respondents**

## 2) Facts of the case in brief:

XYZ Limited, Respondent No. 1(Corporate Debtor) availed financial assistance from ILS Limited (Bank). Mr. X and Mr. Y, Respondent No. 2 & 3- the Promoters of XYZ Limited became personal guarantors.

The Respondents 1to 3 defaulted in repayment of the dues and the account having been classified as nonperforming asset was thereafter auctioned by the Bank (ILS Limited), wherein the MNT Bank Private Limited (the appellant herein) was the successful bidder and accordingly, the unpaid debt and nonperforming asset was assigned in their favour.

The assignment as made was assailed by the corporate debtor before the High Court which was dismissed and in the said proceedings the settlement which was entered into between the parties was recorded and disposed off.

As per the settlement, the Respondents No. 1 to 3 had agreed to repay the sum of Rs.145 Crores with interest at 15% p.a.

Respondents No. 1 to 3 not adhered to the terms of settlement and the repayment was not made.

The appellant Bank instituted recovery proceedings before the Debts Recovery Tribunal (DRT), New Delhi for Rs 574 cr (before settlement).

A part of the outstanding amount was paid by the respondents to the appellant from the compensation

amount (i.e. Rs. 152 cr) received for acquisition of one of mortgaged property for development of National Highway.

The DRT ultimately ordered issue of recovery certificate for Rs.145 Crores with, future interest at 9% per annum. This amount would be payable after taking into consideration Rs 152 cr paid during the pendency of the proceedings before DRT.

The appellant as well as respondents No. 1 to 3 being aggrieved preferred appeals before the DRAT as well as sought waiver of pre-deposit of the debt payable determined by DRT.

The DRAT noted that after taking into account payment of Rs 152 cr, still the respondents need to pay Rs 68 cr as per DRT order. So, it rejected the application seeking waiver of pre-deposit amounting to fifty percent of the debt determined by the DRT.

The High Court permitted to prosecute the appeal before the Debts Recovery Appellate Tribunal (DRAT) without pre-deposit of a portion of the debt determined to be due, as provided under Section 21 of the Recovery of Debts and Bankruptcy Act, 1993 ('RDBA Act' for short).

The aggrieved appellant filed an appeal before the Supreme Court.

Give your professional opinion regarding whether High Court can waive requirement of pre-deposit stated in Section 21 of the RDBA.

## 3) Answer with Reasons and binding precedent/s, supporting case laws along with Conclusion:

The Hon'ble Supreme Court of India, in a similar case i.e. Civil Appeal No. 538 of 2021 - **Kotak Mahindra Bank Pvt. Limited ....Appellant(s) V. Ambuj A. Kasliwal & Ors. .... Respondent(s)**, has been pleased to pass a Judgment, whereby a case involving the similar facts has been adjudicated. Accordingly, the Order therein dated 16.07.2019 passed by the High Court of Delhi in WP(C) No.7530 of 2019, which permitted to prosecute the appeal before the Debts Recovery Appellate Tribunal (DRAT) without pre-deposit of a portion of the debt determined to be due, as provided under Section 21 of the Recovery of Debts and Bankruptcy Act, has been set aside. **So, applying the ratio decidendi of this binding precedent on the facts of the present case, the High Court can not waive requirement of pre-deposit stated in Section 21 of the RDBA, as more elaborately deliberated herein below:**

As seen, though the sequence which led to the proceedings before the DRT and DRAT is taken note and referred in some detail, the matter in issue for consideration is with regard to the correctness or otherwise of the order passed by the DRAT and the High Court in the matter relating to pre-deposit of the debt due, in an appeal before the DRAT. With a view to address this complex issue, it is prudent to analyse the provisions of Section 21 of the Recovery of Debts and Bankruptcy Act, 1993 which provide for deposit of the amount of debt due on filing the appeal. Section 21 of the RDBA reads as hereunder:

***“Deposit of amount of debt due, on filing appeal***  
– *Where an appeal is preferred by any person from whom the amount of debt is due to a bank or a financial institution or a consortium of banks or financial institutions, such appeal shall not be entertained by the Appellate Tribunal unless such person has deposited with the Appellate Tribunal fifty per cent Of the amount of debt so due from him as determined by the Tribunal under section 19:*

*Provided that the Appellate Tribunal may, for reasons to be recorded in writing, reduce the amount to be deposited by such amount which shall not be less than twenty five per cent of the amount of such debt so due to be deposited under this section.”*

The words **“appeal shall not be entertained”** used in the Section indicate that it injuncts the Appellate Tribunal from entertaining an appeal by a person from whom the amount of debt is due to the Bank, unless such person has deposited with the Appellate Tribunal, the amount prescribed. Hence the pendulum of discretion to waive pre-deposit is allowed to swing between fifty per cent and twenty five per cent of the debt due and not below twenty five per cent, much less not towards total waiver. The DRAT noted that after taking into account payment of Rs 152 cr, still the respondents need to pay Rs 68 cr as per DRT order. So, it rejected the application seeking waiver of pre-deposit amounting to fifty per cent of the debt determined by the DRT.

