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

SUPPLEMENT

PROFESSIONAL PROGRAMME

(ICSI Syllabus 2022)

for

December, 2026 Examination

(Containing updates from 1st June, 2025 to 31st May, 2026)

DRAFTING, PLEADING AND APPEARANCES

GROUP 1

PAPER 2

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Important Notes:

1. New Criminal Laws

The new criminal laws i.e. Bharatiya Nyaya Sanhita 2023, Bharatiya Nagarik Suraksha Sanhita 2023 and Bharatiya Sakshya Adhiniyam 2023 have repealed Indian Penal Code 1860, Criminal Procedure Code 1973 and Indian Evidence Act 1872 (old criminal laws) respectively. Therefore, by virtue of Section 8 of General Clauses Act 1897, the references to the old criminal laws, unless a different intention appears, be construed as references to the provision of new criminal laws

2. New Income-tax Act

Though, Income-tax Act, 1961 (old Income-tax Act) has been repealed by virtue of Income-tax Act, 2025 (New Income-tax Act), this study material still contains the provisions of old Income-tax Act for the sake of uniformity and relevancy for CS examination.

The provision of Income-tax Act, 2025 and Income-tax Rules, 2026 as amended by the Finance Act, 2026 shall be applicable from the CS June 2027 examination onwards.

Students appearing in Examination shall note the following:

Students appearing in December, 2026 Examination should also update themselves on all the relevant Notifications, Circulars, Clarifications, Orders etc. issued by MCA, SEBI, RBI & Central Government upto May, 2026.

The students are advised to acquaint themselves with the subject specific updates published by the Institute.

This supplement is to be read with the DPA study material (Syllabus 2022) updated up to May, 2025.

Lesson 1: Types of Documents

STANDING ORDERS

Chapter IV (relating to Standing Orders) of the Industrial Relations Code, 2020 applies to every industrial establishment wherein three hundred or more than three hundred workers, are employed, or were employed on any day of the preceding twelve months. However, certain categories of industrial establishments have been exempted under section 28 of the Code.

Section 29 provides that he Central Government shall make model standing orders relating to conditions of service and other matters incidental thereto or connected therewith.

Preparation of Standing Orders (Section 30)

Preparation of Draft Standing Order

The employer shall prepare draft standing orders, within a period of six months from the date of commencement of this Code, (Date of Commencement of Code is 21st day of November, 2025),
(i) based on the model standing orders referred to in section 29 in respect of the matters specified in the First Schedule and

(ii) on any other matter considered necessary by him for incorporation of necessary provisions in such standing orders for his industrial establishment or undertaking, considering the nature of activity in his industrial establishment or undertaking,
Provided such provision is not inconsistent with any of the provision of this Code and covers every matters set out in the First Schedule.

Consultations

The employer shall consult the Trade Unions or recognised negotiating union or members of the negotiating council relating to the industrial establishment or undertaking, as the case may be, in respect of the draft of the standing order and thereafter forward the draft of the standing order electronically or otherwise to the certifying officer for certification.

Adoption of Model Standing Order

Where an employer adopts a model standing order of the Central Government referred to in section 29 with respect to matters relevant to his industrial establishment or undertaking, then, such model standing order shall be deemed to have been certified and employer shall forward the information in this regard to the concerned certifying officer. However, if the certifying officer has any observation, he may direct such employer to amend the standing order so adopted within such period as may be prescribed.

Preparation of Draft of modification

The employer shall prepare the draft of the modifications required in the standing order, if any, in accordance with the provisions of this Code and forward electronically or otherwise to the certifying officer for certification of those modifications only within a period of six months from the date, the provisions of this Chapter becomes applicable to his industrial establishment.

Matters to be provided in Standing Orders under this Code

1. Classification of workers, whether permanent, temporary, apprentices, probationers, badlis or fixed term employment.
2. Manner of intimating to workers periods and hours of work, holidays, pay-days and wage rates.
3. Shift working.
4. Attendance and late coming.
5. Conditions of, procedure in applying for, and the authority which may grant leave and holidays.
6. Requirement to enter premises by certain gates, and liability to search.
7. Closing and reporting of sections of the industrial establishment, temporary stoppages of work and the rights and liabilities of the employer and workers arising therefrom.
8. Termination of employment, and the notice thereof to be given by employer and workers.
9. Suspension or dismissal for misconduct, and acts or omissions which constitute misconduct.
10. Means of redress for workers against unfair treatment or wrongful exactions by the employer or his agents or servants.
11. Any other matter which may be specified by the appropriate Government by notification.

Lesson 2: General principles of Drafting

1. PRACTICAL ASPECTS OF STAMP DUTY

S. No.	Basis	Details
1	**Duties on Instruments**	The basic principle of the Indian stamp Act is that it levies the duty on the instruments and not on the transaction covered by the instruments.
2	**Real nature on substance**	The stamp duty on an instrument depends on the real nature of the substance of the transactions recorded in the instruments and not on any title or description or nomenclature given by the parties who execute the instruments.
3	**Valuation**	Sufficiency of stamp duty leviable on a document must be determined by looking at the document and what is stated therein and not on any other evidence. The valuation for the purpose of stamp duty is also to be based on the value on the date the instrument is executed and not with reference to subsequent changes.
4	**Incidence of payment of duty and penalty**	Stamp duty chargeable on an instrument should be determined with reference to law in force on the date of execution of the instrument but the levy of penalty is to be determined with reference to the law in force at the time of the presentation of the document in evidence.
5	**Law relating to payment**	Schedules specifying the rates of stamp duty form part of the statute and must be read together with it, if there is any inconsistency between the schedule and the stamp Act, the latter prevail.

Inclusive list of Instruments chargeable with duty

If a transaction produces any of the following documents, stamp duty liability is triggered (subject to state/ central schedules):

1. Sale deed / conveyance / partition deed / exchange deed (property transfers).
2. Agreement to sell / sale agreement / memorandum of understanding (often exigible at the time of execution – many states treat sale agreements as instruments chargeable to duty).
3. Mortgage deed / charge / deed of hypothecation / mortgage with possession
4. Lease and rental agreements (short and long leases; many states require certain minimum stamping / registration for leases beyond specified tenure or rent thresholds).
5. Transfer of shares / issuance of share certificates / share transfer forms. (Recent central notifications have standardised certain rates – see section 6.)
6. Power of Attorney (PoA) (for property, sale, banking – stamp duty varies widely by state and by whether PoA is general/specific).
7. Service contracts, sale/purchase agreements, loan/credit facility documents, agreements between parties (if they evidence consideration or are otherwise chargeable).

8. Receipts, promissory notes, bills of exchange, insurance policies, proxies (central list).

Rate of Duties on Transfer/Issue of Shares[1]

- Stamp duty on Demat shares is 0.005% of the total value of shares issued.
- Stamp duty on physical issuance of share certificate in delhi is 0.1% of the consideration value of shares and depends upon concerned State Government.
- Stamp Duty on Transfer of Demat Share is 0.015% of the consideration

Principles of Valuation

To ascertain the amount of stamp duty to be paid following steps are to be followed:
1. Identify whether the document is exigible;
2. Ascertain the correct valuation basis and rate;
3. Compute duty;
4. Choose stamping method (e-stamp / franking / adhesive stamps / embossing);
5. Retain evidence of payment.

Valuation bases generally encountered

1. Property transactions: the duty is often a proportion of the most considerable one of – (i) the sale price agreed; (ii) the market value (circle rate / guidance value); or (iii) the ready reckoner value, according to the state regulations. Moreover, many states provide concessions in rates or apply slabs for women, long-term leases, first-time buyers, etc:

Different aspects affect the amount of stamp duty a property transaction incurs in India. The factors vary from one state to another and depend on the type of property, its location, and the buyer's profile. Getting to know these factors can enable a more precise estimation of the total cost of property registration:

Property Cost: Stamp duty is a certain percentage of either the selling price or the circle rate of the property, whichever is higher. The greater the value of the property, the higher the duty you pay.

Property Site (Urban/Rural): Stamp duty charges in urban lands are usually higher than in rural or semi-urban areas.

Gender of the Purchaser: To encourage everyone to own property, there are states that provide women with lower stamp duty rates.

Property Category (Residential/Commercial): Since commercial properties yield income, they are often imposed with a higher stamp duty than residential ones.

