

**MARCH  
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03**

# **STUDENT COMPANY SECRETARY**

**[e-Journal for Executive & Professional Students]**



**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)

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# STUDENT COMPANY SECRETARY

[e-Journal for Executive & Professional Students]

March 2024

## Contents

From the President	1
From the Secretary	3
Recent Initiatives for Students	4
<b>I. ACADEMICS</b>	
• Articles	5
• Regulatory Updates	21
• Legal Maxims	28
• Legal World	30
• Case Snippets	44
<b>II. STUDENT SERVICES</b>	52
<b>III. EXAMINATION</b>	69
<b>IV. MEMBERSHIP</b>	71

*President*

**CS B. Narasimhan**

*Vice-President*

**CS Dhananjay Shukla**

**PREPARED BY DIRECTORATE OF ACADEMICS**

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## ***Important Announcement for Students***

The CS course being a professional course, the Students are expected to have a comprehensive knowledge and are therefore, advised to refer to list of further readings / reference books / regulatory websites indicated in the study material apart from the relevant Bare Acts, Rules, Regulations as well and give reference to the Case Laws on the subject wherever applicable while answering questions in the examinations.

## **Clarification pertaining to 20% case based objective type questions under Executive Programme of ICSI New Syllabus 2022**

Under Mode of Examination in ICSI New Syllabus 2022, it is indicated as under:

*"Combination of both 20% case based objective type questions and 80% descriptive questions at all papers at Executive Programme except Paper No. 4 i.e. Corporate Accounting and Financial Management which is 100% descriptive."*

It is clarified to the students that case based objective type questions means questions which entail specific answer along with the explanation or justification. It may be noted that MCQs will not be covered under case based objective type questions. An indicative example of case based objective type question is provided hereunder for your reference:

*"Mr. X an Indian resident had remitted an amount of USD 2,80,000 under Liberalised Remittance Scheme (LRS) for family maintenance in USA during the F.Y. 2021-22 which exceeded the prescribed limit of USD 2,50,000. The Bank had reportedly sought clarification from the Mr. X. Mr. X claimed ignorance stating that he assumed that the LRS limit was unlimited and hence did not declare the transactions done. Mr. X was issued a memorandum of contravention advising him to remit back the excess amount.*

*In view of the above facts, answer the following with reasons:*

- (i) Can remittances be made only in US Dollars? Is Mr. X eligible to compound the contravention of Liberalised Remittance Scheme?*
- (ii) Mr. X had remitted an amount of USD 2,80,000 under Liberalised Remittance Scheme (LRS) for expenses in connection with medical treatment abroad. Will your answer be different in this situation ?"*

It may also be noted that the question paper may include objective type case based questions, case based descriptive questions, Policy and/or concept based questions.

**Team ICSI**

## ***INFO CAPSULE***

*<https://www.icsi.edu/infocapsule/>*

## ***SUBJECTWISE MONTHLY UPDATES***

*[https://www.icsi.edu/student\\_pn/academic-portal/subjectwise-monthly-updates/](https://www.icsi.edu/student_pn/academic-portal/subjectwise-monthly-updates/)*

## ***GUIDELINE ANSWERS***

*[https://www.icsi.edu/student\\_pn/academic-portal/guideline-answers/](https://www.icsi.edu/student_pn/academic-portal/guideline-answers/)*

## ***RESEARCH CORNER***

*[https://www.icsi.edu/student\\_pn/academic-portal/research-corner/](https://www.icsi.edu/student_pn/academic-portal/research-corner/)*

### **ICSI IS INTRODUCING CENTRALIZED FREE ONLINE CLASSES FROM 1<sup>ST</sup> DECEMBER 2023**

ICSI is introducing free online Centralized classes for the students of Executive Program (New Syllabus) and Professional Programme (New Syllabus) from 1<sup>st</sup> December 2023 onwards. These Classes will be 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. The best faculties in the country will be taking these classes and special sessions of experts will also be conducted. Students registered for these classes will be eligible to get exemption from pre-exam test subject to clearing of tests of respective group/s. Further, students registered for these classes will also be given free access to online doubt clearing classes conducted by the Institute.



*"The man who does not read books has no advantage over the one who cannot read them."*

*~ Mark Twain*

### **Dear Students,**

As the world celebrates International Women's Day, I am tempted to quote a renowned activist, G.D. Anderson, *"Feminism isn't about making women stronger. Women are already strong. It's about changing the way the world perceives that strength."*

We at the Institute of Company Secretaries of India, not only celebrate the day with wholesome enthusiasm and vigour, across the various CCGRTs, Regional Offices and Chapters of ICSI, but feel immensely endowed to have the woman power by our side. With near about half of our member, student and employee-base strengthening our goal of promoting gender diversity, the ICSI is proud to share the thought and agenda of the United Nations for the IWD 2024 - Invest in women: Accelerate progress.

It is for this allegiance, that the 2nd National Women's Conference of ICSI scheduled to be held at Bengaluru on March 22-23, 2024 is centered around the same theme. I am sure that as students aiming to support the various aspects of good governance, you would definitely join us in raising intellectual and intelligent deliberations on gravelling the road to progress for the nation by investing in its women.

Friends, as we celebrate womanhood another matter that calls for greater celebration is the declaration of results of the Executive and Professional Programme of the December 2023 session of Examinations. My heartiest congratulations to each one of you and best wishes for the next steps of your journey.

To all my young friends, who were not able to reach their desired goals, well, the next session is just around the corner. And while I and all those well-wishers around you would keep reminding you and doing our bit to motivate you, do remember that it is your journey to take and ace with all your might. At the end of the day, it is you who has to keep your morale sky high and exercise immaculate precision and persistence in your preparatory efforts. My best wishes to all of you !

Friends, with the Union Budget for the upcoming Financial Year released, there is no doubt that the Indian economy is moving at an amazing pace on the trajectory of economic development which is manifested in various accomplishments and initiatives of the government, but most importantly backed by 'Sabka Prayas' – which means a combined effort on all our parts.

Together we are looking at the achievement of the vision of 'Prosperous Bharat' in harmony with nature, modern infrastructure and opportunities for all.

Just as multitude of opportunities are knocking the doors of professionals to portray their prowess, so is the need to be conversant with requisite wisdom to harness the opportunities. The path towards success should be meticulously planned so that despite the hurdles, every route leads to victory.

As the month also marks the festival of colours, Holi, I would wish that your wisdom also attains multifarious colours of knowledge, robust understanding of pertinent laws and concepts to vanquish the challenges and attain excellence in your professional journey.

Wish you and all your family members a colourful and joyous Holi !!!

Regards,

**(CS B. Narasimhan)**

*President*

The Institute of Company Secretaries of India



*Learning is not attained by chance, it must be sought for with ardour and attended to with diligence.*

*-Abigail Adams*

### **Dear Students,**

The month of March marks the end of yet another Financial Year, and gives us a moment to ponder over the economic and social achievements of the year gone by. If one may look back, the year gone by witnessed India taking Centre Stage by playing the perfect host for the G20 Summit. It was during these deliberations that strong stands were taken towards taking a more holistic approach on development and emphasizing in great detail on the components of ESG.

The month of March also brings the world together in the celebration of International Women's Day. Even though gender diversity is common across the globe, each nation has its own set of unique issues and challenges when it comes to empowering the feminine side and laying foundations of gender equality. In the Indian backdrop, the commitment of the government is clearly pronounced by way of the varied schemes rolled out from time to time touching upon the different aspects of women's personal, professional, economic, and social lives. As an Institute which takes great pride in its gender equality across members, students and employees, we laud all the initiatives undertaken in this regard and hope that the concerned stakeholders reap maximum benefits. For it is in our combined efforts as a nation that we can realise the dream and goal of making India a 'Viksit Bharat'.

Coming to the most anticipated time of the year – the declaration of results for December 2023 Examinations. I feel proud to congratulate all the professional programme students who are now just a step or two away from becoming a full-fledged member of the ICSI. My best wishes to all those who have a few steps remaining – whether your next step is a Group or the next Programme, each one shall require equal effort, commitment and dedication and I hope that you put in your heart and soul into achieving and accomplishing this goal of yours. For those students who might be a tad bit disheartened from unfavourable results, a word of advice. Just as success shouldn't get to your head, so should the mind stay calm and unfettered from self-doubt in times of failure; for failure is just a stumbling block and not the end of the road.

The month towards its end, shall leave us drenched in splashes of colour and I hope that it also fills you with much greater happiness and zeal. On that note, wishing all of you a very happy and colourful Holi...!!!

Regards

**(CS Asish Mohan)**

*Secretary*

The Institute of Company Secretaries of India



## RECENT INITIATIVES FOR STUDENTS

- The **Student Company Secretary e-journal** for Executive / Professional programme students of ICSI has been released for the month of **February, 2024**. The same is available on the Institute's website at the weblink: [https://www.icsi.edu/student\\_pn/academic-portal/student-company-secretary/](https://www.icsi.edu/student_pn/academic-portal/student-company-secretary/)
- The **CSEET Communique (e-bulletin)** for the month of **February, 2024** containing the latest updates /concepts through articles /write-ups and sample questions in respect of parts of the CSEET has been placed on the ICSI website. The same is also available at the CSEET Portal at the Institute's website at the weblink: [https://www.icsi.edu/student\\_pn/cseet/cseet-e-bulletin/](https://www.icsi.edu/student_pn/cseet/cseet-e-bulletin/)
- **Info Capsule** is being issued as an update on daily basis for members and students, covering latest amendments on various laws for the benefit of our members and students. The same is available on the ICSI website at the weblink: <https://www.icsi.edu/infocapsule/>
- The updated study material for Executive Programme under Syllabus 2022 applicable for June 2024 session was released in 6<sup>th</sup> Leadership Summit 2024. The same is available on the ICSI website at the weblink: [https://www.icsi.edu/student\\_pn/academic-portal/new-syllabus-2022/executive-programme/](https://www.icsi.edu/student_pn/academic-portal/new-syllabus-2022/executive-programme/)
- Supplements for all the subjects of Executive and Professional Programme under Syllabus 2022 and Syllabus 2017 as applicable for June 2024 examinations have been uploaded on ICSI website.
- Organising Samadhan Diwas: Samadhan Diwas was launched by the Institute on 27th February 2021 with the objective of providing "on-the-spot" resolution to issues/grievances of trainees and trainers. During the Samadhan Diwas, the officials of Directorate of Training interact with the trainees and trainers and provide them the resolution to their grievances.  
The 41<sup>st</sup> Samadhan Diwas was organised on 13th March, 2024 through virtual mode. 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.
- Extension of Compulsory Switchover to New Training Structure for a period of 3 months i.e. upto 31st March 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 31st March 2024. The Compulsory Switchover to New Training Structure shall now be applicable w.e.f. 1st April 2024.
- Launch of New Training Guidelines 2024: The Institute has launched its Student Training Guidelines 2024 during Yuvotsav-2024 (National Conference of Student Company Secretaries) organized by ICSI on 11th - 12th January 2024. The link for these Guidelines are available on the website of the Institute at: [ICSIStudentTrainingGuidelines15012024.pdf](#).

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Jointly offers



# Corporate and Securities Markets Compliances (Executive Program)

One Year Full Time Residential Program at,  
NISM Patalganga Campus, Near Navi Mumbai

## About CSMC (Executive Program)

CSMC (Executive Program) is a one-year residential program that provides students with exposure to a wide range of subjects covered in the CS executive program. In addition, the program includes added subjects related to listed issuers and securities market compliances such as an Overview of securities markets, Issuer compliances, Intermediaries Compliances, Derivatives, and corporate governance. The curriculum is carefully crafted and benchmarked with the best and contemporary texts. The program also includes application-based teaching pedagogy and industry internship that serves as a strong foundation for further grooming and growth into various career paths in the corporate/ financial/ securities markets compliance role. CSMC students are positioned to take up a wide range of roles and responsibilities of compliance professionals with the listed companies, market infrastructure institutions, and intermediaries.

## For Whom?

The CSMC (Executive Program) is an ideal platform for those who are passionate about corporate and securities market compliances, and aspire to gain in-depth knowledge and build a long-term career in these areas. The program is suited for fresh graduates, postgraduates, and experienced candidates who are enrolled in the CS executive program and have a passion for compliance roles with listed companies and securities market stakeholders. Over the course of one year, students will immerse themselves in the program and develop their knowledge and skills in taking compliances.

Individuals who have graduated from various disciplines, including Commerce & Accounting, Management, Economics, Law, Mathematics, Statistics, Engineering, and others, and are enrolled in the CS Executive program are eligible to apply.

Individuals who have completed the Final Course of ICAI (The Institute of Chartered Accountants of India) or ICMAI (The Institute of Cost Accountants of India) and are currently enrolled in the CS Executive program are also eligible to apply.

