



SIRC MYSURU CHAPTER

eMagazine

April, 2024
240th Edition

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Design & New
Columns to soothe
your eyes and tickle
your brains!
Happy Reading

Vision

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

Motto

सत्यं वद। धर्मं चर। इत्येवमैतद्वचनैः प्रेरितो भूयते इत्यः।

Mission

"To develop high calibre
professionals facilitating
good corporate governance"

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From the Desk of Chairman

Dear Professional Colleagues!

Wish you all a Very Happy Ugadi and the New Financial Year- 2024. May this Ugadi brings joy, health, wealth, prosperity and success to all of you..!

The March 2024 was a very productive month for the chapter as your chapter had aggressively conducted 15 Career Awareness Programs in Mysuru, Nanjangud, Chamarajanagar, H D Kote, Saraguru and Chinakurali, Mandya and successful in creating awareness about our Company Secretary course and addresses nearly 1800 PU, Degree and Post Graduate students in this month.

During the month of March 2024 our Chapter had conducted its 22nd Batch of One Day Orientation Program on 20th March, 2024 at chapter premises, 7 students attended the Orientation programme.

Our Chapter had conducted 2 days non-residential seminar for our members and students on "Role of CS in Financial Services Companies" on 29th and 30th of March, 2024, many members from various chapters of SIRC participated in this seminar and I thank all the participants of this seminar for making it successful.

Our chapter had organised an interactive session with CS Pradeep B Kulkarni, Chairman ICSI - SIRC at Mysuru on 30th March, 2024. It was a very productive session in which the Chapter's Students as well as Professionals related issues were discussed.

We are planning to organize many more sessions for the members and students in the days to come.

Thanking you,

One Day Orientation Program

On 20-03-2024, One day Orientation Program held at the Chapter premises, with the participants of 7 students as per the norms of the Institute.



Two Days Seminar

Two days Seminar conducted at the Chapter premises, on the subject matters as follows:

1. Practical Aspects of Finance related Activities by FPO and Section 8 Companies
2. Incorporation and Management of Nidhi Companies
3. Role of CS in Managing various forms of NBFCs including Microfinance Companies
4. Managing Non-Corporate forms of Financial Services Organizations

The Seminar was held on 29-03-2024 and 30-03-2024 by the Member of the Institute and was made successful with the presence and participation of Students and Members. The Seminar closed with the Question and Answer session.

Career Awareness Program

CS V. Padmanabha, Chairman of the Chapter; CS Phani Datta DN, Immediate Past Chairman of the Chapter; CS Abhishek Bharadwaj, Secretary of the Chapter; CS Janhavi A N, Member, Managing Committee and other Members and Students of the Chapter, led the Career Awareness Program in various Colleges in and around Mysuru. Total of 15 programs were held, the details of which are as given below.



Date	College / University Name	Speakers / Guests	Place
01.03.2024	Seshadhripuram Degree College	CS Phani Datta DN, Immediate Past Chairman of the Chapter	Mysuru
01.03.2024	Vidyavardhaka First Grade College	CS Phani Datta DN, Immediate Past Chairman of the Chapter	Mysuru
06.03.2024	Citizen PU College	CS V. Padmanabha, Chairman of the Chapter	Nanjangudu
06.03.2024	Citizen Degree College	CS V. Padmanabha, Chairman of the Chapter	Nanjangudu
06.03.2024	JSS Degee College for Women, Chamrajnagar	CS V. Padmanabha, Chairman of the Chapter	Chamarajanagara
15.03.2024	Trinity First Grade College	CS Abhishek Bharadwaj, Secretary of the Chapter	Mysuru
15.03.2024	Pramati PU College	CS Phani Datta DN, Immediate Past Chairman of the Chapter	Mysuru
15.03.2024	Vidyavardhaka MBA College	CS V. Padmanabha, Chairman of the Chapter	Mysuru
16.03.2024	De Paul First Grade College	CS Mathruka, Member	Mysuru
18.03.2024	GSSS First Grade College	CS V. Padmanabha, Chairman of the Chapter	Mysuru
19.03.2024	VTU College	CS C Krishna Gowda, Vice Chairman of the Chapter	Mysuru
20.03.2024	Teresian College	CS Janhavi A N, Member, Managing Committee	Mysuru
21.03.2024	STG First Grade College	CS Phani Datta DN, Immediate Past Chairman of the Chapter	Mandya
21.03.2024	Govt First Grade College, HD Kote	CS V. Padmanabha, Chairman of the Chapter & CS Abhishek Bharadwaj, Secretary of the Chapter	HD Kote
21.03.2024	Govt First Grade College, Sarguru	CS V. Padmanabha, Chairman of the Chapter & CS Abhishek Bharadwaj, Secretary of the Chapter	HD Kote



The Symphony of Eloquence: A Toastmasters Tale

In the heart of every Toastmaster, there's a tale untold, a message unspoken, an experience unshared. The Club Level Speech and Evaluation Contest is not merely an event; it's a grand festival, a jubilant celebration of the spirit of communication and leadership that Toastmasters International cherishes.

The Contest: A Journey of Growth

The journey begins at the club level, where members rise to the occasion, delivering their finest speeches or insightful evaluations. It's a golden opportunity for growth, learning, and showcasing one's skills in a nurturing environment. The champions of the club contests ascend through Area, Division, and District levels, with the International Speech Contest victors advancing to the World Championship of Public Speaking®.

Speech Contest: The Stage of Articulation

The Speech Contest serves as a stage where contestants present a five- to seven-minute speech on a topic of their choosing. It's a trial of their ability to weave a message that is not only lucid and succinct but also compelling and captivating.

Evaluation Contest: The Craft of Constructive Criticism

In the Evaluation Contest, contestants witness a test speech and then present a two- to three-minute evaluation. It's a practice in critical listening, analytical thinking, and delivering constructive feedback that can foster a fellow Toastmaster's growth.

Area Level Toastmasters Contest

On the 17th of March 2024, Mysore Area orchestrated the area level contest as described above, with a diverse array of participants in both the speech and evaluation contest. The entire contest was brimming with enthusiasm from all role players, from the contest chair and the master to the judges, the contestants, and other role players. It fills our club with immense pride to announce that TM Pracheta, bagged the First Prize on area level and she will be moving on to Division level contest in Bengaluru. TM Parvati K R bagged Third Prize in Evaluation Contest. TM Vijaya Rao served as the Contest Chair.

The Audience: The Silent Learners

As a member of the audience, one experiences a spectrum of speeches, each with its unique essence and message. It's an opportunity to learn, not just from the speeches, but also from the evaluations, which offer a kaleidoscope of perspectives on what constitutes an effective speech.

Conclusion: The Toastmasters Experience

The Area Level Speech and Evaluation Contest is more than a competition; it's a cornerstone of the Toastmasters experience. It's the arena where members challenge themselves, hone their skills, and take a stride closer to becoming the communicators and leaders they aspire to be.

If you are interested in joining our Toastmasters club and reaping its benefits, please do get in touch with the club President TM Harsha A 99868 - 32814 or Chapter Chairman TM Padmanabha V at 99645 - 77199 (only through WhatsApp please). We would love to have you as part of our family!

Glimpse of the Contest

Learning From TM Pracheta – Area Level Speech Contest Winner

Competition is the best form of motivation.

The International Speech Contest 2024 of the Toastmasters was my first experience in a speech contest. Every important event in our lives leaves us with enriching experiences and learnings. Here are my 3 takeaways from participating in this contest:

- Speaking is an art that involves Writing a script (by adding 3 elements- Education, Entertainment and Emotion), Body language and Vocal variety.
- There is no substitute for 'Practise'. 'Practise, practise and practise' is the only mantra for giving the best speech on stage.
- Never compare yourself with other speakers. When on stage, just believe in yourself and give the best.
- The best part was how friends and well-wishers come forward to support you. When I won the area level, it was my friends who celebrated more than me.

I am very happy to have been through the journey of Toastmasters which has helped me not only to gain a lot of confidence in communication but also to better myself as an individual.



Experience of the Area Level Contest Chair – TM Vijaya Rao

Participating in Toastmasters contests as a Contest Chair can be both rewarding and challenging. As a Contest Chair, you're responsible for organizing and facilitating the contest, which includes tasks such as coordinating with contestants, securing judges, arranging the venue, managing the schedule, and ensuring everything runs smoothly on the contest day. It's an opportunity to develop leadership and organizational skills while contributing to the success of the event and supporting fellow Toastmasters in their journey of personal and professional growth. It is like organizing an AGM or EGM. But this is not it. As a Toastmasters you can develop your leadership skill as an Area Director, Division Director, District director and many more leadership role you can take. You can climb up the ladder just like any other organization. Main difference is there are so many mentors, and it is not judged at any level. You can learn how to grow the organization and learn how to develop team spirit. It is an immense learning platform and is a practice ground which we can apply to our professional or personal growth. Last year being a contestant and this year being in the leadership role my learnings are immeasurable.



