

**APRIL  
2023  
04**

# STUDENT COMPANY SECRETARY

[e-Journal for Executive & Professional Students]



भारत 2023 INDIA



THE INSTITUTE OF  
Company Secretaries of India

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

(Under the jurisdiction of Ministry of Corporate Affairs)

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# STUDENT COMPANY SECRETARY

[e-Journal for Executive & Professional Students]

April 2023

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*President*

**CS Manish Gupta**

*Vice-President*

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**PREPARED BY DIRECTORATE OF ACADEMICS**

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*“Ethics is knowing the difference between what you have a right to do and what is right to do.”*

*~ Potter Stewart*

***Dear Students,***

The month of April not only marks the beginning of a new Financial Year but of various regional New Years, the celebration of the festival of harvest and the Birth Anniversary of Constitution-writer of the country, Dr. Bhimrao Ambedkar.

At the Institute, the month is witnessing all of us – at the Headquarters, the Regional Offices and the Chapters joining hands with the Stock Exchanges, the Regulatory Authorities and all the stakeholders in creating new breakthroughs in the arena of investor awareness and shareholder knowledge.

Not only is the Capital Markets Week a legacy with its history of more than a decade but rather it is our way of reiterating the prominence required to be placed upon shareholders and investors’ interests by both Governance Professionals and Corporate Boards.

With the Inaugural hosted in the heart of the National Stock Exchange and week-long Pan India events in pipeline, the headways achieved and to-be achieved are indeed breathtaking. The reason for me going in deep detail to share the event and its purpose is both simple and complex – Simple to the extent that as future Governance Professionals, an understanding needs to be reached that amongst all stakeholders, the needs of investors – both small and huge stand at the helm of priority list. And complex in a manner that these needs are no longer limited to profit maximisation and minting of dividend.

The present day investor is equally interested in the non-financial disclosed information as they are in the financial ones. No investor wants to be connected with a corporation which might be reckless with its decisions and their impacts on environment and society. As Governance Professionals in making, it is imperative that this sensitization is ingrained in you and your thought process.

Friends, I know there is still some time before you take up your dedicated roles and responsibilities in the profession, yet I am tempted to offer you a word of advice at this moment. As Company Secretaries, you might find yourselves in dilemma – expected to pick sides and take decisions. In those instances of choice, I firmly hope that when the time comes, you would pick the right ones, irrespective of the pressure or the situation. For it is those moments that shall define your standing as a true professional...!

Warm regards,

**(CS Manish Gupta)**

*President*

The Institute of Company Secretaries of India



***"Today do what others won't, so tomorrow you can accomplish what others can't."***  
***- Jerry Rice***

***Dear Students,***

The month of April is both special and propitious, as it marks the celebration of 125<sup>th</sup> birth anniversary of the legendary persona, Baba Saheb, Dr. Bhimrao Ramji Ambedkar, the pioneer who chaired the committee drafting the Constitution of India.

Another way the month of April gains significance is that several festivals like the '*Bohag Bihu*' or the Assamese New Year, '*Poila baisakh*' or the Bengali New Year, '*Puthandu*' or the Tami New Year, '*Baisakhi*' or the time of spring harvest, are all celebrated during this time which also is the beginning of a new Financial Year.

It never ceases to amaze me, how each festivity and celebration of this country is accompanied by learnings and teachings. Take for instance, the festivals of harvest are a reminder of the patience that needs to be exhibited during the wait between the sowing season and that of harvest. It is indeed a fact both to understand and to remember for us as professionals and those in making that the time when you reap the fruits may not just follow the moments of your efforts immediately. But holding an optimistic approach, we must believe that when the efforts are both dedicated and true – results too must be just around the corner.

While this advice comes just a few months before you sit for the Examinations, I am sure they might serve as pearls of wisdom for the years to follow.

On that note, just like festivals may your lives have colours of ecstasy, tranquillity, prosperity and success and may you all achieve your desired dreams. So, give your optimum efforts in the examination and pass with flying colours, strengthen your knowledge base and conquer the world.

Keep learning, keep growing and keep shining !!!

Warm regards,

**(CS Asish Mohan)**

*Secretary*

The Institute of Company Secretaries of India

## RECENT INITIATIVES FOR STUDENTS

- The **Student Company Secretary e-journal** for Executive / Professional programme students of ICSI has been released for the month of **March, 2023**. The same is available on the Institute's website at the weblink: <https://www.icsi.edu/e-journals/>
- The **Student Company Secretary journal** for Executive / Professional programme students of ICSI containing the academic inputs i.e Articles, Practice Mentor, Regulatory Updates, Case Snippets etc. has been released for the month of **March, 2023**.
- The **CSEET Communique (e-bulletin)** for the month of **March, 2023** containing the latest updates / concepts through articles / write-ups and sample questions 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-n/cseet/cseet-e-bulletin/>
- **Info Capsule** is being issued as an update on daily basis for members and students, covering latest amendments on various laws for the benefit of our members and students. The same is available on the ICSI website at the weblink: <https://www.icsi.edu/infocapsule/>

- **Organising Samadhan Diwas**

Samadhan Diwas was launched by the Institute on 27<sup>th</sup> February, 2021 with the objective of providing "on-the-spot" resolution to issues/grievances of trainees and trainers. During the Samadhan Diwas, the officials of Directorate of Training interact with the trainees and trainers and provide them the resolution to their grievances.

The 28<sup>th</sup> Samadhan Diwas was organised on 12<sup>th</sup> April, 2023 and the 29<sup>th</sup> Samadhan Diwas is scheduled on 26<sup>th</sup> April, 2023 through virtual mode in the presence of officials of all designated offices of the Institute.

The purpose of the Samadhan Diwas is to facilitate the stakeholders to resolve their queries on the spot. In the Samadhan Diwas students get opportunity to present their cases and directly interact with the ICSI officials.

- **Introduction of Corporate Leadership Development Programme (CLDP) in Two Phases -- (i) 15 days through Online Mode (LMS Portal) (ii) 15 days in Classroom Mode (Residential/Non –Residential)**

The Institute has decided to conduct Corporate Leadership Development Programme (CLDP) in two phases in the following sequential manner:

1. 15 days through Online Mode (LMS Portal); and
2. 15 days through Classroom Mode (Non-Residential/Residential).

The link for the announcement is as mentioned below:-

[https://www.icsi.edu/media/webmodules/Revised\\_CLDP\\_Announcement\\_19042023.pdf](https://www.icsi.edu/media/webmodules/Revised_CLDP_Announcement_19042023.pdf)

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# *Academics*





# Articles

- **FOREIGN TRADE POLICY (FTP) 2023**
- **MOVING FROM DISCLOSURE OF SIGNIFICANT ACCOUNTING POLICY TO MATERIAL ACCOUNTING POLICY**

## FOREIGN TRADE POLICY (FTP) 2023 \*

### INTRODUCTION

Foreign Trade Policy (2023) is a policy document which is based on continuity of time-tested schemes facilitating exports as well as a document which is nimble and responsive to the requirements of trade. It is based on principles of 'trust' and 'partnership' with exporters. In the FTP 2015-20, changes were done subsequent to the initial release even without announcement of a new FTP responding dynamically to the emerging situations. Hereafter, the revisions of the FTP shall be done as and when required. Incorporating feedback from Trade and Industry would also be continuous to streamline processes and update FTP, from time to time.

The FTP 2023 aims at process re-engineering and automation to facilitate ease of doing business for exporters. It also focuses on emerging areas like dual use high end technology items under SCOMET, facilitating e-commerce export, collaborating with States and Districts for export promotion.

The new FTP is introducing a one-time Amnesty Scheme for exporters to close the old pending authorizations and start afresh. The FTP 2023 encourages recognition of new towns through "Towns of Export Excellence Scheme" and exporters through "Status Holder Scheme". The FTP 2023 is facilitating exports by streamlining the popular Advance Authorization and EPCG schemes, and enabling merchanting trade from India.

**The Key Approach to the policy is based on the following four Pillars which are as under:**

- (i) Incentive to Tax Remission;
- (ii) Export promotion through collaboration - Exporters, States, Districts, Indian Missions;
- (iii) Ease of doing business, reduction in transaction cost and e-initiatives; and
- (iv) Focus on Emerging Areas – E-Commerce Developing Districts as Export Hubs and streamlining SCOMET policy.

\* Chittaranjan Pal, Deputy Director, The ICSI

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

## FOREIGN TRADE POLICY (2023) HIGHLIGHTS

Key highlights of the Foreign Trade Policy (2023) are as under:

### Process Re-Engineering and Automation

Greater faith is being reposed on exporters through automated IT systems with risk management system for various approvals in the new FTP. The policy emphasizes export promotion and development, moving away from an incentive regime to a regime which is facilitating, based on technology interface and principles of collaboration. Considering the effectiveness of some of the ongoing schemes like Advance Authorisation, EPCG etc. under FTP 2015-20, they will be continued along with substantial process re-engineering and technology enablement for facilitating the exporters.

FTP 2023 codifies implementation mechanisms in a paperless, online environment, building on earlier 'ease of doing business' initiatives. Reduction in fee structures and IT-based schemes will make it easier for MSMEs and others to access export benefits.

Duty exemption schemes for export production will now be implemented through Regional Offices in a rule-based IT system environment, eliminating the need for manual interface. During the FY23-24, all processes under the Advance and EPCG Schemes, including issue, re-validation, and EO extension, will be covered in a phased manner. Cases identified under risk management framework will be scrutinized manually, while majority of the applicants are expected to be covered under the 'automatic' route initially.

### Towns of Export Excellence

Four new towns, namely Faridabad, Mirzapur, Moradabad, and Varanasi, have been designated as Towns of Export Excellence (TEE) in addition to the existing 39 towns. The TEEs will have priority access to export promotion funds under the MAI scheme and will be able to avail Common Service Provider (CSP) benefits for export fulfilment under the EPCG Scheme. This addition is expected to boost the exports of handlooms, handicrafts, and carpets.

### Recognition of Exporters

Exporter firms recognized with 'status' based on export performance will now be partners in capacity-building initiatives on a best-endeavor basis. Similar to the '*each one teach one*' initiative, 2-star and above status holders would be encouraged to provide trade-related training based on a model curriculum to interested individuals. This will help India build a skilled manpower pool capable of servicing a \$5 Trillion economy before 2030. Status recognition norms have been re-calibrated to enable more exporting firms to achieve 4 and 5-star ratings, leading to better branding opportunities in export markets.

### Promoting export from the districts

The FTP aims at building partnerships with State governments and taking forward the Districts as Export Hubs (DEH) initiative to promote exports at the district level and accelerate the development of grassroots trade ecosystem. Efforts to identify export worthy products & services and resolve concerns at the district level will be made through an institutional mechanism – State Export Promotion Committee and District Export Promotion Committee at the State and District level, respectively. District specific export action plans to be prepared for each district outlining the district specific strategy to promote export of identified products and services.

## Streamlining SCOMET Policy

India is placing more emphasis on the "export control" regime as its integration with export control regime countries strengthens. There is a wider outreach and understanding of SCOMET (Special Chemicals, Organisms, Materials, Equipment and Technologies) among stakeholders, and the policy regime is being made more robust to implement international treaties and agreements entered into by India. A robust export control system in India would provide access of dual-use High end goods and technologies to Indian exporters while facilitating exports of controlled items/technologies under SCOMET from India.

## Facilitating E-Commerce Exports

E-commerce exports are a promising category that requires distinct policy interventions from traditional offline trade. Various estimates suggest e-commerce export potential in the range of \$200 to \$300 billion by 2030. FTP 2023 outlines the intent and roadmap for establishing e-commerce hubs and related elements such as payment reconciliation, book-keeping, returns policy, and export entitlements. As a starting point, the consignment wise cap on E-Commerce exports through courier has been raised from ₹5 Lakh to ₹10 Lakh in the FTP 2023.

Depending on the feedback of exporters, this cap will be further revised or eventually removed. Integration of Courier and Postal exports with ICEGATE will enable exporters to claim benefits under FTP. The comprehensive e-commerce policy addressing the export/import ecosystem would be elaborated soon, based on the recommendations of the working committee on e-commerce exports and inter-ministerial deliberations. Extensive outreach and training activities will be taken up to build capacity of artisans, weavers, garment manufacturers, gems and jewellery designers to onboard them on E-Commerce platforms and facilitate higher exports.

## Facilitation under Export Promotion of Capital Goods (EPCG) Scheme

The EPCG Scheme, which allows import of capital goods at zero Customs duty for export production, is being further rationalized. Some key changes being added are:

- Prime Minister Mega Integrated Textile Region and Apparel Parks (PM MITRA) scheme has been added as an additional scheme eligible to claim benefits under CSP (Common Service Provider) Scheme of Export Promotion capital Goods Scheme (EPCG).
- Dairy sector to be exempted from maintaining Average Export Obligation – to support dairy sector to upgrade the technology.
- Battery Electric Vehicles (BEV) of all types, Vertical Farming equipment, Wastewater Treatment and Recycling, Rainwater harvesting system and Rainwater Filters, and Green Hydrogen are added to Green Technology products – will now be eligible for reduced Export Obligation requirement under EPCG Scheme.

## Facilitation under Advance Authorization Scheme

Advance Authorization Scheme accessed by DTA units provides duty-free import of raw materials for manufacturing export items and is placed at a similar footing to EOU and SEZ Scheme. However, the DTA unit has the flexibility to work both for domestic as well as export production. Based on interactions with Industry and Export Promotion Councils, certain facilitation provisions have been added in the present FTP such as

- Special Advance Authorisation Scheme extended to export of Apparel and Clothing sector under para 4.07 of Handbook of Procedure (HBP) on self-declaration basis to

facilitate prompt execution of export orders – Norms would be fixed within fixed timeframe.

- Benefits of Self-Ratification Scheme for fixation of Input-Output Norms extended to 2 star and above status holders in addition to Authorised Economic Operators at present.

### **Merchanting trade**

To develop India into a merchanting trade hub, the FTP 2023 has introduced provisions for merchanting trade. Merchanting trade of restricted and prohibited items under export policy would now be possible. Merchanting trade involves shipment of goods from one foreign country to another foreign country without touching Indian ports, involving an Indian intermediary. This will be subject to compliance with RBI guidelines, and won't be applicable for goods/items classified in the CITES and SCOMET list. In course of time, this will allow Indian entrepreneurs to convert certain places like GIFT city etc. into major merchanting hubs as seen in places like Dubai, Singapore and Hong Kong.

### **Amnesty Scheme**

Finally, the government is strongly committed to reducing litigation and fostering trust-based relationships to help alleviate the issues faced by exporters. In line with "*Vivaad se Vishwaas*" initiative, which sought to settle tax disputes amicably, the government is introducing a special one-time Amnesty Scheme under the FTP 2023 to address default on Export Obligations. This scheme is intended to provide relief to exporters who have been unable to meet their obligations under EPCG and Advance Authorizations, and who are burdened by high duty and interest costs associated with pending cases. All pending cases of the default in meeting Export Obligation (EO) of authorizations mentioned can be regularized on payment of all customs duties that were exempted in proportion to unfulfilled Export Obligation. The interest payable is capped at 100% of these exempted duties under this scheme. However, no interest is payable on the portion of Additional Customs Duty and Special Additional Customs Duty and this is likely to provide relief to exporters as interest burden will come down substantially. It is hoped that this amnesty will give these exporters a fresh start and an opportunity to come into compliance.

### **Sources:**

- <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1912572>
- <https://www.dgft.gov.in/CP/>

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## MOVING FROM DISCLOSURE OF SIGNIFICANT ACCOUNTING POLICY TO MATERIAL ACCOUNTING POLICY\*

**Ministry of Corporate Affairs 'MCA' has notified the Companies (Indian Accounting Standards) Amendment Rules, 2023 amending the Companies (Indian Accounting Standards) Rules, 2015. One of the major shift is that Companies, in their financial statements shall now to disclose material accounting policy information as against hitherto requirement of disclosing "significant accounting policies". The amendments come into force with effect from 1st day of April, 2023 i.e. Financial Year 2023-24.**

### INTRODUCTION

Financial Statements are a structured representation of the financial position and financial performance of an entity. The objective of financial statements is to provide information about the financial position, financial performance and cash flows of an entity that is useful to a wide range of users in making economic decisions. Financial statements also show the results of the management's stewardship of the resources entrusted to it. To meet this objective, financial statements provide information about an entity's financial position such as assets, liabilities, equity, cash flows, income and expenses / gains and losses etc. This information, along with other information in the notes, assists users of financial statements in predicting the entity's future cash flows, financial soundness and help them to take informed decision with respect to their investment.

A complete set of Financial Statements include:

- a) a balance sheet as at the end of the period;
- b) a statement of profit and loss for the period;
- c) Statement of changes in equity for the period;
- d) a statement of cash flows for the period;
- e) notes, comprising a summary of **significant accounting policies** and other explanatory information.

**As per the Ind AS 1, Presentation of Financial Statements** requires that an entity shall disclose the **summary of significant accounting policies** or other notes, **the judgements**, apart from those involving estimations that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

\* CA Govind Agarwal, 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.*

*Now, with the amendment in the Companies (Indian Accounting Standards) Rules, 2015, Companies, in their financial statements shall now to disclose material accounting policy information as against hitherto requirement of disclosing “significant accounting policies”.*

## **SIGNIFICANT ACCOUNTING POLICY**

**Disclosure of Significant Accounting Policy** requires an entity to inform users the measurement basis or bases used in the financial statements (for example, historical cost, current cost, net realisable value, fair value or recoverable amount) because the basis on which an entity prepares the financial statements significantly affects users’ analysis. When an entity uses more than one measurement basis in the financial statements, for example when particular classes of assets are revalued, it is sufficient to provide an indication of the categories of assets and liabilities to which each measurement basis is applied.

### **How to decide whether a particular accounting policy should be disclosed or not?**

For deciding whether a particular accounting policy should be disclosed, management should considers whether disclosure would assist users in understanding how transactions, other events and conditions are reflected in reported financial performance and financial position.

Disclosure of particular accounting policies is especially useful to users when those policies are selected from alternatives allowed in Ind ASs.

For example : Disclosure of a regular way purchase or sale of financial assets using either trade date accounting or settlement date accounting (see Ind AS 109, Financial Instruments).

Some Ind ASs specifically require disclosure of particular accounting policies, including choices made by management between different policies they allow. For example, Ind AS 16 requires disclosure of the measurement bases used for classes of property, plant and equipment.

***An accounting policy may be significant because of the nature of the entity’s operations even if amounts for current and prior periods are not material.***

In the process of applying the entity’s accounting policies, management makes various judgements, apart from those involving estimations, that can significantly affect the amounts it recognises in the financial statements. For example, management makes judgements in determining:

- when substantially all the significant risks and rewards of ownership of financial assets and lease assets are transferred to other entities;
- whether, in substance, particular sales of goods are financing arrangements and therefore do not give rise to revenue; and
- whether the contractual terms of a financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An entity presents the disclosures in a manner that helps users of financial statements to understand the judgements that management makes and significantly affect the amounts it recognises in the financial statements.