## Benefits of Program

CSMC –Executive Program can lead the successful participants to the following careers pathways:

- **Listed Companies:** Role as a compliance officer.
- **Market Infrastructure Institutions:** Role as a compliance professional and compliance officer with Market Infrastructure Institutions including Stock Exchanges, Commodity Exchanges, Clearing Corporations and Depositories etc.
- **Intermediaries:** Role as a compliance officer with the primary and secondary market intermediaries,  
The objective of NISM for designing a program of this kind is “to create a cadre of compliance officers”.

# Admission Process

## Eligibility Criteria

I) Graduate/Post Graduate with a minimum of 50 % marks from a recognized university in India.

Or

II) ICAI (The Institute of Chartered Accountants of India) Final Course Passed students

Or

III) ICMAI (The Institute of Cost Accountants of India) Final Course Passed students

And

I) Students must be enrolled in the CS (Executive) program (Offered by ICSI)

## Important Dates:

Start Date for Application	Last Date for Application	Commencement of Program
March 05, 2024	May 31, 2024	July 30, 2024



## Selection Criteria

Selection to the Program will be through an online entrance test and online interview. Candidates qualified in the entrance test and online interviews will be offered admission. For Information regarding online entrance test and online interview, candidates can refer to **Frequently Asked Questions (FAQs)** available on [www.nism.ac.in/academics](http://www.nism.ac.in/academics) or [www.icsi.edu/home/icsi-nism/](http://www.icsi.edu/home/icsi-nism/)

## How to apply?

1. New user need to click on <https://apply.nism.ac.in/csmc-executive-form>
2. Upon successful registration, you will receive User ID and Password on the registered mobile number and Email ID.
3. After registration you can Log-in and fill in the application form and pay the application fee of Rs 500/- online.

# NiSM

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# *Academics*



- FAR BONDS IN BLOOMBERG'S INDEX BASKET – EXPANDING FINANCIAL HORIZONS
- SETTLEMENT & COMMITMENT UNDER COMPETITION ACT

## FAR BONDS IN BLOOMBERG'S INDEX BASKET – EXPANDING FINANCIAL HORIZONS\*

### Introduction

The recent announcement by Bloomberg of including Indian government securities called “Fully Acceptable Route (FAR) bonds” in the Bloomberg Emerging Market (EM) Local Currency Government Index and related indices have broadened the scope of Indian bond market. This inclusion process will be carried over 10 months, commencing from January 31, 2025. Indian FAR bonds will be included in the Bloomberg EM Local Currency Government indices with an initial weight of 10 percent of their full market value on January 31, 2025.

The weighting of FAR bonds will be enhanced in increments of 10 percent of their full market value every month over the 10-month period ending in October 2025, when they will be weighted at their full market value in the indices. Previously, it was envisioned to include FAR bonds in September 2024. It is heartening to note that this is the second major global index that will be including Indian bonds. JP Morgan had announced index inclusion from June 28, 2024.

In context of the above development, Nick Gendron, the global head of fixed-income index products at Bloomberg Index Services Limited (BISL), mentioned that Indian economy is on a steady growth trajectory, and the inclusion of Indian FAR Bonds in our Emerging Market Local Currency Government Index marks a key milestone amidst the measures India has taken to open its bond markets.

India is now poised to join China and South Korea once it completes integration into the Bloomberg Emerging Market per cent Country Capped Index. In the market-cap-weighted version of the index, India can be ranked as the third-largest country after China and South Korea. As of now, the index would utilise data as of January 31, 2024, and would encompass 34 Indian securities and represent 7.26 per cent of a \$6.18 trillion index on a market value-weighted basis. To comprehend the ownership pattern of government securities, i.e, Government of India Dated Securities and Treasury Bill, please refer exhibits 1 and exhibit 2.

\* Dr. Akinchan Buddhodev Sinha, Deputy Director, The ICSI

*Views expressed in the Article are the sole expression of the Author and may not express the views of the Institute.*

**Exhibit 1****Ownership Pattern of Government of India Dated Securities (GSEC)**

(Per cent of outstanding dated securities)

Category	Jun. 22	Sept. 22	Dec. 22	Mar.23	Jun.23
1. Commercial Banks	36.2	36.4	36.1	36.6	36.6
2. Co-operative Banks	1.8	1.8	1.7	1.6	1.6
3. Non-Bank PDs	0.3	0.4	0.4	0.5	0.7
4. Insurance Companies	26.3	25.9	26.1	26.0	26.2
5. Mutual Funds	2.3	2.6	2.9	2.8	2.7
6. Provident Funds	4.8	4.7	4.7	4.7	4.6
7. Pension Funds	3.6	3.8	3.9	4.0	4.2
8. Financial Institutions	1.1	1.0	1.1	1.0	1.2
9. Corporates	1.5	1.6	1.6	1.6	1.2
10. Foreign Portfolio Investors	1.4	1.4	1.3	1.4	1.6
11. RBI	16.1	15.3	14.7	14.3	13.8
12. Others	4.6	5.1	5.5	5.6	5.7
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

**Exhibit 2****Ownership Pattern of Treasury Bill**

Category	Jun. 22	Sept. 22	Dec. 22	Mar.23	Jun.23
1. Commercial Banks	51.4	50.9	49.2	53.9	47.6
2. Co-operative Banks	1.3	1.5	1.3	1.3	1.2
3. Non-Bank PDs	2.5	2.1	2.2	2.9	2.0
4. Insurance Companies	5.3	5.5	5.8	6.1	4.9
5. Mutual Funds	14.9	12.0	14.2	15.3	17.0
6. Provident Funds	1.7	3.2	1.4	0.1	1.5
7. Pension Funds	0.1	0.0	0.0	0.1	0.0
8. Financial Institutions	3.7	4.2	4.5	3.7	8.0
9. Corporates	4.3	3.9	3.6	5.0	4.4
10. Foreign Portfolio Investors	0.4	0.5	0.5	0.4	0.1
11. RBI	0.0	0.0	0.0	0.0	0.0
12. Others	14.5	16.3	17.4	11.3	13.2
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Department of Economic Affairs, Public Debt Management, Quarterly Report, April-June 2023

## **Bloomberg's Fixed Income Indices and Global Family of Indices**

Before proceeding further, it is of immense academic and research interests to explore Bloomberg's Fixed Income Indices and Global Family of Indices. The Bloomberg Fixed Income indices' history traces back to 1973 when the Kuhn, Loeb & Co. investment bank created the first version of bond total return indices. Over the subsequent decades, the ownership of these benchmarks has been passed to Lehman Brothers then Barclays before getting acquired by Bloomberg LP in August 2016.

Over the last 50 years, the index franchise, which started out as two US local benchmarks covering government and corporate bonds, have grown to a large family of indices spanning a multitude of fixed income sectors and geographies. More importantly, backed by rigorous governance and award-winning data, its indices became the market standard for fixed income investors seeking objective, rules-based, and representative benchmarks to measure the asset class return and risk.

As of September 2023, the Global Family of Indices includes more than 100,000 securities with a total market value exceeding \$68 trillion dollars. Bloomberg currently publishes more than 40,000 standard and bespoke indices daily representing more than 120 countries and 42 local currency debt markets.

The bond and portfolio analytics ecosystem around the indices has also grown and developed throughout the years. Complementary functions for tracking error, tail risk, scenarios analysis and portfolio optimization are available through the PORT portfolio management platform in the Bloomberg Terminal.

The current range of index products and services offered by Bloomberg extends well beyond Fixed Income benchmark indices to include investable index products designed to offer access to systematic strategies (beta, smart beta, and alpha) across multiple asset classes including fixed income, equities, commodities, FX among others.

At this juncture, it would be of paramount interest to get conversant with major historical milestones and changes to the Fixed Income Indices family to comprehend the evolution of fixed income indices, challenges witnessed and current scenario. The developments pertaining to fixed income indices family is provided in table 1 below.



**Table 1**  
**Major Historical Milestones and Changes to the Fixed Income Indices Family**

<b>Periods</b>	<b>Major Historical Milestones</b>
July 1973	Inception of the US Government and Corporate Indices.
January 1980	Inception of the US Municipal Index
January 1986	Inception of the US MBS, US Yankee, and US High Yield Indices Introduction of US Aggregate Index (“The Agg”) with history going back to 1976.
August 1988	Liquidity constraints increased from \$1MM to \$25MM for Corporate Indices.
January 1992	Asset Backed Securities added to the US Aggregate Index.
January 1994	Liquidity constraint increased from \$100 MM across all issues.
October 1997	The first Index Advisory Council was held in the US. IACs have been held globally annually ever since.
June 1998	Inception of Euro Aggregate Index.
January 1999	Inception of the Global Aggregate index with history going back to March 1990.
July 2000	Inception of Asia-Pac Aggregate which joins the Global Agg index.
July 2002	First ETF referencing the BBG Fixed Income Indices was launched.
October 2003	Started using the most conservative rating of Moody’s and S&P to determine index eligibility (instead of Moody’s as the primary).
November 2003	Launch of the US Floating Rate Note (FRN) Index.
July 2005	Fitch is added as a rating agency to determine index eligibility.

October 2008	Barclays acquires the FI Index family.
June 2013	Launch of the first ESG related Fixed Income Indices in collaboration with MSCI.
December 2014	AUM of ETFs linked to the BBG Fixed Income indices surpasses \$200 Billion.
August 2016	Bloomberg LP acquires the Fixed Income Index franchise.
April 2019	CNY denominated securities join the Global Aggregate
July 2020	AUM benchmarked to the FI indices reported by public funds exceeded \$5 Trillion.
July 2023	AUM of ETFs linked to Bloomberg indices surpasses \$1 Trillion.

*Source: Bloomberg Research*

### **Halcyon days for Indian Bond Market**

1. *Fillip to FPI in Bond Market:* Inclusion of FAR bonds in the Bloomberg EM bond indices is expected to boost inflows in the Indian bond market to the extent of \$2 billion to \$3 billion from foreign investors. The mechanism that will provide stimulus to FPI in Indian bond market can be understood from the following-
  - a) Index funds being essentially mutual funds that track a certain index, meaning they mimic the index and hold securities exactly in the same proportion as the index. Fund managers do not actively ‘manage’ these funds, they simply deploy the money they get from investors into the index basket as constructed by the index provider. This is called a passive investment strategy.
  - b) Just as in the case of stocks, when a stock makes an entry into an index, all the index funds adjust their portfolios to reflect the change in the index, here too, all index funds tracking the Bloomberg Bond index will adjust their portfolios to make way for Indian bonds – only sovereign bonds. This means they will buy these Indian government securities, thus ploughing funds into Indian treasury bond market.

Presently, the total assets under management under index funds that track the Bloomberg Bond Index is about \$3 trillion. India is likely to have a 0.6-0.8 percent index weight, meaning \$10-15 billion will probably be directed towards Indian treasuries.

Apart from these passive flows, one could also witness additional flows from actively managed funds. Active funds are those where fund managers' benchmark against an index, but do not mimic it. They may decide to go underweight or overweight a certain securities in the index which in this case are Indian treasuries.

2. *Portfolio Diversification*: It is to be noted that with the inclusion of FAR bonds in Bloomberg EM Local Currency Government Index, investors who have proclivity towards portfolio diversification may be cajoled to invest in such bonds. Further, the mentioned development is expected to strengthen confidence among global investors who benchmark their portfolios as per these indexes.
3. *Treasury Yields*: Inflow of additional funds in the bond market may ensure a cap on treasury yields, thereby averting increase in yields, even if local credit demand steams up substantially or if the government goes for mammoth borrowings.
4. *Impact on Rupee*: Generally, increase in foreign fund inflows is a positive for the rupee. Following India's inclusion in the index, foreign investors wishing to invest in India to align to the new weightage in accordance with the bond index will need to convert their local currency/dollars into rupee, increasing rupee demand. However, there is a caution that with new foreign inflows of \$30 billion-45 billion (\$10 billion-15 billion from possible inclusion to Bloomberg's bond index and \$20 billion-25 billion JP Morgan's bond inclusion) over FY25, it could actually be a problem of plenty for India. If too many dollars flow in, and the rupee appreciates, it will make imports expensive, causing inflation. But there is a silver lining that is as the central bank (RBI) has been managing the rupee in a range by buying or selling dollars in the open market, the same approach may be continued. Besides, any outflows by foreign investors as a result of the rise may be offset by the new fund inflows.

## Conclusion

The inclusion of Indian government securities (FAR bonds) in Bloomberg's index is a welcome move but potential challenges arising from this development also needs to be focused. One of the challenges would be ensuring that the rupee remains competitive, as it would be natural for the Indian currency to appreciate, just as it was the case between 2003 and 2008 when capital inflows into India surged and made the rupee stronger.

Another issue that may call for attention is tax treatment for gains made by foreign investors from the sale of Indian government bonds once they had been listed on the indices, as this has been a bone of contention for numerous years between India and index providers.

