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Announcement for the Students

Students are invited to contribute articles for Student Company Secretary e-journal for the month of December at academics@icsi.edu on the topic

Evolving ESG Reporting landscape in India inc

Selected Articles will be published in the August issue of Student Company Secretary e-journal
Dear Students,

With this shloka giving salutations to the numerous lamps lighted and bowing before the divinity of their light, I wish you and all your family members, a very happy and prosperous Diwali. May the festival of lights illuminate your lives with eternal ecstasy, knowledge, success and prosperity...!

Friends, they say, it is the enlightened minds those which gain success and move towards excellence. And to add to that, knowledge comes across as an indispensable and integral element determining the altitude of success in our lives. Gaining education, undergoing a professional course is by far a sure shot way to achieve the goals of both knowledge and success.

The Company Secretary Course is no different too for it is during the course of this Programme, during the course of the journey from a student to a full-fledged professional, that a person gains copious amount of knowledge, wisdom, intellectual insight and the zeal necessary to march ahead on the journey of excellence and success.

With the December-2021 Examinations just around the corner, I would urge all the students to gain a thorough understanding of the crucial facets pertaining to their relevant course of study and develop a comprehension of the vital aspects and developments covered in that course. For I believe, that it is holistic learning that shall lead to the
expansion of thoughts and the creation of a safe space for new ideas to thrive. As mentioned in the Shrimad Bhagavad Gita, that journey of soul is eternal, so is the knowledge and so one must strive for lifelong knowledge.

“Education is simply the soul of a society as it passes from one generation to another”

– G.K. Chesterton

I wish all the readers, a very happy reading!!!

With warm regards,

(CS Nagendra D. Rao)

President
The Institute of Company Secretaries of India
1. **Info Capsule Publication Series 8 (251-300)** has been released in November. The same is available on the Institute’s website at the weblink: https://www.icsi.edu/media/webmodules/infocapsule/Info_Capsule_Series8.pdf

2. The **Student Company Secretary e-journal** for Executive / Professional programme students of ICSI has been released for the month of October, 2021. The same is available on the Institute’s website at the weblink: https://www.icsi.edu/e-journals/

3. The **CSEET Communique (e-bulletin)** for the month of October, 2021 containing the latest updates in respect of Papers 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/cseet/cseet-e-bulletin/

4. The **CS Foundation course e-bulletin** for Foundation programme students of ICSI has been released for the month of October, 2021. The same is available on the Institute’s website at the weblink: https://www.icsi.edu/e-journals/

5. **Guideline Answers** for Executive and Professional Programme containing solved question papers for June 2021 session has been placed on the ICSI website at the weblink: https://www.icsi.edu/student/academic-portal/guideline-answers/

6. **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/

7. **10th Samadhan Diwas**: The Samadhan Diwas is an initiative by the ICSI towards on the spot solution of the grievances of the students.

The ICSI has successfully organized Tenth Samadhan Diwas on Wednesday, 10th November 2021. The focus of the Samadhan Diwas was to facilitate the stakeholders to resolve their queries on the spot. In the Samadhan Diwas student got opportunity to present their case and directly interact with ICSI officials.

The Institute heard the pending matters of the students in following areas and resolved their issues.

1) Issues relating to Switchover from Old training to New Training Structure
2) Pending registration in Classroom EDP, e-EDP, e-MSOP
3) Instant issue of sponsorship letters for Practical Training
4) Exemption related matters in Practical Training
5) Resolving the issues of Training Completion Certificate
The students appreciated the efforts of the institute for creating a platform for direct interaction with the ICSI officials to solve their matter on the spot.

8. **Registration for Online Doubt Clearing classes by ICSI for students appearing in December 2021 Exam** - learn from the best faculties at nominal fee.

   Click on the below weblink to make payment:
   

9. **Slogan writing Competition for the students during “The Rashtriya Ekta Diwas” on 29th October 2021, under the banner of “Azadi ka Amrit Mahotsav”**.

   For details, click on the below weblink:
   
   https://www.icsi.edu/media/webmodules/slogan.pdf

10. **Poster Making Competition for the students during “The Rashtriya Ekta Diwas” on 26th October 2021, under the banner of “Azadi ka Amrit Mahotsav”**.

    For details, click on the below weblink:
    
    https://www.icsi.edu/media/webmodules/poster.pdf

11. **Essay Writing Competition for the students during “The Rashtriya Ekta Diwas” on 25th October 2021, under the banner of “Azadi ka Amrit Mahotsav”**.

    For details, click on the below weblink:
    
    https://www.icsi.edu/media/webmodules/essay.pdf

12. **Elocution Competition for the students during “The Rashtriya Ekta Diwas” on 28th October 2021, under the banner of “Azadi ka Amrit Mahotsav”**.

    For details, click on the below weblink:
    
    https://www.icsi.edu/media/webmodules/elocution.pdf

13. **Online Quiz Competition for the students during “The Rashtriya Ekta Diwas” on 27th October 2021, under the banner of “Azadi ka Amrit Mahotsav”**.

    For details, click on the below weblink:
    
    https://www.icsi.edu/media/webmodules/online_quiz.pdf

14. **Schedule of ICSI Classes at Regional/ Chapter offices for DEC-21 session of Examination**

    Online Classes are being conducted by Regional/Chapter Offices for the students appearing in December 2021 Examination.

    For details, click on the below weblink:
    
    https://www.icsi.edu/media/webmodules/Schedule_of_classes_for_DEC_21_session_at_RO_CHAPTERS.pdf

15. **Provisional registration in CS Executive Programme for CSEET passed candidates**

    For details, click on the below weblink:
    
    https://www.icsi.edu/media/webmodules/CSEET/Announcement%20_students_12th_20211.jpg
16. **CSEET (January 2022 session)**

Students who aspire to join CS profession may note that the last date to register for CSEET January 2022 session is 15th December 2021. CSEET January 2022 session will be held on 8th January 2022.

*Click on the below weblink to register:*
https://smash.icsi.edu/Scripts/CSEET/Instructions_CSEET.aspx

17. **Recorded video lectures for students of the Institute**

URL to login: https://elearning.icsi.in

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

18. **Online CSEET classes**

Online CSEET Classes are being conducted by Regional/Chapter Offices for the students appearing in CSEET to be held in January 2022.

*For schedule of classes and to contact coordinators, click on the below weblink:*
https://www.icsi.edu/media/webmodules/websiteClassroom.pdf

19. **Granting exemption to Graduates and Post Graduates from the recognized Universities from appearing in CSEET and enabling them to take direct admission in CS Executive Programme.**

*For details, click on the below weblink:*
https://www.icsi.edu/media/webmodules/granting_exemption_230621.pdf

20. **Concession in the fees payable at the time of registration in CS Executive Program for the students who lost their parents/legal guardian/adoptive parents due to any reason, including Covid19 pandemic.**

*For details, click on the below weblink:*

21. **Temporary Relaxation for complying with the requirement of Pre-Examination Test and One Day Orientation Programme for enrollment to December, 2021 session of CS Examinations**

*For details, click on the below weblink:*

22. **Reopening of Exam Enrolment Window for December, 2021 Exam Session**

The examination enrollment online window for December 2021 exam session was reopened from 2 pm on November 10, 2021, till 2 pm on November 12, 2021.
• TRACKING THE OUTCOMES OF IBC
• BANKING FRAUD - ITS DETECTION, PREVENTION AND REPORTING
• COP26 GLASGOW – ANALYSIS AND OUTCOME
Introduction

The Insolvency and Bankruptcy Code (IBC) was enacted as a critical building block of India’s progression to a mature market economy. It addresses the growing need for a comprehensive law that would be effective in resolving the insolvency of debtors, maximizing the value of assets available for creditors and easing the closure of unviable businesses. The first objective of the Code is resolution. The second objective is to maximize the value of assets of the corporate debtor and the third objective is to promote entrepreneurship, availability of credit, and balancing the interests. The order of these objectives is sacrosanct. The IBC deals with the reorganization and insolvency resolution of corporate debtors (CDs), partnership firms, and even individuals. A CD is a corporate person that has defaulted on paying its debts. The IBC also provides an exit mechanism for a corporate person that has not defaulted, through a voluntary liquidation process.

As Mahatma Gandhi observes: “Freedom is not worth having it if it does not include the freedom to make mistakes.” A businessman needs freedom to start a business when he finds an opportunity, and freedom to get out of the business when he fails. He typically commences a business when he has reassurance of exit. He fails when he becomes a victim of Schumpeterian ‘gale of creative destruction’, where the business is failing to earn normal profits, either because it is outdated, the space is overcrowded or resources are ineffectively husbanded. Higher the intensity of competition and innovation in an economy, higher is the rate of failure, higher is the incidence of sunrise businesses replacing the sunset ones, and higher is the need for freedom to exit. An honest businessman uses the degree and quality of freedom to exit from business as the metric to assess the outcome of insolvency reform.

Nobel laureate in economics science, Jan Tinbergen, prescribes a basic principle of policy efficacy that the policy makers should have at least one policy tool for each policy target. There can be more than one policy to achieve one target but having one policy to achieve more than one target is troublesome. It is not easy to kill more than one bird with one stone, particularly when the birds are flying in different directions. There can be many tools for reorganisation.
Tracking the Outcomes of IBC

Working Group on Tracking Outcomes of Insolvency and Bankruptcy Code, 2016 (IBC) constituted by the Insolvency and Bankruptcy Board of India (IBBI) for developing metrics for measuring the outcomes of IBC and to objectively evaluate the achievements under the IBC. The Working Group has presented its Report to IBBI on November 10, 2021. Report of the Working Group would help researchers and policy makers to appreciate the nuances involved in evaluating the outcomes of this new law and guide them to adopt a holistic approach instead of approaching the issue on a piecemeal basis.

According to the Report, there is presently no standard framework to track the outcomes of insolvency and bankruptcy regime in various jurisdictions, other than the DBR indicators. The World Bank indicators, which are designed in the context of ease of doing business, have limitations to track or measure the outcome of an insolvency regime. The availability of data to enable a meaningful appreciation of the performance of an insolvency regime is also limited. In the absence of a standardised framework and centralised data bank, it is important to design a framework for the assessment of the performance of the insolvency regime in the country in terms of its effectiveness, efficiency, and efficacy. Such a framework would inform various stakeholders, in a structured manner, outcomes of the new regime, enable organisation and availability of information required for the framework. A dynamic framework would steer relevant data creation and dissemination and at the same time encourage useful research in matters of policy design and implementation.

Outcomes of an I&B Regime as of Now

Working Group has identified the following six layers of outcomes of an insolvency and bankruptcy regime:

(a) The growth, strength and efficiency of the insolvency ecosystem consisting of Insolvency Professionals (IPs), Insolvency Professional Agencies (IPAs), Registered Valuers (RVs), Registered Valuer Organisations (RVOs), Information Utilities (IUs), Adjudicating Authority, Appellate Tribunal, IBBI, Government, Courts, etc.;

(b) The strength, efficiency, and efficacy of the processes, namely, corporate insolvency resolution, corporate liquidation, voluntary liquidation, pre-packaged insolvency resolution, fresh start process, resolution of personal guarantors to corporate debtors, resolution of proprietorship and partnership firms, individual insolvency resolution, bankruptcy, etc.;

(c) The growth and efficiency of markets such as markets for interim finance, resolution plans, liquidation assets, insolvency services, along with cost efficiency, information efficiency, etc.;

(d) The impact on businesses in terms of cost of capital, capital structure, availability of credit, entrepreneurship, capacity utilisation, creative destruction, competition, innovation, etc.;

(e) Behavioural changes amongst the debtors and creditors, trust of the creditors in debtors, meritocratic lending, non-observable impact, humanitarian considerations, proactive/ preventive impact of the Code, etc. and

(f) The overall impact on employment, income, and economic growth of the nation.
Suggested Framework for Measuring Outcomes of the Code

To begin with, a framework for measuring outcomes with respect to CIRP is proposed by the Working Group in light of the identified six layers of outcomes of the Code. The Working Group suggests the following framework for measuring outcomes of the Code, juxtaposing the objectives of the Code against **Three Es** of measuring outcomes of Code as follows:

(a) **Effectiveness:** This is the measure of the extent to which an insolvency system achieves its intended objectives.

(b) **Efficiency:** This is the measure of the extent to which the insolvency system achieves those objectives with the minimum use of resources. It measures the relationship between inputs and outputs. In effect, an efficient system would translate into a quick resolution of financial distress with maximum recovery and minimum costs. An efficient insolvency framework fosters liquidation of non-viable businesses, reallocation of assets to more productive uses and rehabilitation of viable businesses through debt restructuring. Analysis can be undertaken at different points in time - ex-ante, interim and ex-post efficiency.

(c) **Efficacy:** This is the measure of the extent to which there exists a connection or contribution of the insolvency system (sub-system) with the higher-level systems like the legal, economic, and financial systems. Efficacy would ensure securing the objective of protection and maximisation of the value of an insolvent for all the stakeholders and the economy in general.

Emphasis of the Working Group on its Report

The consolidated framework suggested by the Working Group includes:

(a) **Identification of quantitative and qualitative parameters;**

(b) **Institutional arrangement (s) for capturing the parameters;**

(c) **Manner of using the identified parameters.**

The Working Group would like to emphasise the following considerations to meet its mandate:

(a) **National Dashboard for Insolvency Data:** Reliable real-time data is essential to assess the performance of the insolvency process. IBBI has made commendable efforts in publishing quarterly data on the insolvency resolution process in detail. This includes data on insolvency filings, recovery amount and duration of the insolvency process across CDs for all creditors. In terms of the next step, IBBI can also consider including quantitative data on cost indicators such as court/bankruptcy authority fees, RP’s fees, asset storage and preservation costs etc. in its quarterly updates in line with international best practices. Apart from these, gathering the exact cost of the insolvency procedure is challenging given fragmented sources. The WG recommends a survey-based method to estimate costs, like the World Bank’s Ease of Doing Business’ approach, based on responses from IPs for the time being.

(b) **Time, Cost and Recovery:** Data on time, cost and recovery rates will allow a reliable evaluation of the insolvency process with respect to parameters of ‘Effectiveness’ and ‘Efficiency’.
(c) **Macro-Economic Indicators:** Apart from specific insolvency indicators as reported by the IBBI, it is also important to track the performance of related economic indicators to assess the performance of the insolvency process with respect to other objectives such as ‘promoting entrepreneurship’ or ‘enhancing credit availability’. Such an assessment would measure the performance of the system with respect to the ‘Efficacy’ parameter. The WG recommends a range of indicators such as the number of new companies registered, credit supply to stressed sectors like real estate, construction, metals etc, change in the cost of capital (particularly for stressed sectors), the status of non-performing loans, employment trends, size of the corporate bond market and investment ratio for the related sectors.

(d) **Non-Quantifiable Outcomes:** The WG emphasises that it is imperative to measure and track both quantifiable and non-quantifiable outcomes of the Code. Non-quantifiable outcomes such as behavioural changes in the debtors and creditors, ushered in by the Code need to be corroborated by research and quantifiable proxy indicators. As the Code matures, other behavioural changes are likely to emerge, and it is desirable to acknowledge the interface between behavioural science and economic legislations.

(e) **Data Challenges:** The WG acknowledges that there are multiple challenges in data collation for the methodology indicated since these data banks are compiled by various sources. Cross-validation of data sourced from multiple data banks is a challenge in making credible assessments. In view of this, the WG recommends the design of a national dashboard of insolvency data by using the existing data sources to the extent possible along with specific insolvency indicators which the IBBI reports on a quarterly basis.

**References:**

- [https://ibbi.gov.in/uploads/whatsnew/4b74947e21c8b01f95bdcb348635ece5.pdf](https://ibbi.gov.in/uploads/whatsnew/4b74947e21c8b01f95bdcb348635ece5.pdf)
BANKING FRAUD - ITS DETECTION, PREVENTION AND REPORTING*

Introduction

The Indian banking sector has experienced significant growth and changes since liberalization of economy in 1991. Though the banking industry is generally well regulated and supervised, the sector suffers from its own set of challenges when it comes to ethical practices, financial distress and corporate governance. In recent years, instances of financial frauds have regularly been reported in India. Although banking frauds in India have often been treated as cost of doing business, post liberalization the frequency, complexity and cost of banking frauds have increased manifold resulting in a very serious cause of concern for regulators, such as the Reserve Bank of India (RBI).

Fraud vitiates every solemn proceeding and no right can be claimed by a fraudster on the ground of technicalities. The definition of fraud as defined in the Black's Law Dictionary, which is as under:

“Fraud means:

(1) A knowing misrepresentation of the truth or concealment of a material fact to induce another to act to his or her detriment.

Fraud is usually a tort, but in some cases (especially when the conduct is wilful) it may be a crime.

(2) A misrepresentation made recklessly without belief in its truth to induce another person to act.

(3) A tort arising from a knowing misrepresentation, concealment of material fact, or reckless misrepresentation made to induce another to act to his or her detriment.

(4) Unconscionable dealing; esp., in contract law, the unconscientious use of the power arising out of the parties' relative positions and resulting in an unconscionable bargain.”

Colloquially, the terms “fraud” and “scam” are used interchangeably to refer to any kind of financial wrongdoing. Legally speaking, fraud usually refers to a broader and more serious crime, with scams representing one type of fraud.

A scam is a fraudulent scheme generally involving money and some sort of business transaction. Scams come in various forms. Maybe you have experienced someone telling you would win a prize if you revealed your credit card details or asking you to donate money to a charity that did not exist. Scams reach us in various ways, via telephone, email, or even in person.

* CA Sarika Verma, Assistant Director, The ICSI

Views expressed in the Article are the sole expression of the Author(s) and may not express the views of the Institute.
Fraud implies a deception. It is a breach of confidence or trust. Fraud is a serious crime and a violation of civil law. The motivations for fraud can be many. These include monetary gain, discrediting an opponent or adversary. It can be to gain prestige as well as a financial advantage.

**Fraud as Defined In Section 17 of Indian Contract Act, 1872**

“Fraud” means and includes any of the following acts committed by a party to a contract, or with his connivance, or by his agent, with intent to deceive another party thereto or his agent, or to induce him to enter into the contract:

1. the suggestion, as a fact, of that which is not true, by one who does not believe it to be true;
2. the active concealment of a fact by one having knowledge or belief of the fact;
3. a promise made without any intention of performing it;
4. any other act fitted to deceive;
5. any such act or omission as the law specially declares to be fraudulent.

In order to amount to Fraud, an act must be confined to acts committed by a party to contract with an intention to deceive another party or his agent or to induce him to enter into a contract.

Fraud, which vitiates the contract, must have a nexus with the acts of the parties entering into the contract.

This definition highlights the precondition to prove the intention of the person who has committed Fraud. If that person has willingly committed a Fraud, then he will be punished. Here the person means himself or his agent. The acts which include fraud are wrong suggestions or concealment of facts or false promises or any fraudulent act to deceive others.

**Fraud under the Companies Act, 2013**

The Companies Act, 2013 focuses on the issues related to corporate Fraud, as is visible, it may continue in the future too. As per Section 447, Fraud in relation to affairs of a company or a body corporate, includes any act, omission, concealment of any fact or abuse of position committed by any person or any other person with the connivance in any manner, with intent to deceive, to gain undue advantage from, or to injure the interests of, the company or its shareholders or its creditors or any other person, whether or not there is any wrongful gain or wrongful loss;

(i) “wrongful gain” means the gain by unlawful means of property to which the person gaining is not legally entitled;
(ii) “wrongful loss” means the loss by unlawful means of property to which the person losing is legally entitled.