### **MOVING FROM DISCLOSURE OF “SIGNIFICANT ACCOUNTING POLICY TO MATERIAL ACCOUNTING POLICY”**

MCA has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 amending the Companies (Indian Accounting Standards) Rules, 2015 as per which, Companies in their financial statements shall now to disclose material accounting policy information as against hitherto requirement of disclosing “significant accounting policies” .

The following paragraph has been added in Ind AS:

#### **What is Material Accounting Policy?**

**Para 117** - Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

**Para 117A** - Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may nevertheless be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. This will help entities to eliminate immaterial accounting policy disclosures from their financial statements.

**Para 117B** - Accounting policy information is expected to be material if users of an entity’s financial statements would need it to understand other material information in the financial statements.

For example, an entity is likely to consider accounting policy information material to its financial statements if that information relates to material transactions, other events or conditions and:

- a. the entity changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;
- b. the entity chose the accounting policy from one or more options permitted by Ind ASs; For example, the option to measure investment property at either historical cost or fair value;
- c. the accounting policy was developed in accordance with Ind AS 8 in the absence of an Ind AS that specifically applies;
- d. the accounting policy relates to an area for which an entity is required to make significant judgements or assumptions in applying an accounting policy, and the entity discloses those judgements or assumptions in accordance with paragraphs 122 and 125; or



- e. the accounting required for them is complex and users of the entity's financial statements would otherwise not understand those material transactions, other events or conditions—such a situation could arise if an entity applies more than one Ind AS to a class of material transactions.

**Para 117C** - Accounting policy information that focuses on how an entity has applied the requirements of the Ind ASs to its own circumstances provides entity-specific information that is more useful to users of financial statements than standardised information, or information that only duplicates or summarises the requirements of the Ind ASs.

**Para 117D** - If an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

**Para 117E** - An entity's conclusion that accounting policy information is immaterial does not affect the related disclosure requirements set out in other Ind ASs."

**International Accounting Standards Board (IASB) issued amendments to IAS 1 Presentation of Financial Statements in February 2021 in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures.**

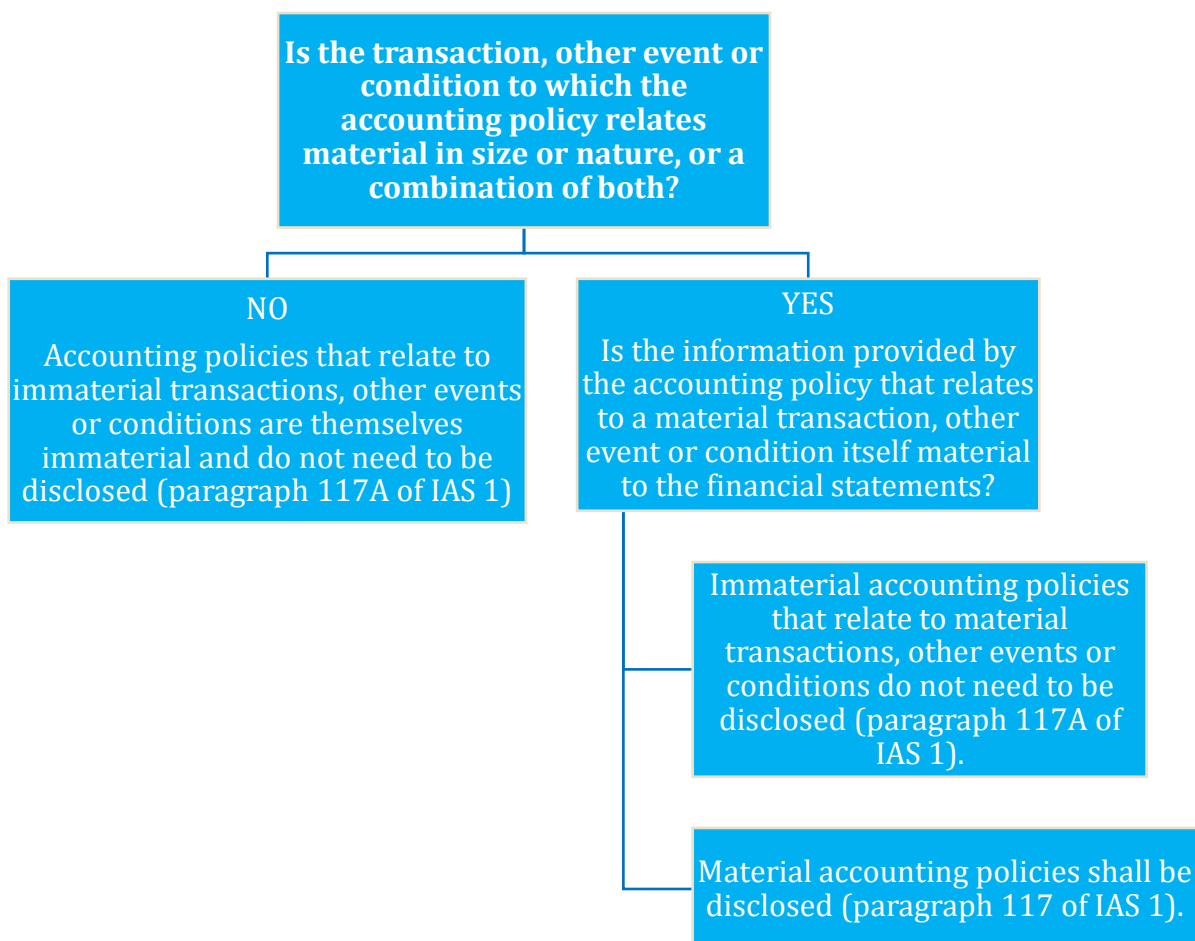
The Board has added guidance to help entities determine when accounting policy information is material and, therefore, needs to be disclosed. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them.

The Board also clarified that the materiality assessment for accounting policy information should follow the same guidance that applies to materiality assessments applicable to other information i.e. to consider both qualitative and quantitative factors.

The Board explained that, although a transaction, other event or condition to which the accounting policy information relates may be material, it does not necessarily mean that the corresponding accounting policy information is material to the entity's financial statements. On the other hand, the amended IAS 1 highlights that other disclosures required by IFRS may be material despite the corresponding accounting policy information being immaterial.

***For example, if an entity determines that accounting policy information for income taxes is immaterial to its financial statements, other disclosures required by IAS 12 Income Taxes may be material.***

**Diagram — determining whether an accounting policy is material**



*Note: An entity still considers whether it has met other disclosure requirements that apply (paragraph 117D of IAS 1).*

Accounting policy disclosures are useful to users of financial statements only when they:

- (i) relate to material transactions, other events or conditions; and
- (ii) provide insight into how an entity has exercised judgement in selecting and applying accounting policies; and

Users of financial statements do not find accounting policy disclosures useful when they:

- (i) contain standardised information, sometimes referred to as 'boilerplate' (see example 1); and
- (ii) only duplicate or summarise the content of the recognition and measurement requirements of IFRS Standards (see example 2).

### **Example 1 - Making materiality judgements and focusing on entity specific information while avoiding standardized accounting policy disclosure.**

#### **Background**

An entity operates within the telecommunications industry. It has entered into a number of contracts with retail customers to deliver both a mobile phone handset and data services. A typical contract is one in which the entity will provide a customer with a handset and data services over a three year period. The entity applies IFRS 15 Revenue from Contracts with Customers and recognises revenue when, or as, it satisfies its performance obligations in line with the terms of the contract.

The entity has identified the following performance obligations and related considerations:

- a. Handset - the customer makes monthly payments for the handset over three years; and
- b. Data - the customer pays a fixed monthly charge to use a specified amount of data each month for a period of three years.

For the handset, the entity recognises revenue when it has satisfied the performance obligation (i.e. when it provides the handset to the customer).

For the provision of data, the entity recognises revenue as it satisfies the performance obligation (i.e. as the entity provides data services to the customer over the three-year life of the contract).

The entity has concluded that revenue generated from these contracts is material to the reporting period.

#### **Analysis**

The entity notes that for this type of contract there are two separate accounting policies for two distinct sources of revenue:

- (a) Revenue for the sale of handsets; and
- (b) Revenue for the provision of data services.

Having identified that revenue from contracts of this type is material to the financial statements, the entity assesses whether its accounting policies for revenue from these contracts are, in fact, material.

The entity evaluates the effect of disclosing the accounting policies by considering the presence of qualitative factors. The entity noted that its revenue recognition accounting policies:

- (a) were not changed during the reporting period;
- (b) were not chosen from alternatives in IFRS Standards; and
- (c) were not developed in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors in the absence of an IFRS Standard that specifically applies.

However, the entity's revenue recognition accounting policies relate to an area for which the entity:

- (a) has made significant judgements in applying its accounting policies, for example, in deciding how to allocate the transaction price to the performance obligations; and

(b) has had to consider how the requirements of the Standard apply to its own circumstances. Consequently, the entity concluded that disclosing the accounting policies for revenue recognition is likely to be necessary for the primary users of its financial statements to understand information in the financial statements and could reasonably be expected to influence those users' decisions. For example, understanding that some revenue is recognised at a point in time and some is recognised over time is likely to help users understand how reported cash flows relate to revenue. The entity therefore assessed information about the accounting policies for revenue recognition, including information about the timing of revenue recognition, as material.

### **Example 2 - Materiality judgements on accounting policies that only duplicate requirements in IFRS Standards.**

#### **Background**

Intangible assets and property, plant and equipment are material to an entity's financial statements. In 20X1 the entity disclosed the following accounting policy relating to impairment of non-current assets:

The carrying amounts of the group's intangible assets and property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangibles without a finite life, the recoverable amount is estimated at least annually.

An impairment loss is recognised in the statement of profit or loss whenever the carrying amount of an asset or its Cash-Generating Unit (CGU) exceeds its recoverable amount.

The recoverable amount of assets is the greater of their fair value less costs to sell and their value in use. In measuring value in use, estimated future cash flows are discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs.

Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to that CGU and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. For other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount, but only to the extent that the new carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

#### **Analysis**

Having identified that assets that are subject to impairment testing are material to the financial statements, the entity assesses whether its accounting policy for impairment is, in fact, material.

The entity's impairment accounting policy relates to an area for which the entity is required to make significant judgements or assumptions as described in paragraphs 122 and 125 of IAS 1.

However, the entity noted that it also makes disclosures about its impairment assessments and its significant judgements and assumptions (for example, the discount rate used to measure

value in use) in meeting the disclosure requirements of IAS 36 Impairment of Assets and paragraphs 122 and 125 of IAS 1. The entity therefore concluded that there is no material information to include in a description of its impairment accounting policy that is not disclosed elsewhere in the financial statements.

The entity concluded that disclosing a separate accounting policy for impairment would not provide information that could reasonably be expected to influence decisions made by the primary users of the entity's financial statements based on those financial statements. This is because the accounting policy does not contain entity-specific information and only duplicates the requirements of IFRS Standards.

However, the entity is still required to comply with the specific disclosure requirements of IAS 36 and paragraphs 122 and 125 of IAS 1, and provide information about how it has applied IAS 36 and those paragraphs of IAS 1 during the period, if that information is material.

### **Conclusion**

In an attempt to enhance communication in financial reporting, the amendments aim to help entities to :

- Provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies.
- Identify immaterial accounting policies and eliminate them from their financial statements.

### **Sources**

- Exposure Draft (mca.gov.in)
- Companies to disclose material accounting policy information (abcaus.in)
- ey-devel-187-discl-initiative-iasb-amends-ias-1-ps2-feb-2021.pdf
- Exposure Draft: Disclosure of Accounting Policies—Proposed amendments to IAS 1 and IFRS Practice Statement 2

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**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)

7<sup>th</sup> February, 2023

### **Attention Students**

#### ***Applicability of the Finance Act, 2022 for June, 2023 Examinations***

Students may note that, for June 2023 Session of Examination, Finance Act, 2022 (i.e. Assessment Year 2023-24 / Previous Year 2022-23) is applicable for the following papers:

#### **Executive Programme**

(i) Tax Laws (Module-1, Paper-4)

#### **Professional Programme**

(ii) Advanced Tax Laws (Module-1 Paper-2)

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 30<sup>th</sup> Nov, 2022 for June, 2023 Examination.

**Director  
Dte. of Academics**



# *Practice Mentor*

## OBSERVANCE OF STATUTORY COMPLIANCE'S UNDER CSR\*

### INTRODUCTION

Augmenting profits is no longer the sole business performance indicator for the corporates and they have to play the role of responsible corporate citizens by undertaking activities for betterment of the society and the environment under the umbrella of Corporate Social Responsibility (CSR).

*“No success in material terms is worthwhile unless it serves the needs or interests of the country and its people”. -JRD TATA*

Organisations use resources that belongs to the society and it is expected that they should operate in a sustainable manner and spend some amounts for preservation and sustainability of resources which belong to the society. With the enactment of the Companies Act, 2013, CSR became a norm in India. India is perhaps one of the few countries in the world where CSR is mandated under the Statute. Since this is undoubtedly a unique provision of law, it has given rise to many concerns amongst the stakeholders during the initial period of implementation. A High Level Committee was constituted by the Ministry of Corporate Affairs (MCA) in 2015 (“HLC-2015”) under the Chairmanship of Shri Anil Baijal to suggest measures for monitoring and to help the Government to strengthen the CSR framework. The HLC-2015 was of the view that the first couple of years, would be a ‘learning experience’ for all stakeholders including the Government, companies, implementing agencies, auditors, etc. after which an in-depth analysis may be done based on disclosures from the filings made by the companies with respect to CSR provisions. HLC-2015 recommended that another Committee be set up after three years to revisit the CSR framework.

### WHAT IS CORPORATE SOCIAL RESPONSIBILITY?

CSR emerges from different sociological settings of each era to influence the way businesses adopt a more considerate and responsible behavior. Earlier businesses used to conduct these activities through especially dedicated charities. Later on the concept developed to welfare programs and activities in the nature of social responsibility. The concept of CSR has evolved during the last few decades from simple philanthropic activities to integrating the interest of the business with that of the community which is being served by such business. By exhibiting socially, environmentally and ethically responsible behavior in governance of its operations, business can generate value and long term sustainability for itself while making positive contribution towards the betterment of the society.

\* Prepared by CS Sanchit Nigam, Consultant and reviewed by CS Bharati Yadav, Executive (Academics), The ICSI  
Views expressed in the Article are the sole expression of the Author(s) and may not express the views of the Institute.



CSR is a concept whereby companies not only to consider their profitability and growth, but also interests of society and the environment by taking responsibility for the impact of their activities on the society, environment and communities in which they operate. CSR aims to fulfill expectations that society has from business and it is viewed as a comprehensive set of social policies, practices and programs that are integrated throughout the business operations. The concept of CSR has evolved over the years and it is now used as a strategy and a business opportunity to earn stakeholders' goodwill.

### Triple Bottom Line

*Corporate Social Responsibility (CSR) is the responsibility of an organization for the impacts of its decisions and activities on society, the environment and its own prosperity, known as the "triple bottom line" (TBL) of people, planet, and profit. The three together are often referred to as 'the three pillars' of the business entity.*

### APPLICABILITY OF CORPORATE SOCIAL RESPONSIBILITY

With the introduction of the Companies Act, 2013, Corporate Social Responsibility (CSR) became the buzzword of business in India. For the first time in the history of the country, the Act made donation of private corporations to social welfare mandatory. As per it, all companies with net worth above Rs. 500 crore, turnover over Rs. 1,000 crore, or net profit over Rs. 5 crore are required to spend at least 2 per cent of their annual profits (averaged over 3 years).

Section 135 of the Act which mandates the CSR donation also mandates companies to establish a CSR committee to oversee the spending.

Rule 3(1) of the Companies (CSR Policy) Rules, 2014, requires compliance of CSR provisions by holding and subsidiary companies, as well as by foreign companies having branches or project offices in India, which fulfill the criteria specified under section 135(1) of the Act.

### MCA COMPLAINTS PERTAINING TO FILINGS RELATED TO CSR

#### ❖ Form CSR-1 (Registration of Entities for undertaking CSR Activities)

Ministry of Corporate Affairs has mandated filing of eForm CSR-1 by implementing agencies intending to undertake CSR activities for all CSR projects effective from 01<sup>st</sup> April 2021.

As per the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the company can undertake CSR activities either itself or through implementing agencies (companies/entities). These companies/entities are required to mandatorily register themselves with the Central Government for undertaking any CSR activity by filing the e-form CSR-1 with the Registrar.

This registration ensures effective monitoring of the CSR spending in the country. A unique CSR Registration Number shall be generated for all entities submitting Form CSR-1.

#### Implementation agencies:

The Board of directors of the company shall ensure that the CSR activities are undertaken by the company itself or through following companies/entities:

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

All the above mentioned companies/entities that intends to undertake a CSR activity should mandatorily register themselves with the Registrar of Companies by filing the Form CSR-1 electronically.

#### ❖ **Form CSR-2 (Report on the Corporate Social Responsibility)**

Form CSR 2 is a web form for reporting CSR compliance. MCA Vide notification dated February 11, 2022 amended the Companies (Accounts) Rules, 2014 and introduced web form CSR-2. Every company covered under the provisions of sub-section (1) to section 135 shall furnish a report on Corporate Social Responsibility in Form CSR-2 to the Registrar within 30 days of Annual General Meeting.

- **For FY 2020-21:** As a Separate form on or before 30th June, 2022.

It shall be file only after filing of Form AOC-4 or AOC-4 XBRL or AOC-4 NBFC (Ind AS), as the case may be.

- **For FY 2021-22 & onwards:** As an addendum to Form AOC-4 or AOC-4 XBRL or AOC - 4 NBFC (Ind AS), as the case may be.

#### **Following are the details are required to be disclosed vide Form CSR-2:**

In this form notified by the MCA on February 11, 2022, thereby the companies will have to provide the following information:

- The details of the CSR amount spent in the preceding financial years and details of all ongoing projects;
- Details of transfer of Unspent CSR amount for the financial year;
- Details of CSR Committee and its meetings;
- Details of CSR disclosed on the website of the company;
- Details related to any capital assets have been created or acquired through CSR spent in the financial year;
- Whether Impact assessment of CSR projects is carried out; and
- Net Profit & other details of the company for the preceding financial years etc.

### ❖ **Form CFI (CSR) [Reply To Call For Information On CSR]**

Ministry of Corporate Affairs (MCA) has issued an eForm CFI (CSR) under the provision of the Companies Act, 2013 to enable the reply towards the CSR Notice received by the Company. When Company receives the notice for call for information on CSR, which are non-compliant with respect to filing of CSR (Corporate Social Responsibility). Such Company have to file their response through 'Reply to Call for information on CSR' Form.

#### **What a company should do if notice of non-compliance is received?**

If a company receives a non-compliance notice or call for information on CSR, it must file its response through the 'Reply to call for information on CSR' Form. This form is required to be filed by all companies which receives such notice. As of now, there are no filing fees for this form and this form is under 'Straight through process' (STP) mode.