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[1] *Subject to change as per the State Government. Please refer to the updated notifications relating present rate of stamp duties.*

The Buyer's Age: Tax benefits for elderly persons are part of the welfare initiatives in some states.

Usage Purpose (For oneself vs. For investment): Stamp duty could vary depending on whether the property is for personal use or it's intended to be rented out or for investment purposes.

2. Share transfers / issued share certificates: the basis is usually the market value of the shares transferred or the face/nominal value as per the schedule (after the central amendments, many states now follow a uniform rate).

3. Agreements / contracts: in some states a duty is levied as a percentage of the contract value or specified fixed duty classes; others impose a modest, fixed duty for agreements (e.g., rent agreements generally have reduced fixed rates)

Essentials of Stamping an Instrument

- The essentials to be considered while stamping an instrument are as follows:
- The name of the company or the person who is a party to the instrument must be indicated on the stamp paper.
- An instrument cannot be stamped for an amount that is less than the minimum value set by the relevant law.
- When an instrument is properly stamped, it is considered as having evidence and can thus be used in a court of law.
- Analyze whether the instrument is a mixed kind.

Modes of Payment / Stamping – Practical Aspects

There are three commonly used pathways to discharge stamp duty:

(1) e-Stamping (recommended where available)

Administered centrally through accredited agencies (*e.g.*, Stock Holding Corporation of India Ltd. (SHCIL) is the central issuing authority in many states). The buyer/party generates an **e-stamp certificate / e-challan** online by paying the computed duty; the e-stamp is printed or downloaded and retained with the instrument. Benefits: automation, audit trail, immediate evidence of payment. Procedure and portal differ by state; many states have integrated the e-stamp certificate with registration portals.

Practical steps for e-Stamping

1. Visit the authorised e-stamp portal or designated agency (SHCIL / State e-stamp portal). (https://www.stockholding.com/)

2. Select instrument type, enter valuation / consideration details; the portal computes duty.

3. Pay online (net banking / card / NEFT / other modes as allowed).

4. Obtain e-stamp certificate with unique control number – attach to the instrument; print a copy for registration / evidence.
5. Surrender the printed certificate at time of registration (if required by sub-registrar) or upload in online registration process.

(B) Franking (Bank-issued franking)

Limited availability: party obtains franking from authorised franking offices (usually a bank/ correspondent) where the physical stamp is franked and cancelled on the document. Often used where e-stamping is unavailable.

(C) Adhesive / impressed stamps / stamp papers

Traditional; still used in some states for small duties. Avoid for high-value instruments where e-stamping is available (risk of counterfeit / disputes).

Physical Stamping Method:

1. Get a challan form from authorized offices, banks, or government treasury offices.
2. Specify the transaction type, state, value of shares, and required stamp duty amount.
3. Purchase physical stamps of the appropriate denomination to match the stamp duty amount.
4. Affix the stamps securely on the challan form. Submit the filled challan and stamped form to the share certificate company.

The rules framed under the Act invariably prescribe to what documents impressed stamps are to be used. The term includes both a stamp impressed by the Collector and also a stamp embossed on stamp paper.

The stamp duty adjudication process

The adjudication of stamp duty is a complicated issue that includes multiple steps in order to assure that the precise stamp duty is ascertained and paid. The following is a rough outline of how the process usually goes:
1. Preparation of the document: The document that needs adjudication is made first. A sale deed, lease agreement, mortgage deed, or any other document that requires stamp duty payment may be among such a document.
2. Submission for adjudication: The document goes to the appointed adjudication officer or the Stamp Duty Collector for adjudication. This submission is usually at the local sub-registrar's office or the designated stamp duty office. In some regions, there are also online submission options.
3. Assessment by the officer: The officer at the adjudication examines the document to ascertain the stamp duty depending on the nature of the transaction, the property's value, and other pertinent factors. If necessary, the officer might ask for more information or clarification.
4. Determination of stamp duty: The officer decides the exact stamp duty amount that has to be paid after the assessment. This decision is made on the basis of the rules and regulations that govern stamp duty in the respective state or region. the adjudication order will state the duty and

any penalty/ interest to be paid and a time for compliance. Timely compliance avoids higher penalties and adverse consequences.

5. Payment of stamp duty: The stamp duty payment is made by the parties concerned after the right amount has been determined. Payment is generally accepted at identified banks, through online platforms, or directly at the stamp duty office.

6. Issuance of certificate: The adjudication officer gives a certificate of adjudication after the payment is made. The certificate confirms that the correct stamp duty is paid and the document is legally enforceable.

2. Use of appropriate words and expressions

Instrument: The word "instrument" has been interpreted in different judgements by different courts with reference to the different enactments. As such, the meaning of instrument has to be understood with reference to the provision of a particular Act. For example, under Section 2(b) of the Notaries Act, 1952, and Section 2(14) of the Indian Stamp Act, 1899, the word "instrument" includes every document by which any right or liability is, or purports to be, created, transferred, modified, limited, extended, suspended, extinguished or recorded.

However, it may be noted that *w.e.f.* 1st July, 2020, the definition under Indian Stamp Act, 1899 has been amended to include certain other aspects also, relating to and including stock exchange and depository transactions.

Lesson 4: Drafting of Agreements, Deeds and Documents

1. DOCUMENT - MEANING

Ordinarily the word "document" denotes a textual record. Increasingly sophisticated attempts to provide access to the rapidly growing quantity of available documents raised questions about which should be considered a "document".

The following Acts refer to the word "Document" in very similar terms:

1. Section 2(d) of Bharatiya Sakshya Adhiniyam, 2023, document means any matter expressed or described or otherwise recorded upon any substance by means of letters, figures or marks or any other means or by more than one of those means, intended to be used, or which may be used, for the purpose of recording that matter and includes electronic and digital records.

2. Section 3(18) of the General Clauses Act, 1897, states that a "Document" shall include any matter written, expressed or described upon any substance by means of letters, figures, or marks or by more than one of those means, which is intended to be used or which may be used for the purpose of recording that matter.

Thus the word "Document" has been used in a wide sense and it includes instruments, deeds, agreements etc. Documents will also include Electronic records.

2. Drafting of Standing Orders

MANUFACTURING SECTOR DRAFT

Model Standing Orders in Manufacturing Sector

1. Short title and commencement. (1) These Standing Orders may be called as the Manufacturing Sector Standing Orders, 2026.

(2) These orders shall came into force as on the date of their publication in the official gazette.

1. A. Definition.- (1) In these Model Standing Orders, unless there is anything repugnant to the subject or the context,-

(a) "Code" means the Industrial Relations Code, 2020 (35 of 2020);
(b) "Form" means the form set forth in the Schedules appended to these standing orders;
(c) "Habitual" means with respect to indiscipline, a worker shall be habitual if committing misconduct three or more times in preceding twelve months; and
(d) "standing order" with its grammatical variation and cognate expressions means the standing order of these model standing orders.

(2) The words or expressions used in these model standing orders and not defined therein but defined in the Industrial Relations Code, 2020 shall have the respective meanings assigned to them in the definitions in the Code.

2. (1) **Classification of workers.**- For the purposes of these standing orders, the workers are classified as below, namely:-
(a) permanent;
(b) temporary;
(c) apprentices;
(d) probationers;
(e) Badlis;
(f) fixed term employment; and
(g) casual.

(2) A permanent worker is a worker who has been engaged on a permanent basis in an industrial establishment and includes any person who has satisfactorily completed probationary period of six months in the same or any other occupation in such industrial establishment:

Provided that in computing the period of probation any interruption on account of accident, leave, lockout, strike or involuntary closure of the industrial establishment shall be deemed to be part of such probationary period.

(3) A temporary worker is a worker who has been engaged for work which of an essentially temporary nature, which by its character is likely to be computed within a limited period.

(4) An apprentice means a person who is undergoing apprenticeship training in pursuance of a contract of apprenticeship under the provisions of the Apprenticeship Act, 1961 (52 of 1961).

(5) A probationer is a worker who is provisionally employed to fill a permanent vacancy in a post and has not completed six months service therein:
Provided that the period of probation may upon assessment of performance, be extended for a further period not exceeding three months:
Provided further that a permanent employee is employed as a probationer in a new post, may, at any time during the probationary period of six months, be reverted to former permanent post.