**Classification of Frauds**

In order to have uniformity in reporting, frauds have been classified as under, based mainly on the provisions of the Indian Penal Code:

- Misappropriation and criminal breach of trust.
- Fraudulent encashment through forged instruments, manipulation of books of account or through fictitious accounts and conversion of property.
- Unauthorised credit facilities extended for reward or for illegal gratification.
- Cash shortages.
- Cheating and forgery.
- Fraudulent transactions involving foreign exchange
- Any other type of fraud not coming under the specific heads as above.

Recently Pratip Chaudhuri, former State Bank of India chairman was arrested by Rajasthan Police in Delhi in connection with an alleged loan scam. The arrest was made on the basis of a protest petition filed by former directors of Hotel Gaudavan before the Chief Judicial Magistrate (CJM) Jaisalmer. A hotel project, ‘Garh Rajwada’, was financed by SBI in 2007. The case is related to properties owned by Godawan Group, which took a Rs. 24-crore loan from SBI in 2008 to construct a hotel. In 2010, the key promoter passed away, following which the project turned into a non-performing asset (NPA). The charges against Chaudhuri include properties worth Rs. 200 crore being sold for Rs. 25 crores after the bank seized them for defaulting on the loan.

**Flow of Events**

1. **In 2008**, Rajasthan-based Hotel Gaudavan Pvt. Ltd. took loan for Rs. 23.5 crore.
2. **In 2010**, the term loan declared as NPA.
3. **In July 2013**, SBI had invoked the SARFESI Act under the Debt Recovery Tribunal.
4. **In 2013** Mr. Chaudhuri retired and took over the directorship of Delhi headquartered Alchemist ARC.
5. **In March 2014**, SBI sold the loan to the Alchemist ARC.
6. **In March 2017**, Alchemist, approached the National Company Law Tribunal (NCLT) for resolution under a court-driven process.
7. The NCLT finally disposed of the case in December 2017 & ARC sold hotel to JFC Finance.

The State Bank of India (SBI) sold over 15 loan accounts of defaulters at a discount of 65-67 per cent under the chairmanship of Pratip Chaudhuri, who is currently under arrest in a Rs. 23.5-crore loan case. The 68-year-old Chaudhuri is charged in connection with one such non-
performing asset (NPA) sale to an asset reconstruction company (ARC), which happened after his retirement.

**Bank frauds in India**

**Number of bank fraud cases across India between from financial year 2009 to 2021**

![Graph showing number of bank fraud cases from 2009 to 2021](https://www.statista.com/statistics/1012729/india-number-of-bank-fraud-cases/)

In the last decade, Public Sector Banks (PSBs) in India have lost thousand crores on account of various banking frauds. Indian banking system has remained plagued with growth in NPAs during recent years, which resulted in a vicious cycle affecting its sustainability. In May, 2021 the RBI has published its annual report 2020-21 which disclosed that in the last three years 22,864 banking frauds have been reported involving a gargantuan amount of over INR 3.95 trillion. Some of the frauds in last three years are ICICI Bank-Videocon bribery for loan scam in 2020, Punjab and Maharashtra Co-operative Bank crisis in 2019 or Nirav Modi and Gitanjali Gems-Punjab National Bank scam in 2018. After investigations it is revealed the involvement of not only mid-level employees, but also of the senior most management of the banks.
The root cause of weak corporate governance at highest level is directly linked to the very process of appointment of highest level of officials and poor compensation structure of highest level functionaries. There is a serious issue in terms of pay structure in higher echelons of PSBs, which is markedly lower than their counterparts in PVBs. The only good factor in PSBs is prestige of a post that a person holds. The inability to hire competent professionals and expertise from market (lateral hiring) due to existing recruitment policy, flight of officials to greener pastures and private or foreign banks, poor compensation structure, unionization challenges as well as lack of adequate training in contemporary fraud prevention techniques are key HR issues, which indirectly contribute to bank frauds.

At times, senior management themselves may like to cover-up some cases to meet their short term targets and goals, and create a good picture for the shareholders. In fraud cases, within the banks, with suspected involvement of senior management, there is significant resistance while prosecuting officers in level 4 or above. Most of the officers retire before they can be booked for a fraud. Once retired, pension regulations apply to them making them immune to any financial penalty.

### Fraud Cases - Bank Group-wise

<table>
<thead>
<tr>
<th>Bank Group/Institution</th>
<th>2018-19</th>
<th>2019-20</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Frauds</td>
<td>Amount Involved</td>
<td>Number of Frauds</td>
</tr>
<tr>
<td>Public Sector Banks</td>
<td>3,704</td>
<td>(54.5)</td>
<td>4,410</td>
</tr>
<tr>
<td>Private Sector Banks</td>
<td>2,149</td>
<td>(89.8)</td>
<td>3,065</td>
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<tr>
<td>Foreign Banks</td>
<td>762</td>
<td>(31.6)</td>
<td>1,026</td>
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<tr>
<td>Financial Institutions</td>
<td>28</td>
<td>(11.2)</td>
<td>15</td>
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<tr>
<td>Small Finance Banks</td>
<td>115</td>
<td>(2.4)</td>
<td>147</td>
</tr>
<tr>
<td>Payments Banks</td>
<td>39</td>
<td>(0.4)</td>
<td>38</td>
</tr>
<tr>
<td>Local Area Banks</td>
<td>1</td>
<td>(0.0)</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>6,798</td>
<td>(100.0)</td>
<td>8,703</td>
</tr>
</tbody>
</table>

**Note:**
1. Figures in parentheses represent shares in total (in per cent).
2. Figures reported by banks & FIs are subject to change based on revisions filed by them.
3. Amounts involved reported do not reflect the amount of loss incurred. Depending on recoveries, the loss incurred gets reduced. Further, the entire amount involved is not necessarily diverted.
4. The dates of occurrence of these frauds are spread over several previous years.
5. The above data is in respect of frauds of ₹1 lakh and above reported during the period.

Source: RBI Supervisory Returns.
The Basel III

The context of the disclosures by Banks are required under Annex 18 – Pillar 3 disclosure requirements of the Reserve Bank of India (‘the RBI’) Master Circular – Basel III Capital Regulations dated 1st July 2015. The Bank has implemented the requirements laid down by RBI for Pillar 3 disclosure, covering both the qualitative and quantitative items. The information provided has been reviewed by senior management and is in accordance with the guidelines prescribed by the RBI.

Central Fraud Registry (CFR)

A Central Fraud Registry (CFR) based on the Fraud Monitoring Returns, filed by the banks and the select FIs, including the updates thereof, has been made available, for which banks have been given access through user-ids and password. CFR is a web-based and searchable database. The practice of issuing paper based Caution Advice (CA) has since been discontinued. However CAs on frauds including attempted frauds having systemic implication will be issued as and when required. Banks are advised to make full use of the CAs/CFR for timely identification, control, reporting and mitigation of fraud risk. Banks are also advised to put in place proper systems and procedure to ensure that the information available in CA/CFR is made use as a part of the credit risk governance and fraud risk management.

Reporting of frauds to Reserve Bank of India

Banks need to furnish Fraud Monitoring Return (FMR) in individual fraud cases, irrespective of the amount involved, to RBI electronically using FMR Application in XBRL System supplied to them within three weeks from the date of detection.

A monthly certificate, (mentioning that soft copy of all the FMRs have been submitted to RBI) is to be submitted by the bank to CFMC, Bengaluru with a copy to the respective SSM of the bank, within seven days from the end of the month.

Fraud reports should also be submitted in cases where central investigating agencies have initiated criminal proceedings suo motu and/or where the Reserve Bank has directed that such cases be reported as frauds.

Banks may also report frauds perpetrated in their subsidiaries and affiliates/joint ventures in FMR format in hard copy only. In case the subsidiary/ affiliate/joint venture of the bank is an entity which is regulated by Reserve Bank of India and is independently required to report the cases of fraud to RBI in terms of guidelines applicable to that subsidiary/affiliate/joint venture, the parent bank need not furnish the hard copy of the FMR statement in respect of fraud cases detected at such subsidiary/affiliate/joint venture.

Banks (other than foreign banks) having overseas branches/offices should report all frauds perpetrated at such branches/offices also to RBI.

In addition to the FMR, banks are required to furnish a Flash Report (FR) for frauds involving amounts of ₹50 million and above within a week of such frauds coming to the notice of the bank’s head office. The FR is to be furnished in the form of a DO letter addressed to the PCGM / CGM-in-Charge, DBS, RBI, Central Office, Mumbai with a copy to CFMC, Bengaluru. The FR, inter alia, should include amount involved, nature of fraud, modus operandi in brief, name of

Basel III is an internationally agreed set of measures developed by the Basel Committee on Banking Supervision in response to the financial crisis of 2007-09. The measures aim to strengthen the regulation, supervision and risk management of banks.
the branch/ office, names of parties involved, their constitution, names of proprietors / partners and directors, names of officials involved and lodging of complaint with police/CBI.

Further, banks are also required to furnish developments in the fraud case through the FMR Update Application supplied to them in XBRL system.

It is observed while scrutinizing FMR returns from the banks, that certain vital fields in the returns are left blank. As the complete particulars on frauds perpetrated in the banks are vital for monitoring and supervisory purposes and dissemination of information through Caution Advice / Central Fraud Registry (CFR), banks should ensure that the data furnished are complete/accurate and up-to-date. Incidentally, if no data is to be provided in respect of any of the items, or if details of any of the items are not available at the time of reporting of FMR return, the bank may indicate as “no particulars to be reported” or “details not available at present” etc. In such a situation, the banks have to collect the data and report the details invariably through FMR Update Application.

Central Fraud Monitoring Cell (CFMC), Department of Banking Supervision, Central Office located at Bengaluru will have a Record of officers of all banks/Financial Institutions (FI) responsible for reporting of Frauds etc. All banks/Financial Institutions should furnish to Department of Banking Supervision, Central Fraud Monitoring Cell, Bengaluru any changes in the names of officials that will be necessary for inclusion in the Record.

**Early Detection and Reporting**

At present the detection of frauds takes an unusually long time. Banks tend to report an account as fraud only when they exhaust the chances of further recovery. Among other things, delays in reporting of frauds also delays the alerting of other banks about the modus operandi through Caution Advice / CFR by RBI that may result in similar frauds being perpetrated elsewhere. More importantly, it delays action against the unscrupulous borrowers by the law enforcement agencies which impact the recoverability aspects to a great degree and also increases the loss arising out of the fraud.

The most effective way of preventing frauds in loan accounts is for banks to have a robust appraisal and an effective credit monitoring mechanism during the entire life-cycle of the loan account. Any weakness that may have escaped attention at the appraisal stage can often be mitigated in case the post disbursement monitoring remains effective. In order to strengthen the monitoring processes, based on an analysis of the collective experience of the banks, inclusion of the following checks / investigations during the different stages of the loan life-cycle should be carried out:

**Pre-sanction:** As part of the credit process, the checks being applied during the stage of pre-sanction may consist of the Risk Management Group (RMG) or any other appropriate group of the bank collecting independent information and market intelligence on the potential borrowers from the public domain on their track record, involvement in legal disputes, raids conducted on their businesses, if any, strictures passed against them by Government agencies, validation of submitted information/data from other sources like the ROC, gleaning from the defaulters list of RBI/other Government agencies, etc., which could be used as an input by the sanctioning authority. Banks shall keep the record of such pre-sanction checks as part of the sanction documentation.
**Disbursement:** Checks by RMG during the disbursement stage, shall among others, focus on the adherence to the terms and conditions of sanction, rationale for allowing dilution of these terms and conditions, level at which such dilutions were allowed, etc. The dilutions should strictly conform to the broad framework laid down by the Board in this regard. As a matter of good practice, the sanctioning authority may specify certain terms and conditions as ‘core’ which should not be diluted. The RMG may immediately flag the non-adherence of core stipulations to the sanctioning authority.

**Annual Review:** While the continuous monitoring of an account through the tracking of Early Warning Signals is important, banks also need to be vigilant from the fraud perspective at the time of annual review of accounts. Among other things, the aspects of diversion of funds in an account, adequacy of stock vis-a-vis stock statements, stress in group accounts, etc., must also be commented upon at the time of review. Besides, the RMG should have capability to track market developments relating to the major clients of the bank and provide inputs to the credit officers. This would involve collecting information from the grapevine, following up stock market movements, subscribing to a press clipping service, monitoring databases on a continuous basis and not confining the exercise only to the borrowing entity but to the group as a whole.

**Early Warning Signals (EWS)**

Some Early Warning Signals (EWS) which should alert the bank officials about some wrongdoings in the loan accounts which may turn out to be fraudulent are as under:

- Undisputed payment to the statutory bodies as declared in the Annual report.
- Bouncing of high value cheques
- Frequent change in the scope of the project to be undertaken by the borrower
- Foreign bills remaining outstanding with the bank for a long time and tendency for bills to remain overdue.
- Delay observed in payment of outstanding dues.
- Frequent invocation of BGs and devolvement of LCs.
- Under insured or over insured inventory.
- Invoices devoid of TAN and other details.
- Dispute on title of collateral securities.
- Funds coming from other banks to liquidate the outstanding loan amount unless in normal course.
- In merchanting trade, import leg not revealed to the bank.
- Request received from the borrower to postpone the inspection of the godown for flimsy reasons.
- Funding of the interest by sanctioning additional facilities.
- Exclusive collateral charged to a number of lenders without NOC of existing charge holders.
- Concealment of certain vital documents like master agreement, insurance coverage.
- Floating front / associate companies by investing borrowed money
Critical issues highlighted in the stock audit report.

- Liabilities appearing in ROC search report, not reported by the borrower in its annual report.
- Frequent request for general purpose loans.
- Frequent ad hoc sanctions.
- Not routing of sales proceeds through consortium I member bank/ lenders to the company.
- LCs issued for local trade I related party transactions without underlying trade transaction.
- High value RTGS payment to unrelated parties.
- Heavy cash withdrawal in loan accounts.
- Non production of original bills for verification upon request.
- Significant movements in inventory, disproportionately differing vis-a-vis change in the turnover.
- Significant movements in receivables, disproportionately differing vis-à-vis change in the turnover and/or increase in ageing of the receivables.
- Disproportionate change in other current assets.
- Significant increase in working capital borrowing as percentage of turnover.
- Increase in Fixed Assets, without corresponding increase in long term sources (when project is implemented).
- Increase in borrowings, despite huge cash and cash equivalents in the borrower's balance sheet.
- Frequent change in accounting period and/or accounting policies.
- Costing of the project which is in wide variance with standard cost of installation of the project.
- Claims not acknowledged as debt high.
- Substantial increase in unbilled revenue year after year.
- Large number of transactions with inter-connected companies and large outstanding from such companies.
- Substantial related party transactions.
- Material discrepancies in the annual report.
- Significant inconsistencies within the annual report (between various sections).
- Poor disclosure of materially adverse information and no qualification by the statutory auditors.
- Raid by Income tax /sales tax/ central excise duty officials.
- Significant reduction in the stake of promoter /director or increase in the encumbered shares of promoter/director.
- Resignation of the key personnel and frequent changes in the management.

Conclusion

The frauds may be primarily due to lack of adequate supervision of top management, faulty incentive mechanism in place for employees; collusion between the staff, corporate borrowers and third party agencies; weak regulatory system; lack of appropriate tools and technologies in place to detect early warning signals of a fraud; lack of awareness of bank employees and customers; and lack of coordination among different banks across India and abroad. The delays in legal procedures for reporting, and various loopholes in system have been considered some of the major reasons of frauds and NPAs. Measures such as strengthening of regulatory and supervisory framework of banks and financial institutions in line with global best practices and updated technology for efficient customer services and effective fraud detection can help in reduction of frauds in banking sector.

References:
COP26 GLASGOW – ANALYSIS AND OUTCOME*

The UN Climate Change Conference COP 26 in Glasgow, United Kingdom gives a crucial opportunity to achieve vital, transformational change in global climate policy and action. It is a credibility test for global efforts to address climate change where Parties made considerable progress to reach consensus on issues they have been discussing for several years. COP 26 comes against the background of widespread, rapid and intensifying climate change impacts, which are already impacting every region on Earth. Also, COP 26 comes against the background of the COVID-19 pandemic, with the urgent need to build back better for present future generations to ensure a safe future.

The UK hosted the 26th UN Climate Change Conference of the Parties (COP26) in Glasgow on 31 October – 13 November 2021. The COP26 summit brought parties together to accelerate action towards the goals of the Paris Agreement and the UN Framework Convention on Climate Change.

What is a COP26?

COP26 is the 2021 United Nations Climate Change Conference. For nearly three decades the UN has been bringing together almost every country for global climate summits – called COPs – which stands for ‘Conference of the Parties’. During this time period the climate change has gone from being a fringe issue to a global priority.

This year saw the 26th annual summit – giving it the name COP26. With the UK as President, COP26 took place in Glasgow from 31 October-13 November 2021. World leaders arrived in Scotland, alongside tens of thousands of negotiators, government representatives, businesses and civil society groups for fourteen days of talks.

In the run up to COP26, the UK worked with every nation to reach agreement on how to tackle climate change. As the President of COP26, the UK's role has been to act as an impartial chair in bringing all Parties (individual countries and the EU, which operates as a group) to an agreement by consensus.

COP26 Goals

1. **Secure global net zero by mid-century and keep 1.5 degrees within reach**

   Countries are being asked to come forward with ambitious 2030 emissions reductions targets that align with reaching net zero by the middle of the century.

   To deliver on these stretching targets, countries will need to:
   - accelerate the phase-out of coal
   - curtail deforestation

* Akansha Gupta, Assistant Director, The ICSI

Views expressed in the Article are the sole expression of the Author and may not express the views of the Institute.
• speed up the switch to electric vehicles
• encourage investment in renewables.

2. **Adapt to protect communities and natural habitats**

The climate is already changing and it will continue to change even as countries reduce emissions, with devastating effects.

At COP26, countries need to work together to enable and encourage countries affected by climate change to:

• protect and restore ecosystems
• build defences, warning systems and resilient infrastructure and agriculture to avoid loss of homes, livelihoods and even lives

3. **Mobilise finance**

To deliver on the first two goals, developed countries must make good on their promise to mobilise **at least $100bn in climate finance per year by 2020.**

International financial institutions must play their part and countries need to work towards unleashing the trillions in private and public sector finance required to secure global net zero.

4. **Work together to deliver**

The countries can only rise to the challenges of the climate crisis by working together.

At COP26, the countries must:

• finalise the Paris Rulebook (the detailed rules that make the Paris Agreement operational)
• accelerate action to tackle the climate crisis through collaboration between governments, businesses and civil society.

**Why was COP26 the “most important COP since Paris”?**

Back in 2015, at COP21, for the first time ever, something momentous happened: every country agreed to work together to limit global warming to well below 2 degrees and aim for 1.5 degrees, to adapt to the impacts of a changing climate and to make money available to deliver on these aims. The Paris Agreement was born.

The commitment to aim for 1.5 degrees is important because every fraction of a degree of warming will result in the loss of many more lives lost and livelihoods damaged.

The Paris Agreement set out that every 5 years countries must set out increasingly ambitious climate action. This meant that, by 2020, countries needed to submit or update their plans for reducing emissions, known as nationally determined contributions (NDCs).

This made the run up to this year’s summit in Glasgow (due to take place in 2020, but delayed by a year due to the pandemic) a critical moment in the 3 world’s mission to keep the hope of limiting global temperature rises to 1.5 degrees alive.
What happened at COP26?

On 13th November 2021, COP26 concluded in Glasgow with all countries agreeing the Glasgow Climate Pact to keep 1.5C alive and finalise the outstanding elements of the Paris Agreement.

Climate negotiators ended two weeks of intense talks with consensus on urgently accelerating climate action.