Despite probable challenges, there is an optimism in the financial sector since the inclusion of FAR bonds in Bloomberg's index to a large extent has accomplished the dream of India becoming part of global indices which started in mid-2013 amidst the fact that during that period Indian economy was battling with 'taper tantrums'<sup>1</sup> that sank the Indian rupee to its (then) all-time low in late August. At that time the country needed investors to be confident about its long-term growth prospects so that funds could flow in, bolster the currency, fill up the foreign exchange coffers, and stop the financial market meltdown amid eye-wateringly high inflation.

However, miles to go, as India is still excluded from the Bloomberg Global Aggregate and related indices and the delay in emerging market indices would imply inclusion in the Global Aggregate index would also be delayed.

The Indian bond market appears to be quite buoyant as it is expected to stay positive due to increase of FPI inflows into debt segment and attractive global rate cycles which may keep the debt markets high. In March 2024, Foreign Portfolio Investment (FPI) inflows continued as they invested about ₹3,316 crore in debt markets so far. In February, about ₹22,419 crore investment was made. Foreign portfolio investors' average monthly debt investments have seen a remarkable increase since September 2023.

The recent periods have observed notable hike in demand for bonds. On March 11, 2024, the yield on the 10-year government bond touched 7.01%, its lowest level since June 2023. Furthermore, there is a strong signal that the yield is expected to hit about 6.90% in the near future.

Moreover, the robust economic growth manifested in the increase in GDP by 8.4% in December 2023 quarter exceeding the expectations of 6.6% has raised the second estimate of FY2024's growth to 7.6%, in anticipation of strong momentum in economic recovery. This strong expansion resulted in a drop in the credit risk of Indian government securities. The government plans to reduce the fiscal deficit for the 2024–2025 financial year to 5.1% from the revised 5.8% in FY 2024. Overall, the performance of the debt market in India has surpassed that of the equity market this year so far.

## References

1. <https://www.news18.com/business/bloomberg-index-to-include-india-far-bonds-from-january-31-2025-8806017.html>

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<sup>1</sup> The phrase, taper tantrum, describes the 2013 surge in U.S. Treasury yields, resulting from the Federal Reserve's (Fed) announcement of future tapering of its policy of quantitative easing. The Fed announced that it would be reducing the pace of its purchases of Treasury bonds, to reduce the amount of money it was feeding into the economy. The ensuing rise in bond yields in reaction to the announcement was referred to as a taper tantrum in financial media.

2. [https://spotlight.bloomberg.com/story/the-bloomberg-fixed-income-indices-are-turning-50/page/2/2?mpam-page=28465&tactic-page=438170&\\_gl=1\\*16gql7e\\*\\_ga\\*MTYyNjg0Njk3MS4xNzEwMTQ2MjMx\\*\\_ga\\_NNP7N7T2TG\\*MTcxMDE1MTcyNC4yLjAuMTcxMDE1MjM2MC41Ni4wLjA](https://spotlight.bloomberg.com/story/the-bloomberg-fixed-income-indices-are-turning-50/page/2/2?mpam-page=28465&tactic-page=438170&_gl=1*16gql7e*_ga*MTYyNjg0Njk3MS4xNzEwMTQ2MjMx*_ga_NNP7N7T2TG*MTcxMDE1MTcyNC4yLjAuMTcxMDE1MjM2MC41Ni4wLjA)
3. <https://www.moneycontrol.com/news/business/markets/mc-explains-what-inclusion-in-the-bloomberg-bond-index-means-for-india-and-investors-12267791.html>
4. <https://www.moneycontrol.com/news/business/markets/after-jpmorgan-indian-govt-bonds-could-become-part-of-bloomberg-indices-in-2024-12018311.html>
5. <https://www.moneycontrol.com/news/business/economy/a-decade-in-the-making-indias-global-bond-index-inclusion-journey-finally-ends-11410111.html>
6. [https://www.business-standard.com/economy/news/india-govt-bonds-in-bloomberg-emerging-market-index-from-january-2025-124030500969\\_1.html](https://www.business-standard.com/economy/news/india-govt-bonds-in-bloomberg-emerging-market-index-from-january-2025-124030500969_1.html)
7. <https://dea.gov.in/sites/default/files/Quarterly%20Report%20on%20Public%20Debt%20Management%20for%20the%20quarter%20April-%20June%202023.pdf>

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## SETTLEMENT & COMMITMENT UNDER COMPETITION ACT\*

### Introduction

The Competition Commission of India (CCI) has notified **the CCI (Settlement) Regulations, 2024; the CCI (Commitment) Regulations, 2024; the CCI (Determination of Turnover or Income) Regulations, 2024** and **the CCI (Determination of Monetary Penalty) Guidelines, 2024**, on March 06, 2024. These Regulations and Guidelines were issued pursuant to the Competition (Amendment) Act, 2023, and subsequent notification of sections 20, 35 & 40 of the Competition (Amendment) Act, 2023 with effect from 06.03.2024.

The Settlement Regulations and Commitment Regulations are intended to enable an enterprise against whom an inquiry under section 26(1) of the Act is initiated for an alleged contravention of section 3(4) or section 4 of the Act, as the case may be, to apply for settlement or commitment before the CCI. The intent of creating a procedure for Settlement and Commitment is driven by the need to reduce litigation and ensure quicker market correction. The two mechanisms differ in terms of the stage of the inquiry process at which the application for Settlement or Commitment is filed.

### Hon'ble Madras High Court Judgement on Settlement/Compromise

In the case of *Tamil Nadu Film Exhibitors Association v. Competition Commission of India (CCI) and Others*, judgement dated March 27, 2015, the Hon'ble Madras High Court held that ***the scheme of the Competition Act allows parties to enter into a compromise or settlement and CCI may accept such compromise or settlement. The High Court relied on Section 27 as conferring wide powers on CCI to pass residuary orders. it is possible within the framework and scheme of the Competition Act, 2002, to allow settlements and compromises to be reached between parties, provided the Commission is of the considered view that such settlements and compromises (1) would not lead to the continuance of Anti-Competitive Practices (2) would not allow the abuse of dominant position to continue and (3) would not be prejudicial to the interest of consumers or to the freedom of trade.***

\* Chittaranjan Pal, Deputy Director, The ICSI

*Views expressed in the Article are the sole expression of the Author and may not express the views of the Institute.*

Further the High Court inter-alia observed that the Competition Act, 2002 was the product of the agreements of the World Trade Organisations to which India became a party. Therefore, the Committee drew inspiration from the parallel legislations in other jurisdictions that related to Anti-Trust issues. Hence, it may be useful to have a look at the position prevailing in the European Union and the United States.

- (i) Both in the European Union as well as the United States, settlement is permitted in the case of cartels. The cartel settlement procedure under EU rules allows the Commission to settle a cartel case with the companies involved under a streamlined procedure if the parties agree with the Commissions findings on the infringement. This procedure was created in 2008 through an amendment of Commission Regulation 773/2004. Cartel settlement decisions are prohibition decisions based on Articles 7 and 23 of Regulation 1/2003. [COMMISSION REGULATION (EC) No 622/2008 of 30 June 2008 amending Regulation (EC) No 773/2004, as regards the conduct of settlement procedures in cartel cases]
- (ii) In the United States, plea bargain process can be initiated at any time. The settlement process may be initiated either by the Antitrust Division staff or the defendant at any state of the investigation. Discussions are held behind closed doors, away from the Courts. The plea agreement is filed before the court and the court must accept the plea and impose actual sentence. The rules governing the negotiation and acceptance of plea agreements can be found in the Federal Rules of Criminal Procedure (FRCP), the Federal Rules of Evidence (FRE), the U.S. Attorney Manual (USAM), and the U.S. Sentencing Guidelines (USSG).
- (iii) In European Union, the Commission investigates all cartel cases (including cases which later on follow the settlement route). However, settlement remains a choice of the Commission; it is neither a right nor an obligation for the companies. Even if all parties request to settle, it remains in the Commissions discretion to decide if the case is suitable. If the discussions have already started, the Commission may decide to discontinue them if there is insufficient progress towards a common understanding.
- (iv) In the United States, there are certain pre conditions for the acceptance of a settlement. They are:- (A) Presence of a cartel (B) Admission of guilt or factual basis (the defendant entering into a plea agreement with the Antitrust Division must be willing to plead guilty to the charged cartel conduct at arraignment and make a factual admission of guilt) (C) Cartel participants cooperation (the inclusion in cartel settlement, agreements of commitment by the settling party to provide full, continuing, and complete cooperation) (D) Promise by the Government not to bring further charges (however certain violations such as

those of federal tax, securities law or crimes of violence are specifically exempted from the non-Prosecution terms of such plea agreements)

### **Settlements and Commitments in Foreign Jurisdiction**

Organisation for Economic Co-operation and Development's (OECD) Background Paper on Commitment Decisions in Antitrust Cases *DAF/COMP (2016)*<sup>7</sup> prepared by Antonio Capobianco and Satoshi Ogawa of the OECD Competition Division stated that together with the spreading of commitment decisions, there has been an increase in use of other early termination tools. Many jurisdictions especially in the European Union have conferred upon the competition authority the power to settle cases.

Like commitments, settlement decisions allow the agency to terminate the investigation early on and to save investigative resources. However, settlements also pursue other policy objectives. Generally, they reward cooperation from the investigated parties with a reduction of the fine that would have been otherwise imposed by the agency and they create and sustain momentum in the investigation of other conspirators. In some jurisdictions, settlements also offer “finality” in the sense that they provide certainty as to the outcome of the investigation. There are important differences between settlement procedures and commitment procedures:

- (i) In many jurisdictions, settlements are applicable only to cartels;
- (ii) To enter into a settlement negotiation the agency is typically required to establish an infringement of the competition law (therefore settlement procedures need a full investigation, unlike commitment decisions);
- (iii) Settlements require the company to admit liability for the infringement, where commitment usually do not require to do so;
- (iv) Settlements still require the imposition of a fine (but with a reduction in recognition of the cooperation with the agency);
- (v) Settlements constitute legal precedents, in the sense that the establishment of the infringement has a precedential value and that it can be used for establishment of recidivism or for purposes of filing a private action for damages.

### **CLRC Recommendations on Settlement & Commitment**

The Competition Law Review Committee (CLRC) in its Report (July 2019) recommended that to expressly provide for a settlement mechanism applicable for contraventions related to anti-competitive agreements under Section 3(4) and abuse of dominance under Section 4 of the Competition Act. An application for settlement may be filed only after receipt of the DG Report and within such time before the passing of a final order by the CCI, as may be specified by subordinate legislation. The CCI may impose certain conditions which may include settlement amount and/or non-monetary terms. The order granting or rejecting a settlement application should not be appealable. The



detailed procedure for the settlement mechanism should be set out in subordinate legislation.

To amend the Competition Act to empower the CCI to accept commitments from parties alleged to have contravened the provisions of Section 3(4) and Section 4. An application for commitment may only be submitted after an order under Section 26(1) of the Competition Act has been passed so that the parties are aware of the proceedings. Such application may be submitted within such period prior to the submission of the DG report as may be specified in subordinate legislation. CCI should have the discretion to accept or reject the application. The law should enable the CCI to review its decision to accept commitments in certain circumstances, including where the concerned party has acted contrary to the terms of commitment, when there is a material change in facts on the basis of which the commitment decision was passed or where the commitment decision was based on false, misleading or incomplete information provided by the concerned party.

#### **CCI (Settlement) Regulations, 2024**

The Competition Act, 2002 (Act) was amended on April 11, 2023, vide the Competition (Amendment) Act, 2023 (Amendment Act). Among other things, the Amendment Act introduced Section 48A and 48C in the Act to create a settlement mechanism. Section 48A of the Act enables an enterprise against whom an inquiry under Section 26(1) of the Act is initiated for an alleged contravention of Section 3(4) or Section 4 of the Act, as the case may be, to apply for settlement before the CCI. Whereas Section 48C provides for revocation of the settlement orders issued by the Commission and the consequences of the same. The intent of creating a procedure for settlement is driven by the need to reduce litigation and to ensure quicker market correction.

The Settlement Regulations 2024 inter alia provide for the following: (a) Form and contents of the application for settlement along with fee payable; (b) Circumstances in which the settlement applications can be rejected by CCI; (c) Period during which settlements may be offered; (d) Manner in which CCI will invite objections and suggestions to the settlement terms; (e) Nature and effect of the settlement order; (f) Manner of determining Settlement Amount; (g) Factors to be considered by CCI in assessing the settlement terms; (h) Implementation and monitoring of the terms of the settlement order; (i) Revocation of the settlement order and the consequences thereof, etc.