Outdoor Meeting & Holi Celebration



Level Completions by Members



02

Articles



Case Study on Acquisition of Blinkit by Zomato-Valuation and Future Prospect

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“The board of Zomato was authorised the purchase of up to 33,018 equity shares of Blink Commerce Pvt Ltd from its shareholders for a total purchase price of Rs 4,447.48 crores, according to Zomato’s letter to the BSE. Shareholders of Blinkit has received one Zomato share for every ten Blinkit shares.”

In June 2022, the Indian food delivery giant Zomato made a power move by acquiring Blinkit, the country's leading quick commerce platform, for a whopping \$568 million (INR 4,447 crore) in an all-stock deal.

Before moving towards intricacies of this deal, First I will lead through the basics:

What does Acquisition mean?

An acquisition occurs when a company (the acquirer) purchases most or all the assets of another company (the target) to gain control of it. This is a common practice in the business world and can be a good way for a company to grow and achieve its goals.

Types of Acquisition:

- **Share Acquisition:** The acquirer acquires the stock of the target company and thus acquires.
- **Asset Acquisition:** The acquirer acquires the assets of the target company such as vehicles, products, or intellectual property (IP).
- **Integration:** Technically this is a different situation, but sometimes it is also said to be an acquisition. In a merger, two companies combine to form an entirely new organization.

Acquisition Benefits:

- **Faster Entry to Market:** Companies can quickly enter new markets by acquiring companies that are already established in that business.

- **Synergies and Economies of Scale:** and Competitor mergers Eliminate duplication of work you can remove it and save costs.
- **Increase market share:** Acquiring competitors can help the company take on more business and reduce costs. Be important in their work.

Acquisitions in general can be a powerful tool for good investment, but it requires careful planning and execution to be successful.

Background of the Companies:

Zomato: Zomato was founded in 2008 under the name FoodieBay by Deepinder Goyal and Pankaj Chaddah, who worked at Bain & Company. The website was launched as a restaurant listing and recommendation portal. They changed the name of the company to Zomato in 2010 because they were unsure whether to "focus only on food" and to avoid conflict with eBay.

Some of Zomato's notable acquisitions are:

- Uber Eats India (food delivery)
- Runnr (logistics startup)
- TongueStun (catering service platform)
- Menu Mania (restaurant discovery platform)

Blinkit: Blinkit was founded as Grofers in December 2013 by Albinder Dhindsa and Saurabh Kumar. They met while working out at Cambridge Systematics in the late 2000s and latterly penetrated the food quittance field together.

Their thing is to break cases related to business discordance (both on the consumer and business side). Blinkit was launched in Delhi NCR before reaching other metropolises of India. Blinkit substantially was selling food, fresh fates, vegetables, flesh, stationery, bakery, particular care, baby care and pet care productions, snacks, flowers etc. Blinkit funding table is given below:

Transaction Name	Number of Investors	Fund Raised
Series A	1	US\$500K
Series B	2	US\$10M
Series C	2	US\$36.5M
Series D	5	US\$120M
Series E	3	US\$58.6M
Series F	7	US\$264M
Sale	Zomato	US\$568.31M

How Zomato Gobbled Up Blinkit!

Strategic Investment: A Recipe for Growth

Zomato's acquisition of Blinkit wasn't just about adding another app to its portfolio. It was a strategic move aimed at:

- **Market Expansion:** Zomato craved a bigger slice of the pie. Quick commerce, with its promise of lightning-fast grocery delivery, was a lucrative market they couldn't ignore. Blinkit's established network and expertise offered the perfect entry point.
- **Engaging Customers for Life:** Imagine ordering dinner and groceries at the same time! By integrating Blinkit, Zomato could become a one-stop shop for all things food and essentials, potentially leading to more frequent orders and higher customer loyalty.
- **Data & Logistics Symphony:** Data is the new oil, and Zomato saw an opportunity to leverage Blinkit's customer data and delivery network to optimize its own operations. This could translate to faster deliveries and potentially lower costs for Zomato.

Valuation: A Balancing Act

The acquisition was made at a whopping valuation of \$568 million price and it tag raised eyebrows. Here's why:

- **Blinkit's Promising Future:** The quick commerce market was in its infancy but brimming with
- leverage its existing customer base for cross-promotion.

potential. Investors, including Zomato, saw Blinkit as a frontrunner with the ability to capture a significant market share.

- **Strategic Premium:** Zomato likely paid a premium for Blinkit due to the strategic fit and the potential for future synergies between the two companies.
- **Profitability Concerns:** However, some investors expressed concerns about the high valuation for a company yet to turn a profit. Zomato's stock price even dipped after the announcement, reflecting this scepticism.

The board of Zomato was authorised the purchase of up to 33,018 equity shares of Blink Commerce Pvt Ltd from its shareholders for a total purchase price of Rs 4,447.48 crores, according to Zomato's letter to the BSE. Shareholders of Blinkit has received one Zomato share for every ten Blinkit shares.

Future Prospects: A Race Against Time

The success of this acquisition hinges on several factors:

- **Execution is the Key:** Zomato needs to seamlessly integrate Blinkit, optimize operations across both platforms, and find a path to profitability in the quick commerce segment.
- **Standing Out in the Crowd:** The Indian quick commerce market is a battlefield. Zomato will need to differentiate itself through features like even faster delivery times, a wider product variety, and potentially, bundled offerings with its core food delivery service.
- **The Path to Profitability:** Turning a profit in quick commerce remains a challenge. Zomato will need to carefully manage costs, explore revenue streams beyond delivery fees, and potential.

The Final Bite: A Bold Move with Big Potential

The Zomato-Blinkit acquisition is a bold move with the potential to reshape the Indian food and grocery delivery landscape. While challenges remain, a successful integration and a clear path to profitability can unlock significant growth opportunities for Zomato. Only time will tell if this strategic gamble pays off, but one thing is certain: the Indian consumer is set to benefit from a more convenient and potentially faster way to get their groceries and favourite meals.

Governance from Ancient Indian Scriptures

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“The substitution of the state with a corporation or business organization, the king with a CEO or board of directors, Raksha with responsibility, Vriddhi with accountability, Palana with transparency, and Yogakshema with fairness.”

Introduction

The word ‘government’ is not recent. It comes from the Greek word ‘Kubernaein’ which means ‘To Steer’ or ‘Administering Processes and Systems’. Generally, it is used with the word ‘Corporate’. The two words are combined and become ‘corporate governance’ when more and more development of business organization is possible in the recent era of globalization. Simply put, corporate governance means steering or administering the processes and systems of the organization in the desired direction.

Business organizations are a very important pillar of the economy. It provides employment, gives taxes to the government, provides goods, and services to society, and utilizes the natural resources for the growth of the organization as well as society.

The Board of Directors runs the business organization. The roleplay of the board is very important. They must govern the business organization, which is beneficial to all stakeholders, i.e., the government, employees, shareholders, vendors, suppliers, customers, financial institutions, etc., to run the organization effectively and efficiently. They need good governance. The Board of Directors required a lot of capital to run the business organization. For that, investors’ confidence is a crucial part of generating capital in the organization. Investors only invest in the organization when the transparency ratio is high. It only comes when the board of directors of a business organization adopts good corporate governance through fairness, transparency, accountability, and responsibility. Corporate governance

is required to detect fraud and irregularities in the organization.

Development of Business Organizations in India

After achieving independence, India had the problems of poverty, agricultural crises, and industrial crises. To fight this situation, the Government of India set up the Planning Commission in March 1950 and introduced the Five-Year Plans. Some plans were successful, but some were not successful.

In India, the scope of business increased when economic liberalization of policies and trade took place in 1991. The government had more dominance before that change, and businesses had fewer powers for decision-making. After economic liberalization, the scope of trade increased, and many kinds of invention and innovation took place in India. The government also took various kinds of initiatives to increase the trend of businesses and reduce unemployment.

We can say that the true development of business was possible after only liberalizing economic policies.

Corporate Governance in India

For India, the word ‘government’ is not new. Its origin come from different ancient scriptures like the Vedas, Ramayana, Mahabharat, Kautilya’s Arthashastra, etc. In recent times, the Government of India and its different departments, bodies, institutes, and committees have interpreted the word ‘corporate governance’ in their own language.

The Confederation of India Industry (CII) introduced the Desirable Corporate Governance Code in 1998, and certain reforms were taking place by the reforms of various committees under the legislation of the Securities Exchange and Board of India (SEBI).

Also, various theories of corporate governance were introduced, like agency theory, shareholder theory, stakeholder theory, and stewardship theory.