The Glasgow Climate Pact, combined with increased ambition and action from countries, means that 1.5C remains in sight and scales up action on dealing with climate impacts, but it will only be delivered with concerted and immediate global efforts. Reflecting on the task ahead, COP26 President Alok Sharma said:

“We can now say with credibility that we have kept 1.5 degrees alive. But, its pulse is weak and it will only survive if we keep our promises and translate commitments into rapid action. I am grateful to the UNFCCC for working with us to deliver a successful COP26.

“From here, we must now move forward together and deliver on the expectations set out in the Glasgow Climate Pact, and close the vast gap which remains. Because as Prime Minister Mia Mottley told us at the start of this conference, for Barbados and other small island states, ‘two degrees is a death sentence’.

“It is up to all of us to sustain our lodestar of keeping 1.5 degrees within reach and to continue our efforts to get finance flowing and boost adaptation. After the collective dedication which has delivered the Glasgow Climate Pact, our work here cannot be wasted.”

COP26 Outcomes

Under the UK presidency and with the support of the UNFCCC Secretariat, delegates from around the world forged agreements that strengthen ambition in the three pillars of collective climate action.

Adaptation was the object of particular emphasis during the deliberations. Parties established a work programme to define the global goal on adaptation, which will identify collective needs and solutions to the climate crisis already affecting many countries. The Santiago Network, which was launched in order to connect vulnerable developing countries with providers of technical assistance, knowledge, resources needed to address climate risks comprehensively was further strengthened by elaborating its functions in support of countries to address and manage loss and damage.

Finance was extensively discussed throughout the session and there was consensus on the need to continue increasing support to developing countries. The call to at least double finance for adaptation was welcomed by the Parties. The duty to fulfill the pledge of providing 100 billion dollars annually from developed to developing countries was also reaffirmed. And a process to define the new global goal on finance was launched.

On mitigation, the persistent gap in emissions has been clearly identified and Parties collectively agreed to work to reduce that gap and to ensure that the world continues to advance during the present decade, so that the rise in the average temperature is limited to 1.5 degrees. Parties are encouraged to strengthen their emissions reductions and to align their national climate action pledges with the Paris Agreement.

In addition, a key outcome is the conclusion of the Paris rulebook. An agreement was reached on the fundamental norms related to Article 6 of the Paris Agreement on carbon markets, which will make the Paris Agreement fully operational. This will give certainty and
predictability to both market and non-market approaches in support of mitigation as well as adaptation. And the negotiations on the Enhanced Transparency Framework were also concluded, providing for agreed tables and formats to account and report for targets and emissions.

India’s Commitment at COP26

India assured its cooperation to tackle climate change in earnest. Prime Minister Shri Narendra Modi announced a few ambitious targets at the Summit, most of which have a 2030 deadline. These include raising non-fossil fuel-based energy capacity to 500 GW, lowering total projected carbon emission by one billion tonnes, meeting 50% of the country’s energy needs through renewable sources and reducing the carbon intensity of the economy to sub 45% level.

The last target, which is the most ambitious of all, is a commitment to achieve net-zero emissions by 2070. For a fossil-fuel dependent country like India, to achieve such targets would require a huge amount of investment. Therefore, accessing all forms of public and private capital as well as acquiring technological know-how from the developed nations would be the first step in meeting India’s newly set targets. India has been strongly demanding both –climate finance and technology transfer-- to hasten its transition to a low carbon economy. The Prime Minister was very clear in reminding the developed countries of their duties to provide climate finance worth USD 1 trillion at the earliest to the developing nations.

In order to achieve the net-zero emissions by 2070, financial modelling of climate risks needs to be strengthened and supervisory tools for a more rigorous analysis of climate risks from businesses need to be reinforced. To succeed, India must move towards a more informed and considered disclosure system. The self-reporting is expected to bring awareness to the boards and also help develop a competitive environment for accessing the financial markets. Financial institutions and markets may well be driven by investors, countries and international institutions to encourage enterprises that meet, the standards that are required to be adhered to for meeting the country and the world’s climate agenda.

Combating climate change is the need of the hour. Despite its several limitations, India has offered to march along with its peers in the developed world to achieve climate goals. The stakeholders i.e., the government, regulators and businesses will have to ensure that the transition to clean energy takes place through the development and implementation of sustainable investment policies and financing the cost of transition is as important as the transition itself.

References

- https://ukcop26.org/
- https://unfccc.int/news/cop26-reaches-consensus-on-key-actions-to-address-climate-change
- https://unfccc.int/cop26/participants-a-z

***
Attention Students

Applicability of the Finance Act, 2020 for December, 2021 Examinations

Students may note that the Finance Act, 2020 i.e. Assessment Year 2021-22 / Previous Year 2020-21 is applicable in December, 2021 examinations for the following papers:

**Executive Programme (Old Syllabus)**
(i) Tax Laws and Practice (Module-1, Paper-4)
(ii) Tax Laws (Module-1, Paper-4)

**Executive Programme (New Syllabus)**

**Professional Programme (Old Syllabus)**
(iii) Advanced Tax Laws and Practice (Module-3, Paper-7)

**Professional Programme (New Syllabus)**
(iv) Advanced Tax Laws (Module-1 Paper-2)

**Professional Programme (New Syllabus)**
(v) Direct Tax Law and Practice (Module-3, Elective Paper-9.5)

**Students may also note that:** For Indirect Taxes:

i. Goods and Services Tax (GST) is applicable for **Executive Programme (Old Syllabus)**

ii. Goods and Services Tax (GST) & Customs Law are applicable for **Executive Programme (New Syllabus)**

iii. Goods and Services Tax (GST) & Customs Law are applicable for **Professional Programme (Old as well as New Syllabus)**.

Students are also required to update themselves on all the relevant Rules, Notifications, Circulars, Clarifications, etc. issued by the CBDT, CBIC & Central Government, on or before 31st May 2021 for December, 2021 Examination.

Joint Secretary (SG)
Dte. of Academics
Practice Mentor
OVERVIEW OF SECURITIES APPELLATE TRIBUNAL (SAT) AND HOW TO APPEAL BEFORE SAT*

Largely, the Tribunals are referred as the institutions established for discharging the duties in the role of judicial or quasi-judicial. The objective of Tribunals is to reduce the number of pending cases of Courts by discharging them through defined judiciary system or by bringing in expertise for technical matters. Tribunals in other words can be defined as a platform for faster adjudication as compared to the traditional courts procedure, with its expertise on certain subject matters in specific. Therefore, Tribunals could hear the appeals related to judicial proceedings to carry out its judicial functions,

Establishment of Securities Appellate Tribunal (SAT)

SEBI is a statutory regulatory body established on the 12th April, 1992, which monitors and regulates the Indian capital and securities market while ensuring to protect the interests of the investors, formulating regulations and guidelines. From time to time, to redress the grievances of the investors and to address such, SEBI has framed mechanism for dealing with the same.

Under Section 15I of the SEBI Act, SEBI has empowered adjudicating officer to deal with offences and penalties and adjudication and additionally Section 15JB of the SEBI Act prescribes the settlement of administrative and civil proceedings.

Section 15K of the Securities and Exchange Board of India Act, 1992 (SEBI Act) has recognised the Securities Appellate Tribunal (SAT) as a statutory body. SAT was established in the year 1995. SAT was mainly established to hear an appeal against the order passed by the SEBI or by an adjudicating officer under the SEBI Act as covered under Chapter VIA of the SEBI Act. Later on in the year 2017, the scope has been widened to include the matters relating to Insurance and Development Authority (IRDA) or the Pension Fund Regulatory and Development Authority (PFRDA).

The SEBI has issued the Securities Appellate Tribunal (Procedure) Rules, 2000 which deals with the procedural aspects of SAT. Further, there are following Rules issued which dealt with salary / allowance etc. of Presiding Officer / Member / Officers of SAT:

1. Securities Contracts (Regulation) (Appeal to Securities Appellate Tribunal) Rules, 2000
2. Depositories (Appeal to Securities Appellate Tribunal) Rules, 2000
3. Securities Appellate Tribunal (Salaries and Allowances and other Conditions of Service of the Officers and Employees) Rules, 1997
4. Securities Appellate Tribunal (Salaries, Allowances and other Terms and Conditions of Presiding Officer and other Members) Rules, 2003

* Prepared by Mahesh Airan, Assistant Director The ICSI.

Views expressed in the Article are the sole expression of the Author and may not express the views of the Institute.
Composition of SAT [Sec 15L of the SEBI Act, 1992]

The SAT consists of –

a) A Presiding Officer and;
b) Judicial Members and;
c) Technical Members

They are responsible for exercising in power and discharging the functions conferred on the SAT.

Qualification for appointment as Presiding Officer or Members of SAT:

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<thead>
<tr>
<th>Presiding Officer</th>
<th>Judicial Member</th>
<th>Technical Member</th>
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<tr>
<td>is, or has been, a Judge of the Supreme Court or a Chief</td>
<td>is, or has been, a Judge of High Court for at least 5</td>
<td>is, or has been, a Secretary or an Additional Secretary</td>
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<tr>
<td>Justice of a High Court or a Judge of High Court for at</td>
<td>years,</td>
<td>in the Ministry or Department of the CG or any</td>
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<td>least 7 years,</td>
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<td>equivalent post in the Central Government or a State</td>
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<td>Government</td>
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<td>or</td>
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<td></td>
<td></td>
<td>is a person of proven ability, integrity and standing</td>
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<td></td>
<td></td>
<td>having special knowledge and professional experience,</td>
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<td></td>
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<td>of not less than 15 years, in the financial sector</td>
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<td>including securities market or pension funds or</td>
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<td>commodity derivatives or insurance.</td>
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Appointment of Presiding Member and Judicial Member

As per Section 15MA of the SEBI Act, 1992, the Presiding Officer and Judicial Members of the SAT shall be appointed by the Central Government in consultation with the Chief Justice of India or his nominee.

Appointment of Technical Member

As per Section 15MB of the SEBI Act, 1992, the Technical Members of the SAT shall be appointed by the CG on the recommendation of a Search-cum-Selection Committee.
Composition of Search-cum-Selection Committee:

A Search-cum-Selection Committee consists of –

a) Presiding Officer, SAT - Chairperson;
b) Secretary, Department of Economic Affairs - Member;
c) Secretary, Department of Financial Services - Member; and
d) Secretary, Legislative Department or Secretary, Department of Legal Affairs - Member.

The Secretary, Department of Economic Affairs shall be the Convener of the Search-cum-Selection Committee.

Tenure of Presiding Officer & Members

Section 15N of the SEBI Act states that the tenure for Presiding Officer & Members will be five years from the date of appointment or re-appointment.

However, they shall not hold after attainment of age of 70 years.

JURISDICTION / WORKING HOURS OF SAT

Sittings / Bench of SAT

Section 15L of the SEBI Act, 1992 prescribes that a Bench may be constituted by the Presiding Officer of the SAT with two or more Judicial or Technical Members.

However, every Bench constituted shall include at least One Judicial Member and One Technical Member.

The Presiding Officer is empowered to transfer a Judicial Member or a Technical Member of the SAT from one Bench to another Bench.

Presently, the Securities Appellate Tribunal has only one bench which sits at Mumbai.

Working hours of the Appellate Tribunal

Rule 23 of Securities Appellate Tribunal (Procedure) Rules, 2000 prescribes that the working hours of the Appellate Tribunal shall be 10 AM to 6.00 PM on all working days. However, no work, unless of an urgent nature, shall be admitted after 4.30 PM on any working day.

The sitting hours of the Appellate Tribunal shall ordinarily be from 10.30 AM to 1.00 PM and 2.00 PM to 5.00 PM, subject to any order made by the Presiding Officer.

Language of Appellate Tribunal

The proceedings of the Appellate Tribunal shall be conducted in English or Hindi. No appeal, application, representation, document or other matters contained in any language other than English or Hindi, shall be accepted by Appellate Tribunal, unless the same is accompanied by a true copy of translation thereof in English or Hindi [Rule 6 of Securities Appellate Tribunal (Procedure) Rules, 2000]
PROCEDURE OF APPEAL BEFORE THE SAT

- Who can make an appeal

Every person aggrieved by order of the Securities and Exchange Board of India or adjudicating officer or the matters relating to IRDA or PFRDA, is liable to make an appeal to the SAT.

Chapter VIA of the SEBI Act covers the range of penalties etc. which if adjudicated and appellant not being satisfied with such order(s) can appeal to SAT.

Illustrative list of penalties under Chapter VIA of the SEBI Act, 1992:

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<tr>
<td>15A</td>
<td>Penalty for failure to furnish information, return, etc.</td>
</tr>
<tr>
<td>15B</td>
<td>Penalty for failure by any person to enter into agreement with clients</td>
</tr>
<tr>
<td>15C</td>
<td>Penalty for failure to redress investors’ grievances</td>
</tr>
<tr>
<td>15D</td>
<td>Penalty for certain defaults in case of mutual funds</td>
</tr>
<tr>
<td>15E</td>
<td>Penalty for failure to observe rules and regulations by an asset management company</td>
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<tr>
<td>15EA</td>
<td>Penalty for default in case of alternative investment funds, infrastructure investment trusts and real estate investment trusts.</td>
</tr>
<tr>
<td>15EB</td>
<td>Penalty for default in case of investment adviser and research analyst.</td>
</tr>
<tr>
<td>15F</td>
<td>Penalty for default in case of stock brokers</td>
</tr>
<tr>
<td>15G</td>
<td>Penalty for insider trading</td>
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<tr>
<td>15H</td>
<td>Penalty for non-disclosure of acquisition of shares and takeovers</td>
</tr>
<tr>
<td>15HA</td>
<td>Penalty for fraudulent and unfair trade practices</td>
</tr>
<tr>
<td>15HAA</td>
<td>Penalty for alteration, destruction, etc., of records and failure to protect the electronic database of Board.</td>
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<tr>
<td>15HB</td>
<td>Penalty for contravention where no separate penalty has been provided</td>
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- **Time Limit for filing appeal**

  In case of **Securities Contracts (Regulation) (Appeal to Securities Appellate Tribunal) Rules, 2000**:  
  
<table>
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<tr>
<th><strong>Within 15 Days</strong></th>
<th><strong>Within 45 Days</strong></th>
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<tr>
<td>from the date on which the reasons for refusal to list the securities are furnished.</td>
<td>from the date on which a copy of the order, against which the appeal is filed, of a recognised stock exchange withdrawing admission to dealings or suspending admission to dealings.</td>
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</table>

  In case of **Depositories (Appeal to Securities Appellate Tribunal) Rules, 2000**:  
  
  Within a period of 45 days from the date on which a copy of the order, made by the Board under the Act or the regulations made thereunder, is received by the person.

  **The SAT may entertain an appeal after the expiry of the said period of 45 days if it is satisfied that there was sufficient cause for not filing it within that period.**

  On receipt of the appeal, the SAT may confirm, modify or set aside the order appealed against and such appeal should be disposed of within 6 months from the date of receipt of such appeal.

  **The SAT has accepted a 370 days delayed filing appeal by Prospect Capital Limited**

**Limitation**

Section 15W of the SEBI Act states that the provisions of the Limitation Act, 1963 shall, as far as may be, apply to an appeal made to a SAT.

- **Filing of Appeal**

  An appeal should be presented in the prescribed form by any aggrieved person in the registry of the appellate tribunal within whose jurisdiction falls or can be sent by registered post addressed to the Registrar.

  The appeal sent by post will be deemed to be presented in the registry on the same date on which it was received in the registry.

- **Appeal to be in writing**

  As per Rule 7 of the Securities Appellate Tribunal (Procedure) Rules, 2000, every appeal, application, reply, representation or any document filed before the Appellate Tribunal shall be typewritten, cyclostyled or printed neatly and legibly on one side of the good quality paper of foolscap size in double space and separate sheets shall be stitched together and every page shall be consecutively numbered.

  The appeal shall be presented in 5 sets in a paper book along with an empty file size envelope bearing the full address of the respondent.
- **Documents to accompany memorandum of appeal**

Every appeal to be accompanied by -

1. certified copy of order against which the appeal is filed.
2. copy of the authorisation to act as the authorised representative where a party is represented by an authorised representative and the written consent thereto by such authorised representative.

- **Filing of reply to the appeal and other documents by the respondent**

As per Rule 14 of the Securities Appellate Tribunal (Procedure) Rules, 2000, the respondent may file 5 complete sets containing the reply to the appeal along with documents in a paper book form with the registry within 1 month of the service of the notice on him of the filing of the memorandum of appeal.

A copy of every application, reply, document or written material filed by the respondent before the Appellate Tribunal is also required to be served on the appellant, by the respondent.

*The Appellate Tribunal may, in its discretion, on application by the respondent allow the filing of reply referred to in Rule 14(1) after the expiry of the period referred to therein.*

- **Fee to be paid with filing of appeal**

Every appeal should be made along with an application fee remitted in the form of Demand Draft drawn on any nationalised bank in favour of “the Registrar, Securities Appellate Tribunal” and such fee is payable at the place where the registry is located. The amount of fee payable for appeal against adjudication orders made are as follows:

<table>
<thead>
<tr>
<th>Amount of Penalty Imposed</th>
<th>Amount of Fees Payable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than Rs.10,000</td>
<td>Rs.500</td>
</tr>
<tr>
<td>Rs.10,000 or more but less than Rs. 1 lakh</td>
<td>Rs.1,200</td>
</tr>
<tr>
<td>Rs.1 lakh or more</td>
<td>Rs. 1,200 plus Rs. 500 for every additional Rs. 1 lakh of penalty or fraction thereof. However, maximum shall be Rs. 1,50,000.</td>
</tr>
</tbody>
</table>
POWER OF SAT

The SAT will have the same powers as vested in a civil court under the code of civil procedure while trying a suit, with respect of the following matters namely:

- Enforce and summon the attendance of any person
- Require the discovery and production of documents
- Receive evidence on affidavits
- Issue commissions for the examination of the documents or witnesses
- Review its decisions
- Dismiss an application for default or deciding it ex-parte
- Set aside any order or dismissal of any application for default or any other order passed by it ex-parte
- Any other matter as and when prescribed.

Further SAT shall not be bound by the procedure laid down by the Code of Civil Procedure, 1908, but it shall be guided by the principles of natural justice.

Appear before SAT

As per the SEBI Act, the appellant may either appear in person or authorise following persons to appear on or behalf of the Company.

- Company Secretary in practice
- Chartered Accountant in practice
- Cost Accountant in practice
- Legal Practitioner

Hearing of appeal

(As per Securities Contracts (Regulation) (Appeal to Securities Appellate Tribunal) Rules, 2000 and Depositories (Appeal to Securities Appellate Tribunal) Rules, 2000)

- During the course of the hearing of appeal the written arguments could be supplemented by time-bound oral arguments.
- In case of temporary absence of the Presiding Officer or of the Member authorised by the Government under sub-rule (2) of rule 5, the Presiding Officer can authorise the other Member present on that day to hear the Board or authorised representative against the appeal.

In case the appellant does not appear in person or through an authorised representative when the appeal is called for hearing, the SAT may dispose of the appeal on the merits.

- Restoration of Appeal

Where an appeal has been disposed of in absence of appellant and the appellant appears afterwards and satisfies the SAT that there was sufficient cause for his not appearance, the SAT shall make an order setting aside the ex-parte order and restore the appeal.
Order to be signed and dated

As per Rule 18 of the Securities Appellate Tribunal (Procedure) Rules, 2000, every order of the Appellate Tribunal shall be signed and dated by the Presiding Officer and the two other members.

- Interim Order

The Presiding Officer will have powers to pass interim orders or injunction, subject to reasons to be recorded in writing, which it considers necessary in the interest of justice.

Communication of Order

A certified copy of every order passed by the Appellate Tribunal shall be communicated to the Board, the Adjudicating Officer and to the parties, as the case may be.