### ❖ **Display of CSR Activities on Website**

As per rule 9 of CSR Rules, the Board of Directors of the company shall mandatorily disclose the composition of the CSR Committee, the CSR Policy and projects approved by the Board on website of the company, if any, for public access.

### ❖ **CSR related disclosures in Board's Report**

- The Board's Report of a company covered under CSR Rules shall include an annual report on CSR containing particulars specified in Annexure I or Annexure II of the CSR Rules.
- The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.
- In any financial year, if a company is unable to spend the earmarked amount for CSR activities during that particular financial year itself, second proviso to section 135(5) of the Act prescribes that the reasons for non-spending of CSR amount needs to be mentioned in Board's Report prepared under section 134 of the Act.

### ❖ **Business Responsibility and Sustainability Report (BRSR) By Listed Companies**

In terms of Regulation 34(2)(f) of SEBI's Listing Regulations, the top 1000 listed entities based on market capitalization (calculated as on March 31 of every financial year) are required to include Business Responsibility Report, as part of their annual report, describing the initiatives taken by them from an environmental, social and governance perspective, in the format as specified by the SEBI from time to time.

## **CONCLUSION**

A company's interactions and interdependencies with society are many and complex. Businesses have an impact on societies, and vice versa, so there is a need to recognize the mutual responsibilities that this entails. Within societies, public scrutiny of firms is constant,

customer choice criteria include the reputations and values of suppliers, and the next generation of leaders will choose employers whose values match their own. The Friedman's formulation that "The business of business is business" has outlived its utility, and social responsibility and being a good corporate citizen are the buzzwords today. In the long run, those organizations who do not exercise power in a way which society considers responsible, will tend to lose it.

**References:**

1. [https://www.icsi.edu/media/webmodules/Guidance\\_Note\\_on\\_CSR\\_Final.pdf](https://www.icsi.edu/media/webmodules/Guidance_Note_on_CSR_Final.pdf)
2. <https://thecsr universe.com/articles/a-brief-history-how-csr-came-into-existence>

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# Regulatory Updates

## COMPANY LAW

- **The Companies (Indian Accounting Standards) Amendment Rules, 2023**

*(Ministry of Corporate Affairs notification no. G.S.R 242(E) dated March 31, 2023)*

The Ministry of Corporate Affairs (MCA) vide its notification dated March 31, 2023 has notified “the Companies (Indian Accounting Standards) Amendment Rules, 2023” which has come into force with effect from April 01, 2023. According to the amendment, a new para has been inserted in Ind AS 101, which states deferred tax related to assets and liabilities arising from a single transaction shall apply for annual reporting periods beginning on or after 01.04.23. Various other amendments in Ind AS 102, 103, 107, 109 and 115 have also been notified.

*For details: <https://egazette.nic.in/WriteReadData/2023/244871.pdf>*

- **MCA Establishes Centre for Processing Accelerated Corporate Exit**

*(Ministry of Corporate Affairs notification no. S.O. 1269(E) dated March 17, 2023)*

The Ministry of Corporate Affairs (MCA) vide its notification dated March 17, 2023 has notified that in exercise of the powers conferred by section 396(1) of the Companies Act, 2013, the Central Government establishes a Centre for Processing Accelerated Corporate Exit (C-PACE). The C-PACE shall be located at the Indian Institute of Corporate Affairs (IICA), Manesar, Gurugram. This notification shall come into force with effect from the 01st day of April, 2023.

*For details: <https://egazette.nic.in/WriteReadData/2023/244467.pdf>*

## SECURITIES LAWS AND CAPITAL MARKET

- **Operational Circular for Debenture Trustees**

*(Circular No. SEBI/HO/DDHS/P/CIR/2023/50 dated March 31, 2023)*

Debenture Trustees are regulated under the provisions of Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 ('DT Regulations'). While the broad framework for Debenture Trustees has been laid down in the DT Regulations, over the years, procedural/ disclosure requirements and obligations have been specified by SEBI through circulars. A single operational circular has been prepared by consolidating all applicable circulars to remove inconsistencies and repetitions through consequent changes.

*For details:*

*[https://www.sebi.gov.in/legal/circulars/mar-2023/operational-circular-for-debenture-trustees\\_69684.html](https://www.sebi.gov.in/legal/circulars/mar-2023/operational-circular-for-debenture-trustees_69684.html)*

- **Extension of compliance period – Fund raising by large corporates through issuance of debt securities to the extent of 25% of their incremental borrowings in a financial year**

*(Circular No. SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/049 dated March 31, 2023)*

Chapter XII of NCS Operational Circular on 'Fund raising by issuance of Debt Securities by Large Corporates' (LCs Chapter), inter-alia, mandates large corporates to raise minimum 25% of their incremental borrowings in a financial year through issuance of debt securities which has to be met over a contiguous block of two years from Financial Year (FY)2021-22 onwards.

The contiguous block of two years over which large corporates need to meet the mandatory requirement of raising minimum 25% of their incremental borrowings in a financial year through issuance of debt securities will be extended to a contiguous block of three years (from the present requirement of two years) reckoned from FY 2021-22 onwards.

*For details:*

*[https://www.sebi.gov.in/legal/circulars/mar-2023/extension-of-compliance-period-fund-raising-by-large-corporates-through-issuance-of-debt-securities-to-the-extent-of-25-of-their-incremental-borrowings-in-a-financial-year\\_69574.html](https://www.sebi.gov.in/legal/circulars/mar-2023/extension-of-compliance-period-fund-raising-by-large-corporates-through-issuance-of-debt-securities-to-the-extent-of-25-of-their-incremental-borrowings-in-a-financial-year_69574.html)*

- **Cyber Security and Cyber Resilience framework for Portfolio Managers**

*(Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/046 dated March 29, 2023)*

SEBI has issued Cyber Security and Cyber Resilience framework for Portfolio Managers and provides that, with effective from October 01, 2023, all Portfolio Managers with asset under management of INR 3000 crore or more, under discretionary and non-discretionary portfolio management service taken together, as on the last date of the previous calendar month shall comply with the provisions of Cyber Security and Cyber Resilience as placed at Annexure-1 to the circular.

For details:

[https://www.sebi.gov.in/legal/circulars/mar-2023/cyber-security-and-cyber-resilience-framework-for-portfolio-managers\\_69521.html](https://www.sebi.gov.in/legal/circulars/mar-2023/cyber-security-and-cyber-resilience-framework-for-portfolio-managers_69521.html)

- **Nomination for Mutual Fund Unit Holders – Extension of timelines**

*(Circular No. SEBI/HO/IMD/IMD-I POD1/P/CIR/2023/47 dated March 28, 2023)*

SEBI vide its Circulars had prescribed the requirement for nomination/ opting out of nomination for all the existing individual unit holder(s) holding mutual fund units either solely or jointly, by March 31, 2023, failing which the folios shall be frozen for debits. SEBI has extended the timelines with regard to freezing of folios to September 30, 2023 instead of March 31, 2023.

For details:

[https://www.sebi.gov.in/legal/circulars/mar-2023/nomination-for-mutual-fund-unit-holders-extension-of-timelines\\_69465.html](https://www.sebi.gov.in/legal/circulars/mar-2023/nomination-for-mutual-fund-unit-holders-extension-of-timelines_69465.html)

- **Norms for Scheme of Arrangement by unlisted Stock Exchanges, Clearing Corporations and Depositories**

*(Circular No. SEBI/HO/MRD/MRD-PoD-3/P/CIR/2023/45 dated March 28, 2023)*

In case of unlisted Market Infrastructure Institutions (MIIs) such as Stock Exchanges, Clearing Corporations and Depositories desirous of undertaking scheme of arrangement or involved in a scheme of arrangement, there is no specific provision under extant law to file the draft scheme of arrangement with SEBI prior to filing the application before any Court or Tribunal. Further, the process to be followed by unlisted MIIs in case of scheme of arrangement are currently not specified. Hence, with a view to harmonize and bring uniformity in the norms related to scheme of arrangement for unlisted MIIs in line with provisions currently applicable to listed MIIs, SEBI has introduced the framework for Scheme of Arrangement by unlisted MIIs.

For details:

[https://www.sebi.gov.in/legal/circulars/mar-2023/norms-for-scheme-of-arrangement-by-unlisted-stock-exchanges-clearing-corporations-and-depositories\\_69450.html](https://www.sebi.gov.in/legal/circulars/mar-2023/norms-for-scheme-of-arrangement-by-unlisted-stock-exchanges-clearing-corporations-and-depositories_69450.html)

- **Nomination for Eligible Trading and Demat Accounts – Extension of timelines for existing account holders**

*(Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/42 dated March 27, 2023)*

SEBI, vide its circulars had mandated providing choice of nomination details, i.e., either furnishing of nomination or declaration for opting out of nomination for investors opening new trading and or demat account(s) on or after October 01, 2021 and for all existing eligible trading and demat account holders latest by March 31, 2023 failing which the trading accounts shall be frozen for trading and demat account shall be frozen for debits. SEBI has extended the timelines with regard to freezing of accounts to September 30, 2023 instead of March 31, 2023.



For details:

[https://www.sebi.gov.in/legal/circulars/mar-2023/nomination-for-eligible-trading-and-demat-accounts-extension-of-timelines-for-existing-account-holders\\_69391.html](https://www.sebi.gov.in/legal/circulars/mar-2023/nomination-for-eligible-trading-and-demat-accounts-extension-of-timelines-for-existing-account-holders_69391.html)

- **Master Circular on Surveillance of Securities Market**

*(Circular No. SEBI/HO/ISD/ISD-PoD-2/P/CIR/2023/039 dated March 23, 2023)*

SEBI has been issuing various circulars from time to time pertaining to effective surveillance of the securities market. In order to ensure availability of consolidated information contained in all the circulars pertaining to surveillance of securities market at one place, the provisions of the relevant circulars have been consolidated in this Master Circular. This Master Circular is categorized subject wise under various headings, viz., trading rules and shareholding in dematerialized mode, monitoring of unauthenticated news circulated by SEBI registered market intermediaries through various modes of communication and disclosure reporting under the SEBI (Prohibition of Insider Trading) Regulations, 2015.

For details:

[https://www.sebi.gov.in/legal/master-circulars/mar-2023/master-circular-on-surveillance-of-securities-market\\_69244.html](https://www.sebi.gov.in/legal/master-circulars/mar-2023/master-circular-on-surveillance-of-securities-market_69244.html)

- **SEBI (Foreign Portfolio Investors) (Amendment) Regulations, 2023**

*(Notification No. SEBI/LAD-NRO/GN/2023/128 Dated 14th March, 2023)*

SEBI on March 14, 2023, notified the SEBI (Foreign Portfolio Investors) (Amendment) Regulations, 2023 which shall come into force on the date of their publication in the Official Gazette. Vide this notification the following amendments have been made:

- Application to be made to Designated Depository Participants (“**DDP**”) in the form specified by the government or SEBI, along with the fee specified in Part A of the Second Schedule. In addition to this provision, the application now has to be made in the **manner** specified by the government or SEBI and along with any **documents** in the manner specified by SEBI. [Amendment: Regulation 3(2)]
- In regulation 22 pertaining to General obligations and responsibilities of foreign portfolio investors, the following amendments have been made:
  - The foreign portfolio investor shall **as soon as possible but not later than seven working days**, inform the Board and designated depository participant in writing, if any information or particulars previously submitted to the Board or designated depository participant are found to be false or misleading, in any material respect. [Amendment: Regulation 22(1)(b)]
  - As soon as possible but not later than seven working days, inform the Board and designated depository participant in writing, if there is any material change in the information including any direct or indirect change in its structure or ownership or control or investor group previously furnished by him to the Board or designated depository participant. [Substitution: Regulation 22(1)(c)]

- **As soon as possible but not later than seven working days**, inform the Board and the designated depository participant, in case of any penalty, pending litigation or proceedings, findings of inspections or investigations for which action may have been taken or is in the process of being taken by an overseas regulator against it. [Amendment: Regulation 22(1)(e)]
- Ensure that accurate details regarding its investor group are maintained with its designated depository participant at all times. [Insertion: Regulation 22(1)(l)]

*For details:*

[https://www.sebi.gov.in/legal/regulations/mar-2023/securities-and-exchange-board-of-india-foreign-portfolio-investors-amendment-regulations-2023\\_69104.html](https://www.sebi.gov.in/legal/regulations/mar-2023/securities-and-exchange-board-of-india-foreign-portfolio-investors-amendment-regulations-2023_69104.html)

- **Framework for Adoption of Cloud Services by SEBI Regulated Entities (REs)**

*(Circular No. SEBI/HO/ITD/ITD\_VAPT/P/CIR/2023/033 dated March 06, 2023)*

SEBI has drafted the cloud framework to provide baseline standards of security and for the legal and regulatory compliances by the RE. The framework shall be seen as an addition to already existing SEBI circulars /guidelines /advisories. The major purpose of this framework is to highlight the key risks, and mandatory control measures which REs need to put in place before adopting cloud computing. The document also sets out the regulatory and legal compliances by REs if they adopt such solutions. The framework shall be applicable to the Stock Exchanges, Clearing Corporations, Depositories, Stock Brokers through Exchanges, Depository Participants through Depositories, Asset Management Companies (AMCs)/ Mutual Funds (MFs), Qualified Registrars to an Issue and Share Transfer Agents, KYC Registration Agencies (KRAs). The framework shall come into force with immediate effect for all new or proposed cloud onboarding assignments/ projects of the REs.

*For details:*

[https://www.sebi.gov.in/legal/circulars/mar-2023/framework-for-adoption-of-cloud-services-by-sebi-regulated-entities-res\\_68740.html](https://www.sebi.gov.in/legal/circulars/mar-2023/framework-for-adoption-of-cloud-services-by-sebi-regulated-entities-res_68740.html)

- **Master Circular for Foreign Venture Capital Investors (FVCIs)**

*(Circular No. SEBI/HO/AFD/PoD/P/CIR/2023/34 dated March 03, 2023)*

SEBI has been issuing various circulars from time to time for effective regulation of FVCIs. In order to enable the stakeholders to have an access to all the applicable requirements / circulars at one place, the provisions of the said circulars are incorporated in this Master Circular for FVCIs. This Master Circular shall come into force from the date of its issue.

*For details:*

[https://www.sebi.gov.in/legal/master-circulars/mar-2023/master-circular-for-foreign-venture-capital-investors-fvcis\\_68650.html](https://www.sebi.gov.in/legal/master-circulars/mar-2023/master-circular-for-foreign-venture-capital-investors-fvcis_68650.html)

## DIRECT TAX

### Notifications

- **Procedure, format and standards for filling an application in Form No. 15C or Form No. 15D for grant of certificate for no-deduction of income-tax under sub-section (3) of section 195 of the Income Tax Act, 1961 through TRACES**

*(Dated March 29, 2023)*

Section 195(3) of the Income-tax Act, 1961 provides for grant of certificate to a person entitled to receive interest or other sum on which income tax is to be deducted under section 195(1) of the Income-tax Act, 1961 without deduction of tax at source. For the purpose, an application has to be made by the person to the Assessing Officer "AO" in the prescribed form.

Rule 29B(3) of the Income-tax Rules, 1962 provides that the application shall be made by a banking company or insurer in Form No. 15C and by any other person who carries on business or profession in India through a branch in Form 15D.

*The Director General of Income-tax (Systems) hereby specifies Form No. 15C and Form No. 15D for electronic furnishing at TRACES website under digital signature or through electronic verification code; and the procedure, format and standards for the purpose of electronic filing of Form No. 15C and Form No. 15D and generation of certificate through TRACES which will be applicable from 01.04.2023.*

*For details:*

*<https://incometaxindia.gov.in/communications/notification/notification-no-01-of-2023.pdf>*

- **Partial relaxation with respect to electronic submission of Form 10F by select category of taxpayers in accordance with the DGIT (Systems)**

*(Dated March 28, 2023)*

Notification No. 03/2022 dated 16th July 2022 mandating furnishing of Form 10F electronically. Non-resident (NR) taxpayers who were not having PAN and not required to have PAN were exempted from mandatory electronic filing of Form 10F till 31st March 2023 by the competent authority.

In view of the continued practical challenges and to mitigate the genuine hardship being faced by such category of taxpayers, it has been decided by the competent authority to extend the above mentioned partial relaxation further till 30th September 2023. For the sake of clarity, it is reiterated that such category of taxpayers may make statutory compliance of filing Form 10F till 30th September 2023 in manual form as was being done prior to issuance of the DGIT(Systems) Notification No. 3 of 2022.

*For details:*

*<https://incometaxindia.gov.in/communications/notification/partial-relaxation-entention-form-10f.pdf>*

- **Income-tax (Fourth Amendment) Rules, 2023 - Last date for linking of PAN-Aadhaar extended**

*(Notification No. 15 dated March 28, 2023)*

In order to provide some more time to the taxpayers, the date for linking PAN and Aadhaar has been extended to 30<sup>th</sup> June, 2023, whereby persons can intimate their Aadhaar to the prescribed authority for Aadhaar-PAN linking without facing repercussions.

Under the provisions of the Income-tax Act, 1961 (the 'Act') every person who has been allotted a PAN as on 1st July, 2017 and is eligible to obtain Aadhaar Number, is required to intimate his Aadhaar to the prescribed authority on or before 31st March, 2023, on payment of a prescribed fee. Failure to do so shall attract certain repercussions under the Act w.e.f. 1st April, 2023. The date for intimating Aadhaar to the prescribed authority for the purpose of linking PAN and Aadhaar has now been extended to 30th June, 2023.

*For details:*

<https://incometaxindia.gov.in/communications/notification/notification-15-2023.pdf>

- **CBDT notifies 'Karnataka State Building and Other Construction Workers Welfare Board', Karnataka for the purpose of clause 46 of section 10**

*(Notification No. 12 dated March 3, 2023)*

The Central Government notifies "Karnataka State Building and Other Construction Workers Welfare Board (PAN AAALK0820C)", a Board constituted by the State Government of Karnataka, for the purposes of clause (46) of section 10 of the Income-tax Act, 1961 in respect of the certain specified income arising to that Board subject to fulfilment of certain conditions.

*For details:*

<https://incometaxindia.gov.in/communications/notification/notification-12-2023.pdf>

- **CBDT notifies Insolvency and Bankruptcy Board of India', New Delhi for the purpose of clause 46 of section 10**

*(Notification No. 9 dated March 1, 2023)*

The Central Government notifies 'Insolvency and Bankruptcy Board of India', New Delhi (PAN AAAGI0193K), a Board established by the Central Government, for the purposes of clause (46) of section 10 of the Income-tax Act, 1961 in respect of the certain specified income arising to that Board subject to fulfilment of certain conditions.

*For details:*

<https://incometaxindia.gov.in/communications/notification/notification-9-2023.pdf>

## **Circular**

- **Consequences of PAN becoming inoperative as per the newly substituted rule 114AAA**

*(Circular No. 3 dated March 28, 2023)*

It is hereby clarified that a person who has failed to intimate the Aadhaar number in accordance with section 139AA of the Income-tax Act, 1961 (the Act) read with rule

114AAA shall face the following consequences as a result of his PAN becoming inoperative:

- (i) refund of any amount of tax or part thereof, due under the provisions of the Act shall not be made to him;
- (ii) interest shall not be payable to him on such refund for the period, beginning with the date specified under sub-rule (4) of rule 114AAA and ending with the date on which it becomes operative;
- (iii) where tax is deductible under Chapter XVJJ-B in case of such person, such tax shall be deducted at higher rate, in accordance with the provisions of section 206AA;
- (iv) where tax is collectible at source under Chapter XVJJ-BB in case of such person, such tax shall be collected at higher rate, in accordance with the provisions of section 206CC.