Following are the definitions given by various bodies in India

<p>Institute of Company Secretaries of India (ICSI)</p>	<p>Corporate Governance is the application of best management practices, compliance of law in true letter and spirit and adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders.</p>
<p>Confederation of Indian Industry (CII)- Desirable Corporate Governance Code, 1998</p>	<p>Corporate governance deals with laws, procedures, practices, and implicit rules that determine a company's ability to take informed managerial decisions vis-à-vis its claimants - in particular, its shareholders, creditors, customers, the State, and employees. There is a global consensus about the objective of 'good' corporate governance: maximizing long-term shareholder value</p>
<p>Report of Kumar Mangalam Birla Committee on Corporate Governance constituted by SEBI (1999)</p>	<p>Strong corporate governance is indispensable to resilient and vibrant capital markets and is an important instrument of investor protection. It is the blood that fills the veins of transparent corporate disclosure and high-quality accounting practices. It is the muscle that moves a viable and</p>

	<p>accessible financial reporting structure</p>
<p>Report of N.R Narayana Murthy Committee on Corporate Governance constituted by SEBI (2003)</p>	<p>Corporate Governance is the acceptance by management of the inalienable rights of shareholders as the true owners of the corporation and of their own role as trustees on behalf of the shareholders. It is about commitment to values, about ethical business conduct and about making a distinction between personal and corporate funds in the management of a company</p>

As per the above definitions, we can say that corporate governance is the administration process that is followed by the board in a fair and transparent manner, and they are accountable and responsible to all the stakeholders. Following are the four pillars of corporate governance:



Evidence from Ancient Indian Scripture

Bhagavad Gita

The Bhagavad Gita is often referred to as Gita. It is part of the Mahabharata and the narrative framework of a dialogue between Pandava prince Arjuna and his guide and charioteer Shri Krishna.

The Bhagavad Gita is one of the sources of perfect governance. In the Bhagavad Gita, one of the Sloka (18.43) describes the qualities of kshatriyas, the Sloka as under:

शौर्यं तेजो धृतिर्दाक्ष्यं युद्धे चाप्यपलायनम्। दानमीश्वरभावश्च क्षात्रं कर्म स्वभावजम्। 43।

Above sloka Describe the following qualities of Kshatriyas: -



As per the above sloka, we can substitute the word kshatriyas with CEO or Board of Directors. The CEO or board combined their strength and skill to resolve the problems faced by the stakeholders and create the wealth of the organization rather than profit.

Ramayana

Ramayana is one of the major Sanskrit epics of ancient scripture, written by Maharishi Valmiki on the life of Rama or Rama Rajya.

From the Ramayana, we derived lots of governance principles, as under:

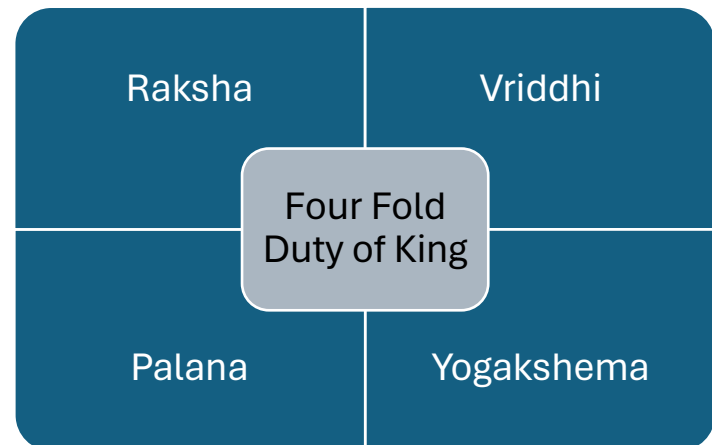


The board or CEO of the organization Utilize these principles for the betterment of the interests of stakeholders and run the organization ethically.

Kautilya's Arthashastra

Kautilya was known as Chanakya, who was a scholar of Takshashila. He was the teacher and guardian of Emperor Chandragupta Maurya, the creator of the Mauryan Empire. He wrote the book known as Kautilya's Arthashastra in the 4th century BCE.

Following are the four pillars of Kautilya's Arthashastra:



According to Kautilya's Arthashastra, we can identify the following as the synonymous words that we can utilize in modern corporate' governance:

According to Kautilya's Arthashastra	According to Modern Days' Corporate Governance
State	Corporation or Business Organisation
King	CEO or Board of Directors
Raksha	Responsibility
Vridhhi	Accountability
Palana	Transparency
Yogakshema	Fairness

The substitution of the state with a corporation or business organization, the king with a CEO or board of directors, Raksha with responsibility, Vridhhi with accountability, Palana with transparency, and Yogakshema with fairness.

The central concept of corporate governance is the belief that public good should be ahead of private good and that the corporation's resources cannot be used for personal benefit.

Interpret the Words and How TO Use

(1) Raksha

means Protection. This is matched with the Responsibility Pillar, i.e., the CEO or the Board of Directors are responsible for the interest of the stakeholders of the corporation or business organization.

How to use Raksha Pillar

- Protect the interests of all stakeholders, i.e., employees, suppliers, vendors, the government, and society.
- Create an environment where not a single employee wants to quit the organization.
- Take the employees into confidence that the organization has not cut their salaries.
- Distribute medical, protection kits and other ingredients as per the norms of the government.
- Give the food kits to all employees.
- Make timely payments to all the suppliers.
- Give some discounts to the vendors.
- Pay the tax to the government in a timely manner.
- Sale, hypothecate, or pledge the unnecessary units or assets of the organization for the requirement of capital to tackle the situation.

(2) Vriddhi

Means growth, which matches the accountability pillar. The CEO or the board uses the resources of the corporation or business organization to enhance its value.

How to use Vriddhi Pillar

- Utilize the close-down units for the employees because some employees live on a rent basis and do not have their own dwellings.
- Utilize the machinery of the organization to make equipment that is helpful for society.
- Utilize the transport vehicles for the transportation of patients to hospitals, transport laborers, or employees to their home destinations in other states or cities.
- Utilize the resources in a manner that is helpful to society.

(3) Palana

Means Maintenance or Compliances. It is Perfectly match with Transparency Pillar. Corporate Governance Ensure timely and accurate disclosure of all material matters.

How to use Palana Pillar

- Compliance with all the guidelines that are introduced by the government.
- Get all kinds of permission, which is necessary to run the organization from the government.
- Disclosure to the authority that the organization is ready to fight the situation of any pandemic and follow the guidelines of working from home as much as possible.
- Have transparency regarding impacts on the interests of all stakeholders and the prospects of the organization.
- Disclose the financial, accounting, and auditing standards.
- Give suggestions to the government for relaxation from the hefty compliance requirement in this situation.
- The government inserted the situation in CSR activities by amending Schedule VII of the Companies Act, 2013, hence spending the amount that is helpful to society as much as possible to bounce back into a normal life situation.

(4) Yogakshema

Means Welfare towards Society, which is equivalent to the pillar of Fairness. Board or CEO of the Organization utilize the natural resources to create the wealth and Profit of the Organization and its prime duty to return the same to the nature or society.

How to use Yogakshema Pillar

- In the case of any Pandemic, organizations are required to be fair towards their employees. They do not remove employees from the organization and motivate their employees to fight this kind of situation by providing more money, food kits, etc.
- Some employees live on a rental basis, provide the rental amount, or provide the facility for living.
- Distribute healthy foods that enhance the immunity of employees and society as a whole.
- Help the people of society by providing facilities to generate employment.
- Organize the camp to enhance the motivation of people in society as a whole and awareness regarding how to be safe.
- Provide the food to the animals because, in this situation, no one gives food to animals due to any lockdown.