(6) A *badli* is a worker who is appointed in the place of a permanent worker or probationer who is temporarily absent:

Provided that the substituted worker shall cease to be a *badli* on completion of a continuous period of service of one year or completion of one hundred and ninety attendances in the case of below ground worker or two hundred and forty attendances in the case of any other worker in the same post or other post or posts in the same category or earlier if the post is vacated by the permanent worker or probationer:

Provided a substituted worker engaged in place of a probationer, shall be deemed to be permanent worker after completion of the probationary period.

(7) fixed term employment is the engagement of a worker on the basis of a written contract of employment with the employer for a fixed period:

Provided that the hours of work, wages, allowances and other benefits shall not be less than those of a permanent worker performing the same work or work of similar nature:

Provided further that such workers shall be eligible for all statutory benefits available to a permanent worker proportionately according to the period of service rendered by him even if his period of employment does not extend to the qualifying period of employment required in the statute:

Provided also such worker shall be eligible for gratuity, if renders service under the contract for a period of one year:

Provided also that for every completed year of service or part thereof in excess of six months, the employer shall pay gratuity to such worker at the rate of fifteen days wages, based on rate of wages last drawn by the worker concerned as referred to in sub-section (2) of section 53 of the Code on Social Security, 2020 (36 of 2020).

Explanation- For removal of doubt, it is clarified that the termination of service of a worker as a result of completion of tenure of fixed term employment shall not be included within the meaning of "retrenchment" as defined under clause (zh) of section 2 of the Code.

(8) A casual worker is a worker who has been engaged for work of an essentially casual nature or whose employment, by its vary character is of a casual nature.

3. Identity badge or card.- (1) Every worker shall be issued an identity badge or card bearing his full name, designation, employee number, blood group, contact number, emergency contact person details and a recent photograph.

(2) Every worker shall wear his identity badge or card during the working hours of the industrial establishment and produce the same when required to the authorised security guard or personnel for the purpose of entry and stay in the premises of the industrial establishment.

(3) Such identity badge or card shall not be transferable to any other persons or worker and the safe custody thereof shall be ensured by the concerned worker.

(4) Every worker who ceases to be in the employment of the industrial establishment shall surrender the identity badge or card to the Department Head or the officer of the industrial establishment designated for such purpose.

4. Publication of working timings.- (1) The hours of work applicable for all categories of workers shall be exhibited on the notice board or electronic notice board and on the portal of the industrial establishment, in Hindi, English and local language.

(2) Any change in hours of work, number of shifts, shift timings, work on the days of the week with staggered weekly holidays or other like matters, shall be displayed on the notice board or electronic notice board of the industrial establishment.

5. Publication of holidays and pay days.- (1) Notices specifying the days observed by the industrial establishment as holidays and pay days shall be posted on the electronic notice board or notice board and portal of the industrial establishment.

(2) A list of national and festival holidays shall likewise be displayed on the electronic notice board or notice board and portal of the industrial establishment, if any.

6. Publication of wage rates.- Wage rates payable to the workers shall be displayed on the electronic notice board or notice board and website or portal of the industrial establishment, in Hindi, English and local language.

7. Shift working.- (1) More than one shift may be worked in any department or any section of the industrial establishment at the discretion of the employer.

(2) Where more than one shift is worked, the worker shall be liable to be transferred from one shift to another.

(3) No shift working shall be discontinued without twenty-one days prior notice in writing to the concerned worker:

Provided that no such notice shall be necessary where the closing of the shift is under an agreement with the workers affected.

(4) Where the discontinuance of the shift working is resulted in retrenchment, such retrenchment shall be effected in accordance with the provisions of the Code.

(5) Where shift working is re-started, the workers shall be given notice and re-employed in accordance with the provisions of the Code.

(6) Whenever an additional shift is started or shifts are restarted, discontinued or altered, twenty-one days prior notice shall be given to the affected workers:

Provided that no notice shall be required in case of emergent situation necessitating change of shift or shift working otherwise than in accordance with standing order, in consultation with the Grievance Redressal Committee in pursuance to clause (c) of section 40 of the Code:

Provided further that no such notice shall be required where such change is effected in accordance with the orders of the Central Government or State Government, as the case may be, or in pursuance of any settlement or award as envisaged in clause (d) of section 40 of the Code.

8. Notice of changes in shift working.–Any notice of discontinuance or of re-starting of shift working as required under their Standing Orders, shall be in Form (i) and shall be served in the following manner, namely :-

(a) the notice shall be displayed conspicuously by the employer on the notice-board or electronic notice board and portal of the industrial establishment, if any; and
(b) where any registered trade union of workers exists, a copy of the notice referred to in clause (a) shall also be served electronically or by speed post to the Secretary of such union.

9. Attendance and late coming.- (1) Every workers shall be at work at the time fixed and notified under paragraph 4 and worker attending late shall be liable to deduction of wages as provided under Code on Wages, 2019 (29 of 2019).
(2) All workers whether working above ground and underground, shall comply with the regulations related to hours of work for the time being in force.
(3) Every workers shall register their attendance at the commencement of the shift and at the close of the shift after and before change of uniform.
(4) Attendance of worker shall be regulated by means of identity card, biometrics or any other system as has been notified for the purpose.
(5) No worker shall use or punch the Identity Card other than his own.
(6) Any worker reporting late than the scheduled time shall not be permitted to enter the department or section, unless permitted by the manager, or any other officer duly authorised for such purpose.
(7) A worker shall be deemed absent if he fails to attend duty, unless obtained written permission for such absence from the manager or the officer authorised in this behalf.
(8) A worker who habitually report late or remains absent shall be liable to deduction of wages as provided under the Code on Wages, 2019 (29 of 2019).

10. Leave.- (1) Holidays with pay shall be allowed as provided for in the Occupational Safety, Health and Working Conditions Code, 2020 (37 of 2020) and other holidays in accordance with law, contract, custom and usage as applicable.
(2) A leave cannot be claimed as a matter of right.
(3) A worker desiring to obtain leave of absence shall apply to the employer or any other officer of the industrial establishment specified in this behalf by the employer at least seven days in advance from the date of proposed date of leave.
(4) The officer shall issue an order thereon within a week or two days prior to the commencement of the leave applied.
(5) Where the leave applied for is to commence on the date of the application or within three days thereof, the worker shall state the reasons for late submission of application and the order on such leave shall be given on the same day.
(6) Where the leave is refused or postponed, the fact of such refusal or postponement and the reasons there for shall be communicated in writing.
(7) Where a worker, after proceeding on leave, desires an extension thereof, he shall apply to the authorised officer who shall communicate either granting or refusing extension of leave in writing or electronic mode, and such communication shall reach before the expiry of the leave originally granted.

(8) Leave with wages and allowances shall be granted to all the workers in accordance with the law as applicable under these standing orders.
(9) No worker while on leave shall take up any employment or vocation for profit or gain.

11. Casual leave.- (1) The worker may be granted casual leave of absence with wages not exceeding ten days in the aggregate in a calendar year.
Provided that such leave shall not be for more than three days at a time except in case of sickness and intended to meet special circumstances which cannot be foreseen.
(2) Ordinarily, the previous permission of the office or the controlling authority in the industrial establishment shall be obtained before such leave is taken.
(3) Where prior permission cannot be received, the worker shall, as soon as practicable, inform the authorised officer in writing of his absence and of the probable duration thereof.

12. Payment of wages.- (1) The employer shall pay or cause to be paid wages to the worker, engaged on—
(i) daily basis, at the end of the shift;
(ii) weekly basis, on the last working day of the week, before the weekly holiday;
(iii) fortnightly basis, before the end of the second day after the end of the fortnight;
(iv) monthly basis, before the expiry of the seventh day of the succeeding month.
(2) All payments, shall be made to worker by crediting the wages in the bank account of the worker through electronic mode;
Provided that, the employer shall pay the wages only by cheque or by crediting the wages in his bank account.
(3) Where a worker has been removed or dismissed from service or retrenched or has resigned from service or became unemployed, due to closure of the establishment, the wages payable to him shall be paid within two working days of his removal, dismissal, retrenchment or resignation.
(4) Every employer shall issue wage slips to the worker as specified under the Code on Wages, 2019 (29 of 2019).
(5) There shall be no deductions from the wages of the worker, except those as are authorised under the Code on Wages, 2019.
(6) All fines and all realisations from the wages of the worker shall be carried out in accordance with the section 19 of the Code on Wages, 2019.
(7) Notice specifying wage period and payment date shall be exhibited on the notice board or electronic board and portal in Hindi, English and local language.