These consequences shall take effect from 1st July, 2023 and continue till the PAN becomes operative. A fee of Rs. 1000 will continue to apply to make the PAN operative by intimating the Aadhaar number.

The consequences of PAN becoming inoperative shall not be applicable to those persons who have been provided exemption from intimating Aadhaar number under the provisions of sub-section (3) of section 139AA of the Act.

*For details:*

*<https://incometaxindia.gov.in/communications/circular/circular-03-2023.pdf>*

## INDIRECT TAX LAWS

### Goods & Services Tax (GST)

- **Goods & Services Tax Notification for further amendments in the notification of the Government of India, the Ministry of Finance (Department of Revenue), No. 73/2017- Central Tax**

*(Notification No. 02/2023 – Central Tax, dated March 31, 2023)*

The Central Government, on the recommendations of the Council, hereby makes the following further amendments in the notification of the Government of India, the Ministry of Finance (Department of Revenue), No. 73/2017- Central Tax, dated the December 29, 2017 by inserting the proviso after the sixth proviso.

*For details: <https://taxinformation.cbic.gov.in/view-pdf/1009685/ENG/Notifications>*

- **Notification regarding revocation of cancellation registration under section 29 of the said Act**

*(Notification No. 03/2023 – Central Tax, dated March 31, 2023)*

The Central Government, on the recommendations of the Council, hereby notifies that the registered person, whose registration has been cancelled under clause (b) or clause (c) of sub-section (2) of section 29 of the said Act on or before the 31st day of December, 2022, and who has failed to apply for revocation of cancellation of such registration within the time period specified in section 30 of the said Act as the class of registered persons who shall follow the given special procedure in respect of revocation of cancellation of such registration.

*For details: <https://taxinformation.cbic.gov.in/view-pdf/1009684/ENG/Notifications>*

- **Notification for amendment in Sub-Rule 4A & 4B of Rule 8 of CGST, Rules**

*(Notification No. 04/2023 – Central Tax, dated March 31, 2023)*

The Central Government, on the recommendations of the Council, hereby makes the rules further to amend the for sub-rule (4A), of rule 8 of Central Goods and Services Tax Rules, 2017. And in sub-rule (4B), for and words, “provisions of”, the words “proviso to”, shall be substituted. The same shall come into force from the December 26, 2022.

*For details: <https://taxinformation.cbic.gov.in/view-pdf/1009686/ENG/Notifications>*

- **Notification for waive of the amount of late fee referred to in section 47 of CGST in respect of the return to be furnished under section 44 of the said Act for the financial year 2022-23 onwards**

*(Notification No. 07/2023 – Central Tax, dated March 31, 2023)*

The Central Government, on the recommendations of the Council, hereby waives the amount of late fee referred to in section 47 of the said Act in respect of the return to be furnished under section 44 of the said Act for the financial year 2022-23 onwards, in excess of amount as specified, for the classes of registered persons who fails to furnish the return by the due date;

- For Registered persons having an aggregate turnover of up to five crore rupees in the relevant financial year, the amount of late fee will be Twenty-five rupees

per day, subject to a maximum of an amount calculated at 0.02 % of turnover in the State or Union territory.

- Registered persons having an aggregate turnover of more than five crores rupees and up to twenty crore rupees in the relevant financial year, the amount of late fee will be Fifty rupees per day, subject to a maximum of an amount calculated at 0.02 % of turnover in the State or Union territory.

*For details: <https://taxinformation.cbic.gov.in/view-pdf/1009689/ENG/Notifications>*

- **Notification for waive of the amount of late fee referred to in section 47 of CGST which is in excess of five hundred rupees**

*(Notification No. 08/2023 – Central Tax, dated March 31, 2023)*

The Central Government, on the recommendations of the Council, hereby waives the amount of late fee referred to in section 47 of the Act, which is in excess of five hundred rupees for the registered persons who fail to furnish the final return in FORM GSTR-10 by the due date but furnish the said return between the period from the 1st day of April, 2023 to the 30th day of June, 2023.

*For details: <https://taxinformation.cbic.gov.in/view-pdf/1009690/ENG/Notifications>*

## Customs

- **Customs duty full exemption for all imported Drugs & Food for Special Medical Purposes for personal use for treatment of all Rare Diseases**

*(Press release dated March 30, 2023)*

The Central Government has given full exemption from Basic Customs Duty (BCD) on all drugs and Food for Special Medical Purposes imported for personal use for treatment of all Rare Diseases listed under the National Policy for Rare Diseases 2021 through a general exemption notification. In order to avail this exemption, the individual importer has to produce a certificate from Central or State Director Health Services or District Medical Officer/Civil Surgeon of the district. Drugs/Medicines generally attract basic customs duty of 10%, while some categories of lifesaving drugs/vaccines attract concessional rate of 5% or Nil.

*For details:*

*<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1912095> &*

*<https://taxinformation.cbic.gov.in/view-pdf/1009670/ENG/Notifications>*

- **Phased Implementation of Electronic Cash Ledger (ECL) in Customs w.e.f 01.04.2023**

*(Circular No.09/2023-Customs dated March 30, 2023)*

The Electronic Cash Ledger (ECL) functionality is envisaged in Section 51A of the Customs Act, 1962. It provides enabling provision whereby the importer, exporter or any person liable to pay duty, fees etc., under the Customs Act, has to make a non-interest-bearing deposit with the Government for the purpose of payment. The Customs (Electronic Cash Ledger) Regulations, 2022 (ECLR) notified vide No. 20/2022-Customs (N.T) dt.30.03.2022 govern the manner of operationalization of ECL and related aspects. The statutory provision came into force on 01.06.2022.

For details: <https://taxinformation.cbic.gov.in/view-pdf/1003156/ENG/Circulars>

- **Clarification regarding GST rate and classification of 'Rab' based on the recommendation of the GST Council in its 49th meeting held on February, 18th 2023**

*(Circular No. 191/03/2023-GST- dated March 27, 2023)*

The Board Clarify, on the basis of recommendation of the GST council in its 49th meeting, held on February, 18th, 2023, with effect from the March, 1st, 2023, 5% GST rate has been notified on Rab, when sold in pre-packaged and labelled, and Nil GST, when sold in other than pre-packaged and labelled.

For details: <https://taxinformation.cbic.gov.in/view-pdf/1003155/ENG/Circulars>

- **Fixation of Tariff Value for Edible Oils, Brass Scrap, Areca Nut, Gold and Silver**

*(Notification No. 14/2023-CUSTOMS (N.T.)-New Delhi, dated March 15, 2023)*

The Central Board of Indirect Taxes & Customs has fixed the tariff value of Edible Oils, Brass Scraps, Areca Nut, Gold and silver by amending the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 36/2001-Customs (N.T.). The said notification shall come into force with effect from the March 16, 2023.

For details:

<https://taxinformation.cbic.gov.in/view-pdf/1009665/ENG/Notifications>



**BANKING LAWS**

- **Governor, RBI lays the Foundation Stone of a ‘New Greenfield Data Centre’ and ‘Enterprise Computing & Cybersecurity Training Institute’ of RBI**

*(Press Release dated March 22, 2023)*

Shri Shaktikanta Das, Governor, Reserve Bank of India (RBI), on March 22, 2023 laid the foundation stone for establishment of a “Greenfield Data Centre’ and ‘Enterprise Computing & Cybersecurity Training Institute’ in Bhubaneswar, Odisha. The Governor in his remarks acknowledged the critical role played by technology in supporting the activities of the financial sector and the RBI over the years and recently, in facilitating a robust recovery from the pandemic. He highlighted the need for augmenting the existing computing infrastructure of the RBI supported by cutting edge facilities for research and capacity building in emerging areas straddling central banking, technology and cybersecurity for a future ready RBI.

*For details: [https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=55396](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=55396)*

- **Reserve Bank of India and Central Bank of the UAE sign MoU to promote innovation in financial products and services**

*(Press Release dated March 15, 2023)*

The Reserve Bank of India (RBI) and the Central Bank of the United Arab Emirates (CBUAE) signed a Memorandum of Understanding (MoU) on March 15, 2023 in Abu Dhabi, to enhance cooperation and jointly enable innovation in financial products and services. Under the MoU, the two central banks will collaborate on various emerging areas of FinTech, especially Central Bank Digital Currencies (CBDCs) and explore interoperability between the CBDCs of CBUAE and RBI. CBUAE and RBI will jointly conduct Proof-of-Concept (PoC) and pilot(s) of bilateral CBDC bridge to facilitate cross-border CBDC transactions of remittances and trade.

*For details: [https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=55372](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=55372)*

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# *Legal Maxims*

S. No.	Legal Maxim	Meaning	Usage & Example
1	<i>Ipsa Facto</i>	By the fact itself	Used in the context that one event is a direct and immediate consequence of another. "In and of itself."  <b>Example: If a crime is committed then there is, ipso facto, a guilty party.</b>
2	<i>Lis pendens</i>	Suit pending	Often used in the context of public announcements of legal proceedings to come.  <b>Example: Nobody wants to buy a property whose title is in lis pendens.</b>
3	<i>Mala fide</i>	(In) bad faith	A condition of being fraudulent or deceptive in act or belief.  <b>Example: Behind every crime, there must be a mala fide intention of the criminal.</b>
4	<i>Nisi prius</i>	Unless first	Refers to the court of original jurisdiction in a given matter.  <b>Example: The plaintiff filed a complaint in Nisi Prius court to seek damages for breach of contract.</b>
5	<i>Prima facie</i>	At first face	A matter that appears to be sufficiently based in the evidence as to be considered true.  <b>Example: Before passing an order for Investigation, Court must see the prima facie object of the same.</b>

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# *Legal World*

## CORPORATE LAWS

### Landmark Judgement

*BOARD OF TRUSTEES, PORT OF MUMBAI v. INDIAN OIL CORPORATION & ANR [SC]*

*Civil appeal No.2085 of 1998*

*Sujata V. Manohar & D.P. Wadhwa, JJ. [Decided on 16/04/1998]*

*Equivalent citations: (1998) 93 Comp Cas 228; (1998) 29 CLA 285*

**Section 529 of the Companies Act, 1956 read with section 64 of the Major Port Trusts Act, 1963 - sale of arrested vessel by the Port trust- owner of the vessel under liquidation- High Court directed the Port Trust to deposit the sale proceeds with the liquidator- whether correct -Held, No.**

**Brief facts:** The moot issue involved in this case was whether the port trust's statutory lien has paramountcy even over the claims of secured creditors in a winding up.

A vessel belonging to M/s Thakur Shipping co. Ltd (owner) M.V. Varuna Kachhapi arrived at the Port of Mumbai and was arrested and later was sold at public auction by the Port Trust, as it could not pay the port charges. The owner was wound up under the orders of the Patna High Court and put under liquidation and a liquidator was appointed. The High Court directed that since the owner did not have any money which could be utilised to meet the cost of advertisement or sale, the appellant shall meet the costs of such advertisement and sale and all incidental charges thereto which amounts, the appellant would be entitled to recover as a first charge on the sale proceeds. This order is being challenged in the present appeal Under Section 529 of the Companies Act.

**Decision:** Allowed.

**Reason :** In the winding up of an insolvent company, the same rules shall prevail and be observed with regard, inter alia, to the debts provable and the respective rights of secured and unsecured creditors as are in force for the time being under the law of insolvency with respect to the estates of persons adjudged insolvent. The proviso to Section 529(1) sets out that the security of every secured creditor shall be deemed to be subject to a pari passu charge in favour of the workmen to the extent of the workman's portion therein, in the manner set out in that section and section 529A.

The position, however, of the appellant-Port Trust is somewhat different from the position of a secured creditor in winding up. The vessel which is one of the properties of the company in winding up, has been arrested by the appellant in the exercise of its statutory right to arrest the vessel for recovery of its rates and charges under the Major Port Trusts Act, 1963 and the rules framed thereunder.

The Port authorities have a paramount right to arrest a vessel and detain the same until the amounts due to it in respect of extending the port facilities and services to the vessel are paid. Under sub-section (2), in case any part of the said rates, charges, penalties or the cost of the distress or arrest or of the keeping of the same remain unpaid for a space of five days next after any such distress or arrest has been made, the Board may cause the vessel so distrained or arrested to be sold. The proceeds of such sale shall satisfy such rates or penalties and costs including the costs of sale remaining unpaid. The surplus, if any, is to be rendered to the master of such vessel on demand.

The statutory right under Section 64 embodies this overriding right of the harbour authority over the vessel for the recovery of its dues. This right stands above the rights of secured and unsecured creditors of a company in winding - up in the present case, the shipping company which owns the vessel. The harbour authorities allow ships - national or foreign to another and avail of the services provided by them. For payment they look to the vessel. The owner may be foreign or even unknown to the harbour authority. The latter's right to recover its dues is not affected by any pending proceedings against the owner in any court - whether in winding up or otherwise. The harbour authority can arrest the vessel while it is anchored in the harbour and recover its dues in respect of that vessel by sale of the vessel if the dues are not paid. This lien of the harbour authority over the vessel is paramount. The lien cannot be extinguished or the vessel sold by any other authority under the directions of the court or otherwise, unless the harbour authority consents to such sale.

Therefore, the lien of a harbour authority over the vessel is a paramount lien and realization of its dues by the harbour authority by the sale of the vessel is above the priorities of secured creditors. In other words, the statutory lien of a harbour authority has paramountcy even over the claims of secured creditors in a winding up. In exercise of its right under Section 64 the appellant is, therefore, entitled to sell the vessel without the intervention of the court. In exercise of that paramount right which overrides the claims of all other creditors including secured creditors, the appellant has a right to arrest the vessel and sell it. Without the consent of the appellant, this right cannot be transferred to the sale proceeds of the vessel.

In the present case the appellant is objecting to the directions given by the court in winding up directing the Official Liquidator to sell the vessel along with the appellant and to bring the sale proceeds into court. The appellant has a supervening priority in respect of its claims against the vessel. It has a right to sell that vessel and realise the sale proceeds. The appellant cannot be divested of this statutory right without its consent or be subjected to other priorities under the Companies Act. The appellant has also objected to any global advertisement being issued in respect of the said vessel since the vessel is lying at anchorage since 1987 and is in a very dilapidated condition. It is unlikely to attract international bidding. The sale proceeds are not likely to cover even the full statutory charges of the appellant. The appellant has also objected to its being equated to other secured creditors in winding up.

Looking to the overriding priority statutorily given to the appellant, the impugned order passed by the High Court is set aside. The appellant shall be entitled to sell the vessel by auction in accordance with the procedure prescribed by its rules and regulations. Since the appellant has no objection to the Official Liquidator and/or a representative of the first-respondent (petitioning creditor) remaining present at the sale, it will be open to the Official Liquidator to depute its representative to remain present at the sale and the same right is given to the first-respondent as well.

The appellant shall be entitled to realise its statutory dues as per law from the sale proceeds of the said vessel and the balance, if any, of the sale proceeds shall be deposited by the appellant with the Official Liquidator in winding up. The appellant shall also file an account of its dues and the realisation of the same from the sale proceeds of the vessel in the winding up proceedings before the Official Liquidator. The appellant has no objection to doing so. In respect of any shortfall in the realisation of dues, the appellant may file its claim for the balance in winding up proceedings in accordance with law. The appeal is accordingly allowed. There will, however, be no order as to costs.

*VICTORY IRON WORKS LTD v. JITENDRA LOHIA [SC]**Civil Appeal No.1743 of 2021 with Civil Appeal No.1782 of 2021**V. Ramasubramanian & Pankaj Mithal, JJ. [Decided on 14/03/2023]*

**Insolvency and Bankruptcy Code, 2016- CIRP – triangular dispute as to possession of land between the ostensible owner, corporate debtor who financed the purchase of the property and the licensee of the property- licensee was in possession of part of the property-licensee claimed its possessory rights on the entire property- whether tenable-Held, No.**

**Brief facts :** These appeals arise out of a common Order passed by the National Company Law Appellate Tribunal dismissing two independent appeals filed by the appellants herein, against an order of the National Company Law Tribunal, thereby confirming an order of the Adjudicating Authority, in two applications, in the course of the Corporate Insolvency Resolution Process.

The dispute in a nutshell, in this triangular fight, is between (i) the ostensible owner of the land, namely, Energy Properties, on the one hand; (ii) the Corporate Debtor represented by the Resolution Professional, who actually financed the purchase of the said property by Energy Properties,; and (iii) Victory, to whom a portion of the land measuring an extent of 10000 sq.ft. (out of the total extent of land of 10.19 acres), was given under a Leave and License Agreement dated 19.08.2011, but which Licensee now claims to be in possession of the entire land of the extent of 10.19 acres.

**Decision:** Dismissed.

**Reason:** Thus, none of the decisions relied upon by the appellants revolve around the rights and interests that a Corporate Debtor has in an immovable property. As a matter of fact, the only decision of this Court which may probably come close to the facts of the present case, is the one in *Rajendra K. Bhutta vs. Maharashtra Housing and Area Development Authority & Anr* (2020) 13 SCC 208. In the said case, there was a tripartite joint development agreement entered into between (i) a Society representing a large number of persons occupying 672 tenements in the property; (ii) Maharashtra Housing and Area Development Authority 15, which was the owner of the land; and (iii) the corporate debtor. After initiation of CIRP against the corporate debtor, MHADA issued a notice for the termination of the joint development agreement. NCLAT refused to treat the property as the asset of the corporate debtor. But this Court reversed the said decision, by holding that Section 14(1)(d) stood attracted in the facts and circumstances of the said case and that even a reference to Sections 18 and 25 may not be necessary. Though the said case arose out of a fact situation where the termination of the joint development agreement was hit by Section 14, the said decision clinches the issue on what constitute a property and the distinction between occupation and possession of a property.

Having seen the legal position, let us now come back to the facts of the case to see whether NCLT and NCLAT addressed the issue correctly or not. As we have seen earlier, two applications were filed before NCLT. One was by the Resolution Professional and the other was by Victory. A careful look at the application filed by Victory in C.A. (IB) No.146 of 2020 would show that there was no whisper about Victory occupying any land in excess of what they were permitted to occupy under the Leave and License Agreement. Under the Leave and License Agreement, Victory was allowed to occupy only 10000 sq. ft. of land, upon payment of a monthly license fee of Rs.5,000/-. If at all, a vague averment was made in paragraph VII (c) of

their application to the effect that inasmuch as the Corporate Debtor was unable to commence any development activity in the subject land, the owner, and the developer, with their full consent, had decided to allow the applicant to run its business in the usual course from the subject land, because the subject land could not have been left vacant for any substantial period of time.