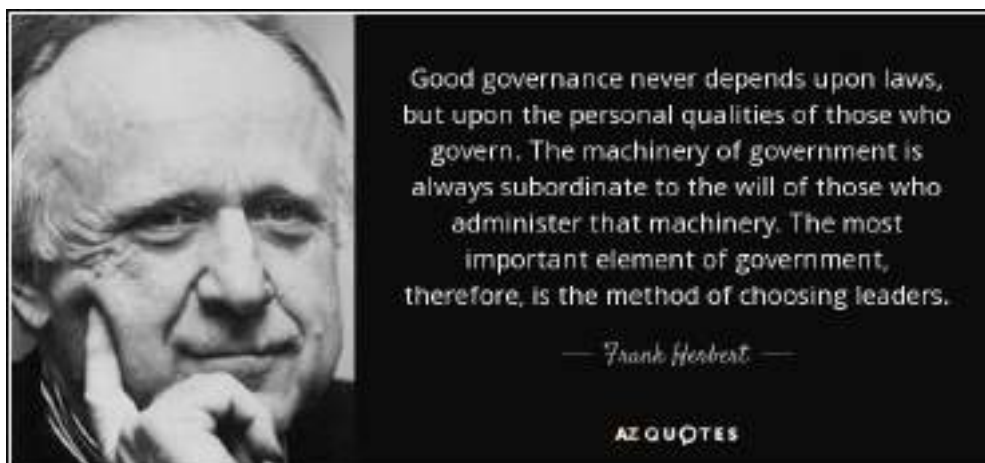
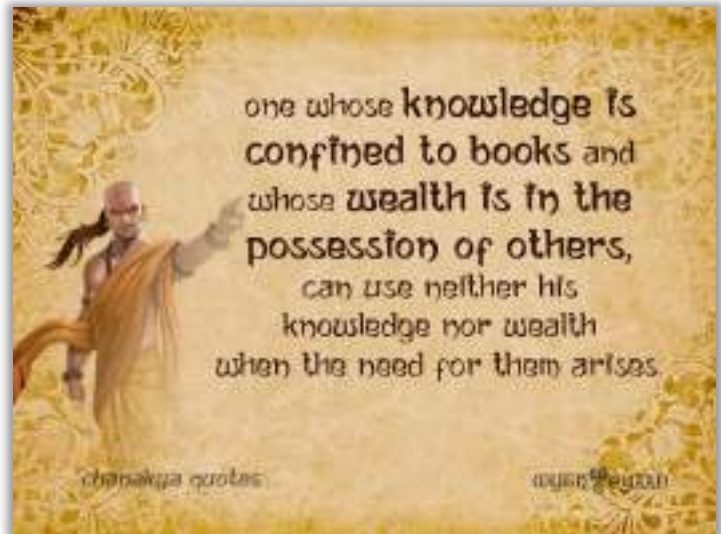
- Organize the camp to clean the landfills or tanneries near the organization and provide water to the villages near the organization.
- Start the camp that fulfills the basic needs of society, like groceries or milk distribution at home on a call basis, etc.
- Do the activities that are helpful to society and nature and create wealth for the organization.

Conclusion

Hence, as above, we are identifying the principles from the Indian ancient scripture combined with modern principles of corporate governance and analyzing how these principles are utilized to tackle any situation. Corporate governance is the process that ensures that the organization works in the interest of all stakeholders. The role of corporate professionals, including the company secretary, is crucial during this period, and they are suggesting that the board or CEO of the organization take decisions that will create wealth, not just profit.

Disclaimer

The entire content of this article has been prepared on the basis of relevant provisions and as per the information existing at the time of preparation. The users of this information are expected to refer to the relevant existing provisions of applicable laws. The user of the information agrees that the information is not professional advice and is subject to change without notice. I assume that no responsibility for the consequences of use of such information. In no event shall I be liable for any direct, indirect, special, or incidental damage resulting from, arising out of or in connection with the use of the information.



Case Law in Focus: CA Nitesh Parashar vs. Institute of Chartered Accountants of India ICAI and Ors. (Delhi HC 2023)

Shan Kohli

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“It was held that the complaint of sexual harassment and the inquiry proceeding cannot be quashed merely for the reason that the IC failed to complete the inquiry within the time frame given under Section 11(4) of the Act. According to the Court, complaints of sexual harassment deserve to be treated with a certain amount of seriousness and responsibility and they have to be inquired into and taken to their logical conclusion in the interest of the complainant as well as the person against whom the allegations of sexual harassment have been raised.”

Summary of Facts and Contentions

A writ petition was filed by the petitioner (“Petitioner”) contending that two proceedings had been initiated against him in connection with the same subject matter in the form of two complaints that were filed against him on 03 June 2022 and 12 October 2022. The Petitioner also contended that since ninety days had lapsed from the date of the complaint dated 03 June 2022 and the inquiry had not been concluded, the entire proceedings of the Internal Complaints Committee (“IC”) were vitiated.

The Respondents, on the other hand, contended that there was only one complaint which had been filed on 03 June 2022 and only one inquiry was being conducted. A hearing was held on 23 September 2022 in which conciliation was attempted. The Respondents contended that as per law six copies of the complaint were required to be given, therefore, the hard copies of the complaint were submitted and were received by the IC on 12 October 2022 and therefore no new complaint had been filed.

Summary of Judgement

The court held that the contents of the 03 June 2022 complaint and 12 October 2022 complaint were identical and were with regard to the same incident. The hearings were being held with regard to the complaint dated 03 June 2022. The petitioner was not being subjected to two separate enquiries.

The court held that there was no substance in the contention of the Petitioner that as the inquiry proceeding had not been concluded within a period of 90 days, it could be vitiated. The Petitioner had not pointed out any prejudice caused to him on account of the delay. It was held that the complaint of sexual harassment and the inquiry proceeding cannot be quashed merely for the reason that the IC failed to complete the inquiry within the time frame given under Section 11(4) of the Act. According to the Court, complaints of sexual harassment deserve to be treated with a certain amount of seriousness and responsibility and they have to be inquired into and taken to their logical conclusion in the interest of the complainant as well as the person against whom the allegations of sexual harassment have been raised. The court made a reference to the decision of the Tripura High Court in Vinay Kumar Rai Vs. The Union of India and Ors. (MANU/TR/0407/2021), to hold that the provisions of Section 11(4) of the Act are not mandatory and that the time limit provided in Section 11(4) cannot be seen as a terminal point beyond which the inquiry cannot be continued.

Takeaways

The judgement reiterates the 2021 decision of the Tripura High Court that while an inquiry into a sexual harassment complaint needs to be completed as soon as possible, the aggrieved should not be made to suffer just because the IC was unable to complete the inquiry within the time period specified by law.

03 Columns



HELP YOURSELF

FOOD FOR THOUGHT

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You can Heal your Life

by Louise Hay

Disclaimer: This article does not endorse any book and is not sponsored by any author or publication. Content shared here is for knowledge and learning purposes only.

Several friends recommended this book to me and as usual I checked for an audiobook version, before I'd buy a copy of the book. The author herself had read it out. Soon, it became my favourite audiobook. The author's voice is so calming and humbling that it would be no surprise if one is healed simply by listening to her!

Louise Hay was an American motivational speaker and a bestselling author whose healing techniques were very popular. She had authored several books around healing, the book we discuss today being the most popular.

The book initially focuses on decoding the way our thoughts and feelings work. Wonderful insights are shared on how it is in our power to choose our thoughts and thereby control our feelings and emotions. "You can refuse to think certain thoughts. Look how often you have refused to think a positive thought." This excerpt from the book was quite enlightening.

The second chapter is very interesting. The author reveals how she is able to find out where her clients are stuck in their belief system that is limiting them in their life. Read/listen to that from the book by yourself, it's simple and liberating!

If you are here for the first time, this column intends to impart bite sized knowledge from self-help books,

biographies, autobiographies and other related genres, relevant specifically to corporate professionals and aspiring professionals. Not every learning that a book enshrines can be fit in here, so writing a summary or a book review is not the aim of this column. The intent is to give you a touch of acquaintance to a book, in every issue of this e-magazine, hoping that it will make you want to grab it and read for yourself. So, help yourself with food for thought.

In the further chapters, the book goes on to the "How To?" i.e., discusses solutions and action points to better one's future despite a painful past. It establishes an understanding about the relationship of truth and belief that ignites one from within to take action.

The final chapter of the book focuses on healing specific parts of our body. Our thoughts and feelings over time would have greatly influenced our body. The author explains all of these and teaches small but very effective exercises and affirmations for specific parts of our body to heal or keep them in good condition.

"Why pick up this book when I have no illness?" If you are thinking this way, let me remind you that diseases slowly develop and our thoughts and emotions add to this process. Everything first occurs in our mind and befriending this book will help you prevent them very well. Keeping the illness part aside, everyone has certain limiting beliefs that can be worked on with the help of this book and thereby help us bring out the best version of ourselves.

This book helped me realise the importance of affirmations for our body. Many other self-help books that

I read focused on affirmations for the mind which would ultimately help the body. The emphasis on our body and the importance of leading a disease-free life by crafting

our thoughts carefully is briefly but beautifully explained in this book. So, wait no more and heal your life for you definitely can!



**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)



Safeguarding and
caring for your well being

COMPANY SECRETARIES BENEVOLENT FUND

Saathii Haath Badhana
सथी हाथ बंधना

What exactly is CSBF?

The Company Secretaries Benevolent Fund (CSBF) is a Society registered under the Societies Registration Act, 1860 and is recognized under Section 12A of the Income Tax Act, 1961.

The CSBF was established in the year 1976 by the ICSI, for creating a security umbrella for the Company Secretaries and/or their dependent family members in distress.

The amount of ₹ 7,50,000 (in the case of death of a member under the age of 60 years) has been increased to ₹ 10,00,000

The subscription amount is being increased from ₹ 10,000 to ₹ 12,500 soon

Is it the right time to enrol in CSBF?