#### **CCI (Commitment) Regulations, 2024**

The Competition Act, 2002 (Act) was amended on April 11, 2023, vide the Competition (Amendment) Act, 2023 (Amendment Act). Among other things, the Amendment Act introduced Section 48B and 48C in the Act to create a commitment mechanism. Section

48B of the Act enables an enterprise against whom an inquiry under Section 26(1) of the Act is initiated for an alleged contravention of Section 3(4) or Section 4 of the Act, as the case may be, to offer commitments before the CCI. Whereas Section 48C provides for revocation of the commitment orders issued by the Commission and the consequences of the same. The intent of creating a procedure for commitment is driven by the need to ensure quicker market correction.

The Commitment Regulations 2024 inter alia provide for the following: (a) Form and contents of the application for commitment along with fee payable; (b) Circumstances in which the commitment applications can be rejected by CCI; (c) Period during which commitments may be offered; (d) Manner in which CCI will invite objections and suggestions to the commitment terms; (e) Nature and effect of the commitment order; Page 2 of 5 (f) Factors to be considered by CCI in assessing the commitment terms; (g) Implementation and monitoring of the terms of the commitment order; (h) Revocation of the commitment order and the consequences thereof.

### **The Turnover or Income Regulations 2024**

The Turnover or Income Regulations provide for the determination of turnover or income for enterprise for the purposes of section 27 of the Act and determination of income for individual for the purposes of sections 27 and 48 of the Act.

### **CCI (Determination of Monetary Penalty) Guidelines, 2024**

In addition, CCI has also notified Monetary Penalty Guidelines with respect to the determination of monetary penalty to be levied on the enterprise(s) and/or persons for any contravention of the provisions of the Act. The much-awaited monetary penalty guidelines have been framed in line with best practices and to ensure that penalty imposed is proportional to the anti-competitive harm caused to the market by the contravening entities/ persons.

The Competition Commission of India (Determination of Monetary Penalty) Guidelines, 2024 deals with:

- Methodology for determination of penalty for enterprises under section 27(b) of the Act
- Methodology for determination of penalty under proviso to section 27(b) of the Act
- Methodology for determination of penalty for persons liable under section 48 of the Act
- Methodology for determination of monetary penalty under section 43a of the Act

- Methodology for determination of monetary penalty under sections 42, 43, 44 and 45 of the Act and
- Residuary powers of the commission.

### **Conclusion**

Procedure for Settlement and Commitment issued by the CCI is a part of ease of doing business and promote fair play in the market and provide level playing field to enterprises. It definitely reduces litigation and ensure quicker market correction as well as regulate the anti-competitive practices. Settlement and Commitment Regulations of CCI are become the effective enforcement mechanism against violation of competition law in India and to fulfill the objectives of the Competition Act to promote consumer interest and healthy competition in the market.

### **Source:**

1. <https://pib.gov.in/PressReleasePage.aspx?PRID=2012824>
2. [https://one.oecd.org/document/DAF/COMP\(2016\)7/en/pdf](https://one.oecd.org/document/DAF/COMP(2016)7/en/pdf)
3. <https://www.cci.gov.in/images/whatsnew/en/cci-settlement-regulations-2024-general-statement1709738560.pdf>
4. <https://www.cci.gov.in/images/whatsnew/en/cci-commitment-regulations-2024-general-statement1709739363.pdf>
5. <https://www.cci.gov.in/images/whatsnew/en/the-competition-commission-of-india-determination-of-monetary-penalty-guidelines-20241709736785.pdf>
6. [https://competition-policy.ec.europa.eu/antitrust-andcartels/procedures/settlement\\_en](https://competition-policy.ec.europa.eu/antitrust-andcartels/procedures/settlement_en)

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# Regulatory Updates

## JURISPRUDENCE, INTERPRETATION AND GENERAL LAWS

- **Notification of effective date for New Criminal Laws (February 23, 2024)**

Central Government has notified 1<sup>st</sup> July, 2024 as the date from which the following laws will come into effect:

S. No.	Details of the Law	Link
1	Bharatiya Nyaya Sanhita, 2023	<a href="https://bprd.nic.in/WriteReadData/userfiles/file/202312280517175164416BNyayaS.pdf">https://bprd.nic.in/WriteReadData/userfiles/file/202312280517175164416BNyayaS.pdf</a>
2	Bharatiya Nagarik Suraksha Sanhita, 2023	<a href="https://bprd.nic.in/WriteReadData/userfiles/file/202312280519134028378BNSS.pdf">https://bprd.nic.in/WriteReadData/userfiles/file/202312280519134028378BNSS.pdf</a>
3	Bharatiya Sakshya Adhinyam, 2023	<a href="https://bprd.nic.in/WriteReadData/userfiles/file/202312280520065884209BSA.pdf">https://bprd.nic.in/WriteReadData/userfiles/file/202312280520065884209BSA.pdf</a>

However, provisions of section 106(2) of the Bharatiya Nyaya Sanhita, 2023 relating to the punishment of causing death of any person by rash and negligent driving of vehicle not amounting to culpable homicide, and escaping without reporting it to a police officer or a Magistrate, has not been notified to come into force w.e.f. 1<sup>st</sup> July, 2024.

## COMPANY LAW

- **Companies (Registration Offices and Fees) Amendment Rules, 2024 (February 14, 2024)**

In the Companies (Registration Offices and Fees) Rules, 2014, after rule 10, the following rule shall be inserted, namely:-

Rule 10A. Central Processing Center. - (1) The Registrar of the Central Processing Center established under sub-section (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 application, e-Forms or documents as specified under Companies (Registration Offices and Fees) Amendment Rules, 2024.

*For details:*

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=NDE5MTIyNDU3&docCategory=Notifications&type=open>

- **Deployment and usage of Change Request Form (CRF) on MCA-21-reg. (General Circular No. 02/2024 dated February 19, 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).

*For details:*

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=NDE5NDU5Nzc5&docCategory=Circulars&type=open>

## CAPITAL MARKET AND SECURITIES LAWS

- **Guidelines for returning of draft offer document and its resubmission (Circular No. SEBI/HO/CFD/PoD-1/P/CIR/2024/009 dated February 06, 2024)**

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.

However, SEBI has observed that at times, draft offer documents / draft letter of offer filed for public issue / rights issue of securities 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.

In order to ensure completeness of the offer document for investors and provide greater clarity & consistency in the disclosures and for timely processing, SEBI has issued 'Guidelines for returning of draft offer document and its resubmission'.

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. Broad guidelines for returning of draft offer document and its resubmission are placed at Annexure A of this Circular.

*For details:*

[https://www.sebi.gov.in/legal/circulars/feb-2024/guidelines-for-returning-of-draft-offer-document-and-its-resubmission\\_81146.html](https://www.sebi.gov.in/legal/circulars/feb-2024/guidelines-for-returning-of-draft-offer-document-and-its-resubmission_81146.html)

- **Revised Pricing Methodology for Institutional Placements of Privately Placed Infrastructure Investment Trust (InvIT) (Circular No. SEBI/HO/DDHS/DDHS-PoD/P/CIR/2024/10 dated February 08, 2024)**

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.

To promote Ease of Doing Business, the guidelines for pricing of institutional placements InvITs has been reviewed by SEBI. 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. Accordingly, SEBI Master Circular for InvITs dated July 06, 2023 has been modified.

*For details:*

[https://www.sebi.gov.in/legal/circulars/feb-2024/revised-pricing-methodology-for-institutional-placements-of-privately-placed-infrastructure-investment-trust-invit-\\_81268.html](https://www.sebi.gov.in/legal/circulars/feb-2024/revised-pricing-methodology-for-institutional-placements-of-privately-placed-infrastructure-investment-trust-invit-_81268.html)

- **Centralization of certifications under Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS) at KYC Registration Agencies (KRAs) (Circular No. SEBI/HO/MIRSD/SECFATF/P/CIR/2024/12 dated February 20, 2024)**

The reporting financial institution (RFI) [as defined under rule 114F(7) of Income Tax Rules,1962] are require to obtain a self-certification from the client, as part of the account opening documentation, to determine the client's residence for tax purpose. With an aim to promote ease of doing business and compliance reporting, it is provided 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. 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.

*For details:*

[https://www.sebi.gov.in/legal/circulars/feb-2024/centralization-of-certifications-under-foreign-account-tax-compliance-act-fatca-and-common-reporting-standard-crs-at-kyc-registration-agencies-kras-\\_81583.html](https://www.sebi.gov.in/legal/circulars/feb-2024/centralization-of-certifications-under-foreign-account-tax-compliance-act-fatca-and-common-reporting-standard-crs-at-kyc-registration-agencies-kras-_81583.html)

## ECONOMIC COMMERCIAL & INTELLECTUAL PROPERTY LAWS

- **Amendment in Foreign Direct Investment (FDI) policy on Space Sector**

Under the amended FDI policy, 100% FDI is allowed in space sector. The liberalized entry routes under the amended policy are aimed to attract potential investors to invest in Indian companies in space.

The entry route for the various activities under the amended policy are as follows:

1. **Upto 74% under Automatic route:** Satellites-Manufacturing & Operation, Satellite Data Products and Ground Segment & User Segment. Beyond 74% these activities are under government route.
2. **Upto 49% under Automatic route:** Launch Vehicles and associated systems or subsystems, Creation of Spaceports for launching and receiving Spacecraft. Beyond 49% these activities are under government route.

3. **Upto 100% under Automatic route:** Manufacturing of components and systems/ sub-systems for satellites, ground segment and user segment.

This increased private sector participation would help to generate employment, enable modern technology absorption and make the sector self-reliant. It is expected to integrate Indian companies into global value chains. With this, companies will be able to set up their manufacturing facilities within the country duly encouraging 'Make In India (MII)' and 'Atmanirbhar Bharat' initiatives of the Government.

For details: <https://pib.gov.in/PressReleasePage.aspx?PRID=2007876>

## DIRECT TAX

- **CBDT notifies Income Tax Return Forms for the Assessment Year 2024-25 well in advance [February 2, 2024]**

The Central Board of Direct Taxes (CBDT) vide Notification No. 19 of 2024 dated 31.01.2024, has notified Income-tax Return Forms (ITR Form)- 2, 3 and 5 for the Assessment Year (A.Y.) 2024-25. Further, vide Notification No. 16 of 2024 dated 24.01.2024, ITR Form-6 has been notified for the A.Y. 2024-25. Earlier, ITR-1 and ITR-4 for the A.Y. 2024-25 were notified vide Notification No. 105 of 2023 dated 22.12.2023. All ITR Forms 1 to 6 have since been notified and will come into effect from 1st April, 2024.

For details:

<https://incometaxindia.gov.in/Lists/Press%20Releases/Attachments/1177/PressRelease-CBDT-notifies-ITR-Forms-for-AY2024-25-well-in-advance-2-2-24.pdf>

- **CBDT approves Panjab University's for Scientific Research deduction u/s 35(1)(ii) [Notification No. 23 Dated February 26, 2024]**

The Central Government approves 'Panjab University, Chandigarh (PAN: AAAJP0325R) under the category of 'University, college or other institution' for 'Scientific Research' for the purposes of clause (ii) of sub-section (1) of section 35 of the Income-tax Act, 1961 read with rules 5C and 5E of the Income-tax Rules, 1962.

For details:

[https://incometaxindia.gov.in/communications/notification/notification\\_23-2024.pdf](https://incometaxindia.gov.in/communications/notification/notification_23-2024.pdf)

## GOODS & SERVICES TAX (GST)

- **GSTN Empowered to Share Data for Faster Credit Access of Registered Persons [Notification No. 6 Dated February 22, 2024]**

The Central Government, on the recommendations of the Council, hereby notifies "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.

"Public Tech Platform for Frictionless Credit" means an enterprise-grade open architecture information technology platform, conceptualised by the Reserve Bank of India as part of its "Statement on Developmental and Regulatory Policies" dated the 10th August, 2023 and developed by its wholly owned subsidiary, Reserve Bank Innovation Hub, for the operations of a large ecosystem of credit, to ensure access of information from various data sources digitally and where the financial service



providers and multiple data service providers converge on the platform using standard and protocol driven architecture, open and shared Application Programming Interface (API) framework.

For details: <https://taxinformation.cbic.gov.in/view-pdf/1010019/ENG/Notifications>

## COMPETITION LAW

- **The Competition Commission of India (Lesser Penalty) Regulations, 2024 (February 20, 2024)**

In exercise of the powers conferred by sub-section (1) and clauses (ga), (gb) and (gc) of sub-section (2) of section 64, read with section 46 and clause (b) of section 27 of the Competition Act, 2002, the Competition Commission of India notified the Competition Commission of India (Lesser Penalty) Regulations, 2024. The Competition Commission of India (Lesser Penalty) Regulations, 2024 inter alia provides that:

An applicant, seeking the benefit of lesser penalty or lesser penalty plus under section 46 of the Act, shall- (a) cease to have further participation in the cartel from the time of its disclosure unless otherwise directed by the Commission; (b) provide vital disclosure in respect of alleged contravention of the provisions of section 3 of the Act; (c) provide all relevant information, documents and evidence as may be required by the Commission; (d) co-operate genuinely, fully, continuously and expeditiously throughout the investigation and other proceedings before the Commission; (e) not conceal, destroy, manipulate or remove the relevant documents in any manner that may contribute to the establishment of a cartel; and (f) not give any false evidence or omit to submit any material information knowing it to be material.