The fact that there were security guards posted in the property is borne out by records. This is why NCLT as well as NCLAT have done a delicate act of balancing, by protecting the interests of Victory to the extent of the land permitted to be occupied. In fact, Victory does not even have the status of a lessee, but is only a licensee. A license does not create any interest in the immovable property.

Therefore, NCLT as well as NCLAT were right in holding that the possession of the Corporate Debtor, of the property needs to be protected. This is why a direction under Regulation 30 had been issued to the local district administration. In the light of the above, we are of the considered view that the impugned orders do not call for any interference. Hence, the appeals are dismissed.

*GPSK CAPITAL PVT LTD v. SEBI [SC]*

*Civil Appeal No. 2402 of 2008 with Civil Appeal No. 5636 of 2007*

*Ajay Rastogi & Bela Trivedi, JJ. [Decided on 20/03/3023]*

**Securities and Exchange Board of India (Stockbrokers and Sub Brokers) Regulations, 1992- individual stockbroker converted into company - he was not the whole time director of the company- the company claimed exemption from paying fees for the period for which the erstwhile individual stockbroker has paid to the Board - Board rejected the same- Tribunal upheld the rejection- whether correct-Held, Yes.**

**Brief facts :** The instant appeal has been filed under Section 15(Z) of the Securities and Exchange Board of India Act, 1992(hereinafter being referred to as the “Act 1992”) assailing the judgment and order dated 9th August, 2007 passed by the Securities Appellate Tribunal(hereinafter being referred to as the “Tribunal”) affirming the order of the Securities and Exchange Board of India, Mumbai(hereinafter being referred to as the “Board”) dated 7th May, 2007 holding that the appellant did not satisfy the conditions of clause (4) of Schedule III of the Securities and Exchange Board of India(Stock Brokers and Sub Brokers) Regulations, 1992(hereinafter being referred to as the “Regulations”) hence the exemption from payment of fees for the period for which the erstwhile individual Srikant Mantri has paid to the Board cannot be converted to the corporate entity MFL.

That one Srikant Mantri became a member of the Calcutta Stock Exchange (hereinafter being referred to as the “CSE”) and was granted registration as a stockbroker on 30 th November, 1992. Sometime in the year 1997, he decided to transfer his membership card of CSE in favour of Mantri Finance Ltd. The appellant herein (hereinafter being referred to as the “Company”).

After obtaining the membership of CSE on transfer of the card from Srikant Mantri, the appellant Company claimed that it should be exempted from payment of registration fee for the period for which Srikant Mantri had already paid the fees. In other words, it claimed the benefit of exemption of the fee already paid by Srikant Mantri. At the same time, also claimed that all the conditions prescribed under para 4 of Schedule III to the Regulations were satisfied and, therefore, it was entitled to claim exemption.



**Decision:** Dismissed.

**Reason:** The issue involved in the instant appeal confines as to whether the appellant Company is entitled to fee continuity benefits under Para 4 of Schedule III of the Regulations 1992. It remains uncontroverted that when Srikant Mantri transferred his membership card of CSE to the Company, he was not a whole time Director but was only a Director. Neither CSE nor its internal auditors, were clear of the exact date on which Srikant Mantri had acquired 40% shareholding in the appellant Company. At the same time, it was informed by the Board to the CSE vide letter dated 18th March, 1998 that Srikant Mantri was holding less than 40% of the paid-up capital of the corporate entity. It was also recorded by the Tribunal that from the true copies of annual returns provided by the appellant Company, it was revealed that the details of the Directors provided by them nowhere indicate Srikant Mantri as a whole time Director for any of the relevant years. The designation of Srikant Mantri has been indicated as “Director” in all the relevant years’ Annual Return. It was also established from the copy retrieved from ROC’s office in respect of AGM dated 28 th April, 1997 and 19th May, 1999.

At the same time, appellant Company was granted registration after para 4 was put in place by notification dated 21st January, 1998 and the appellant Company failed to satisfy that it fulfilled the conditions of para 4 to Schedule III pursuant to which the appellant has claimed his entitlement of fee continuity benefits.

After going through the material on record, we are satisfied that the appellant Company failed to fulfil the conditions as referred to under Para 4 of Schedule III appended to the Regulations of which a reference has been made. Consequently, the appeal is without any substance and accordingly dismissed. No costs.

*MODI RUBBER LTD v. CONTINENTAL CARBON INDIA LTD [SC]*

*Civil Appeal No. 375 of 2017 with connected appeals*

*M.R. Shah & Sudhanshu Dhulia, JJ. [Decided on 17/03/2023]*

**Sick Industrial Companies (Special Provisions) Act, 1985- section 18- rehabilitation scheme approved by BIFR- unsecured creditors liability scaled down- objection by unsecured creditor that it can stand out of the scheme and claim its due after the company has recovered- High Court allowed the objection- whether tenable- Held, No.**

**Brief facts :** Facts are elaborate and immaterial. The core issue which arose was whether on approval of a scheme by the BIFR under the Sick Industrial Companies (Special Provisions) Act, 1985 (hereinafter referred to as the ‘SICA’), an unsecured creditor has the option not to accept the scaled down value of its dues, and to wait till the scheme for rehabilitation of the respondent – Company has worked itself out, with an option to recover the debt with interest post such rehabilitation?

**Decision:** Question answered in the negative.

**Reason :** Now, so far as the submission on behalf of the unsecured creditors that the unsecured creditors should have an option not to accept the scaled down value of its dues and to wait till the scheme for rehabilitation of the sick company has worked itself out, with an option to recover the debt post such rehabilitation is concerned, the same has no substance and cannot be accepted. It is required to be noted that in a given case, because of the scaling down of the value of the dues of the creditors, the company survives. The company has survived in view of the rehabilitation scheme because of the sacrifice / scaling down the value of the dues of the

creditors including the financial institutions. How such a benefit can be permitted to be given to the unsecured creditors, who does not accept the scaled down value of its dues. Such an unsecured creditor cannot be permitted to take the benefit of the revival scheme, which is at the cost of other creditors including the financial institutions and even the labourers.

Now, so far as the view taken by the High Court that the unsecured creditor had an option not to accept the scaled down value of its dues and can wait till the scheme for rehabilitation of the company has worked itself out with an option to recover the debt with interest post such rehabilitation is accepted, in a given case, the sick company, which has been able to revive because of the scaling down the value of the dues, may again become sick, if the entire dues of the unsecured creditors are to be paid thereafter. It may again lead to becoming such a revived company again as a sick company. If such a thing is permitted, in that case, it will again frustrate the object and purpose of enactment of the SICA, 1985.

Now, so far as the submission on behalf of the unsecured creditors that to compel the unsecured creditors to accept the scaled down value of its dues would be tantamount to and would be violative of Article 300A of the Constitution of India is concerned, the same has also no substance. Scaling down the value of the dues is under the rehabilitation scheme prepared under Section 18 of the SICA, which has a binding effect on all the creditors. Therefore, the same cannot be said to be violative of Article 300A of the Constitution of India. The law permits framing of the scheme taking into consideration and to provide the measures contemplated under Section 18, therefore, the rehabilitation scheme which provides for scaling down the value of dues of the creditors /unsecured creditors and even that of the labourers cannot be said to be violative of Article 300A of the Constitution of India as submitted on behalf of the unsecured creditors.

In view of the above and for the reasons stated above, the view taken by the High Court of Delhi in Continental Carbon India Ltd (supra) that on approval of a scheme by the BIFR under the Sick Industrial Companies (Special Provisions) Act, 1985, the unsecured creditors has an option not to accept the scaling down value of its dues and to wait till the rehabilitation scheme of the sick company has worked itself out with an option to recover the debt with interest post such rehabilitation is erroneous and contrary to the scheme of SICA, 1985 and the same deserves to be quashed and set aside and is accordingly quashed and set aside.

It is observed and held that the rehabilitation scheme under Section 18 of the SICA, 1985 shall bind all the creditors including the unsecured creditors and the unsecured creditors have to accept the scaled down value of its dues provided under the rehabilitation scheme.

## INDUSTRIAL LAW

*CHAIRMAN-CUM-M.D. ITI LTD vs. K. MUNISWAMY & ORS [SC]*

*Civil Appeal No.13398 of 2015*

*Abhay S. Oka & Rajesh Bindal, JJ. [Decided on 02/03/2023]*

**Industrial Employment Standing Orders - certified standing order provided for the retirement age of 58 years- increased to 60 by way of amendment- later rolled back to 58 years- whether tenable- Held, Yes.**

**Brief facts:** The Appellant increased the retirement age of employees from 58 years to 60 in 1998 and accordingly amended the certified standing orders. In 2001, the Appellant rolled back the retirement age from 60 years to 58 years. This roll back was challenged before the High Court.

The writ petition was partly allowed by the learned Single Judge by setting aside the rollback circular dated 27 th March 2002 by which the effect was given to the decision of rollback. On further appeal, by the impugned judgment, a Division Bench of the High Court held that the learned Single Judge was not right in setting aside the decision to roll back the age of retirement. However, it was held that the rollback cannot have the effect of affecting the existing rights of employees and the company recognised in terms of clause 17(7)(iii) of the Standing Orders.

**Decision:** Partly allowed.

**Reason :** On 11th June 1998, the appellant amended Rule 35 of the said Rules by which, the age of retirement of the employees was extended to 60 years. Considering the losses suffered by the appellant, in the year 2001, the appellant engaged services of M/s. Price Waterhouse Coopers to make recommendations regarding restructuring the company. Based on the figures of manpower cost incurred by the appellant, the said consultant recommended that the age of retirement should be reduced to 58 years, which will achieve the objective of reduction of manpower cost. In fact, the recommendation of the consultant was also to reduce the age of retirement to 55 years by March, 2003. According to the case of the appellant, in December 2001, the issue of rollback of the age of retirement was discussed with the recognised Unions and office bearers of the Officers' Association. The Division Bench of the High Court in the impugned judgment has held that the decision of the appellant to roll back the age of retirement from 60 to 58 years cannot be faulted. This part of the impugned judgment has not been assailed by the respondents. Therefore, what remains for consideration is only the interpretation of clause 17(7)(iii) of the Standing Orders.

On a plain reading of clause 17(7)(iii), it does not create any right in favour of any employee. The use of the word 'may' indicates that it gives discretion to the appellant to continue some of the employees after completing the age of 58 years, till they complete 60 years of age. Therefore, we hold that clause 17(7)(iii) of the Standing Orders only enables the appellant – company to continue any employee in service till he or she attains the age of 60 years subject to medical fitness at the end of each year. We also make it clear that the aforesaid clause does not confer any right on the employees to seek extension till the completion of 60 years. To this extent, paragraph 28 of the impugned judgment stands modified.

The appeal is partly allowed on the above terms with no order as to costs. Pending applications, if any, stand disposed of.

## GENERAL LAWS

*MITA INDIA PVT. LTD. v MAHENDRA JAIN [SC]*

*Criminal Appeal No. \_\_ OF 2023 [@ SLP(Crl.) No.6220 of 2019]*

*V. Ramasubramanian & Pankaj Mithal, JJ. [Decided on 20/02/2023]*

**Negotiable Instruments Act - section 138- dishonour of cheque-filing of complaint through POA- whether POA can give evidence as a witness - Held, Yes.**

**Brief facts :** The appellant-company through its authorised representative Ripanjit Singh Kohli filed a cheque bouncing complaint against the Respondent. In the said complaint, respondent moved two applications – first alleging that the complaint has not been filed by an authorised person and the second alleging that Kavindersingh Anand cannot depose before

the court as the complaint nowhere states that he is having knowledge about the facts and the transactions. The trial court rejected both the applications.

These three orders were assailed by the respondent by invoking jurisdiction under Section 482 Cr.P.C. The High Court by the impugned order has allowed the petition. and has ordered for setting aside the above orders on the ground that the complaint was not filed by the person authorised as Kavindersingh Anand, who was given the power of attorney, had no authority of law to sub-delegate the said power to the authorised representative Ripanjit Singh Kohli. Secondly, on the ground that Kavinder Singh Anand is not authorised to depose on behalf of the company. Hence the present appeal by the Appellant company.

**Decision :** Allowed.

**Reason :** The law is settled that though the general power of attorney holder cannot delegate his powers to another person but the same can be delegated when there is a specific clause permitting sub-delegation. A careful reading of the general power of attorney would reveal that the appellant-company in its meeting of the board of directors held on 1st May, 2010 has resolved to appoint one of its directors Kavinder Singh Anand as its attorney of the company who was specifically authorised vide paragraph 2 to appoint counsels or special attorney(s). The language deployed, i.e., to appoint special attorneys is clear enough to indicate that the power of attorney holder has been authorised to appoint special attorneys in addition to the counsel for conducting cases and for doing other relevant and material acts in that connection. The use of the words “to appoint counsels or special attorneys” would not mean that he was authorised only to appoint counsel or special counsel for the purpose. The use of the word ‘counsel’ and ‘special attorney’ have different connotations. The use of the aforesaid words to appoint counsels or special attorneys in paragraph 2 of the power of attorney is quite distinct and refers to not only to appointment of counsel but of special attorneys other than the counsel. This is implicit upon the reading of paragraph 16 of the power of attorney which specifically deals with the appointment of solicitors, counsels, advocates, other consultants, or professionals, but does not refer to attorneys. Therefore, a combined reading of paragraph 2 and paragraph 16 of the power of attorney would bring home the fact that the power of attorney holder was authorised to appoint special attorney other than the counsel for the purposes for conducting and prosecution of cases on behalf of the appellant-company. This apart, the power of attorney holder was appointed under the resolution of the board of directors of the appellant company and the draft of the power of attorney was duly approved by the board. The said power of attorney as discussed above do provide for the sub-delegation of the functions of the general power of attorney holder and thus the filing of the complaint on behalf of the appellant company through its authorised representative Ripanjit Singh Kohli is not at all illegal or bad in law.

Now coming to the second aspect of the matter as to whether Kavindersingh Anand could depose on behalf of the appellant company, it has to be noted that he was one of the directors of the company who has been specifically authorised to lodge the complaint and to pursue it. It has come on record that he has filed his personal affidavit dated 26.03.2018 stating that he is general power of attorney holder of the appellant company and that since he is also a director, he is fully conversant with the facts of the case and hence is competent to pursue the litigation on behalf of the appellant company. The High Court has very conveniently ignored the said affidavit and for the reason that as such an averment is not contained in the complaint, held that he was not authorised to depose on behalf of the appellant company.

We are of the considered opinion that the High Court manifestly erred in recording the above opinion when the affidavit of the power of attorney holder was on record containing that he has personal knowledge of the transactions.

In view of the above, as the power of attorney holder is said to be having due knowledge about the transactions, he has the capacity to depose and the trial court or the Revisional Court committed no error of law in rejecting the applications of the respondent. The appeal is allowed.

*HINDUSTAN CONSTRUCTION CO. LTD. v. NATIONAL HYDRO ELECTRIC POWER CORPORATION LTD [DEL]*

*O.M.P.(I) (COMM.) No. 39 of 2020 & I.A. 13305/2021 & I.A. 12009/2022*

*Chandra Dhari Singh, J. [Decided on 13/02/2023]*

**Arbitration law read with law of guarantees- bank guarantee- encashment thereof- provider of guarantee had a favourable arbitral award- BG holder challenged the award and sought to encash the BG - whether tenable- Held, No.**

**Brief facts :** The present petition was filed by the Petitioner seeking urgent intervention of this Court for restraining the Respondent from invocation/encashment of the Petitioner's Bank Guarantee. The parties had various disputes and resorted to arbitration. The arbitral award was also under challenge. In these circumstances the Respondent sought to invoke/encash the Petitioner's performance bank guarantee.

**Decision:** Allowed.

**Reason :** I have given thoughtful consideration to the submissions made by the parties. The only issue before this Court is whether the instant Performance Bank Guarantee invoked by the respondent can be held to be valid.

The legislative intent behind enacting the Arbitration Act is to make justice-delivery simple, inexpensive, party-led and time-bound as well as to take the burden of a big chunk of commercial off the conventional Courts. This being the motivation and expectation, the finality of the arbitral award gains enormous importance. However, appealing the award granted by the Arbitrator/Tribunal has become a routine practice for the aggrieved party whose claims are not allowed; and the challenge petition becomes pending, further adding to the burden of the Courts as well as posing a looming threat to the finality of the award, thus defeating the ends for which the Act had been legislated.

The remedy provided in Section 34 against an arbitral award is in any case not the same as an appeal. The intention behind incorporating Section 34 was to make the result of the annulment procedure prescribed therein potentially different from that in an appeal. In appeal, the decision under review not only may be confirmed, but may also be modified. In annulment, on the other hand, the decision under review may either be invalidated in whole or in part or be left to stand if the plea for annulment is rejected. Section 34 provides for annulment only on the grounds affecting legitimacy of the process of decision as distinct from substantive correctness of the contents of the decision. It is thus clear that the even if the respondent succeeds in its Section 34 petition, the setting aside of the arbitral Award in rejecting the counterclaims of the respondent does not result in the same being decreed in its favour. It would be open to the respondent to commence fresh proceedings against the petitioners.

Nevertheless, in view of the alternate prayer made and pressed by the petitioner to restrain the respondent from invoking the Bank Guarantee till the pendency of Section 34 petitions challenging the arbitral awards qua the contract between the parties in relation the Project, this Court has not ventured into the question of return of Bank Guarantees.

This Court shall now adjudicate the question regarding stay on invocation of Bank Guarantee in the instant case. The settled position in law that emerges from the precedents is that the bank guarantee is an independent contract between bank and the beneficiary, and the bank is always obliged to honour its guarantee as long as it is an unconditional and irrevocable one. There are, however, exceptions to this rule when there is a clear case of fraud, irretrievable injustice or special equities.

In the case at hand, the facts and circumstances of the case cumulatively demonstrate special equities in favour of the Petitioner. Firstly, it is an admitted fact that the Petitioner has arbitral awards with respect to the Project in its favour wherein the counterclaims of the Respondent have been dismissed. Secondly, the Bank Guarantees given during the contract cannot be said to have been given in perpetuity even for the period after the completion of project and adjudication of claims/counterclaims between the parties. Thirdly, even if the Respondent succeeds in its challenge to the Award under Section 34, it has to resort to fresh arbitration proceedings with regard to the counter-claims. Fourthly, there is no prima facie case made out in light of the awards passed in favour of the Petitioner, especially in light of the uncontested facts that on 29.02.2016, the project was taken over for substantial completion of works, and on 28.02.2017, the Defect Liability Period was completed, and finally on 14.08.2021, the Defect Liability Certificate was issued. Therefore, no valid basis for invocation/encashment of the bank guarantee by the respondent exist. Fifthly, as on date, as per the statements made by the learned counsels, there is no stay whatsoever on either of the awards passed qua the said Project in any of the Section 34 petitions. Sixthly, as per the provisions of the contract, specifically Clauses 10.1 and 10.2, Performance Bank Guarantee ought to be returned to the contractor within 14 days of issuance of Defects Liability Certificate.