CSBF is the protection you and your family need to survive the many ups and downs in life, be it a serious illness or a road accident which derails your plans for the future.

Is it a requirement?

Yes, as your dependents need the protection. Your dependents be it your parents, your spouse, or your children will have to bear the brunt of paying off your home/education personal loans and even for managing day-to-day expenses without your contribution.

If you do not want to leave behind such a situation in your absence, enrol in CSBF today.

Advantages of enrolling into CSBF

1

To ensure that your immediate family has some financial support in the event of your unfortunate demise

2

To finance your children's education and other needs

3

To ensure that you have extra resource during serious illness or accident

4

Subscription/Contribution to CSBF qualifies for deduction under Section 80C of the Income Tax Act, 1961

Become a proud Member of CSBF by making a one-time online subscription of ₹ 10,000/- (to be changed soon) through Institute's web portal (www.icsi.edu) along with Form 'A' available at link <https://www.icsi.edu/csbf/home> duly filled and signed.

Decide Now! Decide Wise!

Connect with ICSI

www.icsi.edu |

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



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Beware the Trap: Unveiling the Menace of Tech Support Scams

In an era where technology dominates nearly every aspect of our lives, the unfortunate truth is that alongside its many benefits, there exists a darker side. One of the most insidious manifestations of this dark underbelly is the pervasive presence of tech support scams. These scams prey upon the unsuspecting, leveraging fear and misinformation to swindle individuals out of their hard-earned money and personal information. Let's delve into the depths of these deceitful schemes, uncovering their methods, impact, and most importantly, how to protect yourself against them.

Understanding Tech Support Scams

Tech support scams typically initiate with a cold call, a pop-up message on your computer, or an unsolicited email claiming to be from a reputable technology company or internet service provider. The scammer masquerades as a helpful technician, informing you of a critical issue with your device or software. They may assert that your computer is infected with a virus, your accounts have been compromised, or your software is outdated, all with the aim of inducing panic and urgency.

The Trap Unfolds

Once fear is instilled, the scammer directs you to a website or asks you to download software that purportedly grants them remote access to your device. At this point, the victim unwittingly hands over control of their

computer, effectively giving the scammer free rein to plant malware, steal personal information, or lock the device until a ransom is paid. Alternatively, they may persuade you to provide credit card information for a supposed fix, only to disappear once the transaction is complete.

The Impact on Victims

The repercussions of falling victim to a tech support scam can be devastating. Beyond the immediate financial loss, victims may suffer identity theft, unauthorized access to sensitive accounts, and even extortion attempts. Moreover, the psychological toll of being deceived and manipulated can erode trust in technology and leave lasting emotional scars.

Protecting Yourself

The first line of defense against tech support scams is awareness. Be vigilant and skeptical of unsolicited communication, whether it's a phone call, email, or pop-up message. Remember that legitimate tech companies will never initiate contact in such a manner. Furthermore, refrain from granting remote access to your device unless you initiated the request and are confident in the legitimacy of the service provider.

Install reputable antivirus software and keep your operating system and applications up to date with the latest security patches. This not only mitigates the risk of malware infiltration but also strengthens your defenses against potential vulnerabilities exploited by scammers.

Finally, trust your instincts. If something feels off or too good to be true, it probably is. Don't hesitate to hang up on suspicious callers, close pop-up windows, or delete unsolicited emails.

India is a beacon for this kind of scams. In one of the surveys conducted it was noticed that one of the major requirement for the tech support was due to the low literacy and more number of senior citizens. Even if we could somehow tackle there will always be another way to scam people. We have to shield ourselves and people around us.

Conclusion

Tech support scams represent a pervasive threat in our increasingly interconnected world. By understanding their methods, remaining vigilant, and adopting proactive security measures, we can shield ourselves from falling prey to their deceitful tactics. Together, let's empower ourselves and others to navigate the digital landscape with confidence and resilience, ensuring that the marvels of technology remain a force for good rather than a tool for exploitation.

If you want to know more about how these scams and how they operate in India, do watch this: <https://youtu.be/7CZReZ24-to?si=RgKauhqaJDcPWfxC>

RIDDLE

ME

THIS

"Corporate Riddle"

1. I am a group of people who are decision-makers
2. Any public company having more than 10 crores as its paid-up capital needs us.
3. We oversee transactions with related parties and inter corporate loans and investment.

Who are we?

If you know the answer then what are you waiting for..? Send us your answer to the below mentioned email id along with your full name, The first person to provide the answer will be published in the next edition.

Email id: enewsletter.icsimysore@gmail.com



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Report on Two-Days Seminar on Financial Service Organizations

Financial Services Organizations have a huge scope for Company Secretaries in practise as they are largely unorganised, have various challenges and have tough ground realities. The seminar was focused to present valuable insights for professionals and awareness to students about the opportunities rising in this niche area of the corporate world.

Session-1

The first Session was conducted by CS Ankush Sethi on 'Practical Aspects of Finance related Activities by FPO and Section 8 Companies.' The speaker first explained the difference between the terms FPO and FPC.

FPO- Farmer Producer Organization

FPC- Farmer Producer Companies

An FPC consists of individual farmers as members and an FPO can have FPCs as its members. The purpose of such organisations is to support farmers by helping them avail benefits of a corporate structure and set up. This helps in better economies of the produce.

The speaker then explained the criteria to be the members of such organisations:

- One has to be a farmer
- Such person must have primary produce
- Such a person must be an agriculturist or from an agricultural family.

After briefly explaining the functioning of such organisations, the speaker discussed at length the

practical aspects of challenges faced by them day in and out. To name a few:

- Fund Management
- Skilled Professionals scarcity
- Lack of feasible business plans
- Farmer Succession Problems
- Located far from cities and lack access to professional help

Issues and insights from the audience were also taken and discussed in the session. The speaker then introduced the delegates to the different government organisations that are guiding and supporting these Farmer Producer Organizations- NABARD, FPEDA and SFAC.

The speaker then discussed at length the various emerging areas of practice for Company Secretaries. To name a few:

- Policy Awareness
- Subsidy and Scheme Implementation
- Framework for use of funds
- Business Plan Formulation

The speaker then highlighted the importance of a well-drafted Articles of Association. Usually, these companies take the terms of Cooperative Societies as a base to draft the articles which may not be very effective.

The speaker then brought in Section 8 Companies to the discussion. Can a Section 8 company become an FPO? As the members, i.e, farmers get certain returns in FPOs, it cannot be a Section 8 company as dividends are not allowed. As per the speaker's experience, he suggested that a Section 8 company with the objects of

an FPO is the solution. The speaker then articulated many solutions to practical aspects of running of these fair-centric organisations and also sought the delegates' suggestions on problems that prevail.

Session-2

The second session was conducted by CS Abhishek Bharadwaj and CS Janhavi AN on Incorporation and Management of Nidhi Companies. The session began with CS Abhishek explaining the history and background of Nidhi Companies in India. CS Janhavi AN explained the Incorporation process by chronologically mentioning the various forms to be filed and approvals to be taken in order to commence Nidhi Companies. CS Abhishek then took everyone through the important parts of bare act giving a gist of the functioning of Nidhi Companies. The speakers, having a wide experience in handling matters of Nidhi Companies, discussed at length with the delegates on the various practical challenges of Nidhi Companies and the emerging areas of practice for Company Secretaries.

Session-3

The second day of the seminar began with discussion on the Role of CS in Managing various forms of NBFCs including Microfinance Companies by CS Krishnamurthy. The session began by the speaker articulating at length on the layers of NBFCs, based on asset size. The speaker then explained the concept of CKYC (Central KYC) and FUI (Financial Intelligence Unit.) The speaker then explained the nitty-gritty of running various types of NBFCs and briefly about how RBI regulates them. The emerging role of Company Secretaries in this niche was explored and the practical challenges were discussed. The speaker's wide experience in NBFCs helped clear queries of the delegates.

Session- 4

The final technical session was conducted by CS Phani Datta on managing Non-Corporate forms of Financial Services Organizations. The session began with discussions on Chit Funds. The speaker presented various instances of how unorganised chit funds are and that there is a huge scope for regulation. The speaker presented his observation that though the Chit Fund Act of 1982 is present, there is a need for the rules to be revised and updated. Various important terms such as prized subscriber and non-prized subscriber, important provisions, balance sheet treatment, schemes formulated by the Government were discussed. The speaker pointed out that the laws framed are quite tricky and one must proceed with caution. The speaker also

briefly discussed 'Self-Help Groups.' FFMCs- Full Fledged Money Changer and Forex Correspondent Scheme were also discussed.

A lot of insights and views were exchanged in all of the sessions by the delegates making each session very interactive and fruitful.