Appeal against the orders of SAT

Section 15Z of the SEBI Act states that every person aggrieved by any order or decision of Securities Appellate Tribunal can file an appeal to the Supreme Court.

The appeal only can be made on any question of law.

The appeal should be made within 60 days from the date of receiving a copy of the order or decision of SAT.

Sources:

- http://sat.gov.in/
- https://www.sebi.gov.in/

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   Keeping in view of various requests received from stakeholders, the MCA has decided that no additional fees shall be levied up to December 31, 2021 for the filing of e-forms AOC-4, AOC-4 (CFS), AOC-4 XBRL, AOC-4 Non-XBRL and MGT-7/MGT-7A in respect of the financial year ended on March 31, 2021. During the said period, only normal fees shall be payable for the filing of the aforementioned e-forms.

   For details: https://www.mca.gov.in/bin/dms/getdocument?mds=5qMjdDesXhBDFgD5plqkmA%253D%253D&type=open

2. **Extension of last date of filing of Cost Audit Report to the Board of Directors under Rule 6(5) of the Companies (Cost Records and Audit) Rules, 2014-reg. (General Circular No: 18/2021, dated October 29, 2021)**

   In view of the disruption caused by the COVID-19 pandemic, the MCA in continuation to General Circular No: 15/2021 dated September 27, 2021 has further extended the last date of filing of Cost Audit Report to the Board of Directors under Rule 6(5) of the Companies (Cost Records and Audit) Rules, 2014 to **November 30, 2021**.

   For details: https://www.mca.gov.in/bin/dms/getdocument?mds=A5nNeF4Hy8RsmbJKnnKERw%253D%253D&type=open


   In exercise of the powers conferred under sub-sections (1), (2), (3), (4), (8), (9), (10) and (11) of section 125 and sub-section (6) of section 124 read with section 469 of the Companies Act, 2013, the Central Government hereby notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2021, to further amend the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

   This amendment is a major step towards the mission and vision of Government of India of Ease of Living and Ease of Doing Business, Ministry of Corporate Affairs (MCA) and has further simplified claim settlement process through rationalization of various requirements under Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

   - For claimants, requirement of Advance Receipt has been waived off;
   - Requirement of Succession Certificate/ Probate of Will/ Will has been relaxed up to Rs 5,00,000 (five lakh) both for Physical & DEMAT shares;
- Notarization of documents has been replaced with self-attestation and requirements of Affidavits and Surety relatively have been eased.

For companies, requirement of attaching documents related to Unclaimed Suspense Account has been eased and companies have been given flexibility to accept transmission document viz. Succession Certificate, Will etc. as per their internal approved procedures and Newspaper Advertisement requirement for loss of physical Share Certificate has been waived off up to an amount of Rs.5,00,000.

The focus of the change has been to make the process simpler and quicker for the claimants.

For details:
https://www.egazette.nic.in/WriteReadData/2021/230981.pdf

4. **CORRIGENDUM (November 12, 2021)**

The MCA has released Corrigendum pertaining to the notification of the Government of India in the Ministry of Corporate Affairs number G.S.R. 785(E), dated November 09, 2021, related to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2021, as published in the Gazette of India.

At Page No: 9, in the English version, in line 9, *for “sub-rule (7)”, read “sub-rule (2)”.*

*Amended Provision:*

*In the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, in rule 7, in sub-rule (2), in the proviso, the words “Advance Receipts”, shall be omitted.*

For details:
https://www.egazette.nic.in/WriteReadData/2021/231047.pdf

5. **Public Notice: Disqualification of DINS (November 10, 2021)**

Ministry of Corporate Affairs had flagged the DINs of Directors found to be disqualified under sub-section 2(a) of section 164 of the Companies Act, 2013 w.e.f. November 01, 2016 for a period of five years. This is for the information of all the concerned that DINs eligible to be de-flagged on expiry of the period of disqualification are in the process of verification. Necessary action shall be taken shortly.

For details:
https://www.mca.gov.in/bin/dms/getdocument?mds=XFJgFhH%252BTbjDWd81KdD Xbg%253D%253D&type=open
SECURITIES LAWS AND CAPITAL MARKETS

1. Investment/trading in securities by employees and Board members of AMC(s) and Trustees of Mutual Funds


SEBI came out with modified provisions for investment and trading in securities by employees of Asset Management Companies (AMCs) and trustees of mutual funds. This SEBI circular, interalia, provides that, to ensure that the employees of AMC(s), Board members of AMC(s) and Board members of Trustees, including Access Persons shall not take undue advantage of any sensitive information that they may have about any company or its securities or about the AMC’s schemes or its units, a category of “access persons” has been created.

“Access Person for the purpose of these Guidelines shall mean the Head of the AMC (designated as CEO/Managing Director/President or by any other name), Executive Directors, Chief Investment Officer, Chief Risk Officer, Chief Operation Officer, Chief Information Security Officer, Fund Managers, Dealers, Research Analysts, all employees in the Fund Operations Department, Compliance Officer and Heads of all divisions and/or departments or any other employee as decided by the AMC(s) and/or Trustees. Non-Executive Directors of the AMC/trustee company or trustees who are in possession of / have access to any non-public information which could materially impact the price of the securities, NAV of the schemes or interest of the unitholders shall also be deemed as Access Persons.”

Further, it has been provided that all employees shall refrain from profiting from the purchase and sale or sale and purchase of any security within a period of 30 calendar days from the date of their personal transaction. However, in cases where it is done, the employee shall provide a suitable explanation to the Compliance Officer, which shall be reported to the Board of the AMC and the Trustees at the time of review.

“Provisions of the “cooling off” period may be relaxed for Access Persons, subject to the conditions specified by the SEBI.


2. Maintenance of current accounts in multiple banks by Stock Brokers

(Circular No. SEBI/HO/MIRSD/DOP/P/CIR/2021/653 dated October 28, 2021)

In order to facilitate seamless settlement of funds and for the convenience of investors, SEBI has clarified that Stock Brokers should maintain current accounts in appropriate number of banks (subject to the maximum limit prescribed by Stock Exchanges/SEBI from time to time) for holding the client funds (i.e., Client Account), for settlement purposes (i.e., Settlement Account) and any other accounts mandated by Stock Exchanges such as Exchange Dues Account subject to the condition that brokers are using these accounts for their defined purposes.
3. Guiding Principles for bringing uniformity in Benchmarks of Mutual Fund Schemes

(Circular No. SEBI/HO/IMD/IMD-II DF3/P/CIR/2021/652 dated October 27, 2021)

SEBI has issued guiding principles in order to standardize and bring uniformity in the Benchmarks of Mutual Fund Schemes. SEBI has decided that there would be a two-tiered structure for benchmarking of schemes for certain categories of schemes. The first tier benchmark shall be reflective of the category of the scheme, and the second tier benchmark should be demonstrative of the investment style/strategy of the Fund Manager within the category. All the benchmarks followed should necessarily be Total Return Indices.

For details:

4. SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2021 (October 26, 2021)

SEBI vide its notification dated October 26, 2021, amended the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, which shall come into force on the date of their publication in the Official Gazette.

If an issuer has issued SR equity shares to its promoters/founders, the said issuer shall be allowed to do an initial public offer of only ordinary shares for listing on the Main Board subject to compliance of various clauses specified in Regulation 6(3) of the SEBI (ICDR) Regulations.

Vide this notification, the clause (ii) of Regulation 6(3) has been substituted and provides that net worth of the SR shareholder, as determined by a Registered Valuer, shall not be more than Rs. 1000 crore.

Explanation: While determining the individual net worth of the SR shareholder, his investment/shareholding in other listed companies shall be considered but not that of his shareholding in the issuer company.

Further clause (v) of Regulation 6(3) has been substituted and provides that SR equity shares have been issued prior to the filing of draft red herring prospectus and held for a period of at least three months prior to the filing of the red herring prospectus.

For details:
5. **SEBI (Foreign Portfolio Investors) (Second Amendment) Regulations, 2021 (October 26, 2021)**

SEBI vide its notification dated October 26, 2021, amended the provisions of SEBI (Foreign Portfolio Investors) Regulations, 2019, which shall come into force on the date of their publication in the Official Gazette.

The amendment is brought under Regulation 4(c) which deals with eligibility criteria of foreign portfolio investors in which the following proviso has been inserted.

“Provided further that resident Indian, other than individuals, may also be constituents of the applicant, subject to the following conditions, namely –

i. the applicant is an Alternative Investment Fund setup in the International Financial Services Centres and regulated by the International Financial Services Centres Authority;

ii. such resident Indian, other than individuals, is a Sponsor or Manager of the applicant; and

iii. the contribution of such resident Indian, other than individuals, shall be up to-

a. 2.5% of the corpus of the applicant or US $ 7,50,000 (whichever is lower), in case the applicant is a Category I or Category II Alternative Investment Fund; or

b. 5% of the corpus of the applicant or US $ 1.5 million (whichever is lower), in case the applicant is a Category III Alternative Investment Fund;”

*For details:*

6. **Consultation paper on introducing disclosure norms for ESG Mutual Fund schemes (October 26, 2021)**

SEBI has placed a consultation paper for public comments on introducing disclosure norms for ESG Mutual Fund schemes, latest by November 16, 2021, in the prescribed format.

With the increased interest and focus on investments in the Environment Sustainability and Governance (ESG) space globally, Asset Management Companies (AMCs) in India have also been launching equity schemes in the ESG space under thematic category. The AMCs are also launching Exchange Traded Funds (ETFs) and ETF Fund of Funds in India in ESG space.

*For details:*
7. Amendment to SEBI Circulars pertaining to Investor Grievance Redressal System and Arbitration Mechanism

(Circular No. SEBI/HO/CDMRD/DoC/P/CIR/2021/649 dated October 22, 2021)

In order to further enhance the effectiveness of Investor Grievance Redressal System and Arbitration Mechanism at the Stock Exchanges, SEBI has added / modified certain provisions of the circulars dated July 11, 2017 and March 14, 2018 on Investor Grievance Redressal System and Arbitration Mechanism which shall come into effect from January 1, 2022.

The provision regarding 'Empanelment of arbitrators and segregation of arbitration and appellate arbitration panel', SEBI has clarified that forming of exclusive panel for appellate arbitration is not required and members can serve on both the panels. However, it is imperative for the exchanges to ensure that in the same matter, the members of arbitration panel are not considered for constituting the appellate arbitration panel if the matter goes to appeal.

The provision regarding Place of arbitration / appellate arbitration, SEBI has clarified that, in case, the award amount is more than Rs. 50 lakhs (Rs. Fifty lakhs), the next level of proceedings (arbitration or appellate arbitration) may take place at the nearest metro city, if so desired by any of the parties involved. The additional statutory cost for arbitration, if any, shall be borne by the party desirous of shifting the place of arbitration.

The provision regarding ‘Speeding up grievance redressal mechanism’, SEBI has clarified that the additional fees charged from the trading members, if the claim is filed beyond the prescribed timeline, if any, to be deposited in the IPF of the respective Stock Exchange.

For details:

8. Amendment to SEBI Circular pertaining to Investor Protection Fund (IPF)/Investor Service Fund (ISF) and its related matters

(Circular No. SEBI/HO/CDMRD/DoC/P/CIR/2021/651 dated October 22, 2021)

With the objective to align with the practices in securities market, SEBI has modified the clause 2(g) of the circular dated June 13, 2017 on Comprehensive guidelines for Investor Protection Fund (IPF), Investor Service Fund (ISF) and its related matters which shall come into effect from January 1, 2022.

The clause 2(g) regarding Determination of legitimate claims has been substituted with the following-

“The Stock Exchanges shall ensure that once a member has been declared defaulter, the claim (s) shall be placed before the Member Core Settlement Guarantee Fund Committee (MCSGFC, the erstwhile Defaulters’ Committee) for sanction and
ratification. MCSGFC’s advice w.r.t. legitimate claims shall be sent to the IPF Trust for disbursement of the amount immediately.

In case the claim amount is more than the coverage limit under IPF or the amount sanctioned and ratified by the MCSGFC is less than the claim amount then the investor will be at liberty to prefer for arbitration outside the exchange mechanism / any other legal forum outside the exchange mechanism for claim of the balance amount."

For details:


SEBI has placed a consultation paper for public comments for Review of capping of ISINs for Corporate Bonds, latest by November 21, 2021, in the prescribed format.

It is proposed to further restrict the number of International Securities Identification Number (ISINs) maturing per financial year for corporate bonds issued on private placement basis. Given that Issuers are presently not utilizing even half of the maximum ISINs allotted to them, it is felt that further capping of ISINs will not only reduce the fragmentation across the bond market and enhance liquidity premium but also help both Issuers and Investors alike.

For details:

10. Modalities for filing of placement memorandum through a Merchant Banker
(Circular No. SEBI/HO/IMD/IMD-I/DF6/P/CIR/2021/645 dated October 21, 2021)

Alternative Investment Funds (AIFs) shall launch schemes subject to filing of placement memorandum with SEBI through a SEBI registered Merchant Banker.

In this regard, it is specified that, with effect from November 11, 2021, the Merchant Banker shall independently exercise due diligence of all the disclosures in the placement memorandum, satisfy itself with respect to veracity and adequacy of the disclosures and provide a due diligence certificate. While filing draft placement memorandum at the time of registration or prior to launch of new scheme on the SEBI intermediary portal, the due diligence certificate provided by the Merchant Banker shall also be submitted, along with other necessary documents. The details of the Merchant Banker shall be disclosed in the placement memorandum.

Further, AIFs are required to intimate SEBI regarding any changes in terms of placement memorandum on a consolidated basis, within one month of the end of each financial year. Such intimation shall also be submitted through a Merchant Banker, along with the due diligence certificate provided by the Merchant Banker.
The Merchant Banker appointed for filing of placement memorandum shall not be an associate of the AIF, its sponsor, manager or trustee.

The format of due diligence certificate and for intimating the changes in the placement memorandum is given at Annexure A and Annexure B to this circular.

For details:

11. Dealing in unregulated products by SEBI registered Investment Advisers (October 21, 2021)

SEBI noted that some registered Investment Advisers are engaged in unregulated activity by providing platform for buying/ selling/ dealing in unregulated products including digital gold.

Undertaking such unregulated activity including dealing (i.e., advisory, distribution and execution/ implementation services) in digital gold by Investment Advisers is not in accordance with the provisions of Section 12(1) of the SEBI Act, 1992 read with the SEBI (Investment Advisers) Regulations, 2013.

Investment Advisers are advised to refrain from undertaking such unregulated activities. Any dealing in unregulated activities by Investment Advisers may entail action as deemed appropriate under the SEBI Act, 1992 and regulations framed thereunder.

For details:

12. Transmission of Securities to joint Holder(s)

(Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/644 dated October 18, 2021)

It has been observed in some cases that due to counterclaim/ dispute from the legal representative of one of the deceased holder, the Registrars to an Issue & Share Transfer Agents (RTAs) have not effected transmission to the surviving joint holder(s). In this regard, RTAs are advised to comply with the norms pertaining to transmission of securities to joint holders(s) as provided in clause 23 of Table F in schedule 1 read with section 56(2) & 56(4)(c) of the Companies Act 2013 and transmit securities in favour of surviving Joint holder(s), in the event of demise of one or more joint holder(s), provided that there is nothing contrary to the same in the Article of Association of the company.

For details:
13. **Streamlining issuance of SCORES Authentication for companies intending to list their securities on SEBI recognized stock exchanges**  
*(Circular No. SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021)*

SEBI has introduced an online mechanism for obtaining SCORES (SEBI Complaints Redress System) credentials for all companies intending to list their securities on SEBI recognised stock exchanges. Companies shall attach a declaration, with the online form, on the letter head of the company signed by the Compliance Officer, as under

a. **Companies intending to list on Main Board:** A Declaration that the DRHP has been submitted with SEBI.

b. **Companies intending to list on SME/Debt Platform of stock exchange:** A Declaration that an application to list its securities has been submitted with the stock exchange/in-principal approval to list its securities has been obtained from the stock exchange.

The SCORES credentials shall be sent to the e-mail id of the Compliance Officer/Dealing Officer as provided in the online form.

In view of the same, companies are no longer required to submit a physical copy of Form-A or e-mail the same to SEBI, as provided in SEBI circular dated December 18, 2014. This has been done as part of the SEBI green initiative and to streamline the redressal of investor grievances against companies before listing.

**SCORES is a platform designed to help investors lodge their complaints pertaining to the securities market online with SEBI against listed companies and SEBI-registered intermediaries. All complaints received are dealt through SCORES.**

*For details: https://www.sebi.gov.in/legal/circulars/oct-2021/streamlining-of-issuance-of-scores-authentication_53291.html*

14. **Revised Formats for Limited Review/ Audit Report for issuers of nonconvertible securities**  
*(Circular No. SEBI/HO/DDHS/CIR/2021/0000000638 dated October 14, 2021)*

SEBI has issued revised formats for limited review report and audit reports to be submitted by listed entities that have listed their non-convertible securities. The revised formats are for limited review and audit reports for banks and NBFCs as well as other entities, excluding insurance companies. Insurance companies would disclose limited review/ audit reports as per the formats specified by IRDAI.

*For details: https://www.sebi.gov.in/legal/circulars/oct-2021/revised-formats-for-limited-review-audit-report-for-issuers-of-non-convertible-securities_53279.html*
15. **SEBI issues Directions to NCDEX regarding trading in Mustard Seed contracts (October 8, 2021)**

SEBI has issued direction to National Commodity & Derivatives Exchange Limited (NCDEX), in respect of trading in Mustard Seed contracts that no new Mustard Seed contract shall be launched till further orders. Further, it is directed that in respect of running contracts, no new position will be allowed to be taken. Only squaring up of position will be allowed. These directions will be implemented with immediate effect.


16. **Minimum percentage of trades carried out by mutual funds through RFQ platform**

(Circular No. SEBI/HO/IMD/IMD-II DOF3/P/CIR/2021/641 dated October 6, 2021)

SEBI, vide circular dated July 22, 2020, has mandated mutual funds to undertake at least 10% of their total secondary market trades in Corporate Bonds through RFQ platform of stock exchanges. In order to further increase the liquidity on exchange platforms, the aforementioned para of SEBI circular dated July 22, 2020 has been modified.

Under the modified norms, mutual funds will have to undertake at least 25% of their total secondary market trades by value in corporate bonds and 10% of their total secondary market trades by value in commercial papers by placing/seeking quotes through one-to-many mode on the RFQ platform of stock exchanges. Inter Scheme Transfer trades are excluded from the revised framework.

The new norms will come into effect from December 1, 2021.


17. **Revised Formats for filing Financial information for issuer of non-convertible securities**

(Circular No. SEBI/HO/DDHS/CIR/2021/0000000637 dated October 5, 2021)

SEBI has prescribed the revised formats for reporting of financial information and limited review report for entities that have listed non-convertible securities to disclose financial results on a quarterly basis, including assets & liabilities and cash flows.

Further it has been provided that in case of non-submission/ delayed submission of financial results within the timelines prescribed under regulation 52 of the Listing Regulations, the listed entity shall disclose detailed reasons for such non-submission/ delay to the stock exchanges within one working day of the due date of submission of the financial results.
In case the decision to delay the results was taken by the listed entity prior to the due date, the listed entity shall disclose detailed reasons for such delay to the stock exchanges within one working day of such decision.

For details:

18. Disclosure of Complaints against the Stock Exchange(s) and the Clearing Corporation(s)

(Circular No. SEBI/HO/CDMRD/DoC/P/CIR/2021/636 dated October 04, 2021)

In order to bring about transparency in the Investor Grievance Redressal Mechanism, all the Stock Exchanges and the Clearing Corporations, with effect from January 01, 2022, shall disclose on their websites, the data on complaints received against them and redressal thereof, latest by 7th of succeeding month, as per the format enclosed at Annexure - ‘A’ to this circular. These disclosure requirements are in addition to those already mandated by SEBI.