In view of the aforesaid, the respondent is restrained from invoking/encashing the bank guarantee till the disposal of and subject to the judgment in the Section 34 petitions challenging the arbitral awards qua the contract between the parties in relation the Project.

*VENUGOPAL N. DHOOT v. THE STATE OF MAHARASHTRA & ANR [Bom]*

*Criminal Application No. 886 of 2022 along with batch of petitions*

*Amit Borkar, J. [Decided on 08/03/2023]*

**Negotiable Instruments Act - sections 143A and 148 - Bombay High Court explains interesting issues as to who is the “drawer” and who can claim interim compensation.**

**Brief facts :** Facts are not material as they are elaborate. The core issues addressed by the court is of importance, which are as under:

- (i) Whether the signatory of the cheque, authorized by the "Company", is the "drawer" and whether such signatory could be directed to pay interim compensation in terms of section 143A of the Negotiable Instruments Act, 1881 leaving aside the company?
- (ii) Whether a deposit of a minimum sum of 20% of the fine or compensation is necessary under Section 148 of NI Act in an appeal filed by persons other than "drawer" against the conviction and sentence under section 138 of the NI Act.?

**Decision:** Disposed of.

**Reason :** Having held that the expression "drawer" in section 143A does not include the authorized signatory of a company, amended section 148 needs to be interpreted accordingly. The plain language of section 148 makes it clear that the Appellate Court is granted the power to direct deposit of a minimum sum of 20% of the fine or compensation awarded by the Trial

Court "in an appeal by the drawer". Section 148 emphasizes such power being conferred only in an appeal by the 'drawer'. As already held in the earlier part of the judgment that the 'drawer' does not include an 'authorized signatory' in the case of a company or legal person, section 148 needs to be interpreted to mean that such power to direct compensation is conferred on the Appellate Court only in an appeal filed by the drawer against the conviction under section 138 of the Act. Proviso to section 148 clarifies that such payment shall be in addition to the amount payable under section 143A. The expression "drawer" under section 143A does not include the authorized signatory of a company; therefore, the language of the proviso to section 148 lends support to the interpretation that such power is available only in an appeal filed by the "drawer". It needs to be clarified that section 148 starts with the non-obstante clause having an overriding effect on the provisions under the Code of Criminal Procedure, 1973.

However, in an appeal filed by persons other than a drawer Appellate Court has power under section 389 of Code of Criminal Procedure Act to direct deposit of amount in an appeal under section 148 of NI Act filed by persons other than "drawer" against the conviction under section 138 of the NI Act while considering the application for suspension of conviction or sentence.

For the reasons stated above questions framed above are answered as below:-

- (i) The signatory of the cheque, authorized by the "Company", is not the drawer in terms of section 143A of the NI Act and cannot be directed to pay interim compensation under section 143A.
- (ii) In an appeal under section 148 of NI Act filed by persons other than "drawer" against the conviction under section 138 of the NI Act, a deposit of a minimum sum of 20% of the fine or compensation is not necessary.

However, in an appeal filed by persons other than "drawer" against the conviction under section 138 of the NI Act such power to direct deposit of compensation is available with the Appellate Court while suspending sentence under section 389 of code of criminal procedure.

## TAX LAWS

*BILAG INDUSTRIES P LTD v. COMM.R. OF CEN. EXC. DAMAN [SC]*

*Civil Appeal No(s). 9195-9196 of 2010*

*S. Ravindra Bhat & Dipankar Datta, JJ. [Decided on 22/03/2023]*

**Central Excise Act, 1944 – section 4 (4)(c) – sale by JV company (subsidiary) to one of its Majority shareholder (holding company) - revenue rejected the transaction price and considered them as related persons - whether correct-Held, No.**

**Brief facts :** The question which arose for consideration in these appeals, was whether the price at which the appellant M/s Bilag Industries Ltd., Vapi (hereafter 'BIL') sold its products to the buyer, should be treated as a transaction with a "related person" under Section 4(4)(c) of the Central Excise Act, 1944 (hereafter "the Act").

The appellant BIL is the joint venture company where, AgrEvo SA held 51% of the share capital initially (which was increased to 74% subsequently) and it continued to hold more than 51%. BIL thus became a subsidiary of AgrEvo SA. AgrEvo SA held 100% shares in Aventis Crop

Science (India) Ltd. Therefore, both BIL and Aventis Crop Science (India) Ltd. became subsidiaries of AgrEvo SA. The dispute in this case arose as regards value of Esbiothrin. During the period between 19.04.2000 - 23.05.2001, BIL sold the goods to Aventis CropScience (India) Ltd., who sold the same to end customers. For this period, the revenue proposed to treat the price at which Aventis Crop Science (India) Ltd. sold the product to the end customers as the assessable value ignoring the transaction cost. On appeal to the CESTAT, which by the impugned order, held that the price at which BIL sold the goods to Aventis Crop Science (India) Ltd., was to be treated as sales to a “related person”. Hence, the challenge before the Supreme Court.

**Decision:** Allowed.

**Reason :** On behalf of the Appellant it was submitted that the test applied consistently by this court to decide if an entity was “related” to another has been whether the seller has an interest in the business and affairs of the buyer; and likewise, whether the buyer has an interest in the business of the seller. Even if one were present, in the absence of the other, there would be no relationship, for the purpose of Section 4(4)(c) and the transaction should be treated as one at arm’s length.

It was argued that the synergies in production, achieved by the creation of the JVA, optimised the development and resources of the JV partners; the sale by BIL to Aventis CropScience (India) Ltd. (the buyer), another subsidiary of AgrEvo SA/Aventis CropScience SA did not result in BIL being deemed to have an interest in its business or affairs; likewise, Aventis Crop Science (India) Ltd. did not have any interest in BIL’s business.

Per contra, on behalf of the Revenue it was submitted that that business relationships, and interest of one entity in the affairs or business of another cannot be placed in a straitjacket. The formation of the JVA and BIL, in which the foreign company AgrEvo SA/Aventis CropScience SA is a major shareholder, was for the purpose of ensuring that the products manufactured reached its overseas markets, through the medium of its subsidiary, Aventis CropScience (India) Ltd., which was owned to the extent of 100% by AgrEvo SA/Aventis CropScience SA. These clearly showed a real and live interest in the businesses of the buyer in each other, and therefore, the CESTAT’s order should not be interfered with.

In the present case, undoubtedly AgrEvo SA/ Aventis CropScience SA holds the entire shareholding in Aventis CropScience (India) Ltd. (the buyer). It also is a shareholder in BIL. All of the latter’s products are sold to Aventis CropScience (India) Ltd. However, this does not show that BIL has any business interest or interest in the affairs of Aventis CropScience (India) Ltd., nor, conversely, that Aventis CropScience (India) Ltd has any such interest, direct or indirectly in BIL. The revenue’s concern in examining whether the parties were related might be justified; however, it could not have concluded that such relationship, as is contemplated by Section 4(4)(c) could have been inferred, without applying the proper test. Additionally, the revenue had the materials before it, in the form of documents which indicated the mark up towards profit margin, and other objective evidence to compare, if indeed, the cost of the goods sold, were depressed, or were comparable to the market price of the same or similar goods. There is no finding that the price of the goods was lower than what was the price of those goods, in the market.

In view of the foregoing discussion, it has to be concluded that the revenue’s decision in rejecting the value at which the goods were sold, by treating the assessee as a related person, was erroneous. For the same reasons, it is held that the impugned order cannot be sustained; it is set aside. The appeals are allowed, but in the circumstances, without any order on costs.

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# *Case Snippets*

## COMPANY LAW

20.01.2023	<i>Surendra Kumar Singhi (Petitioner) Vs. Registrar of Companies, West Bengal &amp; Anr. (Opposite Party)</i>	<i>Calcutta High Court CRR 1751 of 2020</i>
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### **Additional Directors equally responsible for company affairs as other Directors**

#### **Facts of the Case:**

The petitioner's case is that the Opposite party has filed a complaint before the learned Chief Metropolitan Magistrate, Kolkata against the petitioner stating there in that, M/s Mani Square Limited was incorporated under the Companies Act, 1956 and according to the provisions of Section 217(3) (Board's Report) of the Companies Act, 1956, the Board of the company was bound to give fullest information and explanation in its report on every reservation, qualification or adverse remark contained in Auditor's report.

Opposite party upon scrutiny of the Balance-sheet and other documents found that the Board of Directors did not furnish fullest information and explanation in their Director's report with respect to the Auditors in their report on Balance Sheet on the their remark of that *"there are no dues of Service Tax, VAT, Provident Fund, ESIC which had been deposited on account of any dispute except disputed amount of WBST/VAT"*. This has resulted in violation of provisions of Section 217(3) of the Companies Act, 1956 and the said violation was pointed out to the Directors of the company vide Show Cause Notice. On account of receipt of not satisfactory reply, the competent authority has issued instruction to launch prosecution for the aforesaid violation.

Consequently, the petitioner being a director of a company was accused of violating the provisions of Section 217(3) of the Companies Act. The Metropolitan Magistrate issued summons against the petitioner and other accused persons. The petitioner stating himself to be innocent and having no connection with the circumstances of the case chose not to take the course adopted by the rest of the accused persons and prayed for discharge by filing a petition but the same got rejected.

Following were the two issues before the High Court:

1. What post was held by the petitioner on the date of filing the report?
2. Whether the petitioner is responsible/liable for the offence alleged?

The High Court with regard to the first issue noted, *"Form No. DIR – 11 clearly shows that on the date of resignation (30.12.2016) the petitioner was the "Director" of the Company..... In spite of being shown on the portal as "Additional Director /Director" the petitioner did not lodge any complaint with the Ministry about the alleged wrong information. There is no case*

*that the petitioner had filed any objection to the said wrong information (as alleged) on the portal.”*

With regard to the second issue, the Court said that from the records it is seen that the petitioner was then an “Additional Director” of the Company and that admittedly the other accused persons pleaded guilty.

*“ROC must be informed by filing a new Form DIR 12 that the additional director has been regularized as a director in the Company”, the Court further said.*

It was further observed by the Court that the petitioner was an Additional Director on the date the board report was filed and that to counter the same, the evidence is required to be adduced during the trial.

**Decision:**

The Court, therefore, held, *“The responsibility of an Additional Director being the same as that of a director they remain responsible, as the statute provides for the same. Thus to quash the proceedings by exercising this Courts inherent powers would amount to an abuse of the process of Court and would also amount to serious miscarriage of justice.”* Accordingly, the Court dismissed the plea of the petitioner.

*For details:*

*<https://indiankanoon.org/doc/87230779/>*

## SECURITIES LAWS AND CAPITAL MARKET

13.02.2023	<i>Securities and Exchange Board of India (Appellant) vs. Sandip Ray &amp; Ors. (Respondents)</i>	<i>The Supreme Court of India</i>
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### Facts of the Case:

The grievance of the appellant (SEBI) is that once a finding of violation of Section 15HB of SEBI Act, 1992 has been recorded, there appears no justification for the Tribunal to reduce the penalty below Rs. 1,00,000/- which is the minimum as permissible under Section 15HB of SEBI Act, 1992.

It was submitted by the appellant that Tribunal while upholding the violation of Section 15HB has reduced the penalty from Rs. 3,00,000/- to Rs. 75,000/- which was in conflict of the mandatory requirement and there is no discretion left with the authority to reduce the penalty below the minimum prescribed, as indicated under Section 15HB of the SEBI Act, 1992.

It was further submitted that even review application filed to make a correction in the order and to justify that the order reducing the penalty below Rs. 1,00,000/- is not permissible under Section 15HB of the SEBI Act, 1992.

### Judgement:

Taking into consideration the facts and circumstances of this case, Hon'ble Supreme Court has modified the order and the penalty of Rs.75,000/- as inflicted upon Mr. Sandip Ray and Mr. Rajkumar Sharma, is modified and substituted to Rs.1,00,000/- in terms of Section 15HB of SEBI Act, 1992 and with this modification the present appeals stand disposed of.

*For details:*

*[https://www.sebi.gov.in/enforcement/orders/feb-2023/order-of-the-hon-ble-sc-in-the-matter-of-c-a-diary-no-s-791-2023-securities-and-exchange-board-of-india-vs-sandip-ray-and-ors\\_68333.html](https://www.sebi.gov.in/enforcement/orders/feb-2023/order-of-the-hon-ble-sc-in-the-matter-of-c-a-diary-no-s-791-2023-securities-and-exchange-board-of-india-vs-sandip-ray-and-ors_68333.html)*

DIRECT TAX		
31.03.2023	<i>Assistant Commissioner of Income-tax, Circle-3(2) v. Vishnu Export</i>	<i>ITAT Ahmedabad</i>

**In the absence of any specific provision under section 10AA to file return of income within provisions of section 139(1), assessee could not be deprived of claim on grounds that claim was not filed under original return within specified time limit as per section 139(1) of the Income tax Act, 1961 "the Act".**

**Facts of the Case:**

Assessee in the present case is a partnership firm and engaged in the manufacturing business of Pan Masala with and without Ghutka. The factory of the assessee is located at Kandla Special Economic Zone, Gandhidham Kachh. The assessee in the revised return of income has claimed the deduction of Rs. 1,49,72,275 under the provisions of section 10AA of the Act. But the same was disallowed by the AO on the ground that claim was not filed under original return within specified time limit as per section 139(1) of the Income tax Act, 1961. Aggrieved, assessee preferred an appeal before the Ld.CIT(A) who had given decision in favour of assessee. Being aggrieved by the order of the Ld. CIT(A), the Revenue is in appeal before ITAT.

**ITAT Judgement:**

Since there was no specific provision under section 10AA to file return of income within provisions of section 139(1), assessee could not be deprived of claim made under revised return. **[In favour of assessee]**

*For details: <https://indiankanoon.org/doc/73625317/>*

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## CRASH LANDING OF HIGH FLYING AIRLINES\*

High Flying Airlines Limited, a publicly listed companies once scaled astral heights is now into doldrums. Even its subsidiaries once growing prodigiously also collapsed, thereby leading to elimination of a giant bird from the skies of aviation.

**The vital information pertaining to the company are as under:**

1	Founded	2005
2	Commenced Operations	9 <sup>th</sup> May, 2010
3	Ceased Operations	October 12, 2022 (Flights Suspended) January 10, 2023 (License Revoked)
4	Hubs	Indira Gandhi International Airport, Delhi
5	Focus Cities	i. Chhatrapati Shivaji Maharaj International Airport Mumbai ii. Chennai International Airport.
6	Frequent-Flyer Program	High-fly Hub
7	Subsidiaries	i. High Flying Express ii. High Flying Cargo
8	Company Slogan	Fly High
9	Parent Company	Pinnacle Limited
10	Headquarters	New Delhi, India
11	Key People	Mr.Ralph D'Souza (Chairman & Managing Director) Mr.Mayank Agarwal (Promoter) Mr.Virat Rana (Executive Director) Mr.Saurav Rahane (CEO) Mr. Ajay Jadeja (CFO) Mr.Anil Mehrotra (Company Secretary)
12	Revenue	₹25,982.78 crore (US\$4.1 billion) (2022)
13	Net Income	₹8,765.9 crore (US\$1.4 billion) (2022)
14	Employees	6000 (2022)

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

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

### Tremors in the Company

- i. High Flying Airlines troubles started right from the start of its operations in 2010. It is also a well-known fact that the fixed costs for Airlines are very high. Fuel expenditure accounted for 50% of aviation firm's operating costs. In 2010, the oil prices soared and stood at nearly \$75 per barrel.
- ii. For 2010, High Flying Airlines had a revenue of ₹ 305.55 crore (\$ 61 million), and the net loss was ₹ 19.53 crores (\$ 4 million). In 2011 the revenue increased three fold to ₹ 989.12 crores (\$197.8 million), and net loss has grown to an alarming ₹ 272.44 crores (\$54.4 million).
- iii. Acquisition of Eagle Airlines Limited towards the end of 2012. High Flying Airlines in order to meet this requirement decided to acquire 46% of Eagle Airlines a low cost Airliner, to compete with other low cost carriers and most importantly to be able to open international operations.
- iv. Eagle Airlines was in existence for more than five years and this acquisition was expected to allow High Flying Airlines to fly on international routes. To facilitate this, a reverse merger was engineered, first Eagle Airlines acquiring High Flying Airlines and few months later the merged Airline becoming High Flying Airlines again.
- v. High Flying Airlines hoped that the acquisition would save ₹ 300 crore (\$60 million) annually and also increase the fleet strength to 71. This acquisition was financed with ₹ 550 crore (\$110 million) from the group's holding company Pinnacle Limited.
- vi. By March 2013, the debt of High Flying Airline stood at ₹ 934 crore (\$186.8 million).
- vii. In 2014 High Flying Airlines board of directors approved a resolution to raise ₹ 500 crore (US \$ 100 Million) by using Global Deposit Receipts (GDRs) and also other means. Further they approved raising another ₹ 500 Crore (\$100 Million) by issuing rights shares to existing shareholders.
- viii. By the end of 2018 the net-worth of High Flying Airlines became negative.

### Financial Assistance from banks and Subsequent Developments

In 2019, IDBI approved a loan of ₹ 950 crore (\$190 million) in spite of turning down the same request in 2017. The company in total received financial assistance from various banks to the extent of \$1178 US Million by pledging the following as collaterals- trademarks, goodwill, registered office campus, aeroplanes, helicopters and sales & lease deed.

By the end of year 2020 High Flying Airlines had an accumulated debt of ₹ 7000 crores (\$1.4 billion) and suffered a loss of ₹ 1608 crores (\$320 million). For the lending banks the loans to High Flying Airlines have become NPA (Non-Performing Assets).

In November 2020 consortium of banks led by State Bank of India, the largest lender restructured the High Flying Airlines debt for the first time. According to the agreement reached the banks converted ₹ 1355 crores (\$271 million) into equity at a premium of 61% to the market price of around ₹ 80 (\$14).

Finally on September 28, 2021 High Flying Airlines decided to exit the low-cost part of their business in India. But by this time, the troubles for High Flying Airlines started mounting. By December 2021, High Flying Airlines had outstanding dues of ₹ 93 Crore (\$18.5 million) to Mumbai International Airport Pvt. Ltd

Finally, in 2022 High Flying Airlines was grounded followed by revocation of licence in 2023.