13. Service record.- (1) Matters relating to service card, certification of service, change of residential address of workers and record of their age shall form part of service record and –
(i) every industrial establishment shall maintain a service card in respect of each worker electronically or in manual form, wherein particulars of that worker shall be recorded with the knowledge of that worker in Form (ii) and shall be updated periodically:
Provided that, in case of manual maintenance of service card, the record shall be duly attested by an authorised officer in this behalf together with date;
(ii) every worker shall be entitled to a service certificate, specifying the nature of work, designation and the period of employment (months, years) at the time of discharge, termination,

retirement or resignation from service to be issued by the employer within ten days of such instance;
(iii) every worker shall notify the employer as soon as possible at the time of engagement, the details of his residential address, mobile number, e-mail, emergency contact name and number, nominees for claiming dues in case of death and thereafter promptly communicate to his employer any change of his residential address:
Provided that in case, the worker has not communicated to his employer the change in his residential address, the last known address shall be treated as residential address for sending communication;
(iv) every worker shall indicate his exact date of birth to the employer at the time of entering service in the industrial establishment and the employer before entering the date of birth of a worker in service record, require the worker to submit,-
(a) matriculation or school leaving certificate granted by the Board of Secondary Education or equivalent certificate; or
(b) a certified copy of his date of birth as recorded in the registers of a municipality, local authority or Panchayat or Registrar of Births; or
(c) a copy of Aadhaar, if agreed by the worker;
(d) in the absence of either of the aforesaid three categories of certificate, the employer or the officer authorised by him in this behalf may require the worker to supply, a certificate from a Government Medical Officer not below the rank of an Assistant Surgeon indicating the probable age of the worker:
Provided that the cost of obtaining such certificate is borne by the employer;
(v) where it is not practicable to obtain a certificate from a Government Medical Officer, an affidavit sworn, either by the worker or his parents, or by a near relative, who is in a position to know about the worker’s actual or approximate date of birth, before a first Class Magistrate or Oath Commissioner, as evidence in support of the date of birth given by the worker.
(2) The date of birth of a worker, once entered in the service card shall be the sole evidence of age in relation to all matters pertaining to service including fixation of the date of his retirement from the service of the industrial establishment.
(3) All formalities regarding recording of the date of birth shall be finalised within three months of the date of the appointment of a worker.
(4) In cases where date of birth of any worker has already been decided before the standing orders come into force shall not be reopened.

14. Confirmation.- (1) The employer shall, in accordance with the terms and conditions stipulated in the letter of appointment, confirm the eligible worker and issue a letter of confirmation.

(2) Whenever, a worker is confirmed, an entry with regard to that effect shall be made in service card within a period of thirty days from the date of such confirmation.

15. Age of retirement.- (1) The age of retirement or superannuation of a worker shall be such as may be agreed upon between the employer and the worker under a written agreement or as specified in a settlement or award which is binding on both the worker and the employer.

(2) In absence of any such agreed age, retirement or superannuation shall be on completion of fifty-eight years of age.

16. Transfer.- (1) Every industrial establishment shall have a transfer policy, which shall be made known to all the workers and the details thereof shall be available on the Human Resource portal.

(2) A worker may be transferred according to the transfer policy and exigencies of work from one shop or department to another or from one station to another or from one industrial establishment to another under the same employer:

Provided that the wages, grade, continuity of service and other conditions of service of the worker shall not be adversely affected by such transfer:

Provided further that a worker shall be transferred only to a job, the worker is capable of doing:
Provided also that where the transfer involves moving from one State to another such transfer shall take place, either with the consent of the worker or where there is a specific provision to that effect in the letter of appointment and transfer policy is in accordance with such policy:

Provided also that unless –
(a) reasonable notice is given to such worker; and
(b) reasonable joining time is allowed in case of transfers from one station to another and the worker concerned is paid traveling allowance, including the transport charges and fifty per cent thereof to meet incidental charges, such transfer shall not be effected.

17. Medical aid in case of accidents.- (1) Where a worker meets with an accident in the course of or arising out of his employment, the employer shall, on their expense, make satisfactory arrangements for immediate and necessary medical aid to the injured worker and arrange for further treatment, if considered necessary by the doctor attending on him.
(2) Wherever the worker is entitled to treatment and benefits under the Code on Social Security, he shall be entitled for treatment and benefits under that Code.

18. Medical examination.- (1) Where the recruitment rules, contract of appointment or fixed term employment specify medical examination of a worker, upon first appointment, the employer shall at the employer's expense make arrangements for medical examination.
(2) All workers to be employed in the industrial establishment of mines shall be required to clear the medical examination by the medical authority nominated by the industrial establishment for such purpose, at the time of first appointment.
(3) The industrial establishment may at any time direct any worker to undergo medical examination by any medical officer nominated to ascertain fitness relatable to satisfactory performance of worker.

Explanation: for the purposes of this order, the term "medical officer" shall have same meaning as defined in clause (zj) of sub-section (1) of section 2 of the Occupational Safety, Health and Working Conditions Code, 2020 (No. 37 of 2020).

(4) A worker who has contracted any infectious or contagious disease shall immediately notify the concerned manager of such a happening and shall remain away from work until permitted to return on work by the manager concerned and during such period, the worker shall be treated on leave to the extent of days of leave with wages to his credit.
(5) Where a worker deliberately suppresses the fact of his suffering from an infectious or contagious disease, such a conduct on the part of the worker shall amount to misconduct within the meaning of these standing orders.

19. Secrecy.- (1) No worker shall take any papers, books, drawings, photographs, instruments, apparatus, documents or any other property whether in electronic form or physical form, relating to an industrial establishment out of the work premises except with the written permission of his immediate superior.
(2) No worker shall in any way pass or cause to be passed or disclose or cause to be disclosed, any information or matter concerning the manufacturing process, trade secrets and confidential documents of the industrial establishment to any unauthorised person, company or corporation without the written permission of the employer.
(3) Disciplinary action may be taken against a worker, if he does not comply with the provisions specified in this paragraph and such a conduct on the part of the worker shall amount to misconduct within the meaning of these standing orders.

20. Exclusive service.- (1) No worker shall, at any point of time, act against the interest of the industrial establishment in which he is employed.
(2) No worker shall take up any employment in addition to his present job in the industrial establishment where such employment may adversely affect the interest of his employer.
(3) The employer may, however, permit the worker to take up additional job, assignment, with or without conditions and in such case, the worker shall obtain prior permission of the employer.

21. Stoppage of work.- (1) The employer may, at any time, in the event of fire, catastrophe, break-down of machinery or stoppage of power supply, disaster, pandemic, epidemics, civil commotion or other cause beyond his control , stop any section or sections of the industrial establishment, wholly or partially for any period or periods without notice.
(2) (i) In the event of such stoppage during working hours, the workers affected shall be notified by a notice put up on the notice board or electronic notice board or on the Human Resource Portal/IT application or through any other electronic medium of the industrial establishment, if any, as soon as practicable, when the work shall be resumed and whether they are to remain or leave their place of work;
(ii) The worker shall not ordinarily be required to remain for more than two hours after the commencement of the stoppage;
(iii) In case the period of detention does not exceed one hour the worker so detained shall not be paid for the period of detention;
(iv) In case the period of detention exceeds one hour, the workers so detained shall be entitled to receive wages for the whole of the time during which they are detained as a result of the stoppage;
(v) In case of piece rate workers, the average daily earning for the previous month shall be taken to be the daily wage;

(vi) No other compensation shall be admissible in case of such stoppages, wherever practicable, reasonable notice shall be given of resumption of normal work.
(3) In cases of temporary stoppage of work on account of failure of plant or reasons as specified in paragraph (1) or temporary curtailment of production of goods and services, the period of stoppage shall be treated as compulsory leave, either with or without pay, as the case may be, but where workers have to be stopped for an indefinitely long period, their employment may be terminated after giving them due notice or pay in lieu thereof.
(4) The employer may, in the event of a strike affecting either wholly or partially any section or department of the industrial establishment close down either wholly or partially such section or department and any other section or department affected therefore, the fact of such closure shall be notified by notices put up on the notice board or electronic notice board or on the Human Resource portal of the industrial establishment, as soon as practicable.
(5) The workers concerned shall also be notified by a general notice, prior resumption of work, as to when work shall be resumed.