The applicant shall provide the names of the individuals who have been involved in the cartel on its behalf and for whom lesser penalty or lesser penalty plus, as the case may be, is sought by the applicant.

For details: [https://egazette.gov.in/\(S\(khvm1q3axqsddhokp54ff5ut\)\)/ViewPDF.aspx](https://egazette.gov.in/(S(khvm1q3axqsddhokp54ff5ut))/ViewPDF.aspx)

## BANKING LAWS

- **Amendment to Master Direction on Prepaid Payment Instruments (RBI/2023-24/126CO.DPSS.POLC.No.S1092/02-14-006/2023-2024 dated February 23, 2024)**

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 Prepaid Payment Instruments (PPI) issuers to issue PPIs for making payments across various public transport systems.

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12612&Mode=0>

## INSURANCE LAWS

- **Modifications to the Master Circular : Unclaimed Amounts of Policyholders dated 17<sup>th</sup> November, 2020 (Ref: IRDAI/Life/CIR/Misc/41/2/2024 Dated February 16, 2024)**

Increase in the unclaimed amounts with the insurers has been a regulatory concern. Basis discussion with the insurers it is to understand that one of the reasons for increase in the unclaimed amounts are cases where the consumers are traceable but insurers are not in a position to pay the claim for various reasons. The Insurers are advised to enhance their efforts in tracing the rightful recipient of unpaid amounts and ensure efficient disbursement of the same. Insurers shall make all possible efforts for payment of these dues at the earliest and may adopt the measures as suggested and submit statements by 15<sup>th</sup> of every month.

*For details: <https://irdai.gov.in/web/guest/document-detail?documentId=4422274>*

## INSOLVENCY & BANKRUPTCY LAW

- **Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Amendment) Regulations, 2024 (February 15, 2024)**

IBBI vide its Notification amended the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. The Amendment inter alia provides that:

- Operating separate bank account for each real estate project: Where the corporate debtor has any real estate project, the interim resolution professional or the resolution professional, as the case may be, shall operate a separate bank account for each real estate project.
- A resolution professional shall convene a meeting of the committee before lapse of thirty days from the last meeting. It may be noted that the committee may decide to extend the interval between such meetings subject to the condition that there shall be at least one meeting in each quarter.
- Approval of committee for insolvency resolution process costs: The insolvency professional shall place in each meeting of the committee, the operational status of the corporate debtor and shall seek its approval for all costs, which are part of insolvency resolution process costs.

*For details:*

*<https://ibbi.gov.in/uploads/legalframework/88458173f47fbda03d775370a420f307.pdf>*

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# *Legal Maxims*

S. No.	Legal Maxim	Meaning	Example
1.	<i>Certiorari</i>	To be apprised	A type of writ seeking judicial review. <i>Example: Writ of Certiorari may be issued by the High Court and Supreme Court for the purpose of review.</i>
2.	<i>Cui bono</i>	As a benefit to whom?	Suggests that the perpetrator(s) of a crime can often be found by investigating those who would have benefited financially from the crime, even if it is not immediately obvious. <i>Example: Investigators must investigate Cui bono parties for the purpose of finding the Offender.</i>
3.	<i>De lege ferenda</i>	Of the law as it should be	Used in the context of "how the law should be", such as for proposed legislation. <i>Example: The purpose of amendments are De lege ferenda.</i>
4.	<i>Ei Incumbit Probatio, Qui Dicit, Non Qui Negat</i>	Proof lies on him who asserts	The concept that one is innocent until proven guilty. <i>Example: The principle of Latin maxim Ei Incumbit Probatio, Qui Dicit, Non Qui Negat are essential for any judicial system.</i>
5.	<i>Ex ante</i>	Of before	Essentially meaning "before the event", usually used when forecasting future events. <i>Example: The court ordered the authorities to investigate ex ante events.</i>

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# *Legal World*

## CORPORATE LAWS

### Landmark Judgement

*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 Finance Corporation Act,19651- 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 '1985 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.

*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 inasmuch 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.

*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 disbursal of money and the disbursal 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.

*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, JJ. [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 of 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 expounded above. There shall be no order as to costs.

## GENERAL LAWS

*RAJESH VIREN SHAH v. REDINGTON (INDIA) LIMITED[SC]*

*Criminal Appeal No \_\_\_\_2024 [@ SLP (Crl) 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 9th December 2013 and 12th March 2014. Equally, we find the cheques regarding which the dispute has travelled up the courts to have been issued on 22nd 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.

*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.

*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 1st 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.

## COMPETITION LAW

*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.

*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 under-pricing 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 for 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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# *Case Snippets*

## COMPANY LAW

Case Title	Judgment / Conclusion
<p style="text-align: center;"><i>Veena Ramanathapura Sreenivasarangan &amp; Others (Appellants)</i></p> <p style="text-align: center;"><i>Vs.</i></p> <p style="text-align: center;"><i>Amruthamgamaya Nature Care and Leisure Private Limited &amp; Anr (Respondents)</i></p> <p style="text-align: center;"><i>February 20, 2024</i></p> <p style="text-align: center;"><i>National Company Law Appellate Tribunal</i></p> <p style="text-align: center;"><i>At Chennai</i></p> <p style="text-align: center;"><i>Company Appeal (AT) (CH) No. 101/2022</i></p> <p style="text-align: center;"><i>&amp;</i></p> <p style="text-align: center;"><i>I.A. Nos. 854 of 2022 &amp; 146, 1326 of 2023 (Arising out of the Impugned Order dated 08/06/2022 in</i></p>	<p style="text-align: center;"><b>Whether NCLT is empowered to direct audit of a Company?</b></p> <p><b>Brief Facts:</b></p> <p>A Petition under Section 241 of the Companies Act, 2013 was filed before NCLT and NCLT ordered investigation of accounts of the Company by appointing an Independent Chartered Accountant to investigate and audit accounts of the Company for the financial years ending on 31.03.2016, 31.03.2017 and 31.03.2018. Learned Sr. Counsel appearing for the Appellant stated that the Tribunal has erred in directing for Audit of the accounts of the Company through an independent Chartered Accountant without giving a finding of 'Oppression and Mismanagement' and without giving a finding of any fraud committed. It was also submitted that appointment of independent Auditor to investigate the books and records of the Company amounts to fishing and roving expedition despite the fact that the allegations made in the Petition were general and vague.</p> <p><b>Judgement</b></p> <p>The Hon'ble NCLAT reliance placed this Tribunal Order in the case of '<i>Archer Power System P. Ltd. Vs. Cascade Energy P. Ltd. &amp; Ors.</i>', reported in <i>2020 SCC OnLine NCLAT 1241</i> and held that the Tribunal under Rule 11 of NCLT Rules, 2016 has the inherent powers to cause audit of accounts or to make such orders as may be necessary for meeting the ends of justice and we find no fault in the impugned order on this account. As a consequence, the present Appeal fails and is accordingly dismissed. No order as to costs. The connected pending Interlocutory Applications, if any, are closed."</p>

## CAPITAL MARKET AND SECURITIES LAWS

<i>Case Title</i>	<i>Judgment / Conclusion</i>
<p><i>Niraj Cement Structurals Limited (Noticee) March 06, 2024 Securities and Exchange Board of India</i></p>	<p><b>Failure to ensure compliance with mandatory regulatory provisions of SEBI (LODR) Regulations would adversely affect the integrity of securities market and interest of investors.</b></p> <p><b>Facts of the Case</b></p> <p>SEBI examined into the alleged failure of Niraj Cement Structurals Ltd (“Noticee”) to obtain the prior approval of shareholders for material related party transactions (“RPTs”) in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”).</p> <p>Regulation 23(4) of the LODR regulations, 2015 provides that all material RPTs and subsequent material modifications as defined by the audit committee shall require prior approval of the shareholders through resolution.</p> <p>It was observed by SEBI that the material RPTs carried out by the Noticee with other entities, namely, Niraj Patel JV, Niraj Babulnath JV and Niraj Jandu JV during the Financial Year 2022-23 exceeded the monetary limit approved by the shareholders of the Company. However, the Noticee allegedly failed to obtain the prior approval of the shareholders as required under regulation 23(4) of LODR regulations, for the transactions in excess to previous approval granted vide resolution dated September 29, 2022. In view of the Noticee’s failure to take prior approval of the shareholders, it was alleged that the Noticee has violated Regulation 23(4) of SEBI (LODR) Regulations, 2015.</p> <p>Noticee in its reply to the Show Cause Notice, admitted that the Noticee failed to obtain prior approval of certain RPTs as mandated by regulation 23(4) of the LODR regulations, 2015 and submitted that the same happened due to the inadvertence on the part of the Noticee and due to the ill-health of its compliance officer.</p> <p><b>SEBI Order</b></p> <p>Thus, by not obtaining the prior approval of shareholders, the Noticee has violated regulation 23(4) of the SEBI (LODR)</p>

	<p>regulations, 2015. Accordingly, SEBI has imposed a monetary penalty of Rs. 4 Lakh on the Niraj Cement Structurals Limited.</p> <p><i>For reference:</i>  <a href="https://www.sebi.gov.in/enforcement/orders/mar-2024/adjudication-order-in-the-matter-of-niraj-cement-structurals-limited_82086.html">https://www.sebi.gov.in/enforcement/orders/mar-2024/adjudication-order-in-the-matter-of-niraj-cement-structurals-limited_82086.html</a></p>
<p><i>First Overseas Capital Limited (Noticee)</i>  <i>February 21, 2024</i>  <i>Securities and Exchange Board of India</i></p>	<p><b>The intermediary should appreciate the criticality of its function to provide true and correct information with regard to the financial details of the issuer to the investors.</b></p> <p><b>Facts of the Case</b></p> <p>SEBI conducted inspection of M/s First Overseas Capital Limited (“Noticee”/ “FOCL”) to check compliance with provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“ICDR Regulations”) and SEBI (Merchant Bankers) Regulations, 1992 (“Merchant Bankers Regulations”). It was alleged that the Noticee has violated the provisions of Regulation 70(3) of ICDR Regulations, 2018 and Clauses (4) and (6) of Schedule III read with Regulation 13 of Merchant Bankers Regulations, 1992.</p> <p>It was observed by SEBI that M/s First Overseas Capital Limited was lead manager (LM) for the Rights issue of Sakuma Exports Limited (“Sakuma”/ “the Company”). A draft letter of offer (DLoF) was filed by it with SEBI vide letter dated August 04, 2022 in this regard. Upon processing of the DLoF, it was observed that M/s First Overseas Capital Limited has provided the figures in the DLoF based on its own assumptions, rather than availing assistance of the experts. M/s First Overseas Capital Limited has taken the auditor’s certificate in October, 2022, which it could have also taken before the submission of DLoF dated August 04, 2022 to SEBI.</p> <p>With respect to the discrepancies in the financial details, SEBI noted that these details are provided in the DLoF for the purpose of informing potential investors about the financial position of the issuer and its business. Such discrepancies can creep into the final letter of offer if these are not properly checked and rectified. This shows that M/s First Overseas Capital Limited was not been diligent and did not exercise independent professional judgement with regard to incorporating financial details in the DLoF.</p>

	<p><b>SEBI Order</b></p> <p>Thus, by not exercising due care and diligence, Noticee has violated Regulation 70(3) of ICDR Regulations, 2018 and Clauses (4) and (6) of Schedule III read with Regulation 13 of Merchant Bankers Regulations, 1992. Accordingly, SEBI imposed a penalty of Rs. 3,00,000/- on M/s First Overseas Capital Limited.</p> <p><i>For details:</i>  <a href="https://www.sebi.gov.in/enforcement/orders/feb-2024/adjudication-order-in-the-matter-of-first-overseas-capital-limited_81612.html">https://www.sebi.gov.in/enforcement/orders/feb-2024/adjudication-order-in-the-matter-of-first-overseas-capital-limited_81612.html</a></p>
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## DIRECT TAX

<i>Case Title</i>	<i>Judgment / Conclusion</i>
<p><i>Bharti Cellular Limited (Now Bharti Airtel Limited) Vs. Assistant Commissioner of Income Tax – dated 28.02.2024 - Supreme Court Judgement</i></p>	<p><b>Whether there is liability to deduct tax at source under Section 194-H of the Income Tax Act, 1961 on the amount to be earned by the distributors or franchisees by selling the pre-paid coupons and SIM cards to the consumers?</b></p> <p><b>Facts of the Case:</b></p> <p>A batch of appeals was filed by the assesseees who were cellular mobile telephone service providers and the issue was related to the liability to deduct tax at source under Section 194-H of Income Tax Act, 1961 'the Act' on the amount which as per the Revenue was a commission payable to an agent by the assesseees under the franchise or distributorship agreement between the assesseees and the franchisees or distributors. As per the assesseees, neither they were paying a commission or brokerage to the franchisees/distributors, nor the franchisees/distributors were their agents. The High Courts of Delhi and Calcutta had held that the assesseees were liable to deduct tax at source under Section 194-H of the Act, whereas the High Courts of Rajasthan, Karnataka and Bombay held that Section 194-H of the Act is not attracted to the circumstances under consideration.</p> <p>As per the facts of the case, the telecom firms enter into agreements with distributors or franchisees to sell their prepaid mobile services including subscriber identification mobile (SIM), recharge vouchers or top-up cards. The telecom firms sell 'the start-up kits and recharge vouchers of the specified value at a</p>

