



SIRC MYSURU CHAPTER

eMagazine



September, 2025
257th Edition

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"

Connect with ICSI



<https://www.facebook.com/ICSI>



https://twitter.com/ICSI_CS



<https://www.linkedin.com/in/the-institute-of-company-secretaries-of-india-icsi-a5899a102/>



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)

01

From Chairman's Desk	-03
Chapter Activities	-04

02 – Articles

AIR 16 to AIR 16 – A Journey of Consistency	05
Updates from the 56 th GST Council Meeting.	08
Case Analysis – MSMED Act	13
Case Analysis – Beyond the Arbitral Award	15
How to Prepare your IT Returns	19

03 – Columns

Food for Thought	23
Verdict Vista	25
ROC Adjudication	31
Student Corner	35
Corporate Riddle	41
Manthan	42
Brainy Bits	47
Tech Corner	49

Editorial Team

CHIEF EDITOR:

CS VIJAYA RAO

HONORARY MEMBER (CHAIRMAN):

CS KRISHNE GOWDA C

MEMBERS:

CS PHANI DATTA D N

CS PARVATI K R

CS KEERTHANA GOPAL

CS MATHRUKA B M

SUPPORT TEAM:

CS PAVITHRA P

MR. KOMAL KUMAR M

MS. APARNA U

Join 7000+ members' strong "CSMysore" eParivaar

<http://www.groups.google.com/group/csmysore>

Now it's easy to receive the e-Magazine directly into your personal mail id.

Click: <http://goo.gl/PV9Olr>

and fill-in simple info and start receiving the eMagazine from the subsequent month. You may send this link to your friends too!

Please write your comments and feedback to us:

enewsletter.icsimysore@gmail.com

Disclaimer

Views and other contents expressed or provided by the contributors are their own and the Chapter does not accept any responsibility. The Chapter is not in any way responsible for the result of any action taken on the basis of the contents published in this newsletter. All rights are reserved.



From the Desk of Chairman

Dear Professional Colleagues!

"GST 2.0 is a double dose of support and growth for the nation. Next generation reforms in GST have been done to support India's progress in 21st century. Five new gems (panch ratna) have been added to India's vibrant economy through GST reforms"

- **Sri. Narendra Modi, Hon'ble Prime Minister.**

We are proud to announce that our chapter student, Swathi S Ganesh, has secured the All-India 16th Rank in the professional exam conducted during June 2025. We congratulate her on this achievement, and we congratulate all the students who have cleared their exams. Also, we would like to reaffirm to our students who could not make it this time that we are always there to help you and wish you better luck next time.

2nd Three-Day Orientation Program (TDOP) for CSEET:

Our Chapter has taken the initiative to conduct a Three-Day Orientation Program (TDOP) for students who have successfully completed the CSEET in the month of September. Notably, our Chapter had already organized and successfully completed the 1st TDOP in July 2025.

GST Reforms by the Government:

India's Next-Gen GST reforms (GST 2.0), effective from September 22, 2025, mark the biggest tax overhaul since 2017 by reducing the structure to two slabs—5% and 18%—with a 40% rate for luxury and other goods. Essentials like food, medicines, insurance, and agriculture inputs now attract lower or nil tax, while healthcare, small cars, appliances, cement, and services such as gyms and hotels also see relief, boosting affordability for households and MSMEs. The reforms aim to simplify compliance, spur consumption, and strengthen transparency through tech-driven systems and a National GST Tribunal, even as states brace for short-term revenue losses. Positioned as a step towards a single unified tax by 2047, GST 2.0 seeks to balance consumer relief with economic growth.

These GST reforms would enhance the Domestic Consumption and Domestic Demand which would certainly boost the robust GDP growth in our country.

Happy & Prosperous Dasara and Durga Ashtami.

Thank you all.

Jai Hind. Jai ICSI!

CHAPTER ACTIVITIES

Independence Day Celebrations

79th Independence Day was celebrated at the Chapter Premises on 15-08-2025. National Flag hoisting done by CS Krishne Gowda C-Chairman of the Chapter at 09.00 am in the presence of the members and students of the chapter.



Study Circle Meeting

On August 15, 2025, a Study Circle meeting was held at the chapter premises on the subject matter of "Nitty Gritties of Annual Filings on V3." CV Vikram Raj, Mysore, was the Resource person. It was an interactive session. Several Practical aspects were discussed and addressed. There were 20+ Participants. CS Abhishek Bharadhwaj, Vice Chairman, welcomed the gathering, and CS Krishne Gowda C, Chairman, extended the vote of thanks.



Results

As the CS Result announced on 25th of August, the chapter is proud to announce that 13 of our students cleared their CS Professional program exams with Swathi S Ganesh securing AIR 16th Rank. We are also delighted to announce that 19 students have successfully cleared the CS Executive program examinations. Here is a write-up on the CS journey of our Rank holder, who also secured 16th Rank in her foundation level. Her journey shows how important consistency, dedication, and hard work are for any success story.

Read the following article of AIR 16th Ms. Swathi S Ganesh for the Incredible Journey

Ms. Swathi S Ganesh

BBA, LLB, CS Professional Passed
Compliance Executive: KMH &
Associates Practicing Company
Secretaries
swathisganesh@gmail.com



AIR-16 TO AIR-16: A Journey of Consistency.

When I enrolled for the Company Secretary course, it wasn't because of a long-cherished dream. In fact, the idea came from my economics teacher during my PUC days, Dr. Ramacharan G, along with the then Principal, Mrs. Ponnamma MN, who believed I was capable of handling a demanding program like CS. At the same time, I was very keen on joining a five-year BBA LLB course. Taking up CS alongside it felt daunting, but also like a challenge, and I was willing to test myself.

Foundation: A Step into the Unknown

I started my preparation for the foundation exams while in law college. My routine was tiring, with CS classes starting at 6 in the morning, law lectures throughout the day, and CS classes again until 8 in the evening. Soon, COVID-19 struck, and the exams were postponed. I started studying just a few days before the exams, not knowing what I was getting into. I never prepared with the thought of securing a rank, so when the results placed me in AIR 16, it came as a complete surprise.

Executive: A Test of Resilience

There was a break between my Foundation and Executive exams because I wanted to give my final year of law college the attention it deserved. When I finally began my Executive journey, it marked a turning point, not just academically, but personally, having moved to a new city. The executive stage was far more difficult than I had expected. The subjects were unfamiliar, and even where they overlapped with law, CS demanded a very different perspective. Tax and accounts, in particular, were a nightmare for someone not naturally inclined towards numbers. The one good thing was that I could claim an exemption in JIGL because I had a law degree.

At this stage, my mindset was clear. I had already spent five years immersed in law, and I didn't want to prolong my academic journey further. It had to be all or nothing. The night before each exam was filled with doubt and tears, but I never stopped showing up. What carried me through was not brilliance or shortcuts but consistency and persistence. I got my results, and more than a result, it felt like a sign that I was on the right path.

Professional: Learning Balance

Throughout my professional journey, I had the good fortune of a mentor, CS Vijaya Rao, who never imposed decisions on me but helped me think with clarity. She understood me and advised me in a way that brought out my strength.

AIR-16 TO AIR-16: A Journey of Consistency

By the time I got in to professional stage, I had started my articleship. My working hours ran from 10 in the morning to 7 in the evening, and between work and household responsibilities, study time was limited. Some days I managed to get in only twenty minutes of studying, and on other days, a good four hours. I spent my weekends catching up on my sleep and making sure I studied for at least six hours.

Initially, I had planned to attempt only one module. For my first module, I took online classes from Yes Academy and Inspire Academy for two subjects and decided to self-study two others. But with the right guidance from the partners and associates at the firm where I was training, I made a last-minute decision to write both. Looking back, that leap of faith changed everything. When I chose to attempt both modules, I didn't have much time. I relied on YouTube revision and marathon classes from Mr. Shubham Sukhlecha, which helped me cover ground quickly. Each teacher and resource I leaned on played a role in steering me in the right direction. Though I mostly studied alone, I did have the encouragement of colleagues who were themselves in different stages of the same journey.

The week of exams was the hardest part. I revised relentlessly, but my priority was to keep calm. With only two to three hours of sleep for eight consecutive nights, each time I picked up a book, it felt as though I had forgotten everything I had studied. Yet, in those moments of despair, I kept telling myself: "You can do this. You can do this."

When I saw my results and realized I had secured AIR 16 once again, I was overwhelmed with emotion. It wasn't just the result; it was the culmination of years of balancing, struggling, persisting, and proving to myself, it had been worth every step.

Lessons That Stay

This journey has taught me lessons I will carry forward:

- Consistency is everything. Even on the most unproductive days, showing up makes a difference.
- Hard work lasts longer than shortcuts. Smart work is valuable, but effort and discipline build foundations that don't crumble.
- Share what you learn. Speaking it out loud not only strengthened my understanding but also kept me connected with the subjects.

Looking Ahead

Armed with a BBA LLB rank and two CS ranks, I find myself positioned exactly where I am meant to be: at the intersection of law, compliance, and the corporate world. I am particularly drawn to the evolving field of insolvency and bankruptcy, and I look forward to exploring it further. This is the kind of work that excites and challenges me.

My journey was never about chasing numbers. It was about discovering the strength that comes from persistence and belief. When you put your heart and mind into something, each day holds the possibility of something extraordinary.