22. Termination of employment.- (1) Subject to the provisions of the Code, -
(i) for terminating employment of a permanent worker, the employer shall give prior notice of one month or in lieu thereof, pay wages for the period of such notice;
(ii) in case of other categories of workers, the notice period shall be regulated in accordance with sub paragraph (3) of these Standing Orders.
(2) No temporary worker, whether monthly-rated, weekly-rated or piece-rated and no probationer or substitution worker or fixed term employment or casual worker whose contract of employment is not renewed or expired, shall be entitled to any notice or pay in lieu thereof, if the services are terminated:
Provided that the services of a temporary worker shall not be terminated as a punishment unless an opportunity of explaining the charges of misconduct alleged against the worker, in the manner specified under these standing orders.
(3) Where the employment of any worker is terminated, the wages earned by him and other dues, shall be paid before the expiry of the second working day from the date of termination.

23. Disciplinary action for misconduct.-(1) A worker may be suspended by the employer pending investigation or enquiry into complaints or charges of misconduct.
(2) Such investigation or enquiry or where there is an investigation followed by enquiry, both the investigation and enquiry shall ordinarily be completed within ninety days from the date of suspension.
(3) The worker shall be paid subsistence allowance, which shall be subject to the condition that the worker does not take any employment elsewhere during the period of suspension.
(4) The amount of subsistence allowance shall be payable to such worker as under,-
(a) at the rate of fifty per cent. of wages last drawn for the first ninety days of suspension; and
(b) at the rate of seventy-five per cent of such wages for the remaining period, if delay in completion of proceedings is not directly attributable to the conduct of such worker.
(5) For the purposes of this standing order, misconduct shall include the following, namely:-
(a) theft, fraud, or dishonesty in connection with the employer's business or property;
(b) taking or giving of bribes or an illegal gratification whatsoever in connection with the business of employer or his own interests;

(c) willful insubordination or disobedience, whether alone or in conjunction with another or others or of any lawful or reasonable order of a superior:
Provided that the order of the superior shall normally be in writing;
(d) habitual late attendance and habitual absence without leave or without sufficient cause;
(e) drunkenness, fighting or riotous, disorderly or indecent behaviours while on duty at the place of work;
(f) habitual neglect of work;
(g) causing willful damage to work in progress or to property of the employer;
(h) sleeping on duty;
(i) malingering or slowing down work;
(j) acceptance of gifts from subordinate employees;
(k) conviction in any court of law for any criminal offence involving moral turpitude;
(l) continuous absence without permission and without satisfactory cause for more than ten days;
(m) giving false information regarding one's name, age, father's name, qualification or previous service at the time of the employment;
(n) leaving work without permission or sufficient reason;
(o) threatening, abusing or assaulting any superior or co-worker;
(p) preaching of, or inciting to, violence;
(q) abetment of or attempt to abetment of any of the aforesaid acts of misconduct;
(r) going on illegal strike either singly or with other workers without giving fourteen days previous notice;
(s) disclosing to an unauthorised person any confidential information in regard to the working or process of the industrial establishment which may come into the possession of the worker in the course of his work;
(t) refusal to accept any charge-sheet or order or notice communicated in writing;
(u) failure or refusal to wear or use any protective equipment given by the employers; and
(v) claiming false bill for reimbursement;
(w) sexual harassment as defined in clause (n) of section 2 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (14 of 2013) and includes the circumstances specified in sub-section (2) of section 3 of the said Act.
(6) (a) Where a disciplinary proceeding against a worker is contemplated or pending or where criminal proceedings against him in respect of any offence are under investigation or trial and the employer is satisfied that it is necessary or desirable to place the worker under suspension, the worker may, by order in writing, suspend him with effect from such date as may be specified in the order.
(b) A statement setting out in detail the reasons for such suspension shall be supplied to the worker within a week from the date of suspension.
(c) In the enquiry, the worker shall be entitled to appear in person or to be represented by an office-bearer of a Trade Union of which he is a member or a co-worker of his choice.
(d) The proceedings of the enquiry shall be recorded in Hindi or in English or the language of the State where the industrial establishment is located, whichever is preferred by the charged worker.

(e) The proceedings of the enquiry shall be completed within ninety days:
Provided that the period of ninety days may, for reasons to be recorded in writing, be extended for such further period as may be deemed necessary by the enquiry officer.

(f) upon conclusion of the enquiry or, as the case may be, of the criminal proceedings, the worker has been found guilty of the charges framed against him and it is considered, after giving the worker concerned a reasonable opportunity of making representation on the penalty proposed, an order of dismissal or suspension or fine or stoppage of annual increment or reduction in rank would meet the ends of justice, the employer shall pass an order accordingly:

Provided that when an order of dismissal is passed under this clause, the worker shall be deemed to have been absent from duty during the period of suspension and shall not be entitled to any remuneration for such period and the subsistence allowance already paid shall not be recovered:

Provided further that where an order imposing fine or stoppage of annual increment or reduction in rank is passed under this clause, the worker shall be deemed to have been on duty during the period of suspension and shall be entitled to the wages as he would have received if not been placed under suspension, after deducting the subsistence allowance paid to him for such period:

Provided also that in the case of a worker to whom the provisions of clause (2) of article 311 of the Constitution apply, the provisions of that article shall be complied with.

(g) upon conclusion of the inquiry, or as the case may be, or the criminal proceedings, the worker has been found not to be guilty of any of the charges framed against him, he shall be deemed to have been on duty during the period of suspension and shall be entitled to the same wages as he would have received, if he had not been placed under suspension after deducting the subsistence allowance paid to him for such period:

Provided that the payment of subsistence allowance under this clause shall be subject to the worker concerned not taking up any employment during the period of suspension.

(7) (i) in awarding punishment under this sub-paragraph (4), the authority imposing the punishment shall take into account any gravity of the misconduct, antecedents of the worker and any other extenuating or aggravating circumstances that may exist.

(ii) a copy of the order passed by the authority imposing the punishment shall be supplied to the worker concerned.

(8) (a) a worker aggrieved by an order imposing punishment under sub-paragraph (4) may, within twenty-one days from the date of receipt of the order, appeal to the appellate authority specified under clause (b);

(b) the employer shall for the purposes of cause (a) specify the appellate authority;

(c) the appellate authority, after giving an opportunity to the worker of being heard shall pass order as he thinks proper on the appeal within fifteen days of its receipt and communicate the same in writing:

Provided that where there is a complaint of sexual harassment, the Internal Complaint Committee constituted for such purpose in each industrial establishment for inquiring into such complaints, shall, notwithstanding anything contained in this paragraph, be deemed to be the enquiring authority appointed by the employer for the purpose of these standing orders and the said complaint committee shall hold the enquiry under this paragraph, unless separate procedure has been specified by the employer for the complaint committee for holding such enquiry into the complaints of sexual harassment, as far as practicable.

(9) The constitution of Internal Complaints Committee shall be in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder.

(10) The Internal Complaint Committee referred to in sub-paragraph (9), shall prepare and submit every year an annual report, to the employer and the District Officer.

(11) The employer shall include in the annual report of his organisation the number of cases filed, if any, and their disposal under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

24. Grievance redressal and complaints.- (1) All complaints or grievances arising out of employment including those relating to unfair treatment or wrongful exaction on the part of employer or his agent, shall be submitted to the manager or person specified in this behalf with the right to appeal to the employer.
(2) For resolution of disputes arising out of individual grievances, an application in respect of such dispute may be filed before the Grievance Redressal Committee by the aggrieved worker under rule 7 of the Industrial Relations (Central) Rules, 2026 within one year from the date on which the cause of action of such dispute arises.

25. Liability of manager and workers.- (1) The employer/Management of the industrial establishment shall be responsible for the proper and due observance of the Standing Orders.
(2) Every worker shall observe these standing orders truly and faithfully.

26. Forwarding of information to the certifying officer.- (1) Where the employer adopts the model standing order of the Central Government referred to in section 29 of the Code, he shall inform the concerned certifying officer electronically, the specific date from which the provisions of the model standing orders have been adopted.
(2) The model standing orders adopted under sub-paragraph (1) in respect of an industrial establishment shall also be applicable to all other industrial units of the establishment irrespective of location.
(3) On receipt of information under sub-paragraph (1), the certifying officer shall enter the details of the industrial establishment which has adopted the model standing order in the register maintained under rule 47 of the Industrial Relations (Central) Rules, 2026.

27. Exhibition of Standing Orders.- A copy of these standing orders in Hindi, English and local language shall be displayed on the notice board or electronic board and Human Resource portal of the industrial establishment, if any.