### **Key observations on the case from governance and operational perspectives:**

1. The board of directors High Flying Airlines comprised of insiders and outside independent directors on paper, as stipulated by SEBI guidelines. However the board was dominated by the Chairman & Managing Director and promoters, as evident from the composition of key people, thereby signifying that the company was more of a promoters driven company than a professionally managed company.
2. As the fortune of the company went into doldrums it exerted a debilitating impact on operational aspects too, such as liquidity of the company dried up, leverage effect was high since the company obtained huge debt from various financial institutions, net worth of the company forayed into negative territory, an indication of shareholders wealth etc.
3. Corporate restructuring in form of reverse merger with Eagle Airlines seems to be a failure, since High Flying Airlines hoped that the acquisition would save ₹ 300 crore (\$60 million) annually and also increase the fleet strength to 71. But if we go by the facts almost after one year of reverse merger deal with Eagle Airlines i.e., by March 2013, the debt of High Flying Airline stood at ₹ 934 crore (\$186.8 million). It implies that instead of creating synergy, the reverse merger has proved to be bane for the company.
4. The company has failed in creating economic value added (EVA) for its owners.
5. Financial planning, especially with reference to selection of source of long-term finance went wrong. As it may be observed that even at times of losses, the company espoused debt route instead of equity for meeting long-term capital requirements.
6. The management of the company could have pondered over appointing experts possessing in-depth knowledge and expertise in dealing with critical issues of aviation sector, as they could have contributed substantially in resuscitating High Flying Airlines.
7. As mentioned that from the composition of key people, the company was a promoter driven company, in view of this, it may be inferred that independent directors might not have much say in the affairs of the company, particularly in case of strategic matters.
8. When a big ship sinks, it leads to plunge of many small ships around it. In this case too, with the collapse of the company, it might have created ordeals for its subsidiaries, human capital, suppliers etc. who hold a pecuniary interest in the company.

### **Conclusion**

This case is an exemplar of corporate governance failure. Stakeholders interests have been ignored or overlooked and Chairman & Managing Director, and promoters have ruled the board without giving due emphasis to the interests of stakeholders. The fiasco of the company also raised a question that whether in the Annual General Meetings, shareholders voice was heard or not as far as strategic decisions of the board is concerned. In view of this, it might be stated that had the shareholders espoused shareholder activism possibly the scenario might have been different and the company could have been saved from crash landing.



Whether the company solicited the advice of the experts before going for reverse merger with Eagle Airlines is a big question. Since whenever any company goes for merger and acquisition deal with another company, a detailed analysis of various significant aspects such as the financial condition of the company, its sustainability, probable synergy effect, growth prospects etc. are considered. But in this case, probably these vital elements were ignored.

Thus, the failure of High Flying Airlines may be an eye-opener for other airline companies in the sense that before taking major business decisions they should have extensive consultation among their board members, shareholders and other stakeholders. Further before inking any merger and acquisition deal or taking of huge loans from financial institutions or for any other strategic issue, the management of the airline companies needs to embrace pragmatism, proper planning and restructuring measures so that in case such crucial financial deals runs into bad weather the crash landing may be averted.

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# *Student Services*

## IMPORTANT ALERTS / ANNOUNCEMENTS FOR STUDENTS

- Last date for submission of request for Change of Examination Centre / Combination of Module(s)/ Medium / Cancellation of Exemption  
*<https://www.icsi.edu/media/webmodules/ImportantDatesforExaminationEnrollmentJune2023.pdf>*
- Announcement regarding Digital Professional Programme Pass Certificate  
*[https://www.icsi.edu/media/webmodules/Announcement\\_03012023.pdf](https://www.icsi.edu/media/webmodules/Announcement_03012023.pdf)*
- Key highlights on Switchover from Old Syllabus (2017) to New Syllabus (2022) for CS Executive Programme students  
*[https://www.icsi.edu/media/webmodules/key\\_highlights\\_switchover\\_20022023.pdf](https://www.icsi.edu/media/webmodules/key_highlights_switchover_20022023.pdf)*
- Cut-Off Dates for the year 2023  
Please visit : *[https://www.icsi.edu/media/webmodules/CUT\\_off.pdf](https://www.icsi.edu/media/webmodules/CUT_off.pdf)*
- Chartered Secretary Journal  
The “Chartered Secretary” Journal is published by the ICSI, with a view to ensure continuous up-gradation of the knowledge of the Members and students. Visit : *<https://www.icsi.edu/cs-journal/>*
- Details Regarding conduct of Class Room Teaching Centres at Regional Councils/Chapters  
Visit: *<https://www.icsi.edu/crt/>*
- Pre-exam test is exempted for students who undergo Classes at Regional and Chapter offices (Subject to meeting the conditions)
- Number of Class Room Teaching Centres at Regional Councils/Chapters  
Visit: *<https://www.icsi.edu/media/webmodules/websiteClassroom.pdf>*
- “Join CSEET classes at ICSI Regional/Chapter Offices”  
Visit: *<https://www.icsi.edu/crt/>*  
\*\*For any clarification/Assistance/Guidance you may mail to [r.bhandari@icsi.edu](mailto:r.bhandari@icsi.edu)
- Study Centres : Visit Given Link for Details:  
*[https://www.icsi.edu/media/webmodules/Study\\_Centre.pdf](https://www.icsi.edu/media/webmodules/Study_Centre.pdf)*
- Fee Schedule: Visit Given Link for Details  
*[https://www.icsi.edu/media/webmodules/student/FeeDetails\\_Concession.pdf](https://www.icsi.edu/media/webmodules/student/FeeDetails_Concession.pdf)*
- Donate for the Noble Initiative of the Institute - "SHAHEED KI BETI SCHEME"  
Visit: *[https://www.icsi.edu/media/webmodules/Shahheed\\_ki\\_beti.jpg](https://www.icsi.edu/media/webmodules/Shahheed_ki_beti.jpg)*
- Concession in Fee for Registration to CS Course to the Widows and Wards of Martyrs, Permanent Disability cases, Serving / Retired Personnel of Indian Army, Indian Air Force, Indian Navy and all para military forces. Visit the given link  
*<https://www.icsi.edu/media/webmodules/student/Concession%20in%20Fee%20to%20the%20Serving%20and%20Retired%20Personnel%20of%20Indian%20Armed%20Forces.pdf>*
- Preliminary Enrollment status for June 2023 CS Exams  
*<https://smash.icsi.edu/Scripts/Enrollment/Admin/PreliminaryEnrStatus.aspx>*

## REGISTRATION

### 1. Registration for CS Executive Programme:

For details please visit:

[https://www.icsi.edu/media/webmodules/11112022\\_ICSI\\_Students\\_leaflet.pdf](https://www.icsi.edu/media/webmodules/11112022_ICSI_Students_leaflet.pdf)

### 2. Registration For CS Executive Entrance Test :

Link to register: [https://smash.icsi.edu/Scripts/CSEET/Instructions\\_CSEET.aspx](https://smash.icsi.edu/Scripts/CSEET/Instructions_CSEET.aspx)

For details visit:

[https://www.icsi.edu/media/webmodules/Flyer\\_2023\\_01.jpg](https://www.icsi.edu/media/webmodules/Flyer_2023_01.jpg)

### 3. Renewal of Registration

#### Registration Denovo (for Executive Programme & Professional Programme Students)

Registration of students registered upto and including April, 2018 stands terminated on expiry of five-year period on 31<sup>st</sup> March, 2023. All such students whose registration has been expired are advised to seek Registration De novo via <https://smash.icsi.edu/Scripts/login.aspx>

Kindly visit the following link to check the process of Denovo:

[https://www.icsi.edu/media/webmodules/user\\_manual\\_for\\_reg\\_denovo.pdf](https://www.icsi.edu/media/webmodules/user_manual_for_reg_denovo.pdf)

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

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

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

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

[https://www.icsi.edu/media/webmodules/student/Guidelines\\_ContinuationRegistration.pdf](https://www.icsi.edu/media/webmodules/student/Guidelines_ContinuationRegistration.pdf)

[https://www.icsi.edu/media/webmodules/Detailed\\_notification\\_continuation\\_of\\_reg\\_ofpass\\_stud.pdf](https://www.icsi.edu/media/webmodules/Detailed_notification_continuation_of_reg_ofpass_stud.pdf)

### 5. Re-Registration to Professional Programme

Students who have passed Intermediate Course/ Executive Programme under any old syllabus and are not eligible for seeking Registration Denovo may resume CS Course from Professional Programme Stage. Detailed FAQ, Prescribed Application Form, etc. may be seen at <https://www.icsi.edu/media/webmodules/REREGISTRATION.pdf>

## 6. 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 for appearing in the Examinations shall be as under: -

<b>Session</b>	<b>Modules</b>	<b>Cut-off date for Registration</b>	<b>Illustrative Example</b>
<b>June</b>	<i>All</i>	<i>30th November (Previous Year)</i>	<i>All students registered upto 30th November, 2022 shall be eligible to appear in examination of All Modules in June, 2023 Session.</i>
	<i>One</i>	<i>31st January (Same Year)</i>	<i>All students registered upto 31st January, 2023 shall be eligible to appear in examination of any One Module in June, 2023 Session.</i>
<b>December</b>	<i>All</i>	<i>31st May (Same Year)</i>	<i>All students registered upto 31st May, 2023 are eligible to appear in examination of All Modules in December, 2023 Session</i>
	<i>One</i>	<i>31st July (Same year)</i>	<i>All students registered upto 31st July, 2023 are eligible to appear in examination of any One Module in December, 2023 Session.</i>

*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. Guidelines for Option to change the Elective Subject under module-3 of Professional Programme are available at URL: [https://www.icsi.edu/media/website/Guidelines\\_Switchover.pdf](https://www.icsi.edu/media/website/Guidelines_Switchover.pdf)*

*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 based on the higher qualifications (ICAI Cost/LLB) acquired by student(s) are granted only on the basis of specific request received online through website from a registered student and complying all the requirements. There is one time payment of Rs. 1000/- (per subject). For details and Process please visit:

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

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

- (b) Last date of for submission of requests for exemption, complete in all respects, is 9<sup>th</sup> April for June Session of examinations and 10<sup>th</sup> 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.
- (c) The paper wise exemption once granted holds good during the validity period of registration or passing/completing the examination, whichever is earlier.
- (d) Paper-wise exemptions based on scoring 60% marks in the examinations are being granted to the students automatically and in case the students are not interested in availing the exemption they may seek cancellation of the same by submitting request through the Online facility available at <https://smash.icsi.edu/scripts/login.aspx> 30 days before commencement of examination.

Session	Cut-off date for Cancellation of Exemption/ Re-submitting the Call-For Documents for Granting Exemption
June Session	01 <sup>st</sup> May
December Session	20 <sup>th</sup> November

User manual for cancellation of Exemption

<https://www.icsi.edu/media/webmodules/USER%20MANUAL%20FOR%20CANCELLATION%20OF%20EXEMPTION.pdf>

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

- (e) It may be noted that candidates who apply for grant of paper wise exemption or seek cancellation of paper wise exemption already granted, must see and ensure that the exemption has been granted/cancelled accordingly. Candidates who would presume automatic grant or cancellation of paper wise exemption without obtaining written confirmation on time and absent themselves in any paper(s) of examination and/or appear in the exempted paper(s) would do so at their own risk and responsibility and the matter will be dealt with as per the above guidelines.

- (f) Exemption once cancelled on request in writing shall not be granted again under any circumstances.
- (g) Candidates who have passed either module of the Executive/Professional examination under the old syllabus shall be granted the paper wise exemption in the corresponding subject(s) on switchover to the new/latest syllabus.
- (h) No exemption fee is payable for availing paper wise exemption on the basis of switchover or on the basis of securing 60% or more marks in previous sessions of examinations.

## 2. Syllabus Switchover

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

*Please Note:-*

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

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

2. 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. Other details regarding Exemptions and Switchover are available at the student page at the website of the Institute.

Process/ User manual to switchover:

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

User manual: *[https://www.icsi.edu/media/webmodules/switchover\\_process.pdf](https://www.icsi.edu/media/webmodules/switchover_process.pdf)*

Corresponding paper-wise exemptions on Switchover:

*[https://www.icsi.edu/media/webmodules/Correspondingexemptionafterswitchover%20-Fnd\\_ExePrg.pdf](https://www.icsi.edu/media/webmodules/Correspondingexemptionafterswitchover%20-Fnd_ExePrg.pdf)*

*[https://www.icsi.edu/media/webmodules/Switchover\\_17092016.pdf](https://www.icsi.edu/media/webmodules/Switchover_17092016.pdf)*

ICSI syllabus 2022 for Company Secretary Executive and Professional Programme:

*<https://www.icsi.edu/media/webmodules/ICSI%20New%20Syllabus%202022.pdf>*

### Enrollment to Executive & Professional Programme Examination (Regulation 35)

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

<i>Session</i>	<i>Period during which the students can submit examination form and fee</i>	<i>Period during which the students can submit examination form and fee (with prescribed fee)</i>
<b>June</b>	The online examination enrollment window is opened tentatively on 27th February and the students may submit the forms upto 25th March without late fee	Students may submit the examination form during 26th March to 9th April with Late Fee.
<b>December</b>	The online examination enrollment window is opened tentatively on 26th August and the students may submit the forms upto 25th September without late fee	Students may submit the examination form during 26th September to 9th October with Late Fee.

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

- (iii) Students who have registered in Foundation/Executive 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/Professional Programme are required to complete Pre-Examination Test in order to become eligible for enrolment to June/December Examinations.



## PROCEDURAL COMPLIANCE

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

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

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

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

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

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

**Step 2: To change Correspondence address**

**Step 3: Click on Save Button**

#### Process 3: Change/Reset Password

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

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

*Or*

**Forget password/Reset Password: <https://smash.icsi.edu/scripts/GetPassword.aspx>**

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

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

### STUDENT IDENTITY CARD

Identity Card can be downloaded after logging into the Student Portal at :  
[www.icsi.edu](https://www.icsi.edu).

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

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

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

Visit for details:

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

## “शहीद की बेटी” (Martyr's Daughter)

Dear Students,

It is indeed an honour to be a part of an Institute which has attained institutional excellence and is a torch bearer for the cause of Good Corporate Governance.

As part of social responsibility and in alignment towards the initiatives of Government of India the scheme “Shaheed Ki Beti” was launched during the Golden Jubilee ceremony and the Institute got the privilege to confer the first certificate under this scheme to the Prime Minister of India, Sh. Narendra Modi on 4<sup>th</sup> October 2017.

Under 'Shaheed Ki Beti' scheme, the Institute is providing financial support to the girl child of martyrs for her higher education.

A separate fund has been created and the amount accumulated under the Fund “Shaheed ki Beti” is donated to the concerned wing of Ministry of Defence. Institute has already donated Rs. 15 lac under the scheme in the recent past.

**The Institute acknowledges the contribution of the stakeholders who are generously donating towards the “Shaheed Ki Beti” initiative of the Institute on their Birthdays or otherwise.**

Shaheed Ki Beti scheme has given us an opportunity to support our courageous martyred soldiers and their bereaved families. Through this unique scheme, Institute will definitely bring a radical change in the life of families of the valiant martyrs who have laid their lives while upholding the sovereignty and integrity of the country.

**We request all other members and students of ICSI to come forward and contribute for this noble initiative.**

**The amount can be transferred online as per details given below.**

National Electronic Fund Transfer (NEFT) Mandate Form	
(Mandate for Receiving Payment Through NEFT/RTGS)	
Vendor Name	THE INSTITUTE OF COMPANY SECRETARIES OF INDIA
Address of Vendor	C-36-37, ICSI HOUSE, INSTITUTIONAL AREA, SECTOR 62 NOIDA UP 201309
Permanent Account Number (PAN)	AAATT1103F
Particulars of Bank Account	
A. Name of Bank	Indian Bank
B. Name of Branch	Sector 61
C. Address	D-211/2 SECTOR 61 NOIDA 201301
D. City Name	NOIDA
E. IFSC Code (11 digits)	IDIB000N108
F. 9 digit MICR Code appearing on the Cheque Book	110019035
G. Type of Account (10/11/13)	SAVINGS (10)
H Account No.	706959465

**Our small gesture can bring smile to the faces of many bereaved families.**

**Team ICSI.**

**!! Attention Students !!**

Guidelines for Concession in Fee for Registration to CS Course to the Widows and Wards of Martyrs, Permanent Disability cases, Serving / Retired Personnel of Indian Army, Indian Air Force, Indian Navy and all para military forces

The sacrifice of the personnel of Indian Armed forces and para military forces for maintaining the security and sovereignty of the country is commendable.

In a humble endeavor of the Institute in recognizing the contribution of the serving and retired personnel and as a goodwill gesture to the families of martyrs, the Institute has decided to grant the following concessions for registration to the CS Course :

- i. 100% concession in full Fee payable at the time of Registration to various Stages of CS Course and Examination Fee to the wards and widows of martyrs of Indian Army, Indian Air Force, Indian Navy and all para military forces
- ii. 100% concession in full Fee payable at the time of Registration to various Stages of CS Course and Examination Fee to the personnel of Indian Army, Indian Air Force, Indian Navy and all para military forces with permanent disability as a result of participating in act of war and other missions.
- iii. 50% concession in full Fee payable at the time of Registration to various Stages of CS Course and Examination Fee to all In Service/ Retired personnel of Indian Army, Indian Air Force, Indian Navy and all para military forces.
- iv. All other fee payable by the aforesaid category of students shall be as per the rates applicable to the general category students.

These guidelines shall be applicable effective from 1st April, 2019.



**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)

***Join online classes at the Regional/Chapter offices & Study Centres of  
The ICSI and excel in Examination***

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

***Dear Student,***

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

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

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

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

Most of the Regional Chapter offices have commenced classes for June 2023 session of examination. Kindly contact your nearest Regional/Chapter Office/ Study Centre. The contact details are available at the following link.