ARTICLES

Updates from the 56th GST Council Meeting



Gella Praveen Kumar

B.Sc., MBA, FCA, CMA | Faculty at ICAI for GST training
Practicing Chartered Accountant | Gella & Co. Bangalore
gellapraveen@gmail.com

After eight years of GST law implementation, at the instance of the direction provided by the Hon'ble Prime Minister, the think tank at the GST council has put in efforts for revamping the GST Rates on Goods and Services to address the long-pending needs of the Common man, Trade, & Industry.

By virtue of Article 279A of the Constitution, the GST Council has been formulated with reference to its formation, roles & responsibilities. A quick sneak into the VAT/GST rates adopted in other nations:

Country	Rate
Singapore	9%
Malaysia	10%
EU Nation	8% to 20%
UAE	5%
China	13%

Rate rationalisation is a process wherein a steering committee empowered shall examine the present rates in vogue, revenue collections, imbalance, if any in the value system, revenue gaps, if any in the supply chain, economic situation prevailing, etc., to think on the slab rates fixation. As of today GST Rates in vogue are

- Base Rate of 5%, 12%
- Standard Rate of 18% and
- Sin or luxury goods 28%

Most of the consumer products are taxed applying all of the above categories available. Surprisingly, educational material is taxed at 12%, medicines have a rate ranging from 12% to 18% etc. Earlier attempts were made for Rate rationalisation for increasing the GST Rates from 5% to 12% or 12% to 18% to remove the inverted duty structure.

However, the announcement made by the Hon'ble PM on 15th August 2025 is remarkable in nature, calling for major reform in GST.

Accordingly, as per the 56th GST Council held on 03rd September 2025, the council has decided and approved the following:

- Rate Rationalisation – 28% to 18%, 12% to 5%, 18% to NIL,
- Directions to commence the GST Appellate Tribunal

With reference to the above recommendations of the GST council, one will get to know the effect of GST Rate Changes on Goods proposed as per Annexure I, a summary of the same as per Industry specific in Annexure II, Rate changes on Services as per Annexure III, and a summary of the same Industry specific in Annexure IV.

In this article, we shall try to understand the immediate plan of action required by the professionals for making suitable advisory.

The relevant plan of action is as follows:

Understand □ Examine □ Preparedness □ Impact Analysis □ Conclusionary note

1. Understand the Aspect of Anti-Profiteering

1.1. The term Anti-Profiteering means the responsibility cast on a Registered person to pass on the benefit available on account of a reduction in GST rate or price reduction on account of availability of Input tax credit due to policy decision

of any amendment to the end consumer by way of price reduction

1.2. Two key elements to note under Anti-profiteering:

1.2.1. GST Rate reduction

1.2.2. Availability of Input tax credit, which hitherto was not being allowed

1.3. It is important to note that GST shall be applied as per the prevailing rate of tax on Transaction value, and the same has to be disclosed on a Tax Invoice issued. However, at times, when GST is not charged or collected separately, as per Rule 35 of CGST Rules, 2017, when the consideration received is inclusive of GST, then reverse

computation shall be adopted as per the formulae mentioned in the above Rule for computing the GST amount.

1.4. Transactions which are subject to MRP or Composite price including GST shall be relevant for examination of Anti-profiteering condition, if the Rate of GST for such supply has been reduced. Reason, since price is inclusive of GST, savings in this regard have to be passed on to the customer.

To boost the exporters for the export benefits, the Council recommended the omission of clause (b) of section 13(8) of the IGST Act 2017. Accordingly, after the said law amendment, the place of supply for “intermediary services” will be determined as per the default provision under section 13 (2) of the IGST Act, 2017, i.e., the location of the recipient of such services.

Let us understand this with an example:

Air Conditioner: MRP 50,000 (inclusive of Tax)

Particulars	GST Rate Up to 21.06.20 25 28%	GST Rate From 22.06.2025 18%	Profit
Basic Value	50,000* 100/128 = 39,063	50,000* 100/118 =42,373	3,310
GST	50,000* 28/128 = 10,937	50,000* 12/112 = 7627	

1.5. In the above example, when MRP has not been altered, reduction of GST Rate from 28% TO 18% results in a profit of Rs. 3,310/- to the Dealer concerned. This profit, if not passed on to the consumer, is a violation of Section 171 of the Central GST Act, 2017.

1.6. Manufacture/Dealer has an option to alter the MRP to reduce the price or mention the price reduction on a tax invoice issued to mention the effect of the change in price reduction on the value for the basic price.

2. Examine the Goods/Services being Dealt with for the Rate Change

2.1. The next step is to examine the HSN/SAC for the goods/services dealt with and the impact of GST Rate rationalisation

2.2. There could be price increases or decreases as per the recommendations made by the GST Council towards Rate Rationalisation. Careful examination is required to map the relevant goods and services in the accounting ERP for the Rate change required

2.3. When the Price decrease happens, the alteration of MRP is a challenging job to ensure that there exists a price-neutral position. Mathematical application of the Rate change is summarized for discounting the original MRP:

Original	New	change factor	Disc. Required
28	18	0.078	0.9219
18	12	0.051	0.9492
12	5	0.063	0.9375

2.4. For instance, in the above example for the air-conditioner, the MRP should be discounted to 92.19% of the listed price to make the rate change neutral on the profitability

3. Preparedness Required when Provisions of Anti-Profiteering are Applicable

3.1. Conduct the internal training to make the supporting team understand anti-profiteering, products, or services being dealt with

3.2. Identify the goods and stock position for which the rate change shall be applied

3.3. Strategize the MRP value and the goods available in stock with the old MRP. Effect of Section 171 and corresponding disclosure in Tax-Invoice if MRP can't be altered for the existing stock

3.4. Keep on record the efforts placed to change the MRP in commensurate with the GST Rate change proposed

4. Impact Analysis and Change Management

4.1. The management duty is to make a proper announcement to the existing dealers and raise awareness on Section 171 compliance

4.2. Make suitable directions for ERP upgradation, inventory management

4.3. Ensuring that existing stock that is not to be liquidated before the rate change is properly dealt with

4.4. Document the impact of the rate change and the price savings passed on in commensurate with such rate reduction for establishing the same to GST officials

Anti-profiteering is a well-thought-out concept to ensure that end consumers get the benefit of Rate reduction or availability of Input tax credit. The intent of the GST law has to be upheld by the Registered businessperson, and appropriate trade practices should be kept in place.

Other Trade Measures:

1. Exemption from life and health insurance policies for all individuals
2. Reduction of GST Rate on Cement from 28% to 18%
3. Reduction of GST on consumer day-to-day products, electronic consumable items, and eatables
4. Reduction of GST from 12% to NIL on life-saving drugs. Reduction of GST rate on medical apparatus
5. Correction of the inverted duty structure for the fertilizer sector
6. Reduction of GST rate on hotel accommodation from 12% to 5%
7. Provisional sanction of GST refund to facilitate refund claims on account of zero-rated supplies
For applicants having a lesser risk as assessed by the GST system, early disbursement of GST refunds shall be on a provisional basis. This

shall be brought into effect from 01st November 2025

8. Simplified GST Registration Scheme for Small and Low-Risk Businesses:

It is proposed to simplify the registration process. Recommendations are made for the introduction of an optional simplified GST registration scheme, wherein the registration shall be granted on an automatic basis within three working days from the date of filing of the application for the low-risk applicants and applicants who, based on their own assessment, determine that their output tax liability on supplies to registered persons will not exceed Rs. 2.5 lakh per month (inclusive of CGST, SGST/UTGST and IGST). The scheme will provide for voluntary opting into and withdrawal from the scheme.

9. Simplified Registration Scheme for Small Suppliers Supplying through Electronic Commerce Operators

The Council approved the concept of a simplified GST registration mechanism for small suppliers making supplies through e-commerce operators (ECOs) across multiple States, facing challenges in maintaining a principal place of business in each State as currently required under the GST framework.

10. Amendment in Place of Supply Provisions for Intermediary Services under Section 13(8) of the IGST Act:

To boost the exporters for the export benefits, the Council recommended the omission of clause (b) of section 13(8) of the IGST Act 2017. Accordingly, after the said law amendment, the place of supply for “intermediary services” will be determined as

per the default provision under section 13 (2) of the IGST Act, 2017, i.e., the location of the recipient of such services.

11. Deliberations were made for the omission of the sale discount provision u/s 15(3) and to insert a condition u/s 34 of the Central GST Act, 2017. Also, deliberations were made for issuing a circular to clarify the aspects of post-sale discount and its treatment thereof. A lot of litigation is being augmented in light of commercial/financial credit notes on account of post-sale discounts. Only after deliberations made by CBIC in this regard, we shall have some clarity on the intent of the law in this regard.

12. Formal operation of the GST Appellate Tribunal has been deliberated in this meeting. It has been decided to operationalisation of Goods and Services Tax Appellate Tribunal (GSTAT) for accepting appeals before the end of September and to commence hearing before the end of December 2025. This is most required by the Trade and Industry to battle the scrupulous litigation on agitated issues

Disclaimer:

The above views expressed are as per the understanding of the present GST provisions by the author. Any corrections or suggestions may be sent to praveen@gella.in. It is highly recommended for the users to read through the GST Provisions and have their understanding of the legal matter concerned before taking any views in this regard.