Lesson 5: Drafting of Commercial Contracts

1. Point no. 6 of Necessary provisions for Service Agreements

"6. Effect of Labour Laws: Many Laws have been passed by the Central or State legislatures relating to the conditions of employment of teachers and other employees of aided schools and colleges and of universities, and of workers in factories and commercial establishments, for e.g. The Code on Wages, 2019, The Industrial Relations Code, 2020, The Code on Social Security, 2020 and The Occupational Safety, Health and Working Conditions Code, 2020 etc. In drawing up a service contract for such an employee, the provisions of the relevant Acts must be kept in view. Any term of contract contrary to the statutory provisions will be null and void, as it is not open to an employee to contract out of the safeguards provided by the legislature for his protection."

Lesson 11: Art of Advocacy and Appearances

1. ICSI (GUIDELINES FOR ATTIRE AND CONDUCT OF COMPANY SECRETARIES), 2020

RELATED CLAUSES OF THE ICSI MANAGEMENT AND DEVELOPMENT OF COMPANY SECRETARIES IN PRACTICE (PCS) GUIDELINES, 2023

The ICSI (Attire and Conduct of Company Secretaries in Practice) Guidelines, 2020

Applicability

(i) These Guidelines shall apply to Company Secretaries whether in Employment or in Practice appearing before the quasi-judicial bodies, statutory authorities and other government agencies/bodies including but not limited to ROC, OL, RD, NCLT, NCLAT, NGT, RBI, SEBI, CCI, Income Tax Department, GST Department, Stock Exchanges and any other Offices of Regulators/Registrars under different laws on behalf of their employer/ clients.
(ii) Endeavour shall be made by Company Secretary in Practice to follow these guidelines for appearing before all clients as well.

Dress Code
A. The dress code to be adhered to by the Company Secretaries in Practice is as under:
A.1 For Male Members:
a. Navy Blue Suit (Coat & Trouser, plain/solid coloured)
OR
Navy Blue Blazer over a sober plain/solid coloured Trouser preferably light grey. The fabric of the coat/blazer may be as per the weather.
b. Navy Blue Neck Tie preferably with CS logo or any other tie with CS Logo.
c. Buttoned up Coat
d. White full sleeve collared Shirt
e. Formal Shoes
f. The socks may be of any plain/solid colour preferably matching with the colour of Trousers.

A.2 For Female Members:
a. Navy Blue suit (Coat & Trouser, plain/solid coloured), with White full sleeve collared Shirt
b. Saree /suit of sober colour with Navy Blue Blazer
c. Formal footwear
d. Scarf with CS Logo is recommended to be worn.

B. Restricted items of attire
B.1 The following items of attire shall not be worn in any case:
a. Clothes that are too revealing or not fitting well.
b. Short or skirts or half sleeves shirt.
c. Sunglasses, Caps, Hats, mufflers.
d. Hand Gloves.
e. Face Masks and veils (except when worn for medical reasons/precautions).

f. Sports shoes, slippers, casual footwear.
g. Singlets, T-shirts, Jeans.
h. Medallions, except where the professional has a constitutional right thereto.
i. Medical equipment which would force the trial judge to either grant a continuance or influence the judge in any manner prejudicial to the administration of justice.
j. Earphones, headphones and any other electronic communication equipment.

C. Exceptions

C.1 The intent of these guidelines is not to impose rigid standards not directly related to judicial administration and accordingly, exceptions are given for the following:
a. Turbans, may be worn for religious, cosmetic or other legitimate purposes in plain/solid sober colours.
b. Head gear, adhering to good sense of community standards and having a balance with professional's attire may be worn.
c. Hearing aids, so that a person with hearing loss can listen, communicate, and participate more fully in daily activities.

Wherever the quasi-judicial bodies, statutory authorities and other government agencies/bodies referred above have defined a particular dress code for appearing before them, in the courtroom / or otherwise, the same shall be adhered to.

Etiquette When Attending Hearings

All members shall endeavour to adhere to the following:
a) Do not enter the court room chewing gum or toffee, beetle-leaf, tobacco, gutkha, mouth freshener, pan-masala, or any eatables.
b) Do not enter the court room in an inebriated state.
c) Switch off all mobile and other beeping devices or put them on silent mode (non-vibrating) and keep them inside the bag or pocket before entering the courtroom as these may disrupt the proceedings.
d) Enter the courtroom or office of the Presiding Authority silently and bow/greet to the Presiding Authority as a sign of respect before proceeding to your seat.
e) Silence must be observed at all times during the hearing.
f) Ensure that all loose sheets of papers are securely fastened, indexed and tagged so as not to waste the time of the court in locating the documents.
g) Ensure that all documents needed for the hearing are available with you, including copies already submitted in advance with the authority.
h) Behave in a polite and courteous manner with all present in the court room and maintain decorum.
i) Do not attempt to capture photographs or audio/video record during the proceedings.
j) All efforts must be made to observe the above etiquettes as well, even while attending virtual hearing. Further for virtual hearing the member shall ensure that the environment from which the member is appearing (virtually) is in line with the prescribed directions and/or recommended standards for such virtual appearance.

Etiquettes while Attending Virtual Hearings

All members shall endeavour to adhere to the following additionally, in case of virtual hearing or E-hearing:

a) Before the hearing, familiarize yourself with your microphone, camera and speakers, test your technology from the place where you plan to participate in the hearing.

b) Dress code as mentioned in above paras should be adhered too.

c) Excessive physical movements should be avoided.

d) Computer or camera angle should be placed in such manner that is straight at or a bit above eye level.

e) Overly bright or extremely dark background should be avoided as they do not translate well on camera. Additionally, background should be clear and uncluttered.

f) While using spectacles/glasses they should have non-reflective coating.

g) Use an external microphone, a headset or earbuds with a built-in microphone, where possible- this supports good audio quality and helps other participants to hear you clearly. Mute your microphone when not speaking. This reduces echo and background noise.

h) Preferably, mute notifications on your computer/device.

Consequences of Violation

Any non-compliance with these Guidelines shall render the member liable for action under the Company Secretaries Act, 1980 read with First Schedule and Second Schedule to the Company Secretaries Act, 1980.

Lesson 12: Applications, Petitions and Appeals under Companies Act, 2013

1. Rule 25: Merger or Amalgamation of certain companies

Rule 25 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 has been amended at various times including recent amendments vide Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2023 and The Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2025 dated 4th September, 2025. The amended rule 25 is as follows:

(1) The notice of the proposed scheme under clause (a) of sub-section (1) of section 233 of the Act, to invite objections or suggestions from the Registrar and official liquidator or persons affected by the scheme shall be in Form No.CAA.9:

Provided that in case of a company regulated by a sectoral regulator such as Reserve Bank of India, Securities and Exchange Board, Insurance Regulatory and Development Authority of India or Pension Fund Regulatory and Development Authority, as the case may be, the notice shall be issued to the concerned regulator and to respective stock exchanges, for listed companies, for objections or suggestions within the period specified in clause (a) of sub-section (1) of section 233.

(1A) A scheme of merger or amalgamation under section 233 of the Act may be entered into between any of the following class of companies, namely:-

(i) two or more start-up companies; or

(ii) one or more start-up company with one or more small company; or.

Explanation.- For the purposes of this sub-rule, “start-up company” means a private company incorporated under the Companies Act, 2013 or Companies Act, 1956 and recognised as such in accordance with notification number G.S.R. 127 (E), dated the 19th February, 2019 issued by the Department for Promotion of Industry and Internal Trade.

(iii) one or more unlisted company, (not being company referred to in section 8 of the Act) with one or more unlisted company, (not being company referred to in section 8 of the Act), where every company involved in the merger,-

(a) has, in aggregate, outstanding loans, debentures or deposits not exceeding two hundred crore rupees, and

(b) has no default in repayment of loans, debentures or deposits referred to in sub-clause (a), on a day, not more than thirty days before the date of notice referred to in clause (a) of sub-section (1) of section 233 of the Act and on the date of filing of scheme under sub-section (2) of section 233 of the Act:

Provided that a certificate from the auditor of the company that the company meets the conditions referred to in this clause shall be filed in Form No. CAA-10A along with the copy of the approved scheme referred to in subsection (2) of section 233 of the Act;

(iv) a holding company (listed or unlisted) and a subsidiary company (listed or unlisted):
Provided that this clause shall not apply where the transferor company or companies are listed;

(v) one or more subsidiary company of a holding company with one or more other subsidiary company of the same holding company where the transferor company or companies are not listed;

Illustration:-
Company 'D' is the subsidiary of Company 'C' and Company 'C' is the subsidiary of Company 'B' and in turn Company 'B' is the wholly owned subsidiary (WOS) of Company 'A'.