The 2 Days seminar concluded with a Q & A Session with the ICSI-SIRC Chairman CS Pradeep B Kulkarni. Members and students presented their queries and issues and the Chairman duly addressed all of them to their satisfaction.



Verdict Vistas

Exploring Orders and Judgements



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Rectification of Register of Members

NCLAT reiterates rectificatory jurisdiction can be exercised by the NCLT even though there are contested facts and disputed questions under Section 59 of the Companies Act 2013

Section 59 (1) of the Companies Act 2013 states that if the name of any person is, without sufficient cause, entered in the register of members of this company or after having been entered in the register, is, without sufficient cause, omitted therefrom, or if a default is made, or unnecessary delay takes place entering in the register, the fact of any person having become or ceased to be a member, the person aggrieved, or any member of the company, the company may appeal in such form as may be prescribed, to the Tribunal, or to a competent court outside India, specified by the Central Government by notification, in respect of foreign members or debenture holders residing outside India, for rectification of the register.

The NCLT may, after hearing the parties to the appeal by order, inter alia, direct rectification of records of the depository or the register.

In this article, I would like to throw a light on the recent case law on the rectificatory jurisdiction which has been decided by the Honourable National Company Law Appellate Tribunal (Hyderabad) in the case of Gireesh Kumar Sanghi vs Sanghi Industries Ltd vide Order dated 1st December 2023.

Issue in hand- whether the rectificatory jurisdiction under Section 59 of the Act, which is summary in nature can be exercised by the NCLT where there are contested facts and disputed questions.

Facts of the Case:

1. The Petitioner has filed an application under Section 59 of the Companies Act 2013 read with Rule 11 of the NCLT rules, 2016 seeking relief to declare the transfer of shares happened as void and illegal with the National Company Law Tribunal.
2. NCLT considering the Supreme Court judgement in Ammonia supplies corporation Pvt Ltd vs Modern Plastic Containers Pvt Ltd [1998] 94 Comp Cas 310(SC) which stated that rectificatory powers of a Board/ Company is a summary power to carry out corrections or rectifications in the register of members. The rectification must relate to and be confined to the facts that are evident and need no serious enquiry.
3. The very word "rectification" connotes something what ought to have been done but by error not done and what ought not to have been done was done requiring correction. Rectification, in other words, is the failure on the part of the company to comply with the directions under the Act.
4. Hence, the NCLT has dismissed the petition not maintainable before the Tribunal considering the view the same are of the nature of seriously contested facts and disputed questions and can approach appropriate forum which parties can decide for the above relief.
5. Aggrieved by the decision, Appellant approached the NCLAT to decide on the issue. NCLAT brings out the

Section 430 of the Companies Act 2013 wherein it states that no civil court shall have the jurisdiction to entertain any suit or proceedings in respect of any matter which the Tribunal or Appellate Tribunal is empowered to determine by or under this Act or any other law for the time being in force and no civil court has the jurisdiction to grant injunction in respect of any action taken or to be taken in pursuance of any power conferred by or under the act or any other law for the time being in force by the Tribunal or Appellate Tribunal.

6. NCLAT held that there is no shred of doubt that the jurisdiction to decide the rectificatory jurisdiction under Section 59 of the Act shall be available to be exercised even where there are contested facts and disputed questions and regard may be the decision in the case of Shashi Prakash Khemka vs NEPC Micon Limited [2019] 212 Comp Cas 385(SC) as decided by the Hon'ble Supreme Court while referring to Section 430 of the Act.

Hence, appeals were allowed, set aside the impugned orders and remand the matter back to the Tribunal to decide it in accordance with the law.

In our current case when it has been remanded back to tribunal, The NCLT order dated 28-02-2024 held that prayer for injunction for restraining the transfer of shares is not maintainable in a petition under section 59(3) of the Companies Act 2013. It enables only to seek the suspension of the voting rights. In so far as the case on hand is concerned no record regarding actual transfer of the shares by respondents to the purported transferee has been placed before us. The petitioner has approached us only on the basis of a publication in a News Paper. Therefore, petition is not maintainable at this stage and dismissed the same. In case of any evidence available, the Petitioner is at liberty to approach this tribunal. The Petitioner was not able to support his claim through appropriate evidence.

There are numerous other case laws which give opposing views on the above judgement delivered by the NCLAT as in case of Ammonia supplies judgement. It is evident from this judgement that the power of the NCLT/NCLAT is narrow and summary in nature and can only consider the questions of rectification. If a petition seeks an adjudication under the grab of rectification, it would be duty bound for the NCLT/NCLAT to re-direct the parties to the competent court.

However, Rule 70(5) of the NCLT rules, 2016 has given power to NCLT/NCLAT to decide any question relating

to the title of any person or to decide any question which is necessary or expedient to decide in connection with the application of rectification. In addition, the wide interpretation of Section 430 of the Companies Act 2013 read with Rule 70(4) and (5) of the NCLT rules, 2016 has enlarged the scope of the Tribunals to decide on cases where there are contested facts and disputed questions after the commencement of Companies Act 2013 even though there are innumerable case laws which laid down those complicated questions of law and fact has to be decided by a competent court, not the Tribunals.

Section 9 of the Civil Procedure code, 1908 states that civil courts have the jurisdiction to try all suits of a civil nature excepting suits of which cognizance is expressly or impliedly barred. A suit is expressly barred when it is barred by any enactment which is for the time being in force. Section 430 of the Act expressly bars the jurisdiction of the civil courts with respect to any matter which the NCLT or the NCLAT is empowered to determine under the Act.

Therefore, in my opinion, once the legislature has created a complete bar of the jurisdiction of the Civil Court by enacting Section 430 in the Act as per which no civil court shall have the jurisdiction to entertain any suit or proceedings in respect of any matter which the Tribunal or Appellate Tribunal is empowered to determine by or under this Act or any other law for the time being in force and no civil court has the jurisdiction to grant injunction in respect of any action taken or to be taken in pursuance of any power conferred by or under the act or any other law for the time being in force by the Tribunal or Appellate Tribunal, there is no shred of doubt that the jurisdiction to decide the rectificatory jurisdiction under Section 59 of the Act shall be available to be exercised even where there are contested facts and disputed questions.

From the aforementioned analysis, there requires a serious clear amendment in law to put a dead stop on the above controversy over the jurisdiction matter even in case of disputes with respect to issues relating to fraud, manipulation, coercion and false statements. Even though Tribunal has wide powers under Section 430 read with NCLT rules to decide on such cases after the commencement of Companies Act 2013, there are contentions raised by various Courts that those cases require examination of evidence and hence cannot be decided by the Tribunal in a summary manner.



Analysis by:

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Interesting ROC adjudication order delivered by ROC Delhi pursuant to Section 203 of the Companies Act 2013 in levying penalty on the Board of Directors and not on other KMPs.

Mawana Foods Private Limited for violation under Section 203 of the Companies Act 2013 order dated 13-03-2024

Facts of the case: The Company falls under threshold ambit limit for the appointment of Key Managerial Personnel under Section 203(1) of the Companies Act 2013. In our case, the erstwhile Managing Director of the company had resigned and accordingly the company ought to have a Managing Director or CEO or Manager or in their absence, the Whole time Director within a period of six months. However, the company has appointed the Manager by a default of 249 days, a period beyond six months and requested for lenient view while levying the penalty.

For deciding penalty on the parties, reference is made to Section 203(4) which very clearly states that the onus of filling up the vacancy in the office of whole time KMP is on the Board of the Company. On the other hand, Section 203(5) provides for a penalty on every Director and KMP who is in default. The scope of KMP is wider, as it covers officers other than the Directors of the Company. But section 203(4) clearly casts the obligation of KMP appointment on the Board only. Thus, a KMP who is not part of the Board is not under an obligation under Section 203(4) as no onus is cast upon him to ensure the appointment is made as per the said provision. Now, applying the principles of Harmonious construction for the Subsection (4) and (5) of the Section 203, the entire board of the Company is liable for the period in which default occurred, other KMPS of the Company such as Company secretary and CFO who are not part of the Board are not liable.

In Nutshell, this judgement by the adjudicating officer shall make as pathway reference on the future adjudication process on the violation of Section 203 for reducing the penalty amount for the Company and excluding the CS and CFO from the liability amount.

ROC Adjudication Order Gujarat (Constitution of Nomination and Remuneration committee - NRC) order dated 07.03.2024

The Company Unique Mercantile Limited has been served notice by the Adjudicating officer for the violation of Section 178(1) of the Companies Act 2013 which states that:

The Board of Directors of every listed company and such other class or classes of Companies, as may be prescribed shall constitute the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half shall be independent directors.

Adjudicating officer opined by observing the financial statements FY 2015-16, Mrs Usha Rai – Promoter and wife of the whole time Director is acting as the Chairperson for NRC. Hence, she will not come under the purview of Non-executive Director (Section 149(12) read with the definition of Promoter).