**Perfection is
not attainable,
but if we chase
perfection we can
catch excellence.**

— VINCE LOMBARDI

M/s.Sonali Power Equipments Pvt. Ltd. Vs. Chairman, Maharashtra State Electricity Board, Mumbai and Ors, on 17 July, 2025



CS Suhasini Ashok B

M.com, LLM, ACS, IP
 Founder Partner - P2S Niyam Advisors LLP
 Email: suhasini@niyamadvsiors.com

Hon'ble Supreme Court clarified important issues relating to the:

- i. MSMED Act and how the limitation applies to claims before Facilitation Councils.
- ii. Disclosures in financial statements impact on limitation period

- i. Apex Court held that the Limitation Act does not apply to conciliation proceedings under the MSMED Act. This indicates that even claims that would otherwise be time-barred can be raised and perhaps settled during conciliation.

Nevertheless, for arbitration under Section 18(3), the Court has now made it clear that the Limitation Act does apply. If a claim is time-barred by the Limitation Act, it cannot be revived

simply because it is brought before the Facilitation Council for arbitration. A much-needed issue was clarified for both MSMEs and buyers.

- ii. Another point from the judgment that the court briefly discussed was how disclosures in financial statements impact the limitation period. It is well

established and a standard principle that showing unpaid MSME dues in financial statements might

extend the limitation period

if the disclosure is seen as an acknowledgment of debt. Reference made

to various cases like Bishal Jaiswal, stating that while an entry in the

balance sheet can be an acknowledgment, it's not automatic. The courts will look at

the:

- A. nature of the disclosure and
- B. any attached notes or auditor's remarks before deciding if it amounts

It is well established and a standard principle that showing unpaid MSME dues in financial statements might extend the limitation period if the disclosure is seen as an acknowledgment of debt.


C. to an acknowledgment under Section 18 of the Limitation Act.

Rationally, Companies should evaluate options to safeguard themselves by highlighting in the notes to their financial statements that:

1. The disclosure is only for compliance with statutory and regulatory requirements, and it does not waive any objections or defences
2. The particular amount shown does not mean the company is admitting or acknowledging

liability, and the entry is not intended as confirmation of the debt's validity or enforceability.

3. Review and update their disclosure language to ensure there's no unintended acknowledgment of debt, and this should be done on a case-by-case basis rather than general statements.



**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)

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

Motto
सत्यं वद। धर्मं चर।
वस्तुतः प्रष्टुं। प्रमाणेन प्रष्टुं। प्रष्टुं।

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

**December 2025 Session of
CS Examination**

**Prepare-
Practice-
Perform**

Medium of Examination
English or Hindi
(As per prescribed guidelines)

IMPORTANT ENROLLMENT DATE(S):

Submission of Examination Enrolment Request Without Late Fee :	Submission of Examination Enrolment Request With Late Fee :
26 th August 2025 to 25 th September 2025	26 th September 2025 to 10 th October 2025

Hurry Up – Don't wait until the last moment –
Enroll today and step confidently towards success this December 2025!

EXAMINATION DATES:

22nd - 29th
Dec'2025

EXAMINATION FEE (₹)		
Executive Programme	1500	Per Group
Professional Programme	1800	Per Group
Late Fee for submission of Examination Form	250	Lumpsum
Change of Examination Center/Group/Medium/optional subject	250	Per Change
Addition of Group	250	Service Charge (In addition of examination fee)
Surcharge for appearing in examinations from overseas centre (Dubai) (over and above normal Examination Fee)	US\$100	OR Equivalent amount in Indian Rupees

Concession in fee is applicable to various categories visit at:
https://www.icsi.edu/media/webmodules/student/FeeDetails_Concession.pdf

Eligibility criteria to Enroll for CS Examination (MANDATORY REQUIREMENTS)

EXECUTIVE PROGRAMME

- Completion of online Pre- Examination test
- Completion of IDOP (For the students who register from 1st June 2019 to 31st January 2025) or IDOP (For the students who register from 1st February 2025 onwards)

PROFESSIONAL PROGRAMME


- Completion of Online Pre- Examination test

Enroll Now :
<https://smash.icsi.edu>

CS Dhananjay Shukla
President, The ICSI

CS Pawan G. Chandak
Vice President, The ICSI

CS Ashish Mohan
Secretary, The ICSI

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

Case Analysis: Beyond the Arbitral Award: Governance Lessons from Gayatri Balasamy v. ISG Novasoft (2025)



CS Dolly Lohia

Company Secretary
csdollylohia@gmail.com

Beyond the Arbitral Award: Governance Lessons from Gayatri Balasamy v. ISG Novasoft (2025)

By Dolly Lohia, Company Secretary

✦ Editor's Note

This article analyzes the Supreme Court of India's April 30, 2025, judgment in Gayatri Balasamy v. M/s ISG Novasoft Technologies Ltd., a landmark ruling that clarified the limits of judicial intervention in arbitral awards under the Arbitration and Conciliation Act, 1996. As organizations increasingly rely on arbitration for dispute resolution, this case offers critical lessons in governance, ethics, and board accountability.

Draft arbitration clauses carefully. Ensure procedural integrity throughout the process- from appointment of arbitrators to enforcement of awards.

🏛️ Introduction

In an era where corporate disputes are increasingly resolved through arbitration, the Supreme Court's 2025 ruling in Gayatri Balasamy v. ISG Novasoft has emerged as a defining moment in Indian arbitration jurisprudence. But beyond its legal significance, the case serves as a mirror to boardrooms—reflecting how ethical lapses, if mishandled, can escalate into reputational crises and costly litigation.

This article unpacks the legal trajectory of the case, the Supreme Court's interpretation of arbitral sanctity, and the broader governance implications for boards, compliance officers, and legal professionals.

🏢 Background of the Case

Gayatri Balasamy, a senior executive at ISG Novasoft Technologies Ltd., resigned from her position in 2019, alleging sexual harassment by the company's CEO. Her resignation was not accepted, and she was subsequently served with multiple termination letters. In response, she filed criminal complaints under:

- Indian Penal Code (IPC)
- Tamil Nadu Prohibition of Harassment of Women Act

The company retaliated by filing defamation and extortion charges against her. The dispute escalated and was referred to arbitration under the terms of her employment contract.

⚖️ Arbitral Award and Judicial Journey

The arbitral tribunal awarded Gayatri ₹2 crore in damages. However, the award's journey through the judiciary was anything but straightforward:

Gayatri challenged the reduction before the Supreme Court, which ultimately upheld the principle that courts have limited powers to modify arbitral awards, reinforcing the autonomy of arbitral tribunals.

⚖️ Legal Issues Raised

The case raised several pivotal questions under Indian arbitration law:

- Can courts modify arbitral awards under Sections 34 and 37 of the Arbitration and Conciliation Act, 1996?
- What constitutes an "error apparent on the face of the award"?

- How does Article 142 of the Constitution empower the Supreme Court to ensure complete justice?



Key Findings of the Supreme Court

The Constitution Bench of the Supreme Court delivered a nuanced verdict that clarified the boundaries of judicial intervention:

1. Limited Modification Power

Under Section 34, courts may set aside an award only on specific grounds such as fraud, bias, or violation of public policy. They cannot rewrite or re-evaluate the merits of the award. Section 33 allows correction of computational, clerical, or typographical errors, but not substantive changes.

2. Severability Doctrine

If an arbitral award contains distinct parts, invalid portions may be severed without affecting the enforceability of the rest. This ensures that procedural flaws do not nullify the entire award.

3. Article 142 Invoked

The Court exercised its constitutional powers to ensure complete justice. While it acknowledged its authority under Article 142, it emphasized that such powers must be used sparingly and in alignment with the legislative intent of the Arbitration Act.

🏢 Governance and Compliance Takeaways

This case offers rich insights for boardrooms, compliance officers, and legal advisors. It's not just

about arbitration—it's about how organizations respond to internal crises.

- **1. Workplace Ethics Must Be Proactive**

Allegations of sexual harassment must be addressed through robust internal mechanisms such as:

- Independent Internal Complaints Committees (ICCs)
- Whistleblower protection frameworks
- Transparent grievance redressal systems

Retaliatory litigation, as seen in this case, not only undermines employee trust but also exposes the company to reputational and legal risks.

- **2. Board Oversight Is Non-Negotiable**

The company's handling of the dispute reflected poor governance. Boards must:

- Monitor executive conduct
- Ensure ethical leadership
- Intervene decisively in cases involving senior management misconduct

A passive board is a liability. Directors must ask tough questions and demand accountability.

- **3. Respect for Arbitral Autonomy**

Boards and legal teams must understand the limits of judicial review. Arbitration is not a second trial—it is a binding resolution mechanism. Attempts to manipulate or dilute awards through litigation can backfire, both legally and reputationally.



🌐 Comparative Insight: Global Arbitration Trends

The Supreme Court's approach aligns with global trends in arbitration:

- **United Kingdom**: Courts rarely interfere unless there is a breach of natural justice or public policy.
- **Singapore**: Judicial review is limited to procedural irregularities.
- **United States**: The Federal Arbitration Act restricts court intervention to fraud, corruption, or evident partiality.

India's reaffirmation of arbitral autonomy signals its commitment to becoming a pro-arbitration jurisdiction, essential for attracting foreign investment and resolving commercial disputes efficiently.

Strategic Lessons for Governance Professionals

For company secretaries, compliance heads, and board advisors, this case underscores the importance of:

- **Ethics Over Optics**

Superficial compliance won't shield a company from deeper governance failures. Ethical culture must be embedded- not just documented.

- **Documentation Discipline**

Maintain clear records of internal proceedings, especially in sensitive matters. Emails, minutes, and investigation reports must be audit-ready.