In this case Company 'B' is the WOS of Company 'A'. Company 'C' and Company 'D' are subsidiaries of the same holding company i.e., Company 'A'

Subject to the condition stated in the clause, schemes of merger or amalgamation or transfer or division between Company 'A', Company 'B', Company 'C' and Company 'D' or any combination thereof would be covered under this clause.

(vi) merger of the transferor foreign company incorporated outside India being a holding company with the transferee Indian company being its wholly owned subsidiary company incorporated in India referred to in sub-rule (5) of rule 25A.

(2) For the purposes of clause (c)of sub section (1) of section 233 of the act the declaration of solvency shall be filed by each of the companies involved in the scheme of merger or amalgamation in Form No.CAA.10 (as attachment to Form GNL-1) along with the fee as provided in the companies (Registration offices and fees) Rules, 2014, before convening the meeting of members and creditors for approval of the scheme.

(3) For the purpose of clause (b) and (d) of sub-section (1) of section 233 of the Act, the notice of the meeting to the members and creditors shall be accompanied by-

(a) a statement , as far as applicable, referred to in sub section (3) of section 230 of the act read with sub rule (3) of rule 6 hereof ;

(b) The declaration of solvency made in pursuance of clause (c) of sub-section **(1)** of section 233 of the Act in Form No.CAA.10**;**

(c) A copy of the scheme.

(4) (a) For the purposes of sub-section (2) of section 233 of the Act, the transferee company shall, within a period of fifteen days after the conclusion of the meeting of members or class of members or creditors or class of creditors, file a copy of the scheme as agreed to by the members and creditors, along with a report of the result of each of the meetings and the report of the registered valuer in Form no. CAA.11 (as attachment to Form RD-1), with the Central Government, along with the fees as provided under the Companies (Registration Offices and Fees) Rules, 2014:

Provided that in case of a company referred to in proviso to sub-rule (1), a statement about the manner in which the objections or suggestions, if any, of the sectoral Regulator or the stock exchanges, as the case may be, have been addressed in the scheme shall be attached with the scheme.

(b) Copy of the scheme shall also be filed , along with Form No. CAA.11with-

(i) the registrar of companies in form no. GNL-1along with fees provided under the companies (Registration offices and fees) rules, 2014 ; and

(ii) the official liquidator through hand delivery or by registered post or speed post.

(5) Where no objection or suggestion is received within a period of thirty days of receipt of copy of scheme under sub-section (2) of section 233, from the Registrar of Companies and Official Liquidator by the Central Government and the Central Government is of the opinion that the scheme is in the public interest or in the interest of creditors, it may, within a period of fifteen days after the expiry of said thirty days, issue a confirmation order of such scheme of merger or amalgamation in Form No. CAA.12:

Provided that if the Central Government does not issue the confirmation order within a period of sixty days of the receipt of the scheme under sub-section (2) of section 233, it shall be deemed that it has no objection to the scheme and a confirmation order shall be issued accordingly.

(6) Where objections or suggestions are received within a period of thirty days of receipt of copy of scheme under sub-section (2) of section 233 from the Registrar of Companies or Official Liquidator or both by the Central Government and –

(a) such objections or suggestions of Registrar of Companies or Official Liquidator, are not sustainable and the Central Government is of the opinion that the scheme is in the public interest or in the interest of creditors, it may within a period of thirty days after expiry of thirty days referred to above, issue a confirmation order of such scheme of merger or amalgamation in Form No. CAA.12.

(b) the Central Government is of the opinion, whether on the basis of such objections or otherwise, that the scheme is not in the public interest or in the interest of creditors, it may within sixty days of the receipt of the scheme file an application before the Tribunal in Form No. CAA.13 stating the objections or opinion and requesting that Tribunal may consider the scheme under section 232 of the Act:

Provided that if the Central Government does not issue a confirmation order under clause (a) or does not file any application under clause (b) within a period of sixty days of the receipt of the scheme under sub section (2) of section 233 of the Act, it shall be deemed that it has no objection to the scheme and a confirmation order shall be issued accordingly.”.

(7) The confirmation order of the scheme issued by the central government or tribunal under sub section (7) of section 233 of the Act, shall be filed, within thirty days of the receipt of the order of confirmation, in **Form INC-28**along with the fees as provided under companies (registration offices and fees)rules 2014 with the Registrar of companies respectively.

(8) For the purpose of this rule, it is clarified that with respect to schemes of arrangement or compromise falling within the purview of section 233 of the act, the concerned companies may , at their discretion, opt to undertake such schemes under sections 230to 232 of the Act, including where the condition prescribed in clause (d) of sub-section (1) of section 233 of the act has not been met.

(9) The provisions of this rule shall mutatis mutandis, apply in respect of a scheme of division or transfer of undertaking of a company referred to in clause (b) of sub-section (1) of section 232 and while passing such order, the Central Government may make provisions of the nature specified in clauses (a) to (j) of sub-section (3) of section 232 to the extent they are applicable.

2. Issue of process of execution (Rule 57 of NCLT Rules, 2016)

(1) On receipt of an application under rule 56 the Tribunal shall issue a process for execution of its order in such Form as provided in the Code of Civil Procedure, 1908.

(2) The Tribunal shall consider objection, if any, raised by the respondent and make such order as it may deem fit and shall issue attachment or recovery warrant in such form as provided in the Code of Civil Procedure, 1908, as the case may be.

3. Collective actions recognized under Indian Laws other than the Companies Act, 2013

Provisions such as class action suits allowing parties to represent other aggrieved persons in a representative capacity are set out in the following Indian Laws:
(a) Civil Procedure Code, 1908 ("CPC")
(b) Competition Act 2002 ("Competition Act")
(c) Public Interest Litigation.

Actions under the CPC

Actions provided for under Order 1, Rule 8 of the CPC can be filed by the concerned persons before a court by seeking the permission of the court or by the direction of the court. The action must be filed before the appropriate court with requisite territorial and pecuniary jurisdiction. While territorial jurisdiction is determined based on (among others) cause of action and/or locations of defendants, pecuniary jurisdiction is based on the valuation of the lawsuit, and differs across different states in India.

The provisions regarding the filing of representative actions are set out under Order 1, Rule 8 of the CPC. Under this rule, an individual or group of individuals can file an action for the benefit of all persons interested in the subject matter of the litigation. However, to bring an action the following conditions must be met:

(a) Numerous parties must be present in the representative action.
(b) All parties must share the same interest (commonality of interest).
(c) The action is maintainable only upon seeking prior permission of the court.
(d) On permission being given by court, the court must issue notice to all the interested parties.
(e) No part of the action can be withdrawn or a compromise recorded unless notice is given to all interested persons.
(f) If the person suing or defending in representative capacity is not acting with due diligence, the court can substitute in his place any other person with the same interest in the representative action.

Consequently, a decree passed by the court in a representative action will be binding on all persons on whose behalf, or for whose benefit, the suit was instituted, or defended (as the case may be) (Order 1 Rule 8(6), CPC).

In addition to Order 1 Rule 8, the CPC has another provision relating to collective action. Section 91 empowers two or more persons to file a suit with the permission of the court to seek a declaration and injunction or any such other relief against public nuisance or other wrongful act affecting, or likely to affect the public. Such an action can be brought even if no special damage has been caused to such persons by reason of such public nuisance or other wrongful act.

In a representative suit there are numerous plaintiffs with different complaints and claims represented by one. In this one case is not taken as a base whereas each and every case or claim is discussed while deciding this particular representative suit. However the Scope of Order 1 Rule 8 of CPC is much wider than the one specified u/s. 245 of the 2013 Act.

Actions under the Competition Act

Applications made under section 53(N)(1) of the Competition Act must be filed before the Competition Appellate Tribunal (COMPAT[2]). The Competition Act recognises the need to compensate parties for loss or damage caused as a result of anti-competitive conduct. The Competition Act also recognises that the conduct of parties may affect numerous parties for whom an individual claim may not be viable, accordingly, it provides for class actions as a form of redressal for numerous parties affected by anti-competitive conduct. Where numerous persons with the same interest have suffered loss or damage caused by the anti-competitive conduct of an enterprise (upheld by a decision of the Competition Commission of India (CCI) or the COMPAT or the Supreme Court) one or more such persons as well as persons acting for and on behalf of all persons can make an application to the COMPAT for the recovery of compensation for any loss or damage suffered (section 53N(4), Competition Act).