The High Court, however, permitted to prosecute the appeal before the DRAT without pre-deposit of a portion of the debt determined to be due, as provided under Section 21 of the Recovery of Debts and Bankruptcy Act, 1993.

Considering the extant statutory provisions and in the facts and circumstances arising herein, when further amount is due and payable in discharge of the decree/ recovery certificate issued by the DRT in favour of the appellant/Bank, the High Court does not have the power to waive the pre-deposit in its entirety, nor can it exercise

discretion which is against the mandatory requirement of the statutory provision as contained in Section 21 of RDBA, which is extracted herein above. In all cases fifty per cent of the decretal amount i.e. the debt due is to be deposited before the DRAT as a mandatory requirement, but in appropriate cases for reasons to be recorded the deposit of at least twenty five per cent of the debt due would be permissible, but not entire waiver. Therefore, any waiver of pre-deposit to the entire extent would be against the statutory provisions and, therefore, not sustainable in law. Hence, the said order of the High Court is liable to be set aside.

Further, in the case of ***Narayan Chandra Ghosh vs. UCO Bank and Others*** (2011) 4 SCC 548 the Hon’ble Supreme Court while considering an analogous provision contained in Section 18 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) relating to pre-deposit in order to avail the remedy of appeal has expressed a similar opinion, i.e. *“Thus, we hold that the requirement of pre-deposit under subsection (1) of Section 18 of the Act is mandatory and there is no reason whatsoever for not giving full effect to the provisions contained in Section 18 of the Act. In that view of the matter, no court, much less the Appellate Tribunal, a creature of the Act itself, can refuse to give full effect to the provisions of the Statute. We have no hesitation in holding that deposit under the second proviso to Section 18 (1) of the Act being a condition precedent for preferring an appeal under the said Section, the Appellate Tribunal had erred in law in entertaining the appeal without directing the appellant to comply with the said mandatory requirement.”*