	<p>discounted price to the franchisee/distributors' and the discounts are given on the printed price of the packs. The discount, as per telecom firms, is not a 'commission or brokerage' under the IT law and hence, they are not obligated to deduct tax at source. The IT department, on the other hand, said the difference between 'discounted price' and 'sale price' in the hands of the distributors being in the nature of 'commission or brokerage' is their income and hence, the telecom firms were liable to deduct tax at source under Section 194-H of the Act.</p> <p><b>Supreme Court Judgement:</b></p> <p>The assessees would not be under a legal obligation to deduct tax at source on the income/profit component in the payments received by the distributors/franchisees from the third parties/customers, or while selling/transferring the pre-paid coupons or starter-kits to the distributors. Section 194-H of the Act is not applicable to the facts and circumstances of this case. Accordingly, the appeals filed by the assessee – cellular mobile service providers, challenging the judgments of the High Courts of Delhi and Calcutta are allowed and these judgments are set aside. The appeals filed by the Revenue challenging the judgments of High Courts of Rajasthan, Karnataka and Bombay are dismissed.</p>
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## ARBITRATION, MEDIATION & CONCILIATION

<i>Case Title</i>	<i>Judgment / Conclusion</i>
<p><i>My Preferred Transformation and Hospitality Pvt. Ltd. Vs. Panchdeep Constuction Limited High Court of Delhi 26.02.2024</i></p>	<p><b>Seat of Arbitration is important factor deciding the jurisdiction of courts under Arbitration and Conciliation Act, 1996</b></p> <p>The question answered in this case was that whether the designation of a seat confers jurisdiction over the Section 11 proceedings, in the Hon'ble High Court of Delhi.</p> <p>The court <i>inter alia</i> was of the view that to exempt Section 11 proceedings from the exclusive jurisdiction of the seat Court, would be inconsistent with the concept of party autonomy and the availability of a neutral venue as the seat of arbitration. To the extent that our jurisprudence recognizes that parties can repose their faith in a seat, which would not otherwise have jurisdiction over the subject matter of the proceedings, it is imperative that the appointment of the tribunal must also be made by such a neutral Court. Any other interpretation would</p>



	<p>denude the significance of the neutral venue, by permitting a party to approach any Court which answers to the definition of “Court” in terms of Section 2(1)(e) of the Arbitration and Conciliation Act, 1996 for the primary and fundamental task of appointment of the arbitrator.</p> <p><i>For details: <a href="https://dhccaseinfo.nic.in/jsearch/">https://dhccaseinfo.nic.in/jsearch/</a></i></p>
<p><i>Chabbras Associates vs. M/s Hscc (India) Ltd &amp; Anr.</i> <i>High Court of Delhi</i> <i>16.02.2024</i></p>	<p><b>There should be an independent arbitrator against unilaterally appointed Arbitrator</b></p> <p>In this case the Hon’ble High Court of Delhi has stated that Hon’ble Supreme Court ruled in <b><i>Perkins Eastman Architect DPC and Anr. vs. HSCC (India) Ltd. (2020) 20 SCC 760</i></b> that a party with an interest in the dispute cannot unilaterally name or appoint an arbitrator. There must be an independent arbitrator for the adjudication of disputes.</p> <p>The High Court also stated that in my view the arbitration clause empowering unilateral appointment of a sole arbitrator stands vitiated in light of the law laid down by the apex court in Perkins (Supra) ... The continuance of such would only amount to allowing the perpetuation of illegality.... There is no doubt in the mind of the Court that Clause 25 of the GCC is in teeth of law.</p> <p><i>For details: <a href="https://dhccaseinfo.nic.in/jsearch/">https://dhccaseinfo.nic.in/jsearch/</a></i></p>

## INSOLVENCY & BANKRUPTCY LAW

<i>Case Title</i>	<i>Judgment / Conclusion</i>
<p><i>Greater Noida Industrial Development Authority (Appellant)</i> <i>Versus</i> <i>Prabhjit Singh Soni &amp; Anr (Respondents)</i> <i>Supreme Court of India Civil Appeal Nos.7590-7591 OF 2023 (Arising out of</i></p>	<p><b>NCLT has power to recall its order &amp; such power is to be exercised sparingly and not as a tool to re-hear the matter</b></p> <p>Hon’ble Apex Court inter alia observed that ..... <i>a Court or a Tribunal, in absence of any provision to the contrary, has inherent power to recall an order to secure the ends of justice and/or to prevent abuse of the process of the Court. Neither the IBC nor the Regulations framed thereunder, in any way, prohibit, exercise of such inherent power. Rather, Section 60(5)(c) of the IBC, which opens with a non-obstante clause, empowers the NCLT (the Adjudicating Authority) to entertain or dispose of any question of priorities or any question of law or facts, arising out of or in relation to the insolvency resolution or liquidation proceedings of the corporate debtor or corporate person under the IBC. Further,</i></p>

<p>Diary No.3628 of 2023) February 12, 2024</p>	<p><i>Rule 11 of the NCLT Rules, 2016 preserves the inherent power of the Tribunal. Therefore, even in absence of a specific provision empowering the Tribunal to recall its order, the Tribunal has power to recall its order. However, such power is to be exercised sparingly, and not as a tool to re-hear the matter. Ordinarily, an application for recall of an order is maintainable on limited grounds, inter alia, where (a) the order is without jurisdiction; (b) the party aggrieved with the order is not served with notice of the proceedings in which the order under recall has been passed; and (c) the order has been obtained by misrepresentation of facts or by playing fraud upon the Court /Tribunal resulting in gross failure of justice.</i></p> <p>In a recent decision (i.e., <i>Union Bank of India vs. Dinakar T. Vekatasubramanian &amp; Ors.</i>), a five member Full Bench of NCLAT held that though the power to review is not conferred upon the Tribunal but power to recall its judgment is inherent in the Tribunal and is preserved by Rule 11 of the NCLT Rules, 2016. It was held that power of recall of a judgment can be exercised when any procedural error is committed in delivering the earlier judgment; for example, necessary party has not been served or necessary party was not before the Tribunal when judgment was delivered adverse to a party. It was observed that there may be other grounds for recall of a judgment one of them being where fraud is played on the Court in obtaining a judgment. This decision of NCLAT was upheld by a two-Judge Bench of Supreme Court <i>vide order dated 31.07.2023 in Civil Appeal No.4620 of 2023 (Union Bank of India vs. Financial Creditors of M/s Amtek Auto Ltd. &amp; Ors.)</i>.</p> <p><i>For details:</i> <a href="https://ibbi.gov.in/uploads/order/cc907a5e0d9f38c34f30369f765c82f1.pdf">https://ibbi.gov.in/uploads/order/cc907a5e0d9f38c34f30369f765c82f1.pdf</a></p>
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**FAQ on the Switchover Scheme for Professional Programme 2017 (Old) Syllabus to Professional Programme 2022 (New) Syllabus**

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**(Up-gradation of the knowledge of the Members and students)**

<https://www.icsi.edu/cs-journal/>

**Donate for the Noble Initiative of the Institute - "SHAHEED KI BETI SCHEME"**

[https://www.icsi.edu/media/webmodules/Shahheed\\_ki\\_beti.jpg](https://www.icsi.edu/media/webmodules/Shahheed_ki_beti.jpg)

## REGISTRATION

### 1. Registration for CS Executive Entrance Test (CSEET):

- ✓ Information in detail:  
[https://www.icsi.edu/media/webmodules/CSEET/CSEET\\_%20May\\_2024.pdf](https://www.icsi.edu/media/webmodules/CSEET/CSEET_%20May_2024.pdf)
- ✓ Link to register: [https://smash.icsi.edu/Scripts/CSEET/Instructions\\_CSEET.aspx](https://smash.icsi.edu/Scripts/CSEET/Instructions_CSEET.aspx)

### 2. Registration for CS Executive Programme:

- ✓ Information in detail:  
[https://www.icsi.edu/media/webmodules/11112022\\_ICSI\\_Students\\_leaflet.pdf](https://www.icsi.edu/media/webmodules/11112022_ICSI_Students_leaflet.pdf)
- Link to register:  
CSSET Passed students  
[https://smash.icsi.edu/Scripts/CSEETregistration/Instructions\\_CSEETreg.aspx](https://smash.icsi.edu/Scripts/CSEETregistration/Instructions_CSEETreg.aspx)  
Direct students  
<https://smash.icsi.edu/Scripts/Registration/Instructions.aspx?ID=R1>

### 3. Renewal of Registration/Registration Denovo (for Executive Programme & Professional Programme Students)

Registration of students registered upto and including March 2019 stands terminated on expiry of five-year period on 29<sup>th</sup> February, 2024. All such students whose registration has been expired are advised to seek Registration De novo follow:

- ✓ Registration De novo link: <https://smash.icsi.edu/Scripts/login.aspx>
- ✓ Process of Denovo:  
[https://www.icsi.edu/media/webmodules/user\\_manual\\_for\\_reg\\_denovo.pdf](https://www.icsi.edu/media/webmodules/user_manual_for_reg_denovo.pdf)

### 4. Opportunity for students to validate their registration three months prior to Expiry of Registration

- ✓ Follow:  
[https://www.icsi.edu/media/webmodules/14112022\\_Denovo3monthspriortoexpiryofRegistration.pdf](https://www.icsi.edu/media/webmodules/14112022_Denovo3monthspriortoexpiryofRegistration.pdf)

### 5. Continuation of Registration w.e.f. 3rd February 2020

Students will have to keep their registration renewed from time to time even after passing Professional Programme Stage till completion of all the training requirements to become entitled to be enrolled as member of the Institute. Guidelines and process are available at the following url:

- ✓ Follow:  
[https://www.icsi.edu/media/webmodules/student/Guidelines\\_ContinuationRegistration.pdf](https://www.icsi.edu/media/webmodules/student/Guidelines_ContinuationRegistration.pdf)  
[https://www.icsi.edu/media/webmodules/Detailed\\_notification\\_continuation\\_of\\_reg\\_ofpass\\_stud.pdf](https://www.icsi.edu/media/webmodules/Detailed_notification_continuation_of_reg_ofpass_stud.pdf)



## !!ATTENTION STUDENTS!!

Cut- off- Date for Acceptance of Applications for Admission to Executive/ Professional Programme is 31.05.2024 (for appearing in both Groups in December 2024 Examination)

Register online through <https://smash.icsi.edu>

### 6. Registration to Professional Programme:

Students who have passed/completed both modules of the Executive examination are advised to seek registration to Professional Programme through online mode.

The prescribed registration fee is Rs. 12,000/-. Students are also required to remit Rs. 1000/- towards Pre-exam test at the time of registration. Eligibility of students for appearing in the Examinations shall be as under: -

<i>Session</i>	<i>Modules</i>	<i>Cut-off date for Registration</i>	<i>Illustrative Example</i>
June	Both	30th November (Previous Year)	All students registered upto 30th November 2023 shall be eligible to appear in examination of Both Groups in June 2024 Session.
	One	31st January (Same Year)	All students registered upto 31st January 2024 shall be eligible to appear in examination of any One Group in June 2024 Session.
December	Both	31st May (Same Year)	All students registered upto 31st May 2024 are eligible to appear in examination of Both Groups in December 2024 Session

	One	31st July (Same year)	All students registered upto 31 <sup>st</sup> July 2024 are eligible to appear in examination of any One Group in December 2024 Session.
--	-----	--------------------------	--

While registering for the Professional Programme, students are required to submit their option for the Elective Subject. Notwithstanding the original option of Elective Subject, student has the option to change elective subject & enroll for any other elective subject, if he/she wishes. The study material if needed will have to be purchased by them against requisite payment. Soft copies of the study materials are available on the website of the Institute.