The Company responded to the notice stating that it has converted from Private Limited Company to Public Limited company on 08.02.2018. Therefore, our company was a private Limited company during the FY 2015-16. It has been declared in the Directors Report that NRC is not applicable since it is a private limited Company. Any formal committee constituted for selection and remuneration of employees of the companies for the internal governance shall not be falling under the purview of the provisions of the Act and does not require any compliance as may be required under the provisions of the Act, in view of non-applicability of the provisions of the Act.

Having considered the above facts and circumstances of the case and submissions made, the adjudication notice has been disposed of stating that there is no violation under section 178(1) of the Companies Act 2013 during the period and without any penalty being imposed.

In Nutshell, a Promoter or relative of Promoter/KMP cannot be part of NRC even if appointed as non-executive Director.

Brainy Bits



CS Phani Datta D N

B.com, FCS

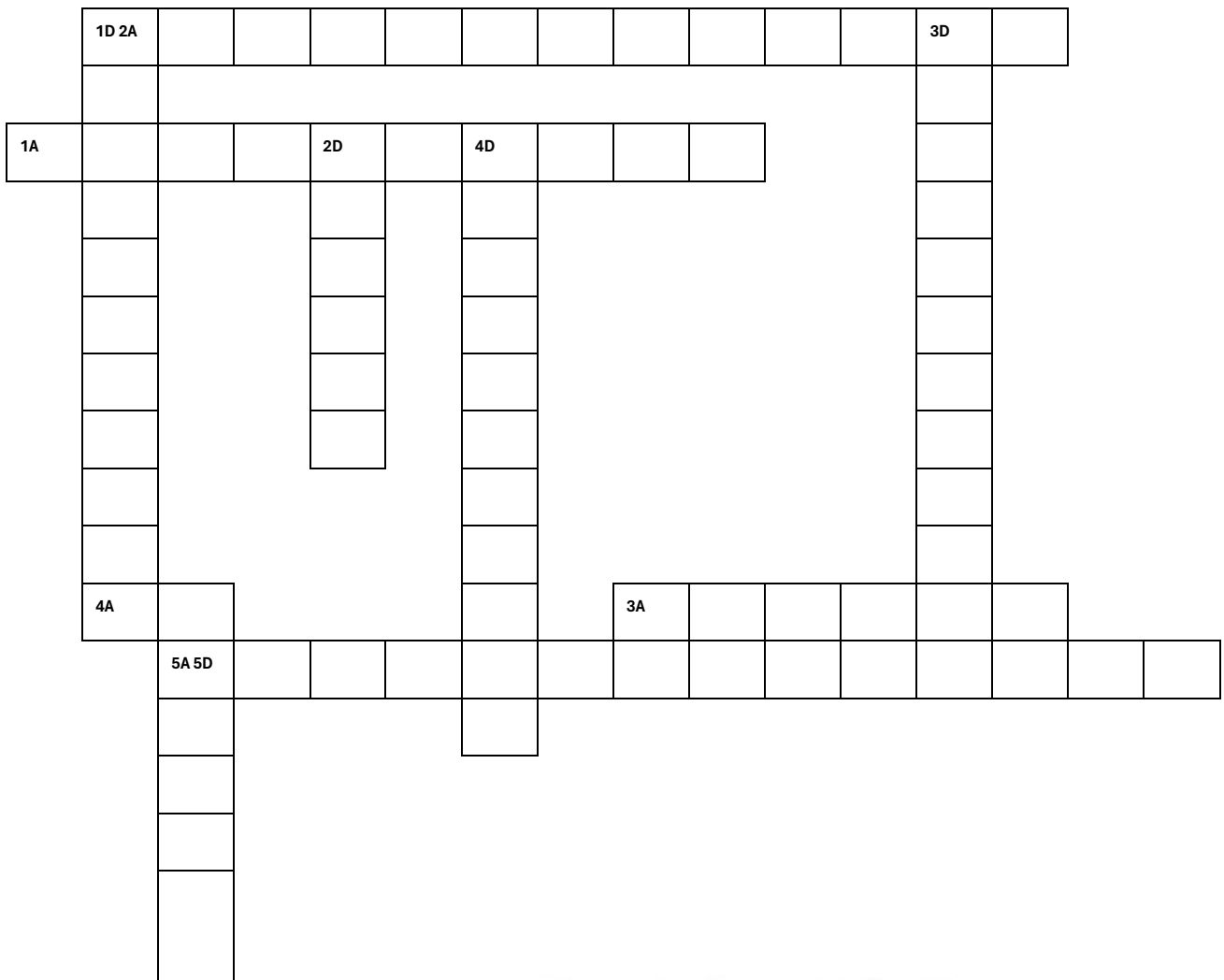
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CROSSWORD - 1

(Based on Food Safety and Standards Act and Regulations)



Clues:

Across

1. _____ food means an article of food that is represented to be or is being offered for sale with false, misleading or deceptive claims. (10)
2. _____ means any substance or material, not including apparatus or utensils, and not consumed as a food ingredient by itself, used in the processing of raw materials, foods or its ingredients to fulfil a certain technological purpose during treatment or processing and which may result in the non-intentional but unavoidable presence of residues or derivatives in the final product. (13)
3. In the event of an inspection being ordered, the registration shall be granted by the Registering Authority after being satisfied with the safety, hygiene and sanitary conditions of the premises as contained in Part II of Schedule 4 within a period of _____ days. (6)
4. All food importers, manufacturers, packers, labellers, re-labellers and re-packers must mandatorily file the Annual Returns with FSSAI in FORM _____. (2)
5. _____ means the foods which are specially processed or formulated to satisfy particular dietary requirements which exist because of a particular physical or physiological condition or specific diseases and disorders and which are presented as such, wherein the composition of these foodstuffs must differ significantly from the composition of ordinary foods of comparable nature, if such ordinary foods exist, and may contain one or more of the specified Ingredients. (14)

Down:

1. _____ means an article of food, being a produce of agriculture or horticulture or animal husbandry and dairying or aquaculture in its natural form, resulting from the growing, raising, cultivation, picking, harvesting, collection or catching in the hands of a person other than a farmer or fisherman. (11)
2. Every food business operator shall follow such conditions and guidelines relating to food _____ procedures as the Food Authority may specify by regulations. (6)
3. If the Designated Officer has reasonable ground for believing that any food business operator has failed to comply with any regulations to which this section applies, he may, by a notice served on that food business operator which in the FSS Act is referred to as _____ Notice. (11)
4. _____ ingredients mean vitamins, minerals, and amino acids as specified in Schedule I and Schedule II of Food Safety and Standards (Health Supplements, Nutraceuticals, Food for Special Dietary Use, Food for Special Medical Purpose, Functional Food and Novel Food) Regulations, 2016. (11)
5. _____ means an article of food for which standards have not been specified but is not unsafe. (5)

Note : Figures in the bracket indicate number of alphabets in the answer word.

Answers for this may be sent to enewsletter.icsimysore@gmail.com.

Winners' names and the answer shall be published in the next edition

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SEBI Act, 1992

Updates on Circulars

Safeguards to address the concerns of the investors on transfer of securities in dematerialized mode

SEBI has issued a Master Circular for depositories dated October 06, 2023 consisting of guidelines to address the concerns arising out of transfer of securities from the Beneficial owner (BO) Accounts without proper authorization from the actual investor.

SEBI has amended para 1.12 of SEBI Master Circular for Depositories dated October 06, 2023 to harmonize the classification of inactive/dormant accounts across Stock Exchanges & Depositories and to strengthen the measures to prevent fraud/Misappropriation for inoperative demat accounts.

Through this amended SEBI has prescribed eight safeguards to safeguard the interest of the investors, as listed below;

- Investor education particularly focusing on careful preservation of delivery Instruction Slip.
- The DPs shall not accept pre-signed DIS with blank columns from Beneficial owner(s).
- If the DIS booklet is lost/stolen/not traceable by the BO, the same shall be intimated to the DP immediately in writing and DP shall cancel the unused DIS of the said booklet.
- The DP shall also ensure that a new DIS booklet is issued on the basis of the previous instruction request slip.

- The DP shall not issue more than 10 loose DIS to one account holder in a financial year.
- Appropriate checks and balances shall be put in place by DP for the verification of signature of BO.
- The DPs shall cross check with the BOs under exceptional cases.

These safeguards will ensure the protection of actual investor, in cases shares are transferred from Beneficial owner accounts and harmonization of classification of inactive/dormant companies further simplifies the task of investor protection and fraud mitigation.