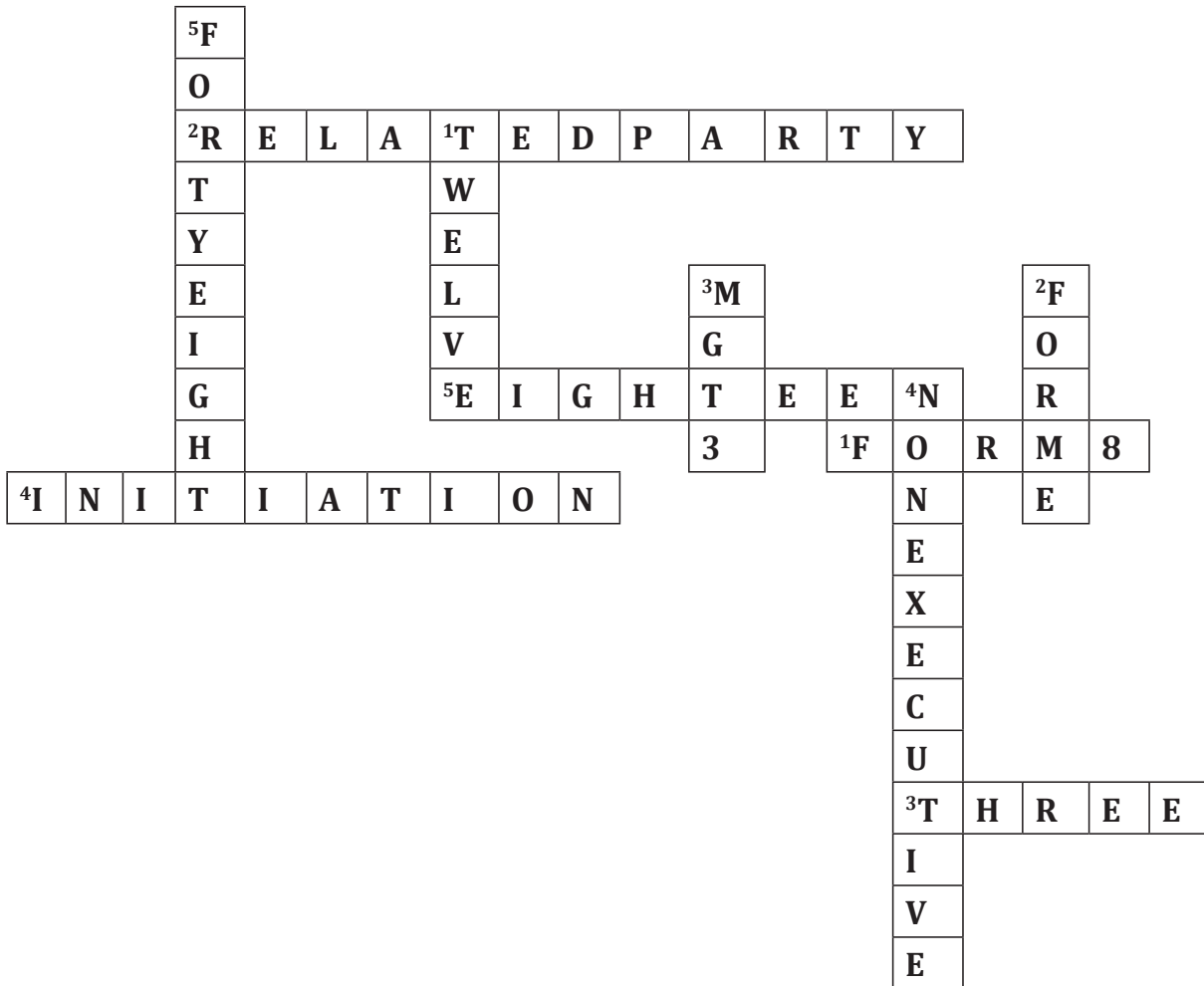
#### **Conclusion:**

Therefore, the condition of pre-deposit being mandatory, a complete waiver of deposit by the High Court, was beyond the provisions of the Act. And consequently, in view of the above deliberations, it is opined that the Order of the High Court which permitted to prosecute the appeal before the Debts Recovery Appellate Tribunal without pre-deposit of a portion of the debt determined to be due, as provided under Section 21 of the Recovery of Debts and Bankruptcy Act, 1993 is bad in law and the said High Court can not waive requirement of pre-deposit as stated in Section 21 of the RDBA. In the result:

- (i) The said order passed by the Hon’ble High Court is unsustainable, liable to be set aside, quashed; (ii) The appeal is allowed in part;
- (iii) The Respondents are permitted to deposit twenty five per cent of Rs.68/- Crore and prosecute the Appeal;
- (iv) No costs.