Process to change the Elective Subject: Login with user ID and password at <https://smash.icsi.edu/Scripts/login.aspx>

->Click on Module->Student Services->Change Optional Subject->Select new optional subject->Save

*Important: The students shall also be required to pass the online pre-exam test in such manner and mode as may be determined by the Council.*

## 7. Re-Registration to Professional Programme:

Students who have passed Intermediate Course/ Executive Programme under old syllabus and are not eligible for seeking Registration Denovo may resume CS Course from Professional Programme Stage. Detailed FAQ, Prescribed Application Form, etc. may be seen at:

<https://www.icsi.edu/media/webmodules/REREGISTRATION.pdf>

## EXEMPTIONS AND SWITCHOVER

### 1. Clarification Regarding Paper wise Exemption:

- (a) Students enrolling on the Company Secretary (CS) Course shall be eligible for paper-wise exemption (s) based on the higher qualifications (ICAI (cost)/LLB) acquired by them. Such students' needs to apply for paper wise exemption in desired subject through 'Online Smash Portal complying all the requirements. There is a one-time payment of Rs. 1000/- (per subject). For details and Process please visit:

[https://www.icsi.edu/media/webmodules/Paperwise\\_exemption\\_syllabus17.pdf](https://www.icsi.edu/media/webmodules/Paperwise_exemption_syllabus17.pdf)

[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)

- (b) The last date for submission of requests for exemption, complete in all respects, is 9th April for June Session of examinations and 10th October for December session of Examinations. Requests, if any, received after the said cut-off dates will be considered for the purpose of subsequent sessions of examinations

- (c) The paper wise exemption once granted holds good during the validity period of registration or passing/completing the examination, whichever is earlier.
- (d) Paper-wise exemptions based on scoring 60% marks in the examinations are being granted to the students automatically and in case the students are not interested in availing the exemption they may seek cancellation of the same by submitting request through the Online facility available at <https://smash.icsi.edu/scripts/login.aspx> 30 days before commencement of examination.

<i>Session</i>	<i>Cut-off date for Cancellation of Exemption/ Re- submitting the Call-For Documents for Granting Exemption</i>
<b>June Session</b>	1st May
<b>December Session</b>	20th November

User manual for cancellation of Exemption:

[https://smash.icsi.edu/Documents/Qualification\\_Based\\_Subject\\_ExemptionandCancellation\\_Student.pdf](https://smash.icsi.edu/Documents/Qualification_Based_Subject_ExemptionandCancellation_Student.pdf)

If any student appears in the examinations disregarding the exemption granted on the basis of 60% marks and shown in the Admit Card, the appearance will be treated as valid, and the exemption will be cancelled.

- (e) It may be noted that candidates who apply for grant of paper wise exemption or seek cancellation of paper wise exemption already granted, must see and ensure that the exemption has been granted/cancelled accordingly. Candidates who would presume automatic grant or cancellation of paper wise exemption without obtaining written confirmation on time and absent themselves in any paper(s) of examination and/or appear in the exempted paper(s) would do so at their own risk and responsibility and the matter will be dealt with as per the above guidelines.
- (f) Exemption once cancelled on request in writing shall not be granted again under any circumstances.
- (g) Candidates who have passed either module of the Executive/Professional examination under the old syllabus shall be granted the paper wise exemption in the corresponding subject(s) on switchover to the new/latest syllabus.
- (h) No exemption fee is payable for availing paper wise exemption on the basis of switchover or on the basis of securing 60% or more marks in previous sessions of examinations.



## 2. Syllabus Switchover:

Revision of syllabus is a constant exercise by the Institute to ensure up-gradation of knowledge amongst the student community.

Please Note: -

- a) All switchover students are eligible to appear in the Online Pre-Examination Test which is compulsory under the new syllabus before enrolling for any examinations. Process For Remitting the Fee for Pre-Examination Test is available in the link:  
<https://www.icsi.edu/media/webmodules/PreExamTestProcess.pdf>  
<https://www.icsi.edu/media/webmodules/ProcessRemitPretestFeeUnderSyllabus2022.pdf>
- b) Study material is not issued free of cost to the switchover students. Therefore, the student needs to obtain study material, at a requisite cost.
- c) Revert Switchover is not Permissible.
- d) Other details regarding Exemptions and Switchover are available on the student page at the website of the Institute.

### PROCESS/ USER MANUAL TO SWITCHOVER

- ✓ Login with user ID and password (<https://smash.icsi.edu/Scripts/login.aspx>)
- ✓ Click on Module > Switchover > Apply for Switchover
- ✓ Click on the tab “Request for switchover.”
- ✓ click on the checkbox at the bottom and submit your request.  
(Successful message will reflect on your Screen.)

### IMPORTANT LINKS

- [https://www.icsi.edu/media/webmodules/switchover\\_process.pdf](https://www.icsi.edu/media/webmodules/switchover_process.pdf)
- [https://www.icsi.edu/media/webmodules/Correspondingexemptionafterswitchover%200-Fnd\\_ExePrg.pdf](https://www.icsi.edu/media/webmodules/Correspondingexemptionafterswitchover%200-Fnd_ExePrg.pdf)
- [https://www.icsi.edu/media/webmodules/Switchover\\_17092016.pdf](https://www.icsi.edu/media/webmodules/Switchover_17092016.pdf)
- <https://www.icsi.edu/media/webmodules/ICSI%20New%20Syllabus%202022.pdf>

## ENROLLMENT TO EXECUTIVE & PROFESSIONAL PROGRAMME EXAMINATION (REGULATION 35)

- (i) The examinations for the Executive & Professional Programme Stage of CS Course are conducted in June and December every year.
- (ii) The schedule for submission of online application along with the prescribed examination fee for enrolment to June and December Sessions of Examinations are as under:

Session	Period during which the students can submit examination form and fee	Period during which the students can submit examination form and fee (with prescribed fee)
<b>June</b>	The online examination enrollment window is opened tentatively on 26th February and the students may submit the forms upto 25th March without late fee	Students may submit the examination form during 26th March to 9th April with Late Fee.
<b>December</b>	The online examination enrollment window is opened tentatively on 26th August and the students may submit the forms upto 25th September without late fee	Students may submit the examination form during 26th September to 10th October with Late Fee.

The eligibility conditions for seeking enrollment to Executive & Professional Programme Examination are as per the cut off available at [https://www.icsi.edu/media/webmodules/CUT\\_off.pdf](https://www.icsi.edu/media/webmodules/CUT_off.pdf)

- (iii) Students who have registered for the Executive Programme on or after 1st June 2019 are required to complete a One Day Orientation Programme in order to become eligible for enrollment on the June/December Examinations.
- (iv) Students who have registered in the Executive/Professional Programme are required to complete Pre-Examination Test to become eligible for enrolment to June/December Examinations.

## PROCEDURAL COMPLIANCE

### CHANGE OF ADDRESS/CONTACT DETAILS/CREATION OF PASSWORD

#### Process 1: Manual for Change of Mobile number, Email Id

**Step 1:** Log in with valid credentials at <https://smash.icsi.edu/scripts/login.aspx>

**Step 2:** Change Mobile Number and Email address.

#### Process 2: Process to change correspondence /permanent address.

**Step 1:** Log in with valid credentials at <https://smash.icsi.edu/scripts/login.aspx>

**Step 2:** To change Correspondence address

**Step 3:** Click on Save Button

#### Process 3: Change/Reset Password

**Step 1:** Log in with valid credentials on [smash.icsi.edu](https://smash.icsi.edu)

**Step 2:** Click on Profile > Change Password or

**Forget password/Reset Password:**

<https://smash.icsi.edu/scripts/GetPassword.aspx>

#### Process 4: Change Name/Photograph/Signature

[https://www.icsi.edu/media/webmodules/Change\\_of\\_name\\_photograph\\_signature\\_requests\\_for\\_students\\_are\\_payable\\_now.pdf](https://www.icsi.edu/media/webmodules/Change_of_name_photograph_signature_requests_for_students_are_payable_now.pdf)

## STUDENT IDENTITY CARD

Identity Card can be downloaded after logging into the Student Portal at:

[www.icsi.edu](https://www.icsi.edu).

**Step 1:** Log in with valid credentials on [smash.icsi.edu](https://smash.icsi.edu)

**Step 2:** Click on Module > Student Services > Identity Card

DEDUCTION OF 30% OF THE TOTAL FEE REMITTED BY THE APPLICANT IN RESPECT OF REGISTRATIONS LYING PENDING FOR MORE THAN A YEAR

Visit for details:

[https://www.icsi.edu/media/webmodules/Fees\\_Refund\\_Guidelines\\_Admission\\_Fees.pdf](https://www.icsi.edu/media/webmodules/Fees_Refund_Guidelines_Admission_Fees.pdf)

## REVISION OF SYLLABUS FOR CANDIDATES APPEARING IN CSEET FROM NOVEMBER 2023 SESSION ONWARDS!

The Syllabus of Company Secretary Executive Entrance Test (CSEET) has been revised and applicable from November 2023 CSEET Session onwards. It shall be comprised of four papers and the nomenclature of the papers is as under:

<b>Part</b>	<b>Subject</b>	<b>Sub Part</b>	<b>Total Marks</b>
1	Business Communication	--	50
2	Legal Aptitude and Logical Reasoning	A - Legal Aptitude (30 Marks) B - Logical Reasoning (20 Marks)	50
3	Economic and Business Environment	A – Economics (25 Marks) B – Business Environment (25 Mark)	50
4	Current Affairs and Quantitative	A – Current Affairs (30 Marks) B – Quantitative Aptitude (20 Marks)	50
<b>Total Marks</b>			<b>200</b>

## Join online classes at the Regional/Chapter Offices/Study Centres of The ICSI and excel in Examination

### Pre-exam test is exempted for Class-Room Teaching Students (Condition apply)

#### Dear Student,

As you are aware, the CS Course allows the flexibility of undergoing professional education as per the convenience of the students through distance learning mode.

However, keeping in view the requests of the students, the institute has been arranging Class-Room Teaching facilities as its Regional Offices and many of the Chapter Offices and Study Centres. A list of Offices presently providing the Class-Room Teaching facility may be seen at the following link of the Institute's website: <https://www.icsi.edu/crt>

We recommend the students of the Institute to join the classes conducted by the Regional & Chapter Offices and Study Centres for quality education at nominal fee.

Most of the Regional Chapter offices conduct these classes. Kindly contact your nearest Regional/Chapter Office/ Study Centre. The contact details are available at the following link: <https://www.icsi.edu/media/webmodules/websiteClassroom.pdf>

Besides regular classes, the Institute is also conducting demo classes, mock tests, revision classes, and classes on individual subjects which help students in preparing for the main examination.

The Coaching Classes are organized throughout the year corresponding with each session of CS Examination held in June and December every year.

As you are aware the Pre-Examination Test is compulsory for all students of Executive and Professional Programme under new syllabus. The students undergoing the Class-Room Teaching and pass the requisite tests forming part of the coaching are exempted from appearing in the Pre-Exam Test. The standard procedure for joining the coaching classes at the Regional/Chapter Offices is as under:

Step – 1	Contact the nearest Regional/Chapter Office of the Institute from the list given at the link. <a href="https://www.icsi.edu/media/webmodules/websiteClassroom.pdf">https://www.icsi.edu/media/webmodules/websiteClassroom.pdf</a>
Step – 2	Ascertain the Date of Commencement of Coaching Class and the timings of the classes
Step – 3	Enquire about the availability Demo Classes and if available attend the same as per the schedule

Step - 4	Remit the applicable fess at the Regional/Chapter Office
Step - 5	Attend the Coaching Classes as per the schedule and appear in the CS Main examinations

The Institute shall be able to commence Class-Room Teaching facility at the remaining Chapter Offices also subject to the participation of students.

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

**Motto**  
सत्यं वद। धर्मं चर। इच्छते तेन त्पुनः अक्षयते इत्येन चरः।

**Mission**  
"To develop high calibre professionals  
facilitating good corporate governance"

# Examination Enrolment for June 2024

**Hurry Up !**  
Last Date to Enroll  
Without Late Fee :  
**25<sup>th</sup> March 2024**

Last Date to Enroll  
With Late Fee :  
**9<sup>th</sup> April 2024**



## Eligibility Criteria to Enroll for CS Examination

<b>Executive Programme</b>	<b>MANDATORY REQUIREMENTS:</b> <ul style="list-style-type: none"> <li>• Completion of Online Pre- Examination test</li> <li>• Completion of ODOP (One day Orientation Programme)</li> </ul>
<b>Professional Programme</b>	<b>MANDATORY REQUIREMENT:</b> <ul style="list-style-type: none"> <li>• Completion of Online Pre- Examination test</li> </ul>

For Detailed Information click on :  
[https://www.icsi.edu/media/webmodules/Guidelines\\_June2024\\_25022024.pdf](https://www.icsi.edu/media/webmodules/Guidelines_June2024_25022024.pdf)

Commencement of June 2024 session of Examination from 1<sup>st</sup> June to 10<sup>th</sup> June 2024  
Enroll Now : <https://smash.icsi.edu>

**New Examination  
Centre ASANSOL**

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

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

**CS Asish Mohan**  
Secretary, The ICSI

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IN PURSUIT OF PROFESSIONAL EXCELLENCE  
Statutory body under an Act of Parliament  
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**Mission**

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# ICSI fee waiver/Concession scheme for Indian Armed Forces Para Military Forces Agniveers and Families of Martyrs



**The sacrifice of the personnel of Indian Armed Forces and Para Military Forces for maintaining the Security and Sovereignty of the Country is Commendable.**

**A humble endeavor of the Institute in recognizing the contribution of the serving and retired personnel of Indian Armed forces, all Para Military forces, Agniveers and a goodwill gesture to the families of martyrs.**

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

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

**CS Asish Mohan**  
Secretary, The ICSI



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**Mission**

"To develop high calibre professionals facilitating good corporate governance"

"UGC Recognises CS Qualification as Equivalent to a Post Graduate Degree."