For details:

19. Discontinuation of usage of pool accounts for transactions in units of Mutual Funds on the Stock Exchange Platforms

(Circular No. SEBI/HO/IMD/IMD-I DOF5/P/CIR/2021/635 dated October 4, 2021)

Presently, funds or units of the mutual fund schemes move through stock brokers’ / clearing members’ pool accounts in an aggregate manner to client account or Clearing Corporation/ AMC account. To protect the interest of investors in securities, SEBI has discontinued pooling of funds and/ or units by stock brokers / clearing members in any form or manner for mutual fund transactions from April 01, 2022.

It is further clarified that stock brokers / clearing members facilitating mutual fund transactions shall-

i. not accept mandates for SIPs or Lumpsum transactions in their name;

ii. accept cheque payments from investors issued in favor of the respective SEBI recognized Clearing Corporations or mutual fund scheme(s) only;

iii. not accept or handle funds or units of investors in their proprietary accounts or pool accounts in any form or manner; and

iv. not accept payment through one-time mandate or issuance of mandates/ instruments in their name for mutual fund transactions. However, one-time mandates in favour of SEBI recognized Clearing Corporations may be accepted.

The onus of compliance with PMLA provisions and not permitting transactions with third party bank account continues to lie with the AMCs. AMCs may avail the services of SEBI recognized Clearing Corporations to validate the investors’ source
bank account information. In such cases, Clearing Corporation shall make the necessary source account details available to AMCs.

*For details:*

20. **Circular on Mutual Funds**

*(Circular No. SEBI/HO/IMD/IMD-I DOF5/P/CIR/2021/634 dated October 4, 2021)*

Mutual Fund Distributors ('MFDs'), Investment Advisers ('IAs'), Mutual Fund Utilities ('MFU'), channel partners and other entities including online platforms ('service providers'/'platforms') are providing services to investors to transact in mutual fund units.

It was observed by SEBI that, a few platforms pool the clients’ funds into a nodal account and subsequently transfer to AMCs either on per transaction basis or lump sum basis. In this regard, AMCs shall ensure that intermediate pooling of funds or units in any manner by MFDs, IAs, MFU, channel partners or any other service providers / platforms are discontinued for MF transactions. However, this requirement shall not apply to the SEBI registered Portfolio Managers subject to compliance with SEBI (Portfolio Managers) Regulations, 2020 and circulars issued thereunder.

Further, AMCs shall ensure that the transactions (financial/ non-financial) can be executed only if there is a service agreement between the AMC and the service provider / platform.

The provisions of this Circular shall be applicable with effect from April 1, 2022

*For details:*

21. **Relaxations relating to procedural matters -Issues and Listing.**

*(Circular No. SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated Oct 01, 2021)*


The relaxation mentioned in point (iv) of the said SEBI Circular dated May 06, 2020 is further extended and shall be applicable for Rights Issues opening upto March 31, 2022 provided the issuer along with the Lead Manager(s) shall continue to comply with point (v) of the said SEBI Circular dated May 06, 2020.

The issuer along with Lead Manager(s), Registrar, and other recognized intermediaries shall also ensure that the Issuer Company shall conduct a Vulnerability Test for optional mechanism (non-cash mode only) provided to
accept the applications in Rights Issue (facility provided by RTA), from an independent IT Auditor, and submit the report to Stock Exchange(s).

For details:


SEBI has placed a consultation paper for public comments latest by October 30, 2021, in the prescribed format on SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (ICDR Regulations) relating to framework of book building with respect to the following specific aspects:

a. Price band.

b. Allocation methodology for various investors like Qualified Institutional Buyers (QIBs), Non-institutional investors (NIIs) and Retail individual investors (RIIs),

For details:
INDIRECT TAX LAWS

Customs

Reducing compliance burden regarding registration of Authorised Couriers
(Circular No. 24/2021- Customs dated October 27, 2021)

As part of reducing the compliance burden on stakeholders, CBIC has taken measures to simplify the registration requirements of Authorised Couriers. Notifications No. 86/2021- Customs (N.T.) and 85/2021- Customs (N.T.) both dated October 27, 2021, have amended the Courier Imports and Exports (Clearance) Regulations, 1998 and the Courier Imports and Exports (Electronic Declaration and Processing) Regulations, 2010 respectively.

These amendments provide lifetime validity to a registration, in place of the existing system of validity-periods and renewals. They also provide for voluntary surrender of registration. While enabling a deemed invalidity of registration in case the Authorised Courier is inactive for a continuous period of 1 year, at a time, these also empower the Principal Commissioner or Commissioner to renew such a registration. Such deemed invalidation provision will be applied prospectively.

For details:
1. **Enhancement in family pension of employees of banks - Treatment of additional liability**


The Indian Banks' Association (IBA) has approached Reserve Bank of India (RBI) for the amortisation of the increased expenditure resulting from the revision in family pension for employees of its member banks covered under the 11th Bipartite Settlement and Joint Note dated November 11, 2020. It has been decided that the liability for enhancement of family pension shall be fully recognised as per applicable accounting standards. The expenditure, if not fully charged to the Profit and Loss Account during the financial year 2021-22, be amortised over a period not exceeding five years beginning with the financial year ending March 31, 2022, subject to a minimum of 1/5th of the total amount involved being expensed every year. Appropriate disclosures of the accounting policy followed in this regard shall be made in the 'Notes to Accounts' to the financial statements.

*For details:*

2. **Basel III Capital Regulations - Perpetual Debt Instruments (PDI) in Additional Tier 1 Capital – Eligible Limit for Instruments Denominated in Foreign Currency/Rupee Denominated Bonds Overseas**

(Notification no. RBI/2021-22/106 DOR.CAP.REC.No.56/21.06.201/2021-22 dated October 04, 2021)

Several banks have approached Reserve Bank of India (RBI) to clarify the amount of capital funds that can be raised overseas. The issue has been examined and it is clarified that the “eligible amount” for purpose of issue of PDIs in foreign currency would mean the higher of (a) 1.5% of Risk Weighted Assets (RWAs) and (b) Total Additional Tier 1 capital, as on March 31 of the previous financial year. Not more than 49% of the “eligible amount” as above can be issued in foreign currency and/or in rupee denominated bonds overseas.

*For details:*


(Notification no. RBI/2021-22/107 IDMD.CDD.No.S931/11.22.001/2021-2022 dated October 05, 2021)

The Reserve Bank of India has issued revised Eligibility Criteria and Operational Guidelines for opening and maintaining of Subsidiary General Ledger (SGL) Accounts and Constituents’ Subsidiary General Ledger (CSGL) Accounts dated September 22, 2021. These Guidelines have been issued in supersession to earlier Guidelines dated October 29, 2018.

*For details:*
4. **Value Free Transfer (VFT) of Government Securities – Guidelines**  

Value Free Transfer (VFT) of Government Securities – Guidelines under which separate guidelines for VFT were issued to enable more efficient operations in the Government securities market. After review the Reserve Bank of India has issued revised Value Free Transfer Guidelines to further streamline VFT of government securities.

*For details:*  

5. **Priority Sector Lending- Banks' lending to NBFCs for on-lending – Extension of facility**  
(Notification no. RBI/2021-22/110 FIDD.CO.Plan.BC.No.15/04.09.01/2021-22 dated October 08, 2021)

The facility of bank lending to NBFCs (other than MFIs) for on-lending was allowed to be classified as PSL up to September 30, 2021. This facility has been extended till March 31, 2022 keeping in view the increased traction observed in delivering credit to the underserved/unserved segments of the economy. Loans disbursed under the on-lending model will continue to be classified under Priority Sector till the date of repayment/maturity whichever is earlier.

*For details:*  

6. **Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs**  
(Notification no. RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021)

As the SBR framework encompasses different facets of regulation of NBFCs covering capital requirements, governance standards, prudential regulation, etc., it has been decided to first issue an integrated regulatory framework for NBFCs under SBR providing a holistic view of the SBR structure, set of fresh regulations being introduced and respective timelines. These guidelines shall be effective from October 01, 2022.

*For details:*  
7. **Master Direction – Prudential Norms on Capital Adequacy for Local Area Banks (Directions), 2021**

(Notification no. RBI/DOR/2021-22/87DOR.CAP.REC.No.61/21.01.002/2021-22 dated October 26, 2021)

The Reserve Bank of India has, from time to time, issued several guidelines / instructions / directives to Local Area Banks on Prudential Norms on Capital Adequacy. To enable Local Area Banks to have current instructions at one place, a Master Direction, incorporating all the existing guidelines / instructions / directives on the subject, has been prepared for reference of the banks.

*For details:*


On a review and taking into account feedback received from Indian Banks’ Association (IBA) and other stakeholders, it has been decided that banks may open current accounts for borrowers who have availed credit facilities in the form of Cash Credit (CC)/Overdraft (OD) from the banking system subject to certain conditions related to exposure of the banking system.

*For details:*
INSURANCE LAWS

Maintenance of Current Accounts in multiple banks by Insurers
(Reference no.: IRDAI/F&A/CIR/MISC/262/10/2021 dated October 05, 2021)

Based on the requests received by the Insurance Regulatory and Development Authority of India, to avoid hardships, if any, faced by the insurers in maintaining current accounts with banks, it is clarified that the respective insurers may maintain current accounts in appropriate number of banks for the purpose of premium collection, management expenses, policy payments, investment operations, etc., for the convenience of the policyholders and for the ease of doing business. The Audit Committee of the Insurers shall review annually the need for having multiple current accounts and rationalization, if any, as may be required.

For details:

***
Introduction

*Tata vs. Mistry* case has brought the rights of small shareholders under the spotlight. The Supreme Court while rendering its judgment on the larger question of oppression and mismanagement, in *Tata Consultancy Services Limited vs. Cyrus Investments Pvt. Ltd. & Ors.* has dealt with the relatively unexplored and topical issue of the rights of small shareholders, in the context of Section 151 of the Companies Act, 2013.

There has been a change in the law after the advent of the Companies Act, 2013 and a paradigm shift has taken place from the emphasis on majority control and corporate democracy, to a regime focused on corporate governance. The concept of small shareholders found its place in the erstwhile Companies Act, 1956 in the limited context of Section 252, that dealt with the appointment of directors, and provided that public companies may have a director to represent small shareholders. In contrast, the Companies Act, 2013 has introduced Section 151 and relevant rules, which contemplates the election or appointment of a Director to the Board of a Company by small shareholders, represented by a minimum of either 1/10th of the total number of shareholders or 1,000 shareholders.

Regulatory Framework under the Companies Act, 2013

Section 151 of the Companies Act, 2013 requires that a listed company may have one director elected by such small shareholders in such manner and with such terms and conditions as prescribed.

Small shareholders’ value

“small shareholders” means a shareholder holding shares of nominal value of not more than twenty thousand rupees or such other sum as may be prescribed.

Terms & Conditions for Small Shareholders’ Director

Rule 7 of the Companies (Appointment and Qualification of Directors) Rules, 2014 laid down the following terms and conditions for appointment of small shareholders’ director, which are as under:

(i) **Election of small shareholders’ director:**

A listed company, may upon notice of not less than:

(a) “One thousand small shareholders”, or

(b) “One-tenth of the total number of such shareholders”,

whichever is lower; have a small shareholders’ director elected by the small shareholder.
A ‘Small Shareholder’s Director’ may be elected voluntarily by any listed company. Thus, a listed company, may, on its own, act to appoint a Small Shareholder’s Director. In such a case, no notice from small shareholder(s) is required.

**How will the small shareholders know about other small shareholders?**

The shareholders have the option to inspect the register of members. This gives opportunity to any interested small shareholder to get details of other small shareholders.

(ii) **Notice of intention to propose a candidate:**

The small shareholders intending to propose a person as a candidate for the post of small shareholder’s director shall leave a signed notice of their intention with the company at least 14 days before the meeting under their signatures specifying their details and proposed director’s details and of the small shareholders who are proposing such person for the office of director. The details include name, address, shares held and folio number etc.

If the proposer does not hold any shares in the company, the details of shares held and folio number need not be specified in the notice.

(iii) **Statement by the proposed small shareholders’ director:**

The notice shall be accompanied by a statement signed by the proposed director for the post of small shareholders’ director stating:

(a) his Director Identification Number;
(b) that he is not disqualified to become a director under the Act; and
(c) his consent to act as a director of the company.

(iv) **Small shareholders’ director to be an independent director:**

Small shareholders’ director shall be considered as an independent director, if-

(a) he is eligible for appointment as an independent director as per sub-section (6) of section 149; and
(b) he gives a declaration of his independence as per sub-section (7) of section 149.

(v) **Tenure of office and no retirement by rotation:**

The tenure of small shareholders’ director shall not exceed a period of 3 consecutive years and he shall not be liable to retire by rotation. Further he shall not be eligible for re-appointment after the expiry of his tenure.

(vi) **Grounds of disqualification:**

Disqualifications of a small shareholders’ director are the same as that of any other director specified under section 164 of the Act.

(vii) **Grounds of vacation of office: A Small shareholders’ director shall vacate the office if -**

(a) he ceases to be a small shareholder, on and from the date of cessation;
(b) he incurs any of the disqualifications specified in section 164;
(c) the office of the director becomes vacant in pursuance of section 167;
(d) he ceases to meet the criteria of independence as provided section 149 (6).

(viii) **Number of small shareholders’ directorship:**
A person shall not hold the office of small shareholders’ director in more than two companies at the same time.
Further, the second company in which he has been appointed shall not be in a business which is competing or is in conflict with the business of the first company.

(ix) **No association with the company for next 3 years:**
A small shareholders’ director shall not, for a period of three years from the date on which he ceases to hold office as a small shareholders’ director in a company, be appointed in or be associated with such company in any other capacity, either directly or indirectly.

**Procedure to appoint Small Shareholder Director**

<table>
<thead>
<tr>
<th>S.no.</th>
<th>Activity</th>
<th>Governing provision</th>
<th>Steps</th>
</tr>
</thead>
</table>
| 1     | Board Meeting             | Section 173         | When the notice is received, the company shall examine that the same meets with the requirements of Section 151 r/w Rule 7 of the Companies (Appointment and Qualification of Directors) Rules, 2014.
Hold a Board Meeting or pass resolution by circulation to authorise the CS or CFO or any director of the company to intimate the members regarding the resolution for appointment of small shareholders’ director to be elected by small shareholders. |
<p>| 2     | General Meeting           |                     | Hold a ‘General Meeting to pass ordinary resolution for appointment of small shareholders’ director by small shareholders.                                                                                   |
|       |                           |                     | <em>Note</em>: Resolution may be passed by means of ‘postal ballot’.                                                                                                                                              |
|       |                           |                     | However, above item may be transacted at a general meeting by a company which is required to provide the facility to members to vote by electronic means under section 108, in the manner provided in that section. |</p>
<table>
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<tr>
<th></th>
<th><strong>Time-bound disclosures</strong></th>
<th>Regulations 30 and 46(3) of the SEBI (LODR) Regulations 2015</th>
<th>Disclose the proceedings of general meeting/postal ballot to stock exchanges (where the shares of the company are listed) as soon as reasonably possible and not later than 24 hours from the conclusion of general meeting and post the same on the website of the company within 2 working days.</th>
</tr>
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<tbody>
<tr>
<td>4</td>
<td><strong>Appointment letter</strong></td>
<td>Regulation 44 of the SEBI (LODR) Regulations, 2015</td>
<td>The listed entity shall submit to the stock exchange, within two working days of conclusion of its General Meeting, details regarding the voting results in the format specified by the Board.</td>
</tr>
<tr>
<td>5</td>
<td><strong>Time-bound disclosures</strong></td>
<td>Regulation 7 of the SEBI (PIT) Regulations, 2015</td>
<td>Person appointed as a small shareholder director of the company shall disclose his holding of securities of the company as on the date of appointment to the company within seven days of such appointment.</td>
</tr>
<tr>
<td>6</td>
<td><strong>Statutory Register</strong></td>
<td>Make entries in the register of directors and key managerial personnel and register of contracts or arrangements in which directors are interested in 'Form MBP-4'.</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td><strong>Form and documents filing</strong></td>
<td>File return of appointment of director with ROC within 30 days from the date of appointment in Form DIR-12 along with the requisite documents and prescribed fees.</td>
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**Company Law Corner**

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Legal Maxims
<table>
<thead>
<tr>
<th>S.No.</th>
<th>Legal Maxim</th>
<th>Meaning</th>
<th>Usage &amp; Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td><em>Forum non conveniens</em></td>
<td>Disagreeable forum</td>
<td>A concept wherein a court refuses to hear a particular matter, citing a more appropriate forum for the issue to be decided.</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td><em>For eg. The consumer forum denied to entertain the application citing that it is Forum non conveniens in this matter and the appropriate forum would be District Court.</em></td>
</tr>
<tr>
<td>2.</td>
<td><em>Gravamen</em></td>
<td>Things weighing down</td>
<td>The basic element or complaint of a lawsuit.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><em>For eg. The complaint of dispossession of property is the Gravamen of this complaint.</em></td>
</tr>
<tr>
<td>3.</td>
<td><em>In camera</em></td>
<td>In the chamber</td>
<td>Conducted in private, or in secret. The opposite of in open court.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><em>For eg. The proceeding were order to be In camera.</em></td>
</tr>
<tr>
<td>4.</td>
<td><em>In pari delicto</em></td>
<td>In equal offense</td>
<td>Used when both parties to a case are equally at fault.</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td><em>For eg. It was very hard for the Judge to give Judgement due to In pari delicto.</em></td>
</tr>
<tr>
<td>5.</td>
<td><em>Jus commune</em></td>
<td>Common law</td>
<td>Not actually referring to common law, this term refers to common facets of civil law that underlie all aspects of the law.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><em>For eg. The law in many countries are based on Jus commune.</em></td>
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</table>
CORPORATE LAWS

Landmark Judgement

HANUMAN PRASAD BAGRI & ORS v. BAGRESS CEREALS PVT. LTD. & ORS [SC]

Special Leave Petition (Civil) 17137 of 2000

S. Rajendra Babu & K.G. Balakrishnan, JJ. [Decided on 27/03/2001]


Companies Act, 1956 - sections 397 & 398 – conditions necessary for relief - no justification shown for the winding up of the company- single judge allowed the petition- Division Bench reversed it- whether the reversal is correct- Held, Yes.

Brief facts: A petition under Sections 397 & 398 of the Companies Act, 1956 [hereinafter referred to as the Act] was filed before the Calcutta High Court on grounds of oppression and mismanagement. The Company Judge allowed the petition. Appeal was preferred on behalf of the Company by respondent No.2 and also on his own behalf. The Division Bench allowed the appeal by holding that one of the conditions precedents for granting relief under Section 397 of the Act is that the Petitioners should prove that winding up of the company would unfairly prejudice the Petitioners who are claiming of oppression, that otherwise the facts will justify the making of a winding up on just and equitable grounds. Contesting the correctness of this view, this special leave petition is filed.

Decision: Dismissed.

Reason: Relying upon the decision in Needle Industries (India) Pvt. Ltd. v. Needle Industries New (India) Holding Ltd., AIR 1981 SC 1298, it is claimed that even if a case of oppression is not made out by the Petitioners, the Court is not powerless under Section 397 of the Act to do substantial justice between the parties and, therefore, on the facts available in the case the order made by the learned Company Judge should have been maintained. It is pleaded that it is not possible for the Petitioners and respondents to carry on business of the company together and the only solution is that one group shareholders should purchase the shares of the other group and that the Petitioners have no objection in selling shares of their group at a proper value.