- **Crisis Communication**

Legal disputes involving harassment must be handled with empathy and strategic messaging. Silence or denial can be interpreted as complicity.

- **Arbitration Readiness**

Draft arbitration clauses carefully. Ensure procedural integrity throughout the process- from appointment of arbitrators to enforcement of awards.

Broader Implications for Corporate India

The Gayatri Balasamy case is a wake-up call for corporate India. It highlights:

- The **fragility of reputation** in the digital age
- The **cost of ethical lapses**, both financial and cultural
- The **importance of board vigilance** in safeguarding organizational integrity

It also reinforces the idea that **justice is not just a legal outcome—it's a governance imperative.**

🔚 Conclusion

The Supreme Court's judgment in Gayatri Balasamy v. ISG Novasoft is more than a legal precedent- it's a governance parable. It reminds boards and compliance officers that ethical lapses, if mishandled, can escalate into costly legal battles and reputational damage.

Arbitration may offer resolution, but justice demands integrity from the start. Companies must embed ethical leadership, empower internal redressal mechanisms, and respect the finality of arbitral decisions.

For governance professionals, this case is a call to action: to lead with courage, communicate with clarity, and uphold the principles that define responsible enterprise.

📖 References

- Supreme Court of India (2025). Gayatri Balasamy v. M/s ISG Novasoft Technologies Ltd., Judgment dated April 30, 2025.
- Finology Blog (2025). Top Judgement of Supreme Court 2025.
- Arbitration and Conciliation Act, 1996 – Sections 34, 37, 31(7)(b), 33.
- Constitution of India – Article 142.

How to Prepare and File Your Income Tax Returns

(In the Case of Individual, HUF, Partnership Firm Assesses)



CS KRISHNE GOWDA C

M.Com., ACS.,
Practicing Company Secretary
cskrishnegowdac@gmail.com

Filing an Income Tax Return (ITR) is a crucial annual responsibility for every eligible taxpayer, as it not only ensures legal compliance but also helps in maintaining financial discipline, enables easy access to loans and visas, facilitates claiming refunds, and creates a valid record of income.

Proper collection of information and accurate preparation can greatly simplify the process while helping avoid common mistakes.

The following are the comprehensive pre-filing checklists to ensure smooth and hassle-free filing of your Income Tax Returns;

Stage 1. Registration with Income Tax Portal.

- Login to the Income Tax Portal <https://eportal.incometax.gov.in> and register

your PAN by providing required details like your Aadhaar, PAN, Email, Mobile Number and Address.

- Once you register, you need to preserve the Password of your login credentials. Do not share these login credentials with anyone unless required.

Stage 2. Gathering Income Details or Sources of your Income of the Previous Year: -

- **Salary Income:** Form 16 from employer;
- **Other Income:** Interest on savings, FDs, RDs, Bonds;
- **House Property:** Rental income, Property Tax paid details; Housing loan interest certificate, HBL Sanction letter; Closing Balance of Housing Loan, if availed;
- **Capital Gains:** Stock Broker statements for shares, mutual funds, property sold details.

Please note selecting wrong ITR Form will lead to treating our ITR a Defective Return U/s 139(9) of the Act

- **Business/Profession:** Books of accounts, GST Returns, PY Financial Statements;
- **Foreign Income/Assets:** If applicable, details of overseas income and holdings.
- **Statements/Passbooks of all the SB Accounts, Current Accounts, OD/ML/GL /Loan Statements;**

Stage 3 : Download & Verify Form 26AS / AIS / TIS from IT Portal: -

- Once you login to <https://eportal.incometax.gov.in> and click the “AIS” tab in the E-portal, it navigates you to [https://ais.insight.gov.in/complianceportal/ais/instructions portal](https://ais.insight.gov.in/complianceportal/ais/instructions portal;);
- Review Annual Information Statement (AIS) and Taxpayer Information Summary (TIS) for:
 - Interest from FDs from Banks & other Financial Institutions;
 - Dividend income from companies;
 - Capital gains on shares/mutual funds (LTCG/STCG);
 - In the AIS & TIS be attentive in observing High-value transactions (Cash Deposits/ Cash Withdrawals, FD, Property bought/sold, Foreign remittances, etc.);
 - Download and check Form 26AS (Tax Credit Statement);
 - Prepaid Taxes/TDS/TCS details;

Try to match these one-click downloaded information with your records to avoid mismatches.

Stage 4: Other Important Factors: -

- Ensure your PAN is linked with Aadhaar, by login to IT portal.
- Opt for old or new tax regime carefully (compare which is beneficial).

- Report all bank accounts — designate one for refund.
- Report exempt income (e.g., PPF, tax-free bonds, agriculture income).

Stage 5: Select the Applicable / Correct ITR Form: -

This is the first step in filing your ITR. You need to choose the proper and applicable Form that fit into your case. The following are the different ITR Forms provided under the Income Tax Act, 1961.

INCOME TAX FORMS in	APPLICABILITY
ITR – 1	This Form is applicable for Individuals having Salary income (for Salary income < Rs.50L);
ITR – 2	This Form is applicable Salary Income and having Capital Gains, having Income from Foreign Sources;
ITR – 3	This is Form is applicable for Assessee having Business or Professional income;
ITR – 4	presumptive income [1].

Note 1: Please note selecting wrong ITR Form will lead to treating our ITR a Defective Return U/s 139(9) of the Act;

Note 2: Log into <https://eportal.incometax.gov.in>, use the Utility provided therein or private authenticated software to upload your ITR Form;

Stage 6: Post-Filing Steps and Procedures:

- Ensure successful submission and acknowledgement (ITR-V);
- Track refund status/any notices on the income tax portal;

- E-Verify ITR within 30 days (through Aadhaar OTP, net banking, or by sending signed ITR-V to CPC, Bengaluru);
- Keep the soft copies of your ITR submissions for further references;

Conclusion: -

A systematic approach to ITR filing saves time, avoids mismatches, and reduces the chances of scrutiny. Preparing this checklist before starting ensures a smooth, error-free, and compliant filing experience.


**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)


**National Convention of
Company Secretaries**
#NCCS2025

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."

REGISTRATIONS OPEN

**53rd National Convention of
Company Secretaries**

October 31 & November 1-2, 2025 (Friday, Saturday & Sunday)
 Hotel Grand Hyatt Kochi Bolgatty, Kochi, Kerala
Theme: Progressive, Inclusive and Sustainable Bharat

10 CPE Credits (Structured)
for ICSI Members

Avail Early
Bird Registration
Block-I extended
upto September 15,
2025

Delegate Registration Fee* (Non-residential)			
Delegate Category	Early Bird Registration Block-I (Extended upto September 15, 2025)	Early Bird Registration Block-II (From September 16, 2025 to October 20, 2025)	Delegate Fee (From October 21, 2025 including on the spot registration)
Member of ICSI/ICAI/ICMAI	Rs. 9,000	Rs. 9,500	Rs. 10,000
Accompanying Spouse/ Child (5 years and above)/ Sr. Member (60 years and above)	Rs. 7,000	Rs. 8,000	Rs. 9,000
Student of ICSI	Rs. 6,500	Rs. 7,500	Rs. 8,500
Non-Member/Guest	Rs. 11,000	Rs. 12,000	Rs. 13,000
Foreign Delegate	USD 175	USD 225	USD 275

*Exclusive of GST @18% on non-residential basis.

- The above fee includes Lunch (3), Dinner (2), Morning / Evening Conference Tea, Coffee, Conference Kit and Souvenir. The Delegate Fee is payable in advance and is non-refundable & non-transferable.
- Registration for the Convention shall be through Online Mode only. Please note that payments will not be accepted through demand draft, cheque, cash, etc.

Registration Link : <https://tinyurl.com/53NCCS>



CS Dhananjay Shukla
President
The ICSI

CS Pawan G. Chandak
Vice President
The ICSI

CS Dwarakanath Chennur
Council Member, The ICSI
& Programme Director

CS Asish Mohan
Secretary
The ICSI

CS Madhusudhanan E P
Chairman
SIRC, The ICSI

CS Jinu Mathen
Chairperson
Kochi Chapter, The ICSI

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

COLUMNS





Ms. Aparna U

CS Executive Student

aparnaukumar14@gmail.com



Help Yourself

Food for thought

The Power of your Subconscious Mind

by

Dr. Joseph Murphy

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.

You might have often heard elders saying "Shubh Shubh Bolo" to anyone who makes an unpleasant or undesirable statement. The phrase in Hindi roughly translates to "Say good or auspicious things only." More importantly it implies that one must refrain from saying something negative. This is probably one of the most elemental ways in which we are taught at our households to think and adopt positivity.

Dr. Joseph Murphy is regarded as one of the pioneering voices of affirmative thinking. His book 'The Power of your Subconscious Mind' explains how our subconscious mind influences every single aspect of our life. "As a person thinketh in his subconscious mind, so is he." This book is of great relevance in everyone's lives, more so for us professionals who may have a lot of scattered thoughts in our minds. This book is a gift to help us understand the working of our minds and turn it, as much as possible, in our favour.

The very first chapter of the book talks about the treasure house within all of us followed by the next chapter that explains how our mind works and then how our subconscious mind works. The book also covers various chapters on mental healing; the role of the subconscious mind in achieving success, harmony and removing fear;

wonders of sleep and many more aspects of the subconscious mind and its roles backed by scientific researches combined with spiritual wisdom. In the end of each chapter, it includes point wise highlights of the chapter for easy recollection for readers.