**COMPANY SECRETARY  
EXECUTIVE  
ENTRANCE TEST  
(CSEET)**

**FREE ACCESS  
TO CSEET  
ONLINE/VIRTUAL  
TEACHING  
FOR ALL  
REGISTERED  
CANDIDATES**

**HURRY UP**

Last date of registration  
for the CSEET is  
**15<sup>th</sup> April 2024**

**MINIMUM ELIGIBILITY**

Passed or appearing in the Senior Secondary (10+2) Examination or equivalent.

**EXEMPTED FROM CSEET**

(Eligible to Take Direct Admission in CS Executive Programme)

Foundation passed of ICSI/Final passed of ICAI/Final passed of ICMAI/Graduates (having minimum 50% marks)/Post Graduates

Link to Join CSEET Online/Virtual Teaching will be sent to all registered candidates Separately

**May 2024 session of CSEET**

is proposed to be held on 04<sup>th</sup> May 2024



Register Now: [https://smash.icsi.edu/Scripts/CSEET/Instructions\\_CSEET.aspx](https://smash.icsi.edu/Scripts/CSEET/Instructions_CSEET.aspx)

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**Mission**  
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professionals facilitating  
good corporate governance"



## Golden Opportunity to Become a Company Secretary

For Economically weaker and / or Academically Bright Students  
To avail financial assistance from

### STUDENTS EDUCATION FUND TRUST

#### ELIGIBILITY CRITERIA

Economically Backward Students with Good Academic Record (having family income not more than 3 Lakh per annum)	65% (or equivalent CGPA) in Class XII OR 60% (or equivalent CGPA) in Graduation
Academically Bright Students (without any limit on family income)	85% (or equivalent CGPA) in Class XII OR 70% (or equivalent CGPA) in Graduation

Please refer to the detailed guidelines available on the website regarding refund under Student Education Fund Trust (SEFT) @ [https://www.icsi.edu/media/webmodules/28072022\\_guidelines.pdf](https://www.icsi.edu/media/webmodules/28072022_guidelines.pdf) or write to [seft@icsi.edu](mailto:seft@icsi.edu)

To download the SEFT Form click here :

[https://www.icsi.edu/media/webmodules/SEFT\\_ApplicationForm.pdf](https://www.icsi.edu/media/webmodules/SEFT_ApplicationForm.pdf)

CS B Narasimhan  
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**Mission**  
"To develop high calibre professionals facilitating good corporate governance"



ICSI has introduced  
**CENTRALIZED ONLINE  
CLASSES FOR  
EXECUTIVE AND PROFESSIONAL  
PROGRAMME  
(NEW SYLLABUS 2022)**  
(For June 2024 Session of CS Exam)

  
**HURRY UP!  
ENROLL NOW**



**KEY FEATURES**

Best & Experienced Faculties	Evaluation and feedback
No fees for students of Executive and Professional	Interactive learning
Special doubt solving sessions	Assignment based learning
Exam oriented	Exemption from Pre-Exam test subject to clearing tests of the respective group/s
Special sessions by experts	Free access to online doubt clearing classes conducted by the Institute
Practical and case-based study methodology	
Frequent Quizzes and tests	

**TIMINGS OF THE CLASSES**

10:00 am to 12:30 noon  
02:00 pm to 04:30 pm  
Monday to Friday

**FREE  
CLASSES  
(NO FEES)**

**Classes have commenced from 1<sup>st</sup> December 2023**

**Duration of the classes - (4-5 months)**

**Note 1.** Students are required to register at the following link to join the classes

<https://tinyurl.com/478ee6es>

**Note 2.** After registration, link for online classes shall be shared with the students

**For further details please contact : [centralisedclasses@icsi.edu](mailto:centralisedclasses@icsi.edu)**

CS B Narasimhan  
President, The ICSI

CS Dhananjay Shukla  
Vice President, The ICSI

CS Asish Mohan  
Secretary, The ICSI

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# Examination



## COMPANY SECRETARIES EXAMINATION – JUNE 2024

### REVISED TIME - TABLE

<b>THE INSTITUTE OF Company Secretaries of India</b> <b>भारतीय कम्पनी सचिव संस्थान</b> <small>IN PURSUIT OF PROFESSIONAL EXCELLENCE                      Statutory body under an Act of Parliament                      (Under the jurisdiction of Ministry of Corporate Affairs)</small>				
COMPANY SECRETARIES EXAMINATION – JUNE, 2024				
REVISED TIME – TABLE				
EXAMINATION TIMING : 09:00 AM to 12:15* PM				
Date & Day	Executive Programme (Syllabus – 2017)	Executive Programme (Syllabus – 2022)	Professional Programme (Syllabus – 2017)	Professional Programme (Syllabus – 2022)
02.06.2024 Sunday	Jurisprudence, Interpretation and General Laws (Module-I)	Jurisprudence, Interpretation and General Laws (Group-1)	Governance, Risk Management, Compliances and Ethics (Module – I)	Environmental, Social and Governance (ESG) – Principles and Practice (Group-1)
03.06.2024 Monday	Securities Laws and Capital Markets (Module-II)	Capital Market and Securities Laws (Group-2)	Secretarial Audit, Compliance Management and Due Diligence (Module – II)	Strategic Management and Corporate Finance (Group-2)
04.06.2024 Tuesday	Company Law (Module-I)	Company Law and Practice (Group-1)	Corporate Funding and Listings in Stock Exchanges (Module – III)	Drafting, Pleadings and Appearances (Group-1)
05.06.2024 Wednesday	Economic, Business and Commercial Laws (Module-II)	Economic, Commercial and Intellectual Property Laws (Group-2)	Advanced Tax Laws (Module – I)	Corporate Restructuring, Valuation and Insolvency (Group-2)
06.06.2024 Thursday	Setting Up of Business Entities and Closure (Module-I)	Setting Up of Business, Industrial and Labour Laws (Group-1)	Corporate Restructuring, Insolvency, Liquidation and Winding – up (Module – II)	Compliance Management, Audit and Due Diligence (Group-1)
07.06.2024 Friday	Corporate and Management Accounting (OMR Based) (Module-II)	Tax Laws and Practice (Group-2)	Multidisciplinary Case Studies [Open Book Exam.] (Module – III)	Elective 2 (one out of below 5 subjects) [Open Book Exam.] (Group-2) (i) Arbitration, Mediation and Conciliation (ii) Goods and Services Tax (GST) and Corporate Tax Planning (iii) Labour Laws and Practice (iv) Banking and Insurance – Laws and Practice (v) Insolvency and Bankruptcy – Law and Practice
08.06.2024 Saturday	Tax Laws (OMR Based) (Module-I)	Corporate Accounting and Financial Management (Group-1)	Drafting, Pleadings and Appearances (Module – I)	Elective 1 (one out of below 4 subjects) [Open Book Exam.] (Group-1) (i) CSR and Social Governance (ii) Internal and Forensic Audit (iii) Intellectual Property Rights – Law and Practice (iv) Artificial Intelligence, Data Analytics and Cyber Security – Laws and Practice
09.06.2024 Sunday	Financial and Strategic Management (OMR Based) (Module-II)	<b>NO EXAMINATION</b>	Resolution of Corporate Disputes, Non-Compliances and Remedies (Module – II)	<b>NO EXAMINATION</b>
10.06.2024 Monday	<b>NO EXAMINATION</b>	<b>NO EXAMINATION</b>	Elective 1 out of below 5 subjects [Open Book Exam.] (Module – III) (i) Banking – Law and Practice (ii) Insurance - Law and Practice (iii) Intellectual Property Rights – Laws and Practices (iv) Labour Laws and Practice (v) Insolvency – Law and Practice	<b>NO EXAMINATION</b>

\*15 minutes Extra-Time for reading the Question Paper has been granted to the Examinees from 09:00 AM to 09:15 A.M.  
 Note: The Institute reserves 11<sup>th</sup>, 12<sup>th</sup>, 13<sup>th</sup> & 14<sup>th</sup> June, 2024 to meet any exigency.





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# List of ICSI Latest Publication 2023 Onwards



1. Company Law Exploring Procedural Dimensions VOL I / II / III-December 2023 (A comprehensive and practical oriented publication (in three volumes) covers step by step procedural aspects of company law, specimens of resolutions, applications/petitions to ROC/RD/NCLT information/approvals required, reference to relevant e-forms for filing and so on.)
2. Charter of Audit Committee - January 2023
3. Corporate Governance from Compliance to Excellence (Handbook on Best Practices) Version 2.0 - March 2023
4. FAQs on SEBI (Real Estate Investment Trusts) Regulations, 2014 - March 2023
5. FAQs on SEBI (Infrastructure Investment Trusts) Regulations, 2014 - March 2023
6. Handbook on IFSCA - April 2023
7. Handbook on Business Responsibility and Sustainability- May 2023
8. FAQs on Section 8 Companies 2<sup>nd</sup> Edition-June 2023
9. Ready Reckoner for Private Companies (Revised Edition)-June 2023
10. One Person Company - A Referencer - July 2023
11. Chartered Secretary Collector's Series (First Edition) - September 2023
12. Handbook on Producer Companies - November 2023
13. NBFC - A Quick Referencer - November 2023
14. CHARTERED SECRETARY COLLECTOR'S SERIES (Second Edition) - November 2023
15. ICSI (Management and Development of Company Secretaries in Practice) Guidelines, 2023 - November 2023
16. Charter of Board of Directors - January 2024
17. Charter of Nomination and Remuneration Committee - January 2024
18. Guidance Note on Annual Secretarial Compliance Report (Revised Edition) - January 2024
19. SS-1 (Secretarial Standard on Meeting of the Board of Directors)-February 2024
20. SS-2 (Secretarial Standard on General Meetings) - February 2024
21. Compilation of SEBI (LODR) Informal Guidance
22. Compilation of Informal Guidance by SEBI

**Weblink for Purchase: <https://www.icsi.edu/home/icsipublications/>**

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## ***Study Materials 2024 (Updated Version) and Model Question Paper***

The updated version of study material of each subjects of Executive Programme under New Syllabus are available at the following weblink:

[https://www.icsi.edu/student\\_pn/academic-portal/new-syllabus-2022/executive-programme/](https://www.icsi.edu/student_pn/academic-portal/new-syllabus-2022/executive-programme/)

An indicative Sample Question Paper is also annexed at the end of each study for reference purpose.

## ***Reading References***

**The Law and Practice Relating to Company Meetings**

*Third Edition*

*Author - Ramaswami Kalidas*

*Publisher - Bloomsbury Professional India*

**For Executive Programme - Company Law & Practice and  
Professional Programme - Compliance Management, Audit & Due Diligence**



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## Gurugram Chapter of NIRC of The ICSI is organising

### 01st Corporate Leadership Development Program (CLDP) (Non-Residential Batch)

Schedule 27.03.2024 (Wednesday to 16.04.2024 Tuesday)

Venue of Program First Floor, Deenbandhu Sir Chhotu Ram Bhawan, Behind Shiv Mandir,  
Jharsa Road, Sector-32, Gurugram-122002

Contact Details: Gurugram Chapter of NIRC of ICSI

0124-4232148/0124-2380021/9999311926 gurugram@icsi.edu

## Eligibility Criteria for Admission in CLDP

- To register for 15- days classroom mode CLDP program, students must have completed 15- days online mode CLDP program and have a valid completion certificate.
- The students under Earlier and Modified structures, who are required to complete MSOP, are allowed to register for 15 days CLDP through Class Room Mode, Such students not be required to complete the 15 Days CLDP through Online Mode (Which is mandatory for the students under new training structure).

## Programme fee: Rs 7500/- (Per participant)

- Admission for CLDP will be taken through stimulate portal i.e. <http://stimulate.icsi.edu/>
- The duration of the CLDP shall be 15 days (Excluding Holidays)
- Outstation Participants have to take care of the accommodation at their own.
- We Request to ensure Safety and Social Distancing norms during the CLDP
- The CLDP Schedule is tentative subject to final confirmation from Gurugram Chapter.  
Outstation candidates must take prior confirmation from Gurugram Chapter before proceeding to Gurugram Chapter.
- For any assistance, guidance and clarification please call on telephone No. 0124-4232148/0124-2380021/9999311926 or email gurugram@icsi.edu

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