In such cases, the provisions of Order 1, Rule 8 of the CPC apply subject to the following modifications:

(a) Every reference therein to a lawsuit must be construed as a reference to the aforementioned application to the COMPAT.
(b) Every reference to a decree must be construed as a reference to the order of the COMPAT.

Public Interest Litigation

Public Interest Litigation ("PILs") in common parlance means a legal action filed for the interest of general public. It is a tool for safeguarding the socio economic rights and Judiciary has used it as a weapon against the wrongdoers. Class Action has been brought up on the same lines but there are some key differences between the two of them. Class Action can be filed against any entity including private entities whereas PILs can only be filed against State or Public Authorities in High Court or Supreme Court. Representative in the Class Action Suit must suffer an injury or have interest in the claim whereas there is no such requirement in PIL for the plaintiff.

[2] At present, National Company Law Appellate Tribunal.

Lesson 13: Adjudications and Appeals under SEBI Laws

1. Updates in the Case Studies

The cases Century Enka Limited vs. Securities and Exchange Board of India & Ors., The Appellant, Mega Resources Limited, Re: Sun Infoways Limited and R. Jhunjhunwala and Ors. to be considered as deleted and the following cases be added:

I. Som Distilleries & Breweries Ltd. vs. Securities and Exchange Board of India (Securities Appellate Tribunal dated February 20, 2026)

SAT upheld SEBI's penalty on the company for misleading and inadequate disclosure regarding cancellation of its ₹100 crore expansion plan and preferential issue, violating SEBI LODR Regulations.

Facts of the Case

This appeal is directed against order dated November 30, 2023, passed by the Adjudicating Officer, SEBI imposing a penalty of ₹5 Lakhs on the appellant for violation of the SEBI Act, 1992 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations").

Brief facts of the case are, appellant is a listed company. Upon receipt of a SCORES complaint, SEBI conducted an examination to ascertain possible violation of LODR Regulations for the period between December 9, 2022 and February 2, 2023 and issued a show cause notice alleging inter alia that:

(i) the Board of Directors of the company had approved an expansion plan of approximately ₹100 Crores for setting up new facilities at Bhopal and Hasan plant; and approved raising of capital through issue of convertible equity warrants to the promoters/promoters group on preferential basis by issuing upto 65,000 warrants convertible into equity shares of ₹5 each at a price of ₹142 (including premium of ₹137);
(ii) the company made a corporate announcement on December 15, 2022 for an EGM of members to be held on January 7, 2023 for consideration and approval of convertible equity warrants;
(iii) company made an announcement on January 2, 2023 stating that the EGM was cancelled owing to unforeseen and unavoidable circumstances;
(iv) on January 27, 2023, the Company uploaded an audio recording and its transcript on February 2, 2023, which showed that in the introductory message to the investors, Company's Finance Director had said that due to the lesser needs of funds towards capex the preferential issue had been deferred.

In this appeal, the SAT concerned matter was the violation of LODR Regulations with regard to lack of disclosure of the reasons for cancellation of EGM meeting scheduled on January 7, 2023 for approving the issue of convertible equity warrants for expansion plan of about ₹100 Crores.

A corporate announcement with regard to any expansion of facilities shall have impact on Company's share price. Admitted position is, Company made an announcement that the Board of Directors had decided to raise ₹100 Crores by issuing convertible equity warrants. The next announcement was that an EGM was scheduled to consider and approve the issuance of convertible equity warrants. It is relevant to note that the meeting was scheduled to be held on January 7, 2023. As noted hereinabove, once the corporate announcement indicating expansion is announced, there is possibility of increase in the share price. On January 2, 2023, a clever announcement was made stating that the meeting was cancelled. That would not disclose a clear message that Company had cancelled its proposal to issue convertible equity warrants. The reason given for cancelling the meeting is unforeseen or unavoidable circumstances. But, it is relevant to note that in the announcement made on January 27, 2023, the Director Finance has stated that the preferential issue had been deferred due to lesser needs of the funds. Thus, the reasons for cancellation of meeting disclosed on January 2 and 27, 2023 are completely different.

SAT Order

The LODR Regulations requires listed companies to make adequate and accurate disclosures in simple language. Here is a case, the Company in its first corporate announcement gave an impression that convertible equity warrants would be issued to raise ₹100 Crores and nearly after one month a clever announcement was made stating that the 'meeting was cancelled' due to unforeseen circumstances, whereas the actual reason was lesser need of funds. But the most relevant and important aspect is giving an impression to the investors that the Company was proposing expansion of ₹100 Crores and not clearly intimating the cancellation of that proposal. In these circumstances, the AO has rightly held that it is difficult to quantify the disproportionate gains made by the appellant and imposed the monetary penalty.

In view of undisputed facts recorded, no exception can be taken with the impugned order. In the result, this appeal fails and is accordingly dismissed

II. M/s. Computech Sharecap Limited v. Securities and Exchange Board of India (SEBI) (Securities Appellate Tribunal dated March 18, 2026)

The Securities Appellate Tribunal granted relief to the appellant by setting aside the harsh cancellation of appellant's registration imposed by SEBI

Facts of the Case:

Computech Sharecap Limited ('appellant') is a SEBI registered 'Registrar to an Issue and Share Transfer Agent' ('RTA'). By its letter dated December 12, 2018, SEBI informed the appellant that an inspection would be conducted. Along with the said letter, a questionnaire was sent for the appellant to submit information. It is alleged that appellant did not cooperate during SEBI's inspection. Appellant did not furnish the requisite data sought in the questionnaire.
In substance, SEBI's allegations are:

- Appellant did not cooperate with SEBI officials during the inspection;
- Appellant did not cooperate during the audit;

- Appellant failed to provide requisite data within the stipulated time;
- Appellant did not maintain records; and
- Appellant failed to file half-yearly reports with SEBI since 2013.

SEBI appointed a Designated Authority, who recommended cancellation of appellant's certificate of registration. A show cause notice was issued to the appellant and after granting an opportunity of hearing, impugned order has been passed.

This appeal is directed against order dated June 11, 2021, passed by the WTM, SEBI, cancelling the appellant's certificate of registration as an RTA.

SAT Order

Admittedly, there were no complaints against the appellant to conduct inspection and audit. It is also not disputed that appellant has been functioning as an RTA since 1969. In the two letters referred by learned Senior Advocate for the SEBI, SAT has not found any objectionable language or intent. All that the appellant has conveyed is the office timings and even wished the audit team a 'pleasant stay' in Mumbai.

Further, a careful perusal of the violations committed by the other RTAs and the penalty imposed on them vis-a-vis the alleged violations against the appellant, shows that the direction cancelling the registration in appellant's case is far too harsh.

Keeping in view, the gravity of violations, SAT is of the considered opinion that cancellation of appellant's registration is extremely harsh. Hence, Appeal is allowed in part. Order dated June 11, 2021 passed by the WTM, SEBI is modified restraining the appellant from onboarding or accepting any new client for a period of one year from today. Pending interlocutory application(s), if any, stand disposed of.

III. In the case of ***Securities and Exchange Board of India (SEBI) v. Ram Kishori Gupta & Anr. (Supreme Court dated 07.04.2025)***, the Hon'ble Apex Court has laid down that principle of res-judicata applies on proceedings before the SEBI and its WTMs under the Act of 1992.

The Supreme Court inter alia relied on the case of *Hope Plantations Ltd. vs. Taluk Land Board, Peermade and another*, in which a 3-Judge Bench of this Court affirmed that the principle of res judicata is based on public policy and justice. It was pointed out that the rule of res judicata prevents the parties to a judicial determination from litigating the same question over again, even though the determination may be demonstrably wrong. It was held that when proceedings attain finality, parties are bound by the judgment and are estopped from questioning it. They cannot litigate again on the same cause of action, nor can they litigate any issue which was necessary for decision in the earlier litigation. It was pointed out that Section 11 of the Code of Civil Procedure, 1908, contains provisions of res judicata but these are not exhaustive of the general doctrine of res judicata. It was observed that the principles of res judicata would be equally applicable in proceedings before administrative authorities.

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