Section 397(2) of the Act provides that an order could be made on an application made under sub-section (1) if the court is of the opinion (1) that the company’s affairs are being conducted in a manner prejudicial to public interest or in a manner oppressive of any member or members; and (2) that the facts would justify the making of a winding up order on the ground that it was just and equitable that the company should be wound up, and (3) that the winding up order would unfairly prejudice the applicants. No case appears to have been made out that the company’s affairs are being conducted in a manner prejudicial to public interest or in a manner oppressive of any member or members. Therefore, we have to pay our attention only to the aspect that the winding up of the company would unfairly prejudice the members of the company who have the grievance and are the applicants before the court and that otherwise the facts would justify the making of a winding up order on the ground that it was just and equitable that the company should be wound up. In order to be successful on this ground, the Petitioners have to make out a case for winding up of the company on just and equitable grounds. If the facts fall short of the case set out for winding up on just and equitable grounds no relief can be granted to the Petitioners. On the other hand the party resisting the winding
up can demonstrate that there are neither just nor equitable grounds for winding up and an order for winding up would be unjust and unfair to them.

On these tests, the Division Bench examined the matter before it. It was noticed that the shareholding of the Petitioners is well under 20% while that of those opposing the winding up is more than 80%. Therefore, the adversary group has sufficient majority shareholding even to pass a special resolution.

The Division Bench was neither impressed with the merits of the case nor with the legal position and reached a conclusion that the company petition is liable to be rejected on the ground that there is no finding by the learned Company Judge that the winding up will unjustly prejudice the company, therefore, the order of the nature appealed had been passed and also concluded that it is impossible for them to arrive at a finding in favour of the Petitioners.

The last and the most important point urged is in regard to continuation of directorship of the first petitioner. The first Petitioner joined the company in or about 1971 and he is a director. It was noticed that the last Board meeting which he appears to have attended was held on 19.8.1985 but apparently he did not thereafter attend the meeting of 16.11.1985. Thereafter there was no material to show that he went to the corporate office or attended any board meeting. The petitioner No.1 pleaded that the respondents could not have treated him as ceased to be a Director in terms of Section 283(1)(g) of the Act. Form 32 had been filed by the company with the Registrar of Companies on 15.1.1988 showing that the Petitioner No.1 had ceased to be a Director with effect from 21.12.1987 and since then it is maintained throughout that Petitioner No.1 ceased to be in the office of the Director of the Company. The Division Bench noticed that the position that Petitioner No.1 ceased to be a Director is seriously disputed and the Division Bench ultimately concluded that the termination of directorship would not entitle such person to ask for winding up on just and equitable grounds inasmuch as there is an appropriate remedy by way of company suit which can give him full relief if such action had been taken by the company on inadequate ground. The Division Bench found that if a Director even if illegally terminated cannot bring his grievance as to termination to winding up the company for that single and isolated act, even if it was doing good business and even if the Director could obtain each and every adequate relief in a suit in a court. IN this background, the appeal having been dismissed, we do not find any good reason to interfere with such an order.

GENERAL LAWS

GUJARAT STATE DISASTER MANAGEMENT AUTHORITY v. ASKA EQUIPMENTS LTD [SC]

Civil Appeal No. 6252 of 2021
M.R. Shah & A.S. Bopanna, JJ. [Decided on 08/10/2021]

MSME Act, 2006- section 19- pre-deposit of 75% of award- is it directory or mandatory- Held to be mandatory.

Brief facts: The parties are governed by the provisions of the MSME Act, 2006. A dispute arose between the parties regarding payment of goods which was taken by the appellant. The proceedings under Section 18 of the MSME Act, 2006 commenced. The Facilitation Council passed an award in favour of the respondent herein and directed the appellant to
pay a sum of Rs. 105,053,387/- (Rs. Ten crores Fifty Lakhs Fifty Three Thousand Three Hundred and Eighty Seven only).

Feeling aggrieved by the said award, the appellant preferred an application before the learned Additional District Judge (Commercial), Dehradun under Section 34 of the Arbitration & Conciliation Act, 1996 read with Section 19 of the MSME Act, 2006. As per Section 19 of the MSME Act, 2006, the appellant was required to deposit 75% of the amount awarded by the arbitrator. Several opportunities were given to the appellant to deposit 75% of the awarded amount. An application for waiver of pre-deposit was preferred which came to be dismissed. That thereafter vide order dated 22.08.2019, the learned Additional District Judge (Commercial), Dehradun granted a month’s time, as a last opportunity, to the appellant to deposit the said amount.

Feeling aggrieved by the said order, the appellant herein preferred writ petition before the High Court. By the impugned judgment and order, the High Court has dismissed the said writ petition. Even while dismissing the writ petition, the High Court granted further eight weeks’ time to the appellant to deposit 75% of the awarded amount.

Feeling aggrieved and dissatisfied with the impugned judgment and order passed by the High Court, the appellant herein – original applicant has preferred the present appeal.

Decision: Appeal dismissed.

Reason: We have heard the learned counsel for the respective parties at length. The short question posed for the consideration of this Court is, whether in an appeal/application filed under Section 34 of the Arbitration & Conciliation Act, 1996 read with Section 19 of the MSME Act, 2006, the appellate court would have any discretion to deviate from deposit of 75% of the awarded amount as a pre-deposit?

On a plain/fair reading of Section 19 of the MSME Act, 2006, reproduced hereinabove, at the time/before entertaining the application for setting aside the award made under Section 34 of the Arbitration & Conciliation Act, the applicant/appellant has to deposit 75% of the amount in terms of the award as a pre-deposit. The requirement of deposit of 75% of the amount in terms of the award as a pre-deposit is mandatory. However, at the same time, considering the hardship which may be projected before the appellate court and if the appellate court is satisfied that there shall be undue hardship caused to the appellant/applicant to deposit 75% of the awarded amount as a pre-deposit at a time, the court may allow the pre-deposit to be made in instalments.

An identical question came to be considered by this Court in the case of Goodyear India Limited (supra). In paragraphs 10 & 11, this Court observed and held as under:

“10. … Having considered the submissions made, both on behalf of the petitioner and on behalf of the respondents, we do not see any reason to interfere with the views expressed, both by the learned Single Judge, as also the Division Bench with regard to Section 19 of the 2006 Act. It may not be out of place to mention that the provisions of Section 19 of the 2006 Act, had been challenged before the Kerala High Court in Kerala SRTC v. Union of India [(2010) 1 KLT 65], where the same submissions were negated and, subsequently, the matter also came up to this Court, when the special leave petitions were dismissed, with leave to make the pre-deposit in the cases involved, within an extended period of ten weeks. We may also indicate that the expression “in the manner directed by such court” would, in our view, indicate the discretion given to the court to allow the pre-deposit to be made, if felt necessary, in instalments.”
In view of the above and considering the language used in Section 19 of the MSME Act, 2006 and the object and purpose of providing deposit of 75% of the awarded amount as a pre-deposit while preferring the application/appeal for setting aside the award, it has to be held that the requirement of deposit of 75% of the awarded amount as a pre-deposit is mandatory. Therefore, as such, both the High Court as well as the learned Additional District Judge (Commercial), Dehradun were justified in directing the appellant to deposit 75% of the awarded amount as a pre-deposit.

GARG BUILDERS v. BHARAT HEAVY ELECTRICALS LTD [SC]
Civil Appeal No.6216 of 2021@ S.L.P. (C.) No. 16320 of 2018
S. Abdul Nazeer & Krishna Murari, JJ. [Decided on 04/10/2021]

Arbitration and Conciliation Act, 1996 - no provision in the contract for pendente lite interest - arbitrator awarded pendente lite interest to appellant - High court reversed the order - whether pendente lite interest could be awarded - Held, No.

Brief facts: This appeal is directed against the order of the Division Bench of the High Court of Delhi whereby it has upheld the judgment of the learned Single Judge, resulting in denial of pendente lite interest on the award amount to the appellant.

Decision: Appeal dismissed.

Reason: We have carefully considered the submissions of the learned counsel for both the parties made at the Bar. The law relating to award of pendente lite interest by Arbitrator under the 1996 Act is no longer res integra. The provisions of the 1996 Act give paramount importance to the contract entered into between the parties and categorically restricts the power of an arbitrator to award pre-reference and pendente lite interest when the parties themselves have agreed to the contrary.

It is clear from the above provision that if the contract prohibits pre-reference and pendente lite interest, the arbitrator cannot award interest for the said period. In the present case, clause barring interest is very clear and categorical. It uses the expression “any moneys due to the contractor” by the employer which includes the amount awarded by the arbitrator. Having regard to the above, we are of the view that the High Court was justified in rejecting the claim of the appellant seeking pendente lite interest on the award amount.

This takes us to the next question as to whether Clause 17 of the Contract is ultra vires in terms of Section 28 of the Indian Contract Act, 1872. According to Section 28, a contract is void to the extent it restricts absolutely a party from enforcing his rights by usual proceedings in ordinary courts or if it limits the time within which he may enforce his rights. Exception I to this section contains a rule that a contract by which two or more persons agree that any dispute which has arisen or which may arise between them in respect of any subject or class of subjects shall be referred to arbitration is not illegal. The question, therefore, is whether the contracts barring payment of interest extinguish the rights of the parties.
Exception I to Section 28 saves contracts where the right to move the Court for appropriate relief is restricted but where the parties have agreed to resolve their dispute through arbitration. Thus, a lawful agreement to refer the matter to arbitration can be made a condition precedent before going to courts and it does not violate Section 28. No cause of action then accrues until the Arbitrator has made the award and the only amount awarded in such arbitration is recoverable in respect of the dispute so referred. Section 31(7)(a) of the 1996 Act which allows parties to waive any claim to interest including pendente lite and the power of the Arbitrator to grant interest is subject to the agreement of the parties.

Thus, when there is an express statutory permission for the parties to contract out of receiving interest and they have done so without any vitiation of free consent, it is not open for the Arbitrator to grant pendente lite interest. We are of the considered opinion that Clause 17 of the contract is not ultra vires in terms of Section 28 of the Indian Contract Act, 1872. In the result, the appeal fails and is accordingly dismissed. Having regard to the facts and circumstances of the case, we direct the parties to bear their own costs.

**COMPETITION LAW**

**EASTERN RAILWAY, KOLKATA v. M/S CHANDRA BROTHERS & ORS[CCI]**

**Case No. 02 of 2018**

A.K. Gupta, Sangeeta Verma & B.S.Bishnoi. [Decided on 12/10/2021]

*Competition Act, 2002 - section 3- collusive bidding- cartel- identical price quoted by OPs for the product Axle Bearings- was there any cartel-Held, Yes. Should OPs penalised-Held, No.*

**Brief facts**: In the present matter, the informant Eastern Railway alleged contravention of the provisions of Section 3 by the 8 OPs as they have formed a cartel among themselves and bid for the supply of Axle Bearings. The Axle Bearings supplied by the OPs are used in EMU/DMU motor coaches to assist in the rotations of axle motors. It is an alloy comprising high-leaded bronze, steel, copper, nickel, etc., as its main constituents. The product was standardised as per RDSO specifications, which undergo minor changes at times to customise the product as per the requirements of Zonal Railways. The bearing is also known as "High Lead Bearing". The OPs are MSMEs.

**Decision**: Allowed, but no penalty imposed.

**Reason**: In view of the above, the Commission holds that OP-1 to OP-8 have contravened the provisions of Section 3(1) of the Act read with Section 3(3) thereof, as detailed in this order.

Further, the Commission, in terms of Section 27 (a) of the Act, directs OP-1 to OP-8 and their respective officials who have been held liable in terms of the provisions of Section 48 of the Act to cease and desist in the future from indulging in practices which have been found in the present order to be in contravention of the provisions of Section 3(3) read with Section 3(1) of the Act, as detailed in the earlier part of the present order.

The Commission contemplated at length the issue of imposition of penalty upon the OPs and respective officials keeping in view factors specific to this case, such as market structure, role of Indian Railways as a monopsony buyer, nature of the firms, the staff employed by them and the quantum of their annual and relevant turnover, and considered the same in light of the overall the objective of the Act to prevent practices from having adverse effects on competition, to promote and sustain competition in markets, to protect
the interests of consumers and to ensure freedom of trade carried on by other participants in markets in India. It was observed that, with the purpose to give effect to the objective of the Act, the statute confers upon the Commission the power to impose penalty upon such market participants who act in contravention of the provisions of the Act. Such power under the statute is not rigid. It allows flexibility to take such measures that may be appropriate in a given market situation to address market distortions which may, inter alia, arise from the behaviour of the market participants.

So far as the instant case is concerned, the Commission notes that all the OPs in this case are MSMEs having limited staff and small turnover. Clearly, they have contravened the provisions of the Act, as brought out in the order above, and indulged in anticompetitive conduct, for which corrective measures need to be taken against them. In fact, the Commission notes abject lack of awareness of the provisions of law on the part of the OPs, which is reflected from the explicit communications and arrangements. Further, the Commission also appreciates the cooperative and non-adversarial approach adopted by OPs in admitting their involvement and coming forward to seek leniency. In this backdrop, the question which is looming large before the Commission is as to whether imposition of penalty would be the appropriate measure and course in the given market situation? As highlighted in the Composite Brake Blocks case (supra), the Commission is conscious of the fact that the MSME sector in India is already under stress and bearing the impact of the economic situation arising from the outbreak of the pandemic (COVID-19). The Government of India has undertaken various measures to support the liquidity and credit needs of viable MSMEs to help them withstand the impact of economic shock. In such a situation, if any penalty were to be imposed on these firms, it may render these firms economically unviable; some firms may even exit the market, which would further reduce competition in a market already characterised by the presence of few players due to the policy of the Indian Railways to procure items from RDSO-approved vendors.

Thus, considering the matter holistically, the Commission decides not to impose any monetary penalty on the OPs and their respective officials in the peculiar circumstances of this case, as noted above. Further, the Commission is of the considered opinion that the objectives of the Act would be met if the parties in the present matter cease such cartel behaviour and desist from indulging in similar behaviour in the future, as directed earlier. The parties are, however, cautioned to ensure that their future conduct is strictly in accord with the provisions of the Act, failing which, any such future behaviour would be viewed seriously as constituting recidivism, with attendant consequences.
IMPORTANT STUDENT ANNOUNCEMENTS

Company Secretary Executive Entrance Test (CSEET)

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

Exempted from CSEET
(Exception 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

January 2022 session of CSEET is proposed to be held on SATURDAY, 8th January, 2022

Last date for Registration
Wednesday, 15th December, 2021

Link to register:
https://smash.icsi.edu/Scripts/CSEET/Instructions_CSEET.aspx
IMPORTANT EXAMINATION ANNOUNCEMENT

CONDUCT OF COMPUTER BASED EXAMINATION (CBE) FOR FOUNDATION PROGRAMME DECEMBER, 2021 SESSION IN ANYWHERE MODE THROUGH REMOTE PROCTORING ON 3rd AND 4TH JANUARY 2022

The Institute has decided to conduct Computer Based Examination (CBE) for Foundation Programme in anywhere mode through remote proctoring from December, 2021 Session onwards.

Accordingly, the next Foundation Programme Examination for December, 2021 Session will be held on 3rd and 4th January, 2022 in anywhere mode through remote proctoring. For detailed time table please refer website of the Institute www.icsi.edu.

8th October, 2021

JOINT SECRETARY
(EXAMS.)

https://www.icsi.edu/media/webmodules/Important_Examination_Announcement_for_Foundation_Programme.pdf
**ATTENTION STUDENTS!**

All Foundation, Executive and Professional Programme students eligible for appearing in the December, 2021 Session of Examinations are advised to go through the following important guidelines to be followed by them during the Examination Enrollment and while appearing in the examinations. Students are advised to take note of the same for strict compliance.

*Foundation Programme Examination for December, 2021 Session will be held on 3rd and 4th January, 2022 in anywhere mode through remote proctoring. For detailed time table please refer website of the Institute [www.icsi.edu](http://www.icsi.edu)*

**EXAMINATION ENROLLMENT FOR DECEMBER, 2021 SESSION OF EXAMINATIONS**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Start Date</th>
<th>End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Without Late Fee</td>
<td>14th October, 2021</td>
<td>30th October, 2021</td>
</tr>
<tr>
<td>With Late Fee</td>
<td>31st October, 2021</td>
<td>6th November, 2021</td>
</tr>
<tr>
<td>Enrollment Services (Change of Centre / Module / Medium / Cancellation of Exemption Request)</td>
<td>7th November, 2021</td>
<td>20th November, 2021</td>
</tr>
</tbody>
</table>

*Please Note: Mode of enrollment: online mode only (offline applications will not be accepted)*

For any query: Grievance Portal at [http://support.icsi.edu](http://support.icsi.edu)
ATTENTION STUDENTS

November 10, 2021

Sub: Reopening of Exam Enrolment Window for December, 2021 Exam Session

This is to inform all concerned that Examination Enrolment online window for December, 2021 exam session will be reopened from 2.00 PM on November 10, 2021 till 2.00 PM on November 12, 2021. During this period students may avail following services:

(a) Students may apply for examination enrolment with applicable late fee
(b) Students may apply for addition of module with applicable late fee
(c) Students may apply for exemption on the basis of higher qualification with applicable exemption fee

During the period from 2.00 PM on November 10, 2021 till 2.00 PM on November 12, 2021 online window for change services, (i.e. change of centre, medium and module) will remain closed.

Online window for change services will reopen from 3.00 PM on November 12, 2021 till 11.59 PM on November 20, 2021. Reopening of window for change services beyond this period will not be entertained under any circumstances.

All students may take note of the above.

With best wishes to all students for their forthcoming examination.

A K Srivastava
Joint Secretary
(Students Services and Training)
Attention Students!!

Temporary Relaxation for complying with the requirement of Pre-Examination Test and One Day Orientation Programme for enrollment to December, 2021 session of CS Examinations

As per the guidelines, for enrollment to December, 2021 Session of CS Examinations, the students are required to comply with the following requirements:

a) Pre-Examination Test
   (Applicable for students of Executive and Professional Programme under 2017 New Syllabus)

b) One Day Orientation Programme (ODOP)
   (Applicable for students of Foundation and Executive Programme registered on or after 1st June, 2019)

As a special case, temporary relaxation is being granted to the students, to enable them to enroll for December, 2021 Session of CS Examinations by 30th October, 2021 (without Late Fees) and by 6th November 2021 (with Late Fees) without checking the status of compliance with the aforesaid requirements. Such relaxation is being allowed subject to the condition that the students shall comply with the requirements of Pre-exam Test & ODOP by 16:00 Hours, 20th November, 2021.

Students are advised to take note of the above and in case of any queries, they may write to the Institute through the Support Portal, http://support.icsi.edu

(A K Srivastava)

25th October, 2021

Joint Secretary (Student Services & Training)
!!ATTENTION STUDENTS!!

Cut-off Date for registration in Professional Programme is 30.11.2021 (for appearing in All modules in June 2022 Examination)

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

!!Attention Students!!

The option for claiming Paper-wise Exemption on the basis of Higher Qualification for Executive & Professional students for June 2022 CS Exam has been deactivated meanwhile in smash portal (https://smash.icsi.edu) till declaration of December 2021 Session of Examination Result.

Kindly take note of the same.