The complex ways of working of the mind is explained in the simplest ways in the book. For instance, the book explains that the subconscious mind is like a bed of rich soil that simply accepts seeds that are provided by the conscious mind and as we all know, what we sow, is what we reap. Thus, your subconscious mind does not argue with you. It accepts what your conscious mind decrees. In another instance, the author draws a parallel between a taxi driver given half a dozen directions to reach one place and cluttering your mind with too many thoughts. The taxi driver would be unable to reach anywhere close to the destination, so would your mind when it is cluttered with too many things. To get your subconscious mind working in your favour and for you to get your desired result, you need to have a clear-cut idea in your mind. In another instance, the author explains that making statements like "There is a shortage," "I cannot afford it," and so forth are like signing blank cheques out of fear about the future that attract negative conditions to you. Thus, we learn that one must never sign blank cheques of this or any sort at all. The book also has various practical instructions for you to follow and repeat to your mind in order to make your subconscious mind execute affirmative thinking. The author as well as many readers suggest reading this book multiple times as this can help one to make affirmative thinking habitual.

Many aspiring Company Secretaries or even other professionals often have stage fright or may be struggling with public speaking. This book explains how to use the subconscious mind to remove fear in a chapter dedicated to this topic. It also explains how to deal with and overcome fear of failure which is often a common problem faced by students. A small but immensely powerful takeaway from this chapter - "Do the thing you are afraid to do and the death of fear is certain." What has been brought to you here is even lesser than a size of nutshell put before the immense knowledge that the book treasures. Reading this book can truly help transform you.



Verdict Vista



CS Gaurav Pingle

Practising Company Secretary

gp@csgauravpingle.com

Supreme Court Rules that NCLT has Powers to Decide on Fraud, Manipulation & Coercion

The powers of National Company Law Tribunal ('NCLT', earlier Company Law Board, 'CLB') with respect to fraud related matters (on Company Law related issued) has been considered by the several Tribunals and Courts over a considerable period of time. In a recent case – Shailja Krishna vs. Satori Global Ltd. [2025] 178 taxmann.com 70 (SC) / (2025) ibclaw.in 344 SC / Civil Appeal Nos. 6377-6378 of 2023, September 2, 2025 – the Supreme Court observed that board meetings were not properly called and were invalidly conducted, gift deed and share transfer forms were invalid, share transfers were not compliance with Articles of Association, etc. The Supreme Court observed that *“all (these) actions of the company in serial fashion demonstrate clear oppression and mismanagement in its affairs. Probity is lacking which is prejudicial to the appellant”*. This article is an analysis of the Supreme Court judgment in the matter of – Shailja Krishna vs. Satori Global Ltd.

Facts of the Case:

1. The First Respondent – 'Satori Global Limited' – a private limited company was earlier known as Sargam Exim Private Limited ('the Company'). At the time of incorporation in 2006, the Appellant and the second respondent (i.e. Mr. Ved Krishna) – the Appellant's husband were the original promoters of the Company. The Appellant initially subscribed to 5,000 equity shares, while the second respondent subscribed to the

- remaining 25,000 shares. In December 2006, the second respondent transferred 24,500 shares to the Appellant, thereby increasing her shareholding to 29,500 shares. The remaining 500 shares of the second respondent were transferred to the third respondent – Mr. Nirupam Mishra;
2. Subsequently, the Company issued additional 10,000 shares to the Appellant. By the end of Financial Year 2006 – 2007, she held 39,500 shares of the Company out of a total of 40,000 equity shares of the issued and paid-up share capital, representing more than 98% of the Company's shareholding;
 3. In February 2007, the second Respondent resigned from the directorship of the Company, his resignation was accepted at the board meeting and the third respondent was inducted as director of the Company in his place;
 4. In December 2010, the fifth respondent was inducted as an additional director in the Company. Subsequently, the Appellant is stated to have resigned from the Company. Her resignation was accepted at a board meeting attended by the third respondent and the fifth respondent. On the same day, a gift deed was executed in Faizabad through which the Appellant purportedly transferred her entire shareholding in the Company to the fourth respondent – Mrs. Manjula Jhunjunwala – her mother-in-law out of love and affection. The Appellant's entire shareholding was transferred to fourth respondent by execution of the Share Transfer Form dated October 1, 2010 and the validity of which was allegedly extended up to November 12, 2011;
 5. Around 2009 – 2010, the Appellant and the second respondent drifted apart resulting in a strained marital relationship.
 6. In February 2011 and then again in March 2011, the Appellant lodged police complaints alleging that she had been coerced into signing some blank documents. On or about June 2011, the second respondent left India for the USA, where he instituted divorce proceedings against the Appellant.
 7. In the meantime, a board meeting was convened wherein notice was issued for an Extraordinary General Meeting (EGM) to be held on June 20, 2011. The second respondent was re-appointed as Director of the Company and, at the said EGM, the Company was converted into Public Limited Company under the name 'Satori Global Limited'.
 8. The Appellant thereafter lodged her third police complaint on the same lines as the first two. She also addressed communications to the Registrar of Companies and MCA, informing them of the circumstances. In November 2011, the alleged transfer forms were utilised to effect transfer of her shares in favour of the fourth respondent.
 9. The Appellant also filed a petition under the Protection of Women from Domestic Violence Act, 2006 against the second and fourth respondent. Later that year, she came to know that her name has been removed from the list of shareholders and instead, the fourth respondent was shown to have acquired her shareholdings.

This led to filing of another complaint by the appellant, which resulted in registration of FIR against the second to fifth Respondents u/s 406, 419 and 420 of Indian Penal Code, 1860.

10. Amidst these circumstances, the appellant filed a company petition before Company Law Board, New Delhi ('CLB') which was ultimately allowed with costs by the NCLT, resolutions passed by the board of directors in December 2010 were set aside, Appellant was restored as Executive Director of the Company and was declared as the lawful owner of 39,500 equity shares. NCLT observed that the share transfer in November 2011 in favour of the fourth respondent was null and void. NCLT directed the Company to reinstate the appellant as director, and the fourth respondent ordered to return the share certificates within 15 days. NCLT found overwriting and manipulation in the share transfer form, and noted that it was executed after its validity had expired. The Registrar of Companies was found to be lacking the power under Section 108(1-D) of Companies Act, 1956 to extend its validity in such circumstances. NCLT also found Form 7C to be incomplete and the extension of validity by the Registrar of Companies doubtful, warranting inquiry by MCA.
11. On appeal, the NCLAT set aside the NCLT judgment/order on the ground that it did not have jurisdiction to decide issues of fraud, manipulation and coercion; more so, in the exercise of its summary jurisdiction when examination of elaborate evidence is required. NCLAT observed that the appropriate course of action available to the Appellant was to approach the Civil Court u/s 31 and 34 of the Specific Relief Act, 1963 for cancellation of the disputed gift deed.

Issues Before the Supreme Court:

Following four issues were before the Supreme Court:

- 1) Whether the company petition was maintainable u/s 397 and 398 of Companies Act, 1956?
- 2) If the company petition is maintainable, whether the NCLT had jurisdiction to decide whether the gift deed is valid or not?
- 3) Were the facts on record and the law such so as to support the finding of the NCLT that the gift deed is invalid?
- 4) Whether the Appellant was able to prove that she has been a victim of mismanagement and oppression by the Directors of the Company?

Key Observations of the Supreme Court:

1. On appeal, the Supreme Court observed that the NCLT/CLB possess a wide jurisdiction to decide all such matters that are incidental and/or integral to the complaint alleging oppression and mismanagement. Such

power is, however, subject to any other legislative enactment specifically debarring the NCLT/CLB from exercising its powers in this respect.

2. In the instant case, SC noted that it is an admitted fact that the determination of whether the gift deed is valid or not is central to the decision herein and, therefore, the NCLT did have full jurisdiction to decide whether the gift deed is valid or not, or whether it is against the provisions of the 1956 Act and/or internal regulations of the Company, including but not limited to the Articles of Association and the Memorandum of Association.
3. SC noted that the appellant was the victim of oppression and mismanagement in the instant case for two reasons: (i) The circumstances surrounding the gift deed and the subsequent transfer of shares are seriously questionable and must be declared invalid and (ii) Board meetings have been conducted in a mala fide manner and against both the statutory requirements of the Companies Act, 1956 and the internal regulations of the company. SC stated that *“Both of these instances show that the affairs of the Company were being conducted in a manner prejudicially affecting the appellant.”*
4. On the Gift Deed, the Supreme Court observed that *“The gift deed is invalid first and foremost since it is against the AoA, specifically clause 16. The clause does not allow a transfer to the mother-in-law and, therefore, the gift deed cannot be called in aid to defeat the claims of the appellant in the Company. Any action taken which is not permitted by the AoA here cannot be sustained.”* The SC also observed that the circumstances surrounding the gift deed are questionable since the deed specifically mentions it being purportedly executed by the appellant to the fourth respondent out of ‘love and affection’. Taking into consideration the facts of the case at that particular point of time, the Supreme Court observed that *“However, what paints a divergent image is that the fourth respondent on 1-6-2013 lodged an FIR alleging that the appellant purportedly committed acts constituting breach of trust qua family jewellery on 17-12-2010, i.e., the very date that the Share Transfer Form was purportedly signed by the appellant.....There is also considerable merit in the Appellant’s argument that the share transfer forms are suspect. A bare perusal of the same discloses that (i) the share transfer form was purportedly signed by the appellant after the extended period and such transfers cannot be upheld by this Court in good conscience and (ii) there is clear overwriting and mismatch of dates on the share transfer form. It is to be held that the share transfer needs to be set aside on these grounds.”*
5. With reference to the board meeting minutes (for the meetings dated 15-12-2010 and 17-12-2010), the Supreme Court stated that *“it is viewed that it suffers from fundamental illegality and cannot be sustained in law. The same were undoubtedly conducted in violation of the AoA and the 1956 Act.....”* It was noted by Supreme Court that Clauses 30 and 61 of the Articles of Association read with section 286 of Companies


Act, 1956, unequivocally mandate that notice of every board meeting must be served on all Directors. Specifically, Clause 30 of Articles of Association stipulates that 'twenty-one days' notice specifying the place, day and hour of a General Meeting shall be given to the members of the company. The appellant contended that the appellant, who continued as a director during the relevant period, was never served with notice of either of the meetings dated 15-12-2010 or 17-12-2010. Moreover, such notices and/or proof of service of such notices were never produced on record before the NCLT. SC also noted that the minutes of the said meetings were also not produced. The SC observed that the requirement of notice being mandatory, non-service thereof renders the meetings invalid.