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

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

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

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

Step - 1	Contact the nearest Regional/Chapter Office of the Institute from the list given at the link <i><a href="https://www.icsi.edu/media/webmodules/websiteClassroom.pdf">https://www.icsi.edu/media/webmodules/websiteClassroom.pdf</a></i>
Step - 2	Ascertain the Date of Commencement of Coaching Class and the timings of the classes
Step - 3	Enquire about the availability Demo Classes and if available attend the same as per the schedule
Step - 4	Remit the applicable fess at the Regional/Chapter Office
Step - 5	Attend the Coaching Classes as per the schedule and appear in the CS Main examinations

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

**Team ICSI**

**Hurry up! Registration open for  
Company Secretary Executive Entrance Test (CSEET) May 2023 Session**



**ICSI** 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)

**75**  
Azadi Ka  
Amrit Mahotsav

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

**Motto**  
सत्यं वद। धर्मं चर।  
Speak the truth; abide by the law

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

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

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

**Hurry Up**  
LAST DATE for REGISTRATION  
**SATURDAY**  
**15<sup>TH</sup> APRIL 2023**

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

**EXEMPTED FROM CSEET**  
(Eligible to Take Direct Admission in CS Executive Programme)  
Foundation passed of ICSI/Final passed of ICAI/  
Final passed of ICMAI/Graduates (having minimum 50% marks)/Post Graduates

**MAY 2023 SESSION OF CSEET**  
is proposed to be held on Saturday, 6<sup>th</sup> May 2023.

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

Connect with ICSI | [www.icsi.edu](http://www.icsi.edu) |  | Online Helpdesk : <http://support.icsi.edu>

[https://www.icsi.edu/media/webmodules/Announcement\\_cutoff31may2023.pdf](https://www.icsi.edu/media/webmodules/Announcement_cutoff31may2023.pdf)



**ICSI**

**!!ATTENTION STUDENTS!!**

Cut- off- Date for Acceptance of Applications for Admission to Executive/ Professional Programme is 31.05.2023 (for appearing in All modules in December 2023 Examination)

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

Join classes at Regional/Chapter Offices  
[https://www.icsi.edu/media/webmodules/student/June2023classes\\_24022023.pdf](https://www.icsi.edu/media/webmodules/student/June2023classes_24022023.pdf)



भारत 2023 INDIA



**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)



75  
Azadi Ka  
Amrit Mahotsav

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

**Motto**  
सत्यं वद। धर्मं चर।  
speak the truth; abide by the law.

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

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**ADMISSION OPEN**

Join ICSI Classes at Regional/Chapter  
Offices for  
**EXECUTIVE & PROFESSIONAL  
PROGRAMME**  
FOR JUNE - 2023 EXAMINATION



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**HIGHLIGHTS**



Classes in Online/  
Physical Mode



Revision Classes

**FEE:  
Affordable  
& Nominal**



Affordable Fees



Exam Oriented



Renowned Faculty



Exclusive Doubt Clearing Sessions

Click here for schedule of classes at ICSI Regional/Chapter Offices

[https://www.icsi.edu/media/webmodules/Schedule\\_classes\\_JUN\\_23\\_CHAPTERS\\_13022023.pdf](https://www.icsi.edu/media/webmodules/Schedule_classes_JUN_23_CHAPTERS_13022023.pdf)

Raise your query at Online Helpdesk – Student Services – Class Room Teaching Related Query


<https://smash.icsi.edu/Scripts/Complaint/ComplaintForm.aspx>

**CS Manish Gupta**  
President, ICSI


**CS Asish Mohan**  
Secretary, ICSI

Connect with ICSI | [www.icsi.edu](http://www.icsi.edu) |  | Online helpdesk : <http://support.icsi.edu>


**Hurry Up!!**  
**Join Online Doubt Clearing Classes for Students appearing in June-2023 exam. Book Your Seat: Very Nominal fees. Click here to make payment: <https://tinyurl.com/uz7j7jf>**



G20  
भारत 2023 INDIA



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सत्यं वद। धर्मं चर। इदं कर्म फलं तन्मतेः प्रेक्षते स्यु फलं कदा

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

## Online Doubt Clearing Classes by ICSI for students appearing in June 2023 Examination (at nominal fee)

Registration is open for Executive Programme and Professional Programme



**LIVE STREAMING**

Don't miss the opportunity, Join Online Doubt Clearing Classes of ICSI

::: HIGHLIGHTS :::

- Kindly make payment using the following link <https://tinyurl.com/uz7j7jf>
- 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 :::

**Professional Programme Classes**  
01st May, 2023 onwards (10:00 am to 01:00 pm and 02:15 pm to 05:15 pm)

**Executive Programme Classes**  
01st May, 2023 onwards (10:00 am to 01:00 pm and 02:15 pm to 05:15 pm)

::: FEES :::

Executive Programme	– ₹1000/Module
Professional Programme	– ₹1000/Module


For any queries, kindly click on [support.icsi.edu](http://support.icsi.edu) and raise your query at Class Room Teaching related query tab.

CS Manish Gupta  
President, The ICSI

CS B Narasimhan  
Vice - President, The ICSI

CS Asish Mohan  
Secretary, The ICSI

Connect with ICSI [www.icsi.edu](http://www.icsi.edu)



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



## ATTENTION STUDENTS!

### ICSI Merit Scholarship for Meritorious Students and Merit-cum Means Assistant Scheme for economically Weaker Students

ICSI is running a Merit Scholarship scheme to recognize the meritorious performance of the students in the Institute's examinations and Merit-cum Means Assistant Scheme for economically needy candidates. The highlights of the schemes are as under –

#### (A) Merit Scholarship

**Award of Merit Scholarship** - The merit scholarship shall be granted purely in order of merit only to a registered students for the Executive Programme/Intermediate or Professional Programme/Final examination, as the case may be.

#### Eligibility

##### 1. For Executive Programme/Intermediate Course -

The candidate should –

- have passed all the papers of Foundation Programme examination at one sitting, in the first attempt, without exemption in any paper and secured at least a minimum of 55 per cent marks in the aggregate; and
- have applied for registration as a student of the Institute by making application in the prescribed form(s) together with the requisite registration fee within three months from the date of declaration of his/her result of the Foundation Programme examination.

##### 2. For Professional Programme/Final Course

The candidate should have passed all the papers included under both modules/groups of Executive Programme/Intermediate examination at one sitting, in the first attempt, without exemption in any paper, and secured at least a minimum of 55 per cent marks in the aggregate

#### Number Of Scholarships –

For Executive Programme/Intermediate Course - 25 in each session or 50 in a year

For Professional Programme/Final Course - 25 in each session or 50 in a year

**Value** - The amount of full scholarship per student will be ₹750 per month.

#### (B) Merit-cum-Means Assistant

**Award of Merit Scholarship** - The financial assistance will be granted only to a registered student.

#### Eligibility

##### 1. For Executive Programme/Intermediate Course –

The candidate should –

- have passed all the papers of Foundation Programme/Foundation examination at one sitting, in the first attempt, without claiming exemption in any paper, and secured a minimum of 50 per cent marks in the aggregate;
- have applied for registration as a student of the Institute by making the application in the prescribed form(s) together with the requisite registration fee and also for financial assistance in the form appended hereto within three months from the date of declaration of his/her result of the Foundation Programme/Foundation examination;
- have an income (if employed or is having an independent source of income) of not more than ₹2,40,000 in a year if living on his/her independent income OR if he/she is dependent on his/her parents/guardian/spouse whether partially or wholly, a combined income from all sources of not more than ₹3,60,000 in a year; and have no other source from which assistance/scholarship is received simultaneously while pursuing the course for company secretaryship.

## **2. For Professional Programme/Final Course**

The candidate should —

- be a bonafide registered student of the Institute;
- have passed all the papers included under both modules/groups of Executive Programme/Intermediate examination in the first attempt, at one sitting, without claiming exemption in any paper, and secured a minimum of 50 per cent marks in the aggregate;
- have an income (if employed or is having an independent source of income) of not more than ₹2,40,000 in a year if living on his/her independent income OR if he/she is dependent on his/her parents/guardian/spouse whether partially or wholly, a combined income from all sources of not more than ₹3,60,000 in a year; and
- have no other source from which any assistance/scholarship is received simultaneously while pursuing the course for company secretaryship.

### **Number Of Scholarships –**

- For Executive Programme/Intermediate Course - 25 in each session or 50 in a year
- For Professional Programme/Final Course - 25 in each session or 50 in a year

### **Value –**

- The financial assistance per student will be ₹500 per month for a period of ten months.
- The candidates selected for the award of assistance shall be exempted from payment of Education Fee and Examination Fee during the period of assistance.

Eligible Students can apply for the above scholarships by filling the requisite form and documents. The detailed guidelines of the above Scholarship schemes are given at the following link –

<https://www.icsi.edu/student-n/examination/examination/>

Team ICSI

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# Examination



## WARNING AGAINST ADOPTION OF UNFAIR MEANS (DECEMBER, 2022 SESSION CS EXAMINATIONS)

### WARNING AGAINST ADOPTION OF UNFAIR MEANS (DECEMBER, 2022 SESSION CS EXAMINATIONS)

While considering matters concerning conduct of Institute's December, 2022 Examinations, the Examination Committee of the Council of the Institute found the following Examinees guilty of adopting Unfair Means while writing their Examinations :

<i>Sl. No.</i>	<i>Roll Number</i>
1.	105439
2.	108092
3.	229806
4.	160187
5.	150807
6.	152154
7.	151553
8.	152177
9.	113529
10.	222738
11.	143964
12.	152609
13.	159780
14.	116552

Accordingly, the Committee Cancelled the Results of the Candidates in respect of their appearances in December, 2022 Session Examinations; and debarred them from appearing in the next 1-2 sessions of Examination(s).

The Committee further observed that such an unbecoming behaviour was not befitting the aspirants intending to join the profession of 'Company Secretaryship' and, therefore, Candidates are warned against adoption of Unfair Means or attempting to indulge in such acts and the same shall be viewed seriously.

Sd/-  
**(CS Asish Mohan)**  
Secretary, The ICSI

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# ICSI SECRETARIAL EXECUTIVE CERTIFICATE

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>

For queries, please write to [member@icsi.edu](mailto:member@icsi.edu) or contact on Phone No.: **0120-4522000**

Connect with ICSI

[www.icsi.edu](http://www.icsi.edu) | [f](#) [t](#) [in](#) [v](#) [@](#) | Online Helpdesk : <http://support.icsi.edu>



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## 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. 1180/- (Rs. 1000/- 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

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

Entitled to use  
Library facilities  
of the Institute,  
Regional Council  
or Chapter

Procedure to apply shall be available at <http://stimulate.icsi.edu/>

For queries, please write to [member@icsi.edu](mailto:member@icsi.edu) or contact on phone number 0120-4522000

Connect with ICSI

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



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

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## PLACEMENT CELL

The Placement Cell of Institute provides guidance and all the assistance to the students for achieving their career goals. The Placement Cell takes relevant steps in identifying the demands of the industry and prepares the students towards this need. Adequate attention is placed on Personality Development along with the regular academic program to enable the students to improve their performance during placements.

A few Initiatives taken by the Placement Cell are:

- **Company/ PCS Firm Registration** - More than 170 Companies & PCS Firms published their requirements on Placement Portal for CS Trainees in the month of March - April 2023. The same are available at <https://placement.icsi.edu/PlacementApp/student>.
- **Student Registration** - More than 500 students registered themselves on the Placement Portal during March - April 2023.
- **Campus Placement Drives** - Campus Placement drives for 6 Companies have been organised, in which more than 400 qualified members participated.
- **Mega Trainee Drive** - Mega Trainee Drive for Executive and Professional Pass students have been conducted in the month of March 2023 at ICSI Regional Offices, in which more than 500 students and 200+ recruiters participated.
- **CS Trainee Drive** – Multiple CS Trainee Drives have also been organised by various ICSI Chapter Offices across India for Executive and Professional Pass students.
- **Trainee Drives for Govt./ PSUs** – Multiple Trainee Drives have been conducted for the placement of Executive and Professional pass students as a CS Trainee in various PSUs/ Government Entities.
- **Grievances** - The query of the students on Smash portal has been brought to zero on weekly basis.

### CS Trainee opportunities published on ICSI Placement Portal

<i>S. No.</i>	<i>Company Name</i>	<i>Location</i>	<i>Qualification (Preferably)</i>	<i>Expected Stipend (Rs.)</i>
1	ACUITÉ RATINGS & RESEARCH LTD	Mumbai	Professional Pass	20000
2	ALTIMETRIK INDIA PRIVATE LIMITED	Bengaluru	Professional Pass	25000
3	ANNAPURNA FINANCE PRIVATE LIMITED	Bhubaneswar	Executive Pass	10000
4	ARCELORMITTAL INDIA PRIVATE LIMITED	Noida	Professional Pass	10000



5	BARAK VALLEY CEMENTS LIMITED	Delhi	Professional Pass	10000
6	BATA INDIA LIMITED	Gurgaon	Professional Pass	17500
7	BGSE FINANCIALS LIMITED	Bangalore	Executive Pass	12000
8	BRITANNIA INDUSTRIES LIMITED	Bengaluru	Professional Pass	20000
9	CL EDUCATE LIMITED	New Delhi	Professional Pass	15000
10	CRYSTAL CROP PROTECTION LIMITED	Delhi	Professional Pass	15000
11	DME DEVELOPMENT LIMITED	New Delhi	Professional Pass	12000
12	EDELWEISS ALTERNATIVE ASSET ADVISORS LIMITED	Mumbai	Professional Pass	15000
13	EICHER MOTORS LIMITED	Gurgaon	Professional Pass	18000
14	ELDECO INFRASTRUCTURE AND PROPERTIES LTD	New Delhi	Professional Pass	10000
15	ESSILOR INDIA PRIVATE LIMITED	Bangalore	Professional Pass	20000
16	FDC LIMITED	Mumbai	Professional Pass	15000
17	FRANKLIN TEMPLETON ASSET MANAGEMENT (INDIA) PVT LTD	Mumbai	Executive Pass	15000
18	GREENLAM INDUSTRIES LIMITED	New Delhi	Executive Pass	25000
19	HINDALCO INDUSTRIES LTD	Mumbai	Professional Pass	25000
20	HITACHI ENERGY INDIA LIMITED	Bangalore	Professional Pass	15000
21	INDEGENE LIMITED	Bangalore	Executive Pass	12000
22	JTL INFRA LIMITED	Chandigarh	Executive Pass	11000
23	KAMARAJAR PORT LIMITED	Chennai	Executive Pass	16000
24	MAHAVEER FINANCE INDIA LIMITED	Chennai	Professional Pass	15000

25	MEDPLUS HEALTH SERVICES LIMITED	Hyderabad	Executive Pass	13000
26	NATIONAL STOCK EXCHANGE OF INDIA	New Delhi	Executive Pass	15000
27	NEXGEN FINANCIAL SOLUTIONS PVT. LTD.	New Delhi	Professional Pass	10000
28	ONE MOBIKWIK SYSTEMS LIMITED	Gurgaon	Professional Pass	12000
29	PHONEPE PRIVATE LIMITED	Bangalore	Professional Pass	30000
30	PROCTER & GAMBLE HEALTH LIMITED	Mumbai	Professional Pass	10000
31	QURE.AI TECHNOLOGIES PRIVATE LIMITED	Mumbai	Professional Pass	10000
32	SHARE INDIA SECURITIES LTD.	Noida	Professional Pass	12000
33	SMITHS & FOUNDERS (INDIA) LIMITED	Bangalore	Executive Pass	10000
34	STELLAPPS TECHNOLOGIES PRIVATE LIMITED	Bangalore	Professional Pass	20000
35	SUMMIT SECURITIES LIMITED	Mumbai	Professional Pass	12000
36	TALCHER FERTILIZERS LIMITED	Kolkata	Professional Pass	12000
37	TURNAROUND CORPORATE ADVISORS PRIVATE LIMITED	New Delhi	Professional Pass	10000
38	WEP SOLUTIONS LIMITED	Bengaluru	Executive Pass	10000

**Link to register on the Placement Portal -**  
<https://placement.icsi.edu/PlacementApp/student>

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# *News From Regions*



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SOUTHERN  
INDIA  
REGIONAL  
COUNCIL



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

**Motto**  
असत्यं चरुम्। इत्थं चरुम्। असत्यं चरुम्। असत्यं चरुम्। असत्यं चरुम्।

**Mission**  
"To develop high calibre  
professionals attaining  
good corporate governance."

### Announces



The Institute of Company Secretaries of India, Southern India Regional Council is conducting of Online Classes for Professional Programme (Module-I and Module-II) June 2023 Examination. Students who have registered for Professional Programme may join the Online Classes.



## Experienced Faculties

Batch starts on Tuesday, 11th April, 2023  
(Classes may end by Sunday, 21st May, 2023)

### Online Classes for Professional Programme

#### **Module-I:**

**Timing: 7.00 am to 9.00 am**  
**All Days (Monday to Sunday)**

#### **Module-II:**

**Timing: 6.00 pm to 8.00 pm**  
**All Days (Monday to Sunday)**

(Batch will commence if minimum  
10 Students registered)



**Fees: Rs. 8,800/- (per module)**

Fees will not be refunded once classes commenced.

#### **Mode of Payment of Fees (Online Transfer)**

HDFC Bank : P. H. Road Branch;  
Account Name: SIRC of the ICSI  
SB Account No: 0492111000013  
IFSC Code : HDFC0000492

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.

Students are required to enter the details in the Link after making the payment. Registered Students will be provided the Login ID & Password for online classes separately by email.

**Google Form Link: <https://forms.gle/T2JApKmAoKaAcrNcA>**

#### **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](mailto:siro@icsi.edu); [chelliah.murugan@icsi.edu](mailto:chelliah.murugan@icsi.edu)

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good corporate governance"

**Announces**



ICSI-SIRC is conducting Online Classes for CSEET May, 2023 Examination. Students who have registered for CSEET may join the Online Classes. So far 21 Batches completed successfully with 1107 Students.

**22<sup>nd</sup> Batch of Online Classes**

for

**CSEET**

(Company Secretary Executive Entrance Test  
for May 2023 Examination)



**Fees: Rs. 3,500/-**  
(Fees once paid, will not be refunded)

**Date of Commencement**  
Tuesday, 11th April, 2023  
(Classes may end by Tuesday, 2nd May, 2023)

**Timing of Classes**  
7.00 A.M. to 9.00 A.M.  
&  
06.00 P.M. to 08.00 P.M.  
**All Days (Monday to Sunday)**  
(Subject to Minimum 15 Students)

**Experienced  
Faculties**



**2 Online Mock Tests will be  
conducted through online.**

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

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

**Students are required to enter their details in the link after making the payment.**  
**Google Form Link: <https://forms.gle/8q5qvsSiKJVDrFV67>**

**For further details contact :**

Mr. C Murugan, Executive (Admin), Southern India Regional Office, The Institute of Company Secretaries of India  
ICSI-SIRC House, No.9, Wheat Crofts Road, Nungambakkam, Chennai – 600034.  
Phone: 044-28268685/28222212 / Email ID : [siro@icsi.edu](mailto:siro@icsi.edu); [chelliah.murugan@icsi.edu](mailto:chelliah.murugan@icsi.edu)

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

**Announces**

The Institute of Company Secretaries of India, Southern India Regional Council is organizing Online Crash Course for the CS Executive Programme Students of Module I & II who are appearing in June 2023 Examination



**CRASH COURSE**  
 in online mode for  
**CS Executive Programme**  
 for June, 2023 Examination

(From 18th April, 2023 to 16th May, 2023)  
 (Subject to the minimum enrollment of 10 Students)

**Experienced  
 Faculties**



**Fees: Rs. 3,000/- (Per Module)**  
 (Fees will not be refunded once classes commenced)

**Module - I**  
 Timings: 8.00 am to 10.00 am

**Module - II**  
 Timings: 6.00 pm to 8.00 pm

**From 18.04.2023 to 16.05.2023**  
 (Monday to Saturday)

**Mock Test (through online)**



**Module I**  
 17.05.2023 to 20.05.2023  
 (08.00 am to 10.00 am)

**Module-II**  
 17.05.2023 to 20.05.2023  
 (06.00 pm to 08.00 pm)



**Mode of Payment (Online Transfer)**

Account Name: SIRC of the ICSI  
 SB Account No: 04921110000013  
 IFSC Code : HDFC0000492  
 HDFC Bank: Poonamallee High Road Branch

Students are required to enter the  
 details in the link after making the payment.

**Google Form Link:**  
<https://forms.gle/UwfxoVyxmconDQtd6>

Registered Students will be provided the log in ID & Password for online classes separately by email

**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.  
 Phone: 044-28268685/28279898 / siro@icsi.edu; chelliah.murugan@icsi.edu:

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[www.icsi.edu](http://www.icsi.edu) | | Online helpdesk : <http://support.icsi.edu>

## Motto

सत्यं वद। धर्मं चर।

इण्डाकर तेह त्रुथे. धर्मेह केपु तेह बरु.

## Vision

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

## Mission

“To develop high calibre professionals facilitating good corporate governance”



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### 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

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