Team ICSI
08.11.2021
Join ICSI Classes By Regional/Chapter Offices for 08th January, 2022

CS EXECUTIVE ENTRANCE TEST (CSEET)

*HIGHLIGHTS*
- Online Coaching
- Revision Classes
- Affordable Fees
- Exam Oriented
- Renowned Faculty
- Exclusive Doubt Clearing Sessions

Click here to contact: ICSI Regional/Chapter Offices
https://www.icsi.edu/media/webmodules/websiteClassroom.pdf

Raise your query at Online Helpdesk - Student Services – Class Room Teaching Related Query
https://smash.icsi.edu/Scripts/Complain/ComplaintForm.aspx

CS Nagendra D. Rao
President, The ICSI

CS Devendra V. Deshpande
Vice-President, The ICSI

Link to join classes.

https://www.icsi.edu/media/webmodules/SCHEDULE_OF_CSEET_JAN'22_classes_at_RO CHAPTERS_
COMPETITIONS FOR THE STUDENTS

1. **Slogan writing Competition for the students during “The Rashtriya Ekta Diwas”**
   The Institute organised “Slogan writing Competition” for the students during the “Rashtriya Ekta Diwas” on 29th October 2021, under the banner of “Azadi ka Amrit Mahotsav”. The topic was 75 glorious years of Independence

   *For details, please click here*
   [https://www.icsi.edu/media/webmodules/slogan.pdf](https://www.icsi.edu/media/webmodules/slogan.pdf)

2. **Poster Making Competition for the students during “The Rashtriya Ekta Diwas”**
   The Institute organised “Poster making Competition” for the students during the “Rashtriya Ekta Diwas” on 26th October 2021, under the banner of “Azadi ka Amrit Mahotsav”. The topic was India’s Freedom Struggle.

   *For details, please click here*
   [https://www.icsi.edu/media/webmodules/poster.pdf](https://www.icsi.edu/media/webmodules/poster.pdf)

3. **Essay Writing Competition for the students during “The Rashtriya Ekta Diwas”**
   The Institute organised “Essay writing Competition” for the students during the “Rashtriya Ekta Diwas” on 25th October 2021, under the banner of “Azadi ka Amrit Mahotsav”. The topic was Reducing Import Dependence: Atmanirbharta Ki Aur

   *For details, please click here*
   [https://www.icsi.edu/media/webmodules/essay.pdf](https://www.icsi.edu/media/webmodules/essay.pdf)

4. **Elocution Competition for the students during “The Rashtriya Ekta Diwas”**
   The Institute organised “Elocution Competition” for the students during the “Rashtriya Ekta Diwas” on 28th October 2021, under the banner of “Azadi ka Amrit Mahotsav”. The topic was “Freedom of Speech: a boon or bane”

   *For details, please click here*
   [https://www.icsi.edu/media/webmodules/elocution.pdf](https://www.icsi.edu/media/webmodules/elocution.pdf)

5. **Online Quiz Competition for the students during “The Rashtriya Ekta Diwas”**
   The Institute organised “Online Quiz Competition” for the students during the “Rashtriya Ekta Diwas” on 27th October 2021, under the banner of “Azadi ka Amrit Mahotsav”. The topic was India-It’s struggle for Independence and 75 years of Indian Independence

   *For details, please click here*
   [https://www.icsi.edu/media/webmodules/online_quiz.pdf](https://www.icsi.edu/media/webmodules/online_quiz.pdf)
Online Doubt Clearing Classes by ICSI

For Students appearing in December 2021 Examination (at nominal fee)

Registration is open for Foundation Programme, Executive Programme & Professional Programme (New/Old Syllabus)

::: HIGHLIGHTS :::
- Kindly make payment using the following link https://tinyurl.com/uz777f
- Registered students can submit their doubts/queries through the Google form.
- Queries received from the students will be compiled and sent to the concerned faculty. The doubts /queries will be responded to by the faculties online during the classes.
- Students can also ask queries online through chat box during the class.
- Renowned faculties will sort out all your queries.
- Schedule of classes will be sent at your email id once you register for the classes.

::: SCHEDULE OF CLASSES :::

<table>
<thead>
<tr>
<th>Time</th>
<th>Course</th>
</tr>
</thead>
<tbody>
<tr>
<td>18th October</td>
<td>Professional Programme (N/S)</td>
</tr>
<tr>
<td>27th October</td>
<td>Professional Programme (O/S)</td>
</tr>
<tr>
<td>18th October</td>
<td>Executive Programme (N/S)</td>
</tr>
<tr>
<td>26th October</td>
<td>Executive Programme (O/S)</td>
</tr>
<tr>
<td>8th November</td>
<td>Foundation Programme</td>
</tr>
</tbody>
</table>

::: FEES :::

- Foundation Programme: ₹3000
- Executive Programme: ₹3000/Module
- Professional Programme: ₹3000/Module

For any queries, kindly send request at support.icsi.edu at Class Room Teaching related query tab.

Link to join online Doubt clearing classes
ICSi is recording video lectures of eminent faculties for the students of ICSI which helps them to prepare for the examination. Students of the Institute can access recorded videos available on the E-learning platform as per details given below.

URL to login: https://elearning.icsi.in
Login credentials are sent to all registered students at email. After successful login, go to “My courses” or “My Communities” section, where you will find the recorded videos and other contents.

**Added advantage to the Class Room Teaching Students of ICSI**

1. Class Room Teaching students can have access to recordings of all video lectures including recordings of classes.
2. Special sessions on Video Recorded lectures are conducted for Class Room Teaching students.
3. Opportunity to interact with the faculty for clarification of doubts of video recorded lectures.
4. Tests are conducted regularly based on recorded lectures and syllabus covered during the class.
5. Class Room teaching students who clear the tests conducted by Regional/Chapter offices are exempted from Pre-exam test.
6. Recorded lectures are made available to class room teaching students in case Key/She is absent.
7. Recorded lectures are made available to class room teaching students in case faculty is absent.

**How to join classes at ICSI**

To contact RO/Chapters for Class Room Teaching, click here
https://www.icsi.edu/media/webmodules/websiteClassroom.pdf

To contact Study Centres for Class Room Teaching, click here
https://www.icsi.edu/media/webmodules/Study_Centre.pdf

https://www.icsi.edu/media/webmodules/websiteClassroom.pdf
https://www.icsi.edu/media/webmodules/Study_Centre.pdf
Important Links for the Students of ICSI

Students may note that all important information related to the students is updated at the website of the Institute www.icsi.edu at Student tab on regular basis. However, some students reach out to the Institute through various modes viz: Email/Telephone/support.icsi.edu to get access to the information which is already available at the website of the Institute.

To facilitate all such students, a list of important links at the website of the Institute has been compiled with description of the links.

The information given below will not only help the students to update themselves but the same will also help them to get all information at one go. Kindly go through the links given below.

Links pertaining to CSEET, Student registration, Exam Enrollment, Post registration, Class Room Teaching

Academic Links

Training related links

https://www.icsi.edu/media/webmodules/Student_Services_links.pdf
https://www.icsi.edu/media/webmodules/Academic_links.pdf
https://www.icsi.edu/media/webmodules/Training_Links.pdf
Winners of Poster Making Competition-National Round conducted on 26th October 2021 during Rashtriya Ekta Diwas (Azadi Ka Amrit Mahotsav)

**Topic:** India’s Freedom Struggle

1. Nandini Gupta
   1st Prize Winner
   Ghaziabad, NIRC

2. Sourav Bhowmick
   2nd Prize Winner
   Dhanbad, EIRC

3. Sonia
   3rd Prize Winner
   Arcol, SIRC

CS Nagendra D. Rao
President, ICSI

CS Devendra V Deshpande
Vice-President, ICSI

Winners of Online Quiz Competition- National Round conducted on 27th October during Rashtriya Ekta Diwas (Azadi Ka Amrit Mahotsav)

**Topic:** India-It’s struggle for Independence and 75 years of Indian Independence

1. Ms Fatima Thansiha
   1st Prize Winner
   Kochi, SIRC

2. Mr Ayush Kumar
   2nd Prize Winner
   Meerut, NIRC

3. Ms Sneha Keni
   3rd Prize Winner
   Thane, WIRC

CS Nagendra D. Rao
President, ICSI

CS Devendra V. Deshpande
Vice-President, ICSI
Winners of Essay Writing Competition - National Round conducted on 25th October 2021 during Rashtriya Ekta Diwas (Azadi Ka Amrit Mahotsav)

**Topic:** Reducing Import Dependence - Atmanirbharata Ki Aur

**Congratulations**

- **Pranav Aggarwal**
  1st Prize Winner
  Delhi, NIRC

- **Parth Mangal**
  2nd Prize Winner
  Ajmer, NIRC

- **Shreya Prasad**
  3rd Prize Winner
  Ranchi, EIRC

CS Nagendra D. Rao
President, ICSI

CS Devendra V. Deshpande
Vice-President, ICSI
Attention Students

Granting exemption to Graduates and Post Graduates from the recognized Universities from appearing in CSEET and enabling them to take direct admission in CS Executive Programme.

The Council of the Institute at its 277th meeting held on 19.06.2021 has decided to grant exemption to the following categories of students from appearing in Company Secretary Executive Entrance Test (CSEET) enabling them to take direct registration in CS Executive Programme:

Graduates (having minimum 50% marks) in any discipline of any recognised University or any other Institution in India or abroad recognized as equivalent thereto by the Council.

OR

Post Graduates in any discipline of any recognised University or any other Institution in India or abroad recognized as equivalent thereto by the Council.

To get exemption from CSEET on the basis of above qualification, such students shall be required to pay applicable exemption fees.

The above revised admission criteria for CSEET and CS Executive Programme shall be effective from June 20, 2021.

All concerned students may take a note of it.

A K Srivastava
Joint Secretary (Student Services)  Date: 23rd June, 2021
SOCIAL MEDIA PLATFORMS FOR COMMUNICATING WITH THE INSTITUTE

Updates / Notifications from the Institute are now available on Social Networking Sites

Students can now visit the webpage of the Institute on the following Social networking sites to get details regarding various notifications and updates of the Institute.

1. Facebook
2. Twitter
3. Instagram
4. LinkedIn

Click on appropriate links on home page of ICSI website to get access to these webpages.

https://twitter.com/icsi_cs
https://www.facebook.com/ICSI
https://www.instagram.com/cs_icsi/
https://www.linkedin.com/in/theicsi/

ATTENTION STUDENTS !!!!

MAJOR CHANGES IN THE PROCESSES/ GUIDELINES PERTAINING TO STUDENT REGISTRATION, EXAMINATION ENROLLMENT, ETC. PURSUANT TO ISSUE OF COMPANY SECRETARIES (AMENDMENT) REGULATIONS, 2021.

Visit at : 
https://www.icsi.edu/media/webmodules/Announcement%20on%20New%20Regulations.pdf
# Cut-Off Dates for Seeking Admission in Executive Programme and Professional Programme

<table>
<thead>
<tr>
<th>Cut-off date of registration in Executive Programme and Professional Programme</th>
</tr>
</thead>
<tbody>
<tr>
<td>31st May (for appearing in both/all modules of Executive &amp; Professional Program in December session in same year)</td>
</tr>
<tr>
<td>31st July (for appearing in single module of Executive &amp; Professional Program in December session in same year)</td>
</tr>
<tr>
<td>30th November (for appearing in both/all modules of Executive &amp; Professional Program in June session in next year)</td>
</tr>
<tr>
<td>31st January (for appearing in single module of Executive &amp; Professional Program in June session in same year)</td>
</tr>
</tbody>
</table>

## ATTENTION STUDENTS!

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

The Institute has decided to reject the applications of such students who do not submit the documents within one year after their registration in Foundation and Executive programme by deducting 30% of the fee remitted by them towards administrative charges after expiry of one year. Therefore it is advised that all such students may submit their documents in the stipulated time.

---

**IMPORTANT ALERTS FOR STUDENTS**
Details Regarding conduct of Class Room Teaching Centres at Regional Councils/Chapters

Number of Class Room Teaching Centres at Regional Councils/Chapters

https://www.icsi.edu/crt/

Pre-exam test is exempted for students who undergo Classes at Regional and Chapter offices (Subject to the condition) visit:

https://www.icsi.edu/media/webmodules/websiteClassroom.pdf

“Join CSEET classes at ICSI Regional/Chapter Offices” Visit:

https://www.icsi.edu/media/webmodules/SCHEDULE_OF_CSEET_JAN’22_classes_at_RO_CHAPTE
ERS_03112021.pdf

Study Centres

The objective of the Study Centre Scheme is to break the distance barrier at the end of students for availing the services from the institute. Under the Scheme, Study Centers are opened in cities/areas, wherein the Institute’s Offices are not in existence. Apart from providing basic services, the Study Centres also impart coaching to the students of various stages.

The details of study centres are available at the link

https://www.icsi.edu/media/webmodules/Study_Centre.pdf

For Study Centre Visit:

https://www.icsi.edu/media/webmodules/Study_Centre.pdf
Announcement for one more attempt of Old syllabus

ATTENTION STUDENTS OF EXECUTIVE AND PROFESSIONAL PROGRAMME
(2012 OLD SYLLABUS)

One More Attempt under 2012 Old Syllabus

The Institute has decided that the students of Executive and Professional Programme (2012 old syllabus) shall be allowed one more attempt during the December, 2021 session of examinations.

Accordingly, three Elective subjects of Professional Programme (New Syllabus) such as “Forensic Audit; Direct Tax Laws and Practice; and Valuation and Business Modelling” shall also continue in December 2021 exam session.

Student who has already switched over to new syllabus, his request for returning to old syllabus shall not be allowed.

All students (under 2012 old syllabus) may note that they shall be compulsorily switched over to 2017 (New syllabus) from June, 2022 Session onwards.

All concerned students are advised to take note of the above.

(A K Srivastava)  
Joint Secretary

Date: 10.06.2021
REGISTRATION

1. Renewal of Registration (Registration Denovo / Extension)

Renewal of Registration (Registration Denovo)
Registration of students registered upto and including November, 2016 stands terminated on expiry of five-year period on 31st October, 2021.
As per the guidelines, students are advised to apply for Registration De novo via https://smash.icsi.edu/Scripts/login.aspx for seeking Registration Denovo subject to meeting the eligibility conditions.
Students are required to seek Registration Denovo by 9th April and 10th October for appearing in June and December sessions of examinations. Detailed process for seeking Registration Denovo online is given below.

Online Registration De novo Process (for Executive Programme & Professional Programme Students) Kindly visit the following link to check the process of Denovo
https://www.icsi.edu/media/webmodules/user_manual_for_reg_denovo.pdf

2. Continuation of Registration w.e.f. 3rd February 2020
“Continuation of Registration” is being introduced according to which the 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 so as to become entitled to be enrolled as member of the Institute. The prescribed fee for seeking “Continuation of Registration” shall be Rs.1000/- per year.
Guidelines of Continuation of Registration is available at the following url:
https://www.icsi.edu/media/webmodules/student/Guidelines_ContinuationRegistration.pdf
Process of Continuation of Registration is available at the following url:
https://www.icsi.edu/media/webmodules/Detailed_notification_continuation_of_reg_profpass_stud.pdf
3. **Re-Registration to Professional Programme**

The Institute has introduced a Re-registration Scheme, whereby students who have passed Intermediate Course/Executive Programme under any old syllabus but not eligible for seeking Registration Denovo may resume CS Course from Professional Programme Stage. It is an opportunity to come back to the profession for those students who had to discontinue the CS Course due to compelling reasons. Detailed FAQ, Prescribed Application Form, etc. may be seen at “for students” option at home page of Institute’s website [www.icsi.edu](http://www.icsi.edu/).

Please check FAQ & Application Form for Re-Registration at [http://www.icsi.edu/docs/Webmodules/REREGISTRATION.pdf](http://www.icsi.edu/docs/Webmodules/REREGISTRATION.pdf)

4. **Registration to Professional Programme**

Students who have passed/completed both modules of 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 registered to professional programme for appearing in the Examinations shall be as under:

<table>
<thead>
<tr>
<th>Session</th>
<th>Modules</th>
<th>Cut-off date for Registration</th>
<th>Illustrative Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>June</td>
<td>All</td>
<td>30th November (Previous Year)</td>
<td>All students registered upto 30th November, 2021 shall be eligible to appear in examination of All Modules in June, 2022 Session.</td>
</tr>
<tr>
<td></td>
<td>One</td>
<td>31st January (Same Year)</td>
<td>All students registered upto 31st January, 2022 shall be eligible to appear in examination of any One Module in June, 2022 Session.</td>
</tr>
<tr>
<td>December</td>
<td>All</td>
<td>31st May (Same Year)</td>
<td>All students registered upto 31st May, 2022 shall be eligible to appear in examination of All Modules in December, 2022 Session.</td>
</tr>
<tr>
<td></td>
<td>One</td>
<td>31st July (Same year)</td>
<td>All students registered upto 31st July, 2022 shall be eligible to appear in examination of any One Module in December, 2022 Session.</td>
</tr>
</tbody>
</table>

While registering for Professional Programme, students are required to submit their option for the Elective Subject under Module 3.
Notwithstanding the original option of Elective Subject, students may change their option of Elective Subject at the time of seeking enrolment to the Examinations. There will be no fee for changing their option for elective subject, but 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.

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

EXEMPTIONS AND SWITCHOVER

1. Clarification Regarding Paper wise Exemption

(a) Paperwise exemption is granted only on the basis of specific request received online through website www.icsi.edu from a registered student and complying all the requirements. There is one time payment of Rs. 1000/- (per subject).

(b) Last date of 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 only. For example, if a student requests for exemption(s) after 09th April/10th October even if he/she is eligible for such exemption(s), the same will NOT be considered for the purpose of June/December Session of Examinations.

(c) The paperwise 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 sending a formal request through the Online facility available. For the purpose, please submit the Online Request by logging into your account at https://smash.icsi.edu 30 days before commencement of examination.

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. Attention Students!!!

There is no provision for submitting the exemption at the time of submitting the examination form.

If you have already been granted the exemption, it is reflected in your online account Examination, Enrollment Status and Admit Card issued for examination through online mode.

It may be noted that in some cases, the exemptions granted in accordance with the various provisions contained under the regulations are inter-related with other exemptions granted and cancellation (or appearance) in any one of the papers may result in cancellation of exemptions in all the inter-related papers.

For example, if a candidate has been granted paper-wise exemptions in three papers on the basis of scoring 60, 62, 58 & 10 Marks respectively in the four papers contained under Module-I of Executive Programme in previous session and in case he/she appears or cancels the exemption in any one out of the three exempted papers, all the three exemptions shall be cancelled since the exemption criteria in this case is applicable only if all the three papers are taken together.

Candidates are, therefore, advised to be extremely careful while seeking cancellation or while appearing in the exempted papers, as the final result will be computed considering the actual marks scored on reappearance and/or the deemed absence in the papers as the case may be. In other words, candidates appearing in the exempted papers despite an endorsement to the effect in the Admit Card shall be doing so at their own risk and responsibility and the Institute may not be held responsible for any eventuality which may arise at a later date. In case of any doubt regarding the applicability of rules regarding the exemptions, it would be better if the candidates seek prior clarifications from the Institute by submitting their request at https://support.icsi.edu before appearing in the examination of exempted subjects or seeking cancellation of exemptions granted.
ATTENTION STUDENTS!