6. On the issue of quorum, clause 53 of the Articles of Association mandates that every board meeting of the company must have a quorum of at least two validly appointed Directors. The Supreme Court noted that it is an admitted fact that on 15-12-2010, the appellant was a director holding 98% shareholding in the company and the only other Director was the third respondent. Hence, in the absence of the appellant, the meeting did not have the requisite quorum. SC further noted that *"Additionally, since the alleged induction of the fifth respondent as an Additional Director in the meeting of 15-12-2010 was itself illegal, the fifth respondent could not be deemed to be a validly appointed Director, and his presence in the subsequent meeting dated 17-12-2010 could not have cured the defect of quorum. Thus, both meetings were vitiated for want of proper quorum."*
7. The Supreme Court observed that *"In light of the above, it is found that the Board Meetings held on 15-12-2010 and 17-12-2010 were invalid on both counts and the resolutions purportedly passed therein, including the acceptance of the appellant's alleged resignation, do not warrant validation by the Supreme Court.....Collectively taken, all these actions of the company in serial fashion demonstrate clear oppression and mismanagement in its affairs. Probity is lacking which is prejudicial to the appellant"*
8. The Supreme Court observed that the interference by NCLAT with NCLT order was unnecessary. Accordingly, the NCLAT order was set aside and the NCLT order was restored.

Analysis & Impact of the Supreme Court Judgment:


This judgment of the Supreme Court is relevant from the perspective of fraud related cases in oppression – mismanagement matters. However, it is important to note that all the non-compliances of the Companies Act, 2013 in this case were w.r.t. conducting of board meeting and share transfers were obvious. There has been overwriting on the share transfer form. The Supreme Court also noted that there was obvious non-compliance with the provisions of the Articles of Association w.r.t. the transfer of shares. In my view, all these are obvious non-compliances that ultimately resulted in fraud on the petitioner. However, in certain oppression –

mismanagement cases, not everything may be obvious. It may require further scrutiny and examination. In different matters, it may happen that the petitioner is contending that his signatures are forged on share transfer forms or resignation letter or the Will of the deceased shareholder is being contested in the Court of law, etc. – All this would amount to complicated fraud case. The question would be whether – after this judgment of the Supreme Court – NCLT has jurisdiction over such complicated cases of fraud. Also, the jurisdiction of NCLT as mentioned in the said SC judgment is from the perspective of oppression-mismanagement matters and not Insolvency and Bankruptcy law matters. In any case, to some extent the Supreme Court has clear air over the jurisdiction of NCLT to deal with such fraud related matters.

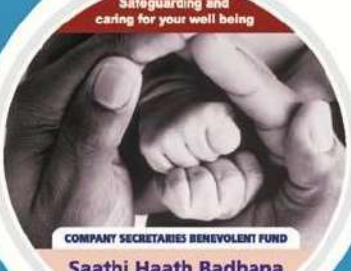


**THE INSTITUTE OF
Company Secretaries of India**
भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)



**COMPANY SECRETARIES
BENEVOLENT FUND**



Safeguarding and
caring for your well being

COMPANY SECRETARIES BENEVOLENT FUND

Saathi Haath Badhana
साथी हाथ बँडाना

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 80G 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>

Column - 3

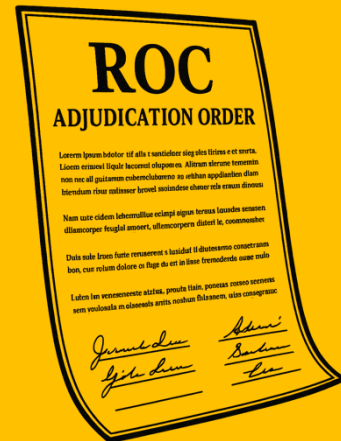


CS Keerthana Gopal

Company secretary and legal officer,

Mysore Steels Ltd.

keerthana92.gopal@gmail.com



*ROC Adjudication
Order*

Order passed under Section 173 of the Companies Act, 2013

Legal Provision

Section 173

173. Meetings of the Board.

(1) Every company shall hold the first meeting of the Board of Directors within thirty days of the date of its incorporation and thereafter hold a minimum of four meetings of its Board of Directors every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board:

Provided that the Central Government may, by notification, direct that the provisions of this sub-section shall not apply in relation to any class or description of companies or shall apply subject to such exceptions, modifications or conditions as may be specified in the notification.]

(3) A meeting of the Board shall be called by giving not less than seven days' notice in writing to every director at his address registered with the company, and such notice shall be sent by hand delivery, by post, or by electronic means:

Provided that a meeting of the Board may be called at shorter notice to transact urgent business, subject to the condition that at least one independent director, if any, shall be present at the meeting:

Provided further that in case of absence of independent Directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the Directors and shall be final only on ratification thereof by at least one independent director, if any.

Facts

Company details: VOCERA COMMUNICATIONS INDIA PRIVATE LIMITED [herein after known as Company] bearing CIN U72200KA2013FTC070347, is a company registered with this office under the Provisions of the Companies Act, 2013/1956, having its registered office situated in Bangalore, Karnataka.

The company has filed a suo-motu adjudication application on 13.01.2025 for violation of Section 173(1) of the Act, wherein it was submitted that the company failed to convene its second board meeting for the FY 2022-23 within the interval of 120 days. The first meeting was held on 04.04.2022 and the company ought to have held the next board meeting within 120 days, i.e. by 02.08.2022. However, the company held the next board meeting on 26.09.2022 with a delay of 55 days.

The company and officers in default asked for a hearing and the same was provided. Pursuant to the adjudication application filed by the company, a show cause notice dated 19.02.2025 was sent to the company and its officers in default through the e-Adjudication module, and also through speed post on 20.02.2025. Subsequently, an e-hearing notice dated 30.06.2025 was sent to the company and its officers in default through the e-Adjudication module. E-Hearing was scheduled on 02.07.2025, which was attended by Mr. Nagendra Rao, practising company secretary and authorized representative of the company, and officers in default who made the submissions as per the adjudication application filed. The order is issued based on the application, notice for adjudication, replies received, and submission made at the time of hearing.

Decision

Since it is a suo-motu application filed by the Company wherein it was submitted that the company failed to convene its second board meeting for the FY 2022-23 within the interval of 120 days, it was decided that the company and officers in default have violated the provisions of section 173(1) of the Act. It is seen from records that the company does not fall under the definition of a small company as per the provisions of section 2(85) of the Companies Act, 2013. Therefore, the provision of imposing a lesser penalty as per section 446B of the Act shall not be applicable in this case. Hence, the following penalty was imposed :

Company- Rs. 64,000/- (Maximum penalty limit being Rs.2,00,000/-)

Directors- Rs. 50,000/- each, there being 3 Directors, the penalty amounted to Rs. 1,50,000/-

Order passed under Section 117 of the Companies Act, 2013

Legal Provision

Section 117

117. Resolutions and Agreements to be Filed.

(1) A copy of every resolution or any agreement, in respect of matters specified in sub-section (3) together with the explanatory statement under section 102, if any, annexed to the notice calling the meeting in which the resolution is proposed, shall be filed with the Registrar within thirty days of the passing or making thereof in such manner and with such fees as may be prescribed

Provided that the copy of every resolution which has the effect of altering the articles and the copy of every agreement referred to in sub-section (3) shall be embodied in or annexed to every copy of the articles issued after passing of the resolution or making of the agreement.

(2) If any company fails to file the resolution or the agreement under sub-section (1) before the expiry of the period specified therein, such company shall be liable to a penalty of ten thousand rupees and in case of continuing failure, with a further penalty of one hundred rupees for each day after the first during which such failure continues, subject to a maximum of two lakh rupees and every officer of the company who is in default including liquidator of the company, if any, shall be liable to a penalty of ten thousand rupees and in case of continuing failure, with a further penalty of one hundred rupees for each day after the first during which such failure continues, subject to a maximum of fifty thousand rupees.