# CROSSWORD PUZZLE – FEBRUARY 2024 ANSWERS



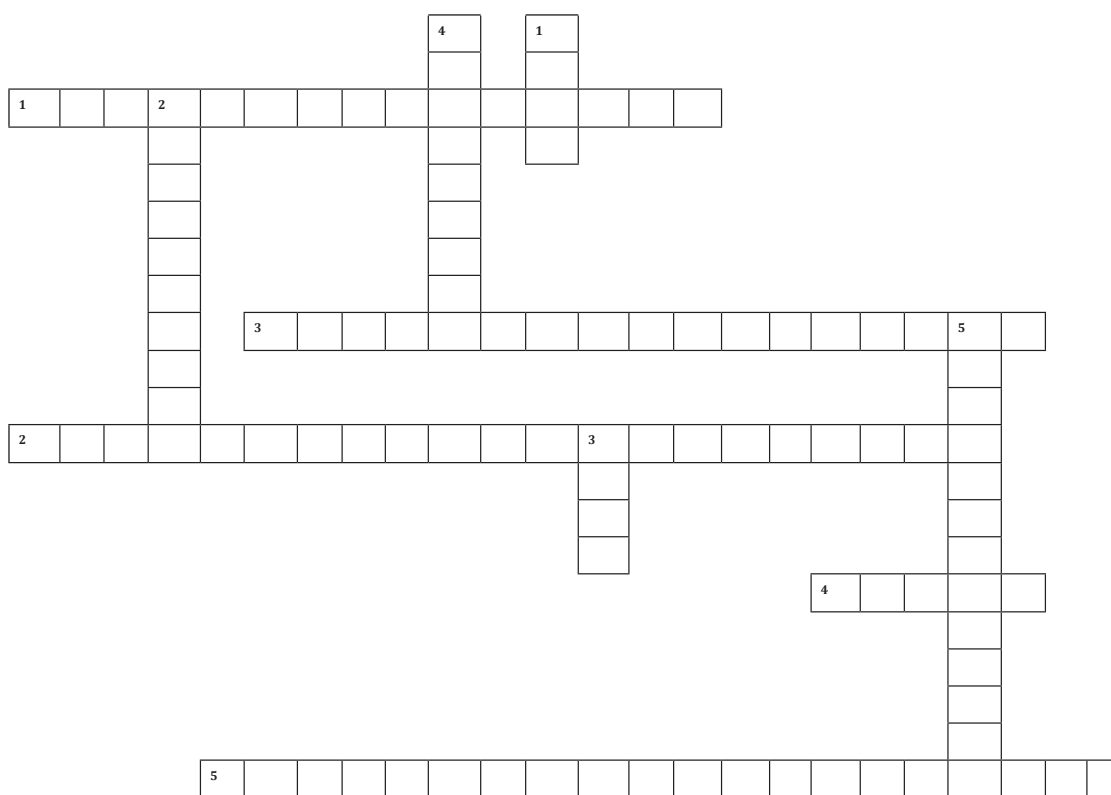
## Winners - Crossword February 2024

**1<sup>ST</sup>** CS Namita Singla ACS-70881

**2<sup>ND</sup>** CS Kamal Nath Thakur FCS-11040

**3<sup>RD</sup>** CS Madhura Oak ACS-28992

# CROSSWORD PUZZLE – COMPANY LAW - MARCH 2024

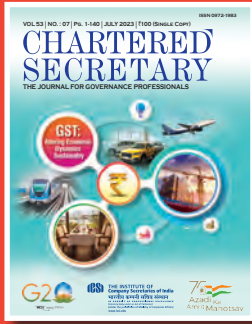


## ACROSS

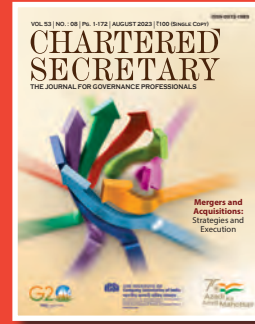
- Under Insolvency and Bankruptcy Code, 2016, the Resolution Professional shall not undertake any related party transaction unless approved by committee of creditors by a vote of \_\_\_\_\_ of the voting shares.
- Under the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations The liquidator may sell the assets of the corporate debtor by means of private sale only after prior consultation with the \_\_\_\_\_ under regulation 31A, in the manner specified in Schedule I when the asset is perishable.
- Under Companies Act, 2013, Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the \_\_\_\_\_.
- Under the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the Resolution Professional shall seek a vote of the members who did not vote at the meeting on the matters listed for voting, by electronic voting system in accordance with regulation 26 where the voting shall be kept open, from the circulation of the minutes, for such time as decided by the committee which shall not be less than twenty-four hours and shall not exceed \_\_\_\_\_ days.
- Under SEBI (LODR Regulations, 2018, in case of a listed entity having outstanding SR equity shares, the audit committee shall only comprise of \_\_\_\_\_.

## DOWNWARDS

- Under Companies Act, 2013, the company shall also attach along with its financial statement, a separate statement containing the salient features of the financial statement of its subsidiary or subsidiaries, associate company or companies and joint venture or ventures in FORM \_\_\_\_\_.
- Under the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 the liquidator shall convene subsequent meetings within \_\_\_\_\_ of the previous meeting, unless the consultation committee has extended the period between such meetings.
- Under The Companies (Cost Records and Audit) Rules, 2014, every company including all units and branches thereof, shall, in respect of each of its financial year commencing on or after the 1<sup>st</sup> day of April, 2014, maintain cost records in Form \_\_\_\_\_.
- Under SEBI LODR 2015, The listed entity shall redress investor grievances promptly but not later than \_\_\_\_\_ calendar days from the date of receipt of the grievance and in such manner as may be specified by the Board.
- Under Insolvency and Bankruptcy Code, 2016, The Adjudicating Authority may allow the withdrawal of application admitted under Section 7 or Section 9 or Section 10, on an application made by the applicant with the approval of \_\_\_\_\_ voting share of the committee of creditors.



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