PAPERWISE EXEMPTION ON THE BASIS OF HIGHER QUALIFICATIONS

The Council of The Institute of Company Secretaries of India (ICSI), in its 252\textsuperscript{nd} Meeting held on March 28\textsuperscript{th}, 2018 and 253\textsuperscript{rd} Meeting held on June 30\textsuperscript{th}, 2018, has decided that the students enrolling to Company Secretary (CS) Course under New Syllabus, 2017 shall be eligible for paper-wise exemption (s) based on the higher qualifications acquired by them, as under:

<table>
<thead>
<tr>
<th>Basis of Exemption Qualification</th>
<th>Exemption in paper(s) covered under Executive Programme</th>
<th>Exemption in paper(s) covered under Professional Programme</th>
</tr>
</thead>
</table>
| Passed LL.B. (Three Years Degree Course / or Five Years integrated Law Course) from a recognized University / Institute either constituted under an Act of Parliament or approved by AICTE/AIU and having secured 50% or more marks in the aggregate. (Qualification Code : 47) | Module-1  
Paper-1: Jurisprudence, Interpretation & General Laws (Paper Code – 421) | No paper-wise exemption is available for this qualification in any paper covered under Professional Programme |
| Final Pass Students of the Institute of Cost Accountants of India (Qualification Code : 44) | Module-1  
Paper 4: Tax Laws (Paper Code: 424)  
Module-2  
Paper 5 : Corporate & Management Accounting (Paper Code:425)  
Module-2  
Paper 8 : Financial & Strategic Management (Paper Code:428) | Module 1  
Paper 2: Advanced Tax Laws (Paper Code : 432)  
Module 3  
Paper 7: Corporate Funding & Listing in the Stock Exchanges (Paper Code : 437)  
Module 3  
Elective Paper- 9.7: Valuation & Business Modelling (Paper Code : 447) |
IMPORTANT INSTRUCTIONS FOR STUDENTS FOR CLAIMING PAPER-WISE EXEMPTION:

1. Students are required to apply for paper wise exemption in desired subject through ‘Online Smash Portal on website https://smash.icsi.edu and for procedure please follow the link https://smash.icsi.edu/Documents/Qualification_Based_Subject_ExemptionandCancellation_Student.pdf

2. Fee for paper wise exemption is Rs.1000/- (per subject) and is to be paid through ‘Online Smash Portal https://smash.icsi.edu’ using Credit/Debit card or Net banking.

3. Students who have been granted exemption in Executive Programme Stage on the basis of having passed Final Course of The Institute of Cost Accountants of India are required to submit their request for exemptions afresh for papers covered under the Professional Programme Stage & the same are not granted automatically.

4. Students need to upload scanned attested copies of mark sheets of all parts/semesters of LL.B. degree or scanned attested copies of final pass certificate of the Institute of Cost Accountants of India.

5. Last date of applying for exemption is 9th April for June Session of Examinations and 10th October for December session of Examinations.

Switchover to New Syllabus 2017

Revision of syllabus is a constant exercise by the Institute to ensure up-gradation of knowledge amongst the student community. If the student wish to appear under new syllabus 2017, the student have the option to switchover to new syllabus 2017 as per ICSI Notification No. 01 of 2018. The students are requested to kindly follow the process mentioned in the link for switch over to new syllabus.

https://www.icsi.edu/media/webmodules/switchover_process.pdf

Please Note:-

1. That, all switchover students are eligible to appear in Online Pre-Examination Test which is compulsory under the new syllabus 2017 before enrolling for any examinations. Process For Remitting the Fee For Pre-Examination Test is available in the URL:

   https://www.icsi.edu/docs/webmodules/PreExamTestProcess.pdf

2. New syllabus Study material is not issued free of cost to the switchover students. Therefore, the student need to obtain study material, at a requisite cost.

3. Revert Switchover is not Permissible.

4. Applicability of New Syllabus for the Executive & Professional Programme Candidates From and including June 2022, Executive & Professional Programme Examination shall be held under the new syllabus only.

5. FAQs on Switchover to New Syllabus is available at URL: (https://www.icsi.edu/media/webmodules/FAQ_ProfProg_switchoverscheme.pdf)
Other details regarding Exemptions and Switchover are available at the student page at the website of the Institute. Students can click on the following important links to get access to the information.

**Paper wise Exemption**

1. Paper wise Exemption on the basis of higher qualification (Syllabus 2017):
   https://www.icsi.edu/media/webmodules/Paperwise_exemption_syllabus17.pdf
2. Paper wise Exemption on the basis of higher qualification (Syllabus 2012):
   https://www.icsi.edu/media/website/Paperwise%20Exemption_forHighQual.pdf
3. Online Process of claiming Exemptions:
   https://smash.icsi.edu/Documents/Qualification_Based_Subject_ExemptionandCancellation_Student.pdf
4. User manual for cancellation of Exemption
   https://www.icsi.edu/media/webmodules/USER%20MANUAL%20FOR%20CANCELLATION%20OF%20EXEMPTION.pdf

**Switchover**

1. User manual on switchover Process
2. Switchover from Foundation & Executive Programme 2012 Syllabus to 2017 Syllabus
   https://www.icsi.edu/media/webmodules/Correspondingexemptionafterswitchover%20-Fnd_ExePrg.pdf
3. Important Announcement on Switchover from Professional Programme 2007 Syllabus to 2012 Syllabus & 2012 to 2017 syllabus:
   https://www.icsi.edu/media/webmodules/Switchover_17092016.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:
<table>
<thead>
<tr>
<th>Session</th>
<th>Period during which the students can submit examination form and fee</th>
<th>Period during which the students can submit examination form and fee (with prescribed fee)</th>
<th>Validity of Registration</th>
</tr>
</thead>
<tbody>
<tr>
<td>June</td>
<td>The online examination enrollment window is opened tentatively on 26th February and the students may submit the forms upto 25th March</td>
<td>Students may submit the examination form during 26th March to 9th April with Late Fee.</td>
<td>The registration of a student seeking enrollment to examination should be valid as on the date of submission of examination application.</td>
</tr>
<tr>
<td>December</td>
<td>The online examination enrollment window is opened tentatively on 26th August and the students may submit the forms upto 25th September</td>
<td>Students may submit the examination form during 26th September to 9th October with Late Fee.</td>
<td>The registration of a student seeking enrollment to examination should be valid as on the date of submission of examination application.</td>
</tr>
</tbody>
</table>

The following shall be the eligibility conditions for seeking enrollment to Executive & Professional Programme Examination:

<table>
<thead>
<tr>
<th>Session</th>
<th>Modules</th>
<th>Cut-off date for Registration</th>
<th>Illustrative Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>June</td>
<td>All</td>
<td>30th November (Previous Year)</td>
<td>All students registered upto 30th November, 2021 shall be eligible to appear in examination of All Modules in June, 2022 Session.</td>
</tr>
<tr>
<td></td>
<td>One</td>
<td>31st January (Same Year)</td>
<td>All students registered upto 31st January, 2022 shall be eligible to appear in examination of any One Module in June, 2022 Session.</td>
</tr>
<tr>
<td>December</td>
<td>All</td>
<td>31st May (same Year)</td>
<td>All students registered upto 31st May, 2022 shall be eligible to appear in examination of All Modules in December, 2022 Session.</td>
</tr>
<tr>
<td></td>
<td>One</td>
<td>31st July (Same year)</td>
<td>All students registered upto 31st July, 2022 shall be eligible to appear in examination of any One Module in December, 2022 Session.</td>
</tr>
</tbody>
</table>
(iii) Students who have registered in Foundation Programme on or after 1st June, 2019 are required to complete a One Day Orientation Programme in order to become eligible for enrollment to June/December Examinations.

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

(v) The Executive & Professional students of New Syllabus shall also be required qualify online pre-exam test in such manner and mode as may be determined by the Council;

**Option to change the Elective Subject under Module-3 of Professional Programme**

I. Student will have the option to enroll for any other elective irrespective of choice indicated at the time of registration and he/she has the option to change his choice, if he/she wishes.

II. Physical copy of the Study Material will be provided at a cost to the Student after making change in the option of the elective paper prior submission of enrollment request for a particular session of examination.

III. Students may, however, refer to the PDF version of the study material available on ICSI Website which is available free of cost.

IV. Student wishing to have study material in physical form for an elective subject, he/she may procure the same from the sale centers of the Institute at HQ/ROs/COs, on payment of requisite charges.

V. In case student wants to cancel the exemption and change the elective subject, then the student will have to reappear in the examination afresh and he shall have the option to enroll for any elective irrespective of choice indicated at the time of registration/passing the examination paper with 60% or more. He shall have the option to change his choice with every subsequent enrollment, if he wishes.

VI. Students who request for cancellation of exemption on the basis of 60% marks, will have no right to claim the exemption for any subsequent session of examination.

VII. Students who have cleared one of the optional subjects and is exempted on the basis of 60% will automatically relinquish the exemption permanently, if he opts for any other optional subject.

***
Announcement

15 Days e-Academic Programme including 8 days e-EDP (3 days e-governance and 05 days Skill Development Programme)

Eligibility:

1. **15 Days e-Academic Program**: The students registered in Executive program on or after 1st April 2014 and passing Executive Programme Examination on or after 25.08.2015
2. **08 days e EDP Program**: Applicable to students registered in CS Executive Programme on or before 31.03.2014.

Who can attend?

1. Students who have completed executive program can register in 15 days e-Academic Programme.
2. Students, who have partially completed the 15 days Academic Programme, can also undergo the remaining training through online mode.
3. The Students, who are under the earlier training structure, can undergo 3 days E-governance and 5 days Skill Development Programme in lieu of 08 Days EDP applicable to them.
4. Students can attend the programme in the following series only. Student shall be allowed for the next training only when the previous training completion certificate has been updated in the stimulate. In case of 8 Days E-EDP, 3 days e governance needs to be complete before 5 days Skill Development Programme.
   i. 2 Days e- Induction ,
   ii. 3 days e- Governance
   iii. 5 Days Skill Development Programme
   iv. 5 Days Entrepreneurship Programme

The Program Schedule and the Fees Structure:

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>Programme</th>
<th>Registration open date</th>
<th>Registration close date</th>
<th>Schedule of the Programme</th>
<th>Post Training Assessment</th>
<th>Fee Structure</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>02 days Induction program</td>
<td>25th October, 2021 (10:00 AM)</td>
<td>27th October, 2021 (05:30 PM)</td>
<td>9th - 10th November-2021</td>
<td>11th November-2021 (9:30 AM - 1:30 PM)</td>
<td>Rs 1500/-</td>
</tr>
<tr>
<td></td>
<td>Training</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>----------</td>
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<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>03 Days e Governance Program</td>
<td>13th November, 2021 (10:00 am)</td>
<td>15th November, 2021 (05:30 PM)</td>
<td>22nd – 24th November, 2021</td>
<td>Rs 3000/-</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>05 Days Skill Development Program</td>
<td>28th November, 2021 (10:00 am)</td>
<td>30th November, 2021 (05:30 PM)</td>
<td>6th – 10th December, 2021</td>
<td>Rs 4000/-</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>05 Days Entrepreneurship Program</td>
<td>14th December, 2021 (10:00 am)</td>
<td>16th December, 2021 (05:30 PM)</td>
<td>20th – 24th December 2021</td>
<td>Rs 4000/-</td>
<td></td>
</tr>
</tbody>
</table>

**Modalities:**
1. The Link and other details will be provided to the registered student.
2. The program shall be imparted through e Learning Mode.
3. The link for login into the e learning portal will be provided one day before starting the training according to the Schedule. Course Content will be visible only on the day the training is scheduled.
4. There shall be two Academic sessions every day. First Session: 11am to 1pm and second session 3PM to 5 PM.
5. The participants mandatorily needs to appear for MCQ based Post Training Assessment to ensure their attendance to get the completion certificate. Post Training Assessment will be conducted on the next day of each programme between 9:30 AM – 1:30 PM
6. The participants will get online completion certificate after successful completion of the program.
7. The participants can generate their completion certificate in the e Learning Platform after the post training assessment. The Completion certificate needs to be **uploaded in stimulate under short term training** (upload your certificate option) in order to get their completion approved so as to enable them to register for the next programme as per the series requirement.

**For Registration:** click on [http://stimulate.icsi.edu](http://stimulate.icsi.edu) (use your smash log in id and password for login into the stimulate). Further, if you don’t find the option for “Apply” at the home page of the stimulate, please go under short term training - apply for training- click on the grid showing particular training.

**Seats are limited. Registration will be taken on first come first served basis.**

**Cancellation of Registration-** Cancellation of registration can be considered one day prior starting the training. No cancellation will be considered after starting the training.

**Refund Request-** Request for refund shall be considered for duplicate payment or if the registration is cancelled due to any other reason, one day prior to starting the training.

Students may write to us at training@icsi.edu for any further clarification.

(A.K. Srivastava)
Joint secretary (Directorate of Student Services & Training)
The Institute of Company Secretaries of India
LOG IN PROCESS IN E-Learning Platform

A. For Old syllabus Students

1) Website to login https://elearning.icsi.in

2) Please use the login for CS Course as your registration number without slash @ icsi.edu for example if your registration number is 12345678/01/2020 then your user id is 12345678012020@icsi.edu.

3) The Default Password is for CS students Icsi@1234. Upon first login you will be shown EXPIRED PASSWORD PAGE where old password is Icsi@1234. Please set your password using capital letters, small letters, special character and numbers.

4) For any other online course of ICSI the login id has been sent to your email id registered with ICSI

5) In case you Forgot password use the "Forgot Password" option

6) Where Login Id is same as above (for example 12345678012020@icsi.edu). Use email option to reset the password. An email will be sent to your email id registered with ICSI where you can reset the password.

7) After successful login go to my courses and find “2 days e-induction program”. Same way, you can find the other programme as per the Schedule.

B. For New Syllabus Students

1) If you have logged in to e-learning platform before, please use your existing login credentials and go to my courses.

2) If you never logged in then use the following information

3) Website to login https://elearning.icsi.in

4) Please use the login for CS Course as your registration number without slash @ icsi.edu for example if your registration number is 12345678/01/2020 then your user id is 12345678012020@icsi.edu.

5) The Default Password is for CS students Icsi@1234. Upon first login you will be shown EXPIRED PASSWORD PAGE where old password is Icsi@1234. Please set your password using capital letters, small letters, special character and numbers.

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email will be sent to your email id registered with ICSI where you can reset the password.

8) After successful login go to my courses and find "2 days e-induction program". Same way, you can find the other programme as per the Schedule.
The ICSI Secretarial Executive Certificate is a unique initiative of the Institute of Company Secretaries of India (ICSI) for the CS Students to create a pool of semi-qualified professionals.

**eligibility**
A student who has:-
- passed the Executive Programme;
- completed EDP or any other equivalent programme;
- completed Practical Training as prescribed or exempted therefrom; and
- made an application along with such fee as applicable.

**Validity of Certificate**
- One calendar year from the date of issue
- Renewable on completion of 4 PDP Hours and payment of annual renewal fee of Rs.1000/-. 
- The certificate will be renewed for a maximum period of two years only.

**Benefits**
- Entitled to use the description "ICSI Secretarial Executive".
- Seek employment with Practising Company Secretaries
- Gain relevant experience with India Inc.
- Serve the nation while preparing to become a full-fledged professional.
- Eligible to receive the coveted ICSI Journal 'Chartered Secretary'.

Procedure to apply shall be available at [http://bit.do/secicsi](http://bit.do/secicsi)

For queries, please write to member@icsi.edu or contact on Phone No.: 0120-4522000

Connect with ICSI: www.icsi.edu | Online Helpdesk: http://support.icsi.edu
LAUNCHING OF ONLINE LICENTIATE ENROLLMENT

ELIGIBILITY
A student who has-
(i) A person who has completed the Final examination or Professional Programme examination of the Institute may, within six months from the date of declaration of results in which he has passed the Final examination or Professional Programme examination can apply for enrolment as a licentiate.
(ii) An Online application for enrolment as a Licentiate is to be made along with annual subscription of Rs. 1,180/- (Rs. 1,000/- Licentiate subscription + Rs. 180/- towards GST @18% applicable w.e.f 1st July, 2017)

VALIDITY OF CERTIFICATE
(i) A licentiate shall not ordinarily be allowed to renew his enrolment for more than five years after passing the Final examination or Professional Programme examination.
(ii) The annual subscription of a licentiate shall become due and payable on the first date of April every year
(iii) Non-payment of annual subscription on or before the thirtieth of June of a year shall disentitle the person to use the descriptive letters Licentiate ICSI & from 1st July of that year, until his annual subscription for the year is received by the Institute. The name of the person so disentitled shall be published in the Journal.

The Institute of Company Secretaries of India launches the online module of Licentiate enrollment as a Licentiate of The Institute of Company Secretaries of India in accordance with Regulation 29 of the Company Secretaries Regulations, 1982.

BENEFITS
Recognition as 'Licentiate ICSI or entitled to use the descriptive letters Licentiate ICSI
Subscription of Chartered Secretary Journal
Entitled to use Library facilities of the Institute, Regional Council or Chapter
Participate in the activities of the Institute, its Regional Council or Chapter as the case may be, subject to such conditions as may be imposed by the Council, Regional Council or Chapter, as the case may be

Procedure to apply shall be available at http://stimulate.icsi.edu/
For queries, please write to member@icsi.edu or contact on phone number 0120-4522000

Connect with ICSI www.icsi.edu | Facebook | LinkedIn | Instagram | Online Helpdesk: http://support.icsi.edu

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News From Regions
Announces

ICSI-SIRC is conducting Online Classes for CSEET January, 2022 Examination. Students who have registered for CSEET may join the Online Classes. So far 10 Batches completed successfully with 736 Students and 11th Batch is going on with 39 Students.

12th Batch of Online Classes for CSEET

(Company Secretary Executive Entrance Test for January 2022 Examination)

Date of Commencement
Tuesday, 16th November, 2021
(Classes may end by 23rd December, 2021)

Fees: Rs. 3,000/-
(Fees once paid, will not be refunded)

Timing of Classes
7.00 A.M. to 9.00 A.M. & 05.00 P.M. to 07.00 P.M.
(Monday to Saturday)

Mode of Payment (Online Transfer)
HDFC Bank: Poonamallee High Road Branch
Account Name: SIRC of the ICSI
SB Account No: 04921110000013
IFSC Code: HDFC0000492

2 Mock Tests will be conducted through online.
Interactive Session:
Monday, 15th November, 2021

Above registered students will be provided the log in ID & Password for online classes separately by email.

Students are required to enter the details in the link after making the payment.
Google Form Link: https://forms.gle/ua3RxzGuXLLiEJ918

For further details contact:
Mr. C Murugan, Southern India Regional Office, The Institute of Company Secretaries of India
ICSI-SIRC House, No.9, Wheat Crafts Road, Nungambakkam, Chennai – 600034.
Phone: 044-28268685/28222212 / Email ID: sir@icsi.edu; chelliah.murugan@icsi.edu
Announces

Online Classes (1st Batch) for CS Executive Programme June 2022 Examination. Students who have registered for Executive programme may join the Online Classes.

Batch starts from Tuesday, 23rd November, 2021 for Both Modules (Classes may end by 1st Week of April, 2022)

Experienced Faculties

Online Classes for CS Executive Programme for June, 2022 Examination

Fees: Rs. 7,000/- (Per Module)
(Fees will not be refunded once classes commenced)

Module - II Timing: 7.30 AM to 9.30 AM
Module - I Timing: 6.00 PM to 8.00 PM

Students attending Online Classes conducted by SIRC are exempted from pre examination test. Students have to pass the online test to be conducted by SIRC.

Mode of Payment (Online Transfer)
HDFC Bank: Poonamallee High Road Branch
Account Name: SIRC of the ICSI
SB Account No: 04921110000013
IFSC Code: HDFC0000492

Registered students will be provided the log in ID & Password for online classes separately by email. Students are required to enter the details in the link after making the payments.
Google Form Link: https://forms.gle/sAgxvUKp3B24jGH8

For further details contact:
Mr. C. Murugan, Southern India Regional Office, The Institute of Company Secretaries of India
ICSI-SIRC House, No.9, Wheat Crofts Road, Nungambakkam, Chennai-600034.
044-28268685/28222212 / siro@icsi.edu; chelliah.murugan@icsi.edu
Motto
सत्यं वदः धर्मं चरः
Speak the truth. Abide by the law.

Vision
“To be a global leader in promoting good corporate governance”

Mission
“To develop high calibre professionals facilitating good corporate governance”

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)

Headquarters
ICSI House, 22, Institutional Area, Lodi Road, New Delhi 110 003
tel 011- 4534 1000  fax +91-11-2462 6727  email info@icsi.edu