(3) The provisions of this section shall apply to—

(a) special resolutions;

(b) resolutions which have been agreed to by all the members of a company, but which, if not so agreed to, would not have been effective for their purpose unless they had been passed as special resolutions;

(c) any resolution of the Board of Directors of a company or agreement executed by a company, relating to the appointment, re-appointment or renewal of the appointment, or variation of the terms of appointment, of a managing director;

(d) resolutions or agreements which have been agreed to by any class of members but which, if not so agreed to, would not have been effective for their purpose unless they had been passed by a specified majority or

otherwise in some particular manner; and all resolutions or agreements which effectively bind such class of members though not agreed to by all those members;

(e) Omitted

(f) resolutions requiring a company to be wound up voluntarily passed in pursuance of section 59 of the Insolvency and Bankruptcy Code, 2016

Facts

GAMESKRAFT TECHNOLOGIES PRIVATE LIMITED [herein after known as Company] bearing CIN U74999KA2017PTC103635, is a company registered with this office under the Provisions of the Companies Act, 2013/1956, having its registered office situated at Bangalore, Karnataka

The company has filed a suo-motu adjudication application through GNL-1 vide SRN N29696705 on 09.04.2025, wherein it was submitted by the company that it has violated the provisions of section 117(1) of the Act read with Rule 24 of Companies (Management and Administration) Rules, 2014. It has been submitted that the resolution(s) passed by the company in the EGM dated 10.11.2017 ought to have been filed within 30 days as per the above-mentioned rules. However, e-form MGT-14 vide SRN AB3207452 was filed by the company on 04.04.2025 with a delay of 2670 days, and the company has hence filed this application for adjudication.


The company has not asked for a hearing and the same has not been provided. The order is issued based on the application, notice for adjudication, and the replies received.

Decision:

The following penalty was imposed:

Company: Rs. 2,00,000/- Maximum Penalty has been imposed

Directors: Rs. 50,000/- each on five Directors, amounting to Rs. 2,25,000/-. Maximum penalty has been imposed.



**it's not
enough to
just start.
you have
to keep
going too.**



Students Corner



Mr. Prajwal Rangaraju

Management Trainee

Accrescent Managed Services Private Limited

Voluntary Strike Off

(Removal of the Name of a Company from the Register of Companies)

This article provides an overview of the voluntary strike-off process, by which a company can remove its name from the Register of Companies under the Companies Act, 2013. It explains the statutory framework, eligibility conditions, and procedural steps required to obtain strike-off approval and outlines the key provisions of the Act and Rules, the preparatory steps before filing, the application process, and the post-filing formalities.

Framework under the Companies Act, 2013

The Companies Act, 2013, provided the framework under CHAPTER XVIII- Removal of Names of Companies from the Register of Companies and its corresponding rules [The Companies (Removal of Name of Companies from the Register of Companies) Rules, 2016].

Key provisions and relevant rules for voluntary strike off are stated below:

- **Section 248(2) read with Rule 4 of The Companies (Removal of Name of Companies from the Register of Companies) Rules, 2016**

- It states that a Company must extinguish all its liabilities,
- File all pending financials statements under section 137 (AOC-4), annual returns (MGT-7) under section 92, and any other pending filings
- Obtain approval of members via special resolution to file an application to the Registrar, Centre for Processing Accelerated Corporate Exit (C-PACE) in Form No. STK-2 along with a fee of ten thousand rupees, on the grounds stated in section 248(1), which are as follows:
 - Failed to commence its business within a year of Incorporation.
 - Has not carried on any business or operations during the immediately preceding two years and has not applied for the status of a 'Dormant Company'
- Rule 4 also requires a No-Objection Certificate from the relevant regulatory authority in the case of companies governed by other applicable laws, such as Non-Banking Financial Companies (NBFCs), Insurance Companies, Housing Finance Companies, Capital Market Intermediaries, entities engaged in Collective Investment Schemes, Asset Management Companies, or any other companies regulated under any prevailing legislation.
- In addition to the above, the rule also mandates the submission of certain documents along with Form STK-2, including:
 - **Indemnity Bond** (Form No. STK-3 or Form STK-3A in the case of Government Companies), duly notarized and executed by each director.
 - **Statement of Accounts in Form No. STK- 8**, detailing the company's assets and liabilities as of a date not more than 30 days prior to the application, and duly certified by a Chartered Accountant.
 - **Affidavit in Form No. STK- 4**, sworn individually by each director of the company.
 - **Statement on Pending Litigations**, if any, disclosing details of all ongoing legal proceedings involving the company.
- Upon examination of the application, the Registrar may request additional information or, if any annexed documents are found to be defective or incomplete, will notify the applicant to rectify the deficiencies and resubmit the form **within 15 days** from the date of such notification.
- The Registrar permits up to **two resubmissions** of the application. If the Registrar is satisfied, the application may be approved. Otherwise, the form will be treated **as invalid in the electronic records**, and the applicant will be notified accordingly.

• **Section 248 (5) read with Rule 9 of The Companies (Removal of Name of Companies from the Register of Companies) Rules, 2016**

- The registrar shall cause a notice of striking off the name of the company from the register of companies and its dissolution to be published in the Official Gazette in Form STK 7 and the same shall also be placed on the official website of the Ministry of Corporate Affairs.

• **Section 396 read with Rule 3A of The Companies (Removal of Name of Companies from the Register of Companies) Rules, 2016**

- Pursuant to the MCA Notification No. G.S.R.298(E) dated April 17, 2023, which brought out the Companies (Removal of Names of Companies from the Register of Companies) Amendment Rules, 2023, the Centre for Processing Accelerated Corporate Exit (C-PACE) was established under Section 396(1) of the Companies Act. C-PACE has been designated as the Registrar of Companies (RoC) for the purpose of processing and approving applications filed in Form STK-2, with nationwide jurisdiction for matters specified under Section 248.

Procedure for Voluntary Strike Off

Pre-requisites

Before initiating the strike-off application, the company must ensure the following pre-filing conditions are met:

- 1) **Complete Statutory Filings:** As per Rule 4, ensure all pending annual filings are submitted, including the latest Form AOC-4 (Financial Statements) and Form MGT-7 (Annual Return), in compliance with Sections 137 and 92. No returns should remain pending on the MCA portal.
- 2) **Clear All Liabilities:** Settle all outstanding debts and obligations. If immediate settlement isn't feasible, obtain No Objection Certificates (NOCs) from creditors, depositors, debenture-holders, or preference shareholders, in line with Section 248(2).
- 3) **Close Bank Accounts:** Shut down all company bank accounts. Secure final bank statements and a certificate from the bank confirming closure and clearance of liabilities (if any).
- 4) **Regulatory Approvals:** Obtain NOCs from relevant sectoral regulators (e.g., RBI for NBFCs, IRDA for insurers, NHB for housing finance companies, SEBI for listed companies) if the company is subject to additional regulatory oversight.

Step-by-Step Process

1. Obtain Statement of account in Form STK-8:

- Post extinguishing of all liabilities and closure of bank accounts, the company must obtain a statement of accounts in Form STK-8, duly certified by a Chartered Accountant.
- The issuance of the above statement triggers the timeline under Rule 4(3)(ii), requiring the application for strike off in Form STK-2 to be filed within 30 days from the date of issuance of the statement.
- Upon receiving Form STK-8, the Board of Directors must formally acknowledge and take note of it.

2. Obtain Shareholders' approval for application of strike off: The Company, after receipt of Form STK-8, must get shareholders' approval vide special resolution by conducting an EGM (If possible, at a shorter consent) to authorize the board of directors to make an application to the Registrar of Companies and to take any such actions necessary such as obtaining necessary documents like Form STK-3, Form STK-4 and such other documents.

3. Collation of documents required and preparation of Application

Below is the list containing documents which are necessary to be prepared and obtained before proceeding with the strike off:

- Stamped and Notarized Indemnity bond - STK 3.
- Stamped and Notarized affidavit - STK 4.
- Stamped and Notarized Statement on pending litigations.
- Stamped and Notarized Declaration under section 249.
- Notarized PAN Card of the company.
- Application for strike off.
- NOC from Preference Shareholders/Creditors or any other person or entity as applicable. (This requirement varies from case to case)
- NOC from directors.
- Bank Statement showing the closure of account.
- Declaration from banks stating the closure of all accounts of the company.

After collation of above-mentioned documents, it is also recommended to prepare an application addressing the ROC with the following details:

- Brief background on application for strike-off.

- Capital Structure of the Company.
- Shareholding pattern of the Company as on the date of application.
- Directors of the Company as on the date of application.
- Reasons for application for strike-off.

The application prepared can be supported with the documents collated above along with certain documents mentioned below:

- Certified True Copy of the Resolution of Board Meeting taking note of 'Statement of Accounts' along with Attendance Sheet of the Board Meeting.
- Statement of Accounts in Form STK-8.
- Certified True Copy of Resolution of EGM (Extra-Ordinary General Meeting) passed via special resolution authorizing Directors to apply for strike off (along with shorter notice consents if any), Attendance slips, Minutes and any other relevant document.

4. File Form MGT-14: After Obtaining the approval from Shareholders of the Company to apply for strike-off, the special resolution passed in the meeting must be filed with the registrar in Form MGT-14 with the appropriate purpose, as the SRN of the form filed must be mentioned in application filed with the Registrar vide Form STK-2. (If the 'Purpose of Resolution' is not selected properly in the resolution), Form STK-2 cannot be filed.

5. Filing of Form STK-2:

After obtaining Approval of Form MGT-14, The Company can proceed with filing of application to ROC for Removal of its name from the Register of Companies wherein following documents must be uploaded:

- Form STK-8 must be submitted in excel format and the form must be signed by the Chartered Accountant who issued the Form STK-8 via DSC (Digital Signature Certificate).
- Stamped and Notarized Indemnity bond - STK 3 obtained from every director.
- Stamped and Notarized affidavit - STK 4 obtained from every director.