The Circular is available at https://www.sebi.gov.in/legal/circulars/mar-2024/safeguards-to-address-the-concerns-of-the-investors-on-transfer-of-securities-in-dematerialized-mode_82417.html

SEBI/HO/MRD/MRD-PoD-2/P/CIR/2024/18

Amendment to circular for mandating additional disclosures by Foreign portfolio investors that fulfil certain objective criteria

SEBI had mandated additional disclosure requirements for FPI including criteria of FPI those were exempted from additional disclosure requirements vide Circular No. SEBI/ HO/ AFD/ AFD-PoD-2/CIR/P/2023/148 dated August 24, 2023.

Further, it has been decided that a FPI having more than 50% of its Indian equity AUM in a corporate group shall be exempted from making additional disclosures as specified in para 7 of the above mentioned circular,

subject to compliance with conditions mentioned in the circular.

This has paved a way to attract more investments from Foreign Portfolio Investors, as their additional disclosure requirements has been exempted. This exemption will ensure more flow of funds into the country.

Complete circular along with conditions is available at https://www.sebi.gov.in/legal/circulars/mar-2024/amendment-to-circular-for-mandating-additional-disclosures-by-fpis-that-fulfil-certain-objective-criteria_82418.html

SEBI/HO/AFD/AFD-POD-2/P/CIR/2024/19

Introduction of Beta vision of T+0 rolling settlement cycle on optional basis in addition to the existing T+1 settlement cycle in Equity Cash Markets

SEBI had introduced T+1 rolling settlement cycle vide circular No. SEBI/HO/MRD2/DCAP/P/CIR/2021/628, which was effectively implemented by Market infrastructure institutions w.e.f January 27, 2023.

Further to the above facility, now it has been decided to put in place a framework for introduction of the Beta version of T+0 settlement cycle on optional basis in addition to the existing T+1 settlement cycle in equity cash market, for a limited set of 25 scrips and with a limited number of brokers.

In relation to the T+0 settlement cycle SEBI has also released operational guidelines and advises to MII.

This new facility will bring cost and time efficiency, transparency in charges to investors and strengthen risk management at clearing corporations and the overall securities market ecosystem.

Complete circular is available at https://www.sebi.gov.in/legal/circulars/mar-2024/introduction-of-beta-version-of-t-0-rolling-settlement-cycle-on-optional-basis-in-addition-to-the-existing-t-1-settlement-cycle-in-equity-cash-markets_82455.html

SEBI/HO/MRD/MRD-PoD-3/P/CIR/2024/20

CENTRAL GOODS AND SERVICES TAX ACT, 2017/ INTEGRATED GOODS AND SERVICES ACT, 2017

Notification on CGST Act, 2017

S.O....[E].— In exercise of the powers conferred by sub-section (1) of section 50 read with section 148 of the Central Goods and Services Tax Act, 2017 (12 of 2017) (herein after referred to as the Act), the Government, on the recommendations of the Council, hereby notifies the rate of interest per annum to be 'Nil', for the class of registered persons.

[F.No.CBIC-20013/7/2021-GST]

No 07/2024 - Central Tax - 08th April, 2024

The above notification applicable only for the few companies mentioned in the notification. Hence, not applicable for all the taxpayers.

S.O....[E].—In exercise of the powers conferred by section 148 of the Central Goods and Services Tax Act, 2017 (12 of 2017) (hereinafter referred to as the said Act), the Central Government, on the recommendations of the Council, hereby makes the following amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 04/2024-Central Tax, dated the 5th January, 2024 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), vide number S.O. 85[E], dated the 5th January, 2024, namely:-

In the said notification, in para 4, for the words and letters "1st day of April, 2024", the words and letters "15th day of May, 2024" shall be substituted.

2. This notification shall come into force from 1st day of April, 2024.

[F.No.CBIC-20001/7/2023-GST]

No. 08/2024- Central Tax -10th April, 2024

Section 148 of Central Goods and Services Tax Act, 2017 is under Chapter XXI of the Act deals with the Miscellaneous provisions, in which on 5th January 2024, the Govt. implemented special procedures for those registered taxpayers who are involved in the manufacturing of certain goods i.e. Pan Masala, Tobacco, etc.. Were extended the implementation from 05-01-2024 to 01-04-2024.

Hence, this notification applicable to limited taxpayers, not for all.

Instruction to the Department on implementation of provision of Section 70 of CGST Act, 2017

Guidelines for CGST field formations in maintaining ease of doing business while engaging in investigation with regular taxpayers.

Instruction No. 01/2023-24-GST (Inv.) - 30th March, 2024

Section 70 of CGST Act, 2017 empowers the officer to summon any person for the purpose of giving evidence, produce document or any other thing in an inquiry. For this purpose Commissioner, GST-Investigation, CBIC, laid uniform procedure in undertaking enforcement activities, with or involving regular taxpayers, which incorporates aspects related to the ease of doing business.

Hence, the practitioner or the business can plan their workings for supporting the department in the audit, inspections and other enforcement activities with the procedural reference of this instruction to the department.

INCOME TAX ACT, 1961 AND INCOME TAX RULE, 1962

Notification No. 31/2024 Dt. 13-03-2024, F. No. 203/22/2023/ITA-II, issued exercise of the powers conferred by clause (ii) of sub-section (1) of section 35 of the Income-tax Act, 1961 (43 of 1961) read with Rules 5C and 5E of the Income-tax Rules, 1962, the Central Government hereby approves 'National Forensic Sciences University, Gandhinagar' (PAN: AAALN3742Q) under the category of 'University, college or other institution' for 'Scientific Research' for the purposes for the period of Assessment Years 2024-25 to 2028-29.

Notification No. 33/2024 Dt. 19-03-2024 F.No. 503/2/1986-FTD-I, issued in exercise of the powers conferred by section 90 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby directs that the following modification shall be made in the Convention notified vide said notification number G.S.R. 356 (E), dated the 21st April, 1995, which are necessary for implementing the said Convention between India and Spain, namely - In the said notification, in the Convention annexed therewith between the Republic of India and Kingdom of Spain, in Article 13 relating to Royalties and Fees for Technical Services, for paragraph 2, the following paragraph shall be substituted,

"2. However, such royalties and fees for technical services may also be taxed in the Contracting State in which they arise and according to the law of that State, but if the recipient is the beneficial owner of the royalties or fees for

technical services, the tax so charged shall not exceed ten per cent of the gross amount of royalties or fees for technical services."

Notification No. 37/2024 Dt. 27-03-2024 F.No.370142/7/2024-TPL, issued to notify that, FORM ITR-V (INDIAN INCOME TAX RETURN VERIFICATION FORM) shall be substituted as FORM ITR – Ack (INDIAN INCOME TAX RETURN ACKNOWLEDGEMENT)

CBDT clarification on media reports claiming special drive to reopen cases with reference to HRA claims in the Press Release Dated 08-04-2024 that, Data analysis was carried out in some high-value cases of mismatch between the rent paid by the employee and receipt of rent by the recipient for the FY 2020-21. This verification was done in a small number of cases without re-opening bulk of cases, especially since Updated Return for FY 2020-21 (AY 2021-22) could have been filed by the taxpayers concerned only till 31.03.2024. It is underlined that the objective of the e-verification was to alert cases of mismatches of information for FY 2020-21 only without affecting the others.

CBDT clarifies provisions relating to donations made by a trust / institution to another trust / institution for the purposes of application of income, in the Press release dated 06-03-2024, in that it is mentioned that, CBDT has examined the matter with reference to the issues raised above. Vide Circular No. 3/2024 in F.No.370142/5/2024-TPL dated 06.03.2024,

Circular No. 5/2024 dated 15-03-2024, issued u/s 268A of the Income Tax Act, 1961, for filing of appeals by the department before Income Tax Appellate Tribunal, High Courts and SLPs/appeals before Supreme Court-measures for reducing litigation, which shall come into effect from the date of issue of this Circular.

There are many notifications issued under the **Customs Tariff Act, 1975** for the changes in tariff. As well **Circular No. 2/2024-Customs Dt. 08-03-2024** for Encouraging Women participation in International Trade and **Circular No. 03/2024-Customs Dt. 08-03-2024** for Inclusion of gender specific infrastructure facilities to be provided by the Custodian CCSP-CFS/AFS/ICD under the HCCAR, 2009

Much Awaited 2 days' workshop event of Mysuru Chapter of ICSI **Lantlan 2024**

A Unique 2 Days' Workshop is intended to address the critical issues under the Companies Act, 2013, Limited Liability Partnership Act, 2008 and related coverage under the securities laws, FEMA and other allied laws for the Companies, LLP's including Start-ups, small companies and MSME's. This Workshop is intended to be an interactive discussion on the pre-selected queries, and would involve comprehensive, intense discussion on the issues and counter-issues, based on principles of interpretation & judicial precedents.

Friday, 21st & Saturday, 22nd June 2024
@ Hotel Le Ruchi, Hunsur Road, Mysuru

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Inclusions: 2 Lunch, Tea / Coffee
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