Along with above documents, the application with all supporting documents mentioned in Point 3 can also be uploaded as optional attachment to enhance the chances of obtaining approval.

The Form must be signed via DSC by any authorized director of the company and certified by a practicing professional (Chartered Accountant, Company Secretary or a Cost Accountant engaged in whole-time practice)

6. Calling for more information and approval of Form STK-2: After the submission of Form STK-2, The RoC will examine the application and can call for further information. In case where he finds the application or any

document annexed to be defective, he will inform the applicant to provide such information or to remove the identified defects and resubmit the form within 15 days of receipt of information from ROC.

The RoC allows for a maximum of 2 re-submissions, pursuant to which he can either approve the form, or treat the form as invalid, and shall inform the applicant accordingly.

Conclusion:

After the approval of the form, the registrar shall cause a notice under section 248(5) striking off the name of the company from the Register of the Companies, A notice (Form STK-7) announcing the name removal and dissolution is published in the Official Gazette and placed on the MCA website.

It is important to note that under Section 248(3) of the Act, the strike-off does not extinguish any liability that directors may have for the company's undisclosed or unpaid obligations. In other words, even after dissolution, directors can still be held responsible for any previously unpaid debts or statutory dues for up to seven years.

In summary, voluntary strike-off offers a streamlined exit route for a defunct company, but it requires strict adherence to statutory requirements. By following the above steps carefully, a company can efficiently and compliantly remove its name from the register, thereby completing its exit from the corporate register.

**TRUE
EDUCATION
COMES FROM A
PASSION FOR
LEARNING**

DEBASISH MRIDHA MD

"Corporate Riddle"

1. I am a type of non-banking financial company (NBFC) that primarily deals with accepting deposits and lending to my members.
2. I am a type of company formed to promote the habit of thrift and savings among members.
3. I lend only to my members

Who am I?

If you know the answer then what are you waiting for..? Send us your answer along with your Photo 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 with your Photo.

Email id: enewsletter.icsimysore@gmail.com

Answered by
CS Shivam Bhatt, LLB
One of our frequent Riddle Solver



Riddler

CS Pavithra P

Founder & Director

Accrescent Managed Services Pvt Ltd.

pavithra@acms.pro



Last Month's Corporate Riddle

1. I contain key financial and business information but lack final details. Investors use me to preview what's coming
2. I give you a glimpse into the company's operations, risks, and plans—but don't expect me to tell you the exact number of shares or their price.
3. My name sounds fishy, but I'm all business. I'm not the final say, but I help investors decide if they want to dive deeper.

Who am I?

Answer: Red herring Prospectus

Compiled by:



Mr. Prajwal Rangaraju

Management Trainee

Accrescent Managed Services Private Limited

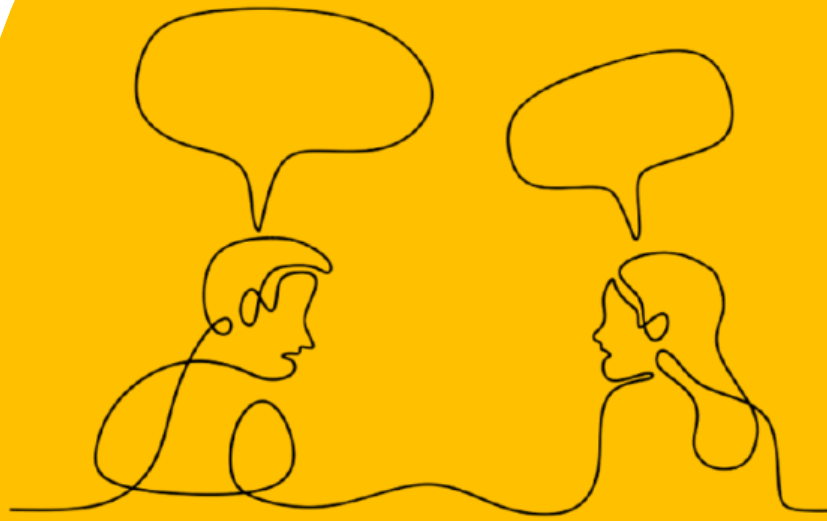


Mr. Akash Taki

Senior Assistant

Accrescent Managed Services Private
Limited

Column - 5



Manthan

10. 1 – Section 2(41) as amended provides that an application for a change of financial year can be made by an associate company of a Company incorporated outside India. Concept of Associate Company is relevant only with respect to a Company incorporated in India, then which Companies are proposed to be empowered to make an application for change of financial year? What is the purpose of the usage of the term Body corporate in para 1 of section 2(41)? Which entities does it refer to?

10.2 – Section 2(41) of the Act allows adoption of a different financial year to enable consolidation of its accounts outside India, on the specific approval of the Regional Director. A Company, which is a subsidiary of a Company incorporated outside India, that has been allowed to adopt a Jan to Dec financial year, has now ceased to be a subsidiary of a Company incorporated outside India. Whether such a Company can change its FY to align with April to March, or can only do so after approval from RD? In such cases, whether FY can be extended beyond 12 months (say to 15 months or 18 months)?

10.3 – ABC Limited became a subsidiary of Z Inc. on June 01, 2025 and is required by the holding company to change the financial year from January to December. Accordingly, ABC Limited has filed an application to the RD for a change in the FY from April to March to January to December. So, the next FY proposed is from January 01, 2025, to December 31, 2025. RD has raised an objection as ABC closed last FY on March 31, 2025. Please suggest a workable solution.

CORE QUESTIONS:

1. Which companies are empowered to make application for change in financial year?
2. Whether going back to the uniform F.Y. to end on 31st March require RD approval? In such cases, whether FY can be extended beyond 12 months (say to 15 months or 18 months)?

DEFINITIONS:

•Section 2(41) of Companies Act 2013 defines "financial year", in relation to any company or body corporate, means the period ending on the 31st day of March every year, and where it has been incorporated on or after the 1st day of January of a year, the period ending on the 31st day of March of the following year, in respect whereof financial statement of the company or body corporate is made up:

Provided that where a company or body corporate, which is a holding company or a subsidiary or associate company of a company incorporated outside India and is required to follow a different financial year for consolidation of its accounts outside India, the Central Government may, on an application made by that company or body corporate in such form and manner as may be prescribed, allow any period as its financial year, whether or not that period is a year:

Provided further that any application pending before the Tribunal as on the date of commencement of the Companies (Amendment) Ordinance, 2019, shall be disposed of by the Tribunal in accordance with the provisions applicable to it before such commencement.

Provided also that a company or body corporate, existing on the commencement of this Act, shall, within a period of two years from such commencement, align its financial year as per the provisions of this clause;

•Section 2(11) of the Companies Act 2013 defined "Body corporate" or "corporation" includes a company incorporated outside India, but excludes:

- i. a co-operative society registered under any law relating to co-operative societies; and
- ii. any other body corporate (not being a company as defined in this Act) that the Central Government may specify by notification.

VIEW OF MANTHANIES:

1. A company or body corporate, being a holding, subsidiary, or associate company of a company incorporated outside India, may apply to the Central Government for approval to adopt a different financial year in order to facilitate consolidation of accounts.

2. There have been both legal and practical interpretations on this aspect. The legal view is that the Act does not explicitly clarify whether prior approval is required for reverting to the uniform financial year. However, in practice, it is generally considered necessary for a company to obtain the approval of the Regional Director (RD) before switching back to the standard financial year commencing on April 1 and ending on March 31. Further, the proviso to Section 2(41) of the Companies Act, 2013, empowers the RD to allow any period as the company's financial year, whether or not such period constitutes a full year. Accordingly, the financial year may extend beyond 12 months, provided there is no overlapping of months.

3. In the case of ABC Limited and Z Inc., the RD has raised an objection on the grounds that ABC Limited closed its financial year on March 31, 2025. Accordingly, the only practicable solution is to adopt the financial year beginning April 1, 2025, and close it on December 31, 2025.

10. 1 – Section 2(41) as amended provides that an application for a change of financial year can be made by an associate company of a Company incorporated outside India. Concept of Associate Company is relevant only with respect to a Company incorporated in India, then which Companies are proposed to be empowered to make an application for change of financial year? What is the purpose of the usage of the term Body corporate in para 1 of section 2(41)? Which entities does it refer to?

10.2 – Section 2(41) of the Act allows adoption of a different financial year to enable consolidation of its accounts outside India, on the specific approval of the Regional Director. A Company, which is a subsidiary of a Company incorporated outside India, that has been allowed to adopt a Jan to Dec financial year, has now ceased to be a subsidiary of a Company incorporated outside India. Whether such a Company can change its FY to align with April to March, or can only do so after approval from RD? In such cases, whether FY can be extended beyond 12 months (say to 15 months or 18 months)?

10.3 – ABC Limited became a subsidiary of Z Inc. on June 01, 2025 and is required by the holding company to change the financial year from January to December. Accordingly, ABC Limited has filed an application to the RD for a change in the FY from April to March to January to December. So, the next FY proposed is from January 01, 2025, to December 31, 2025. RD has raised an objection as ABC closed last FY on March 31, 2025. Please suggest a workable solution.

CORE QUESTIONS:

3. Which companies are empowered to make application for change in financial year?
4. Whether going back to the uniform F.Y. to end on 31st March require RD approval? In such cases, whether FY can be extended beyond 12 months (say to 15 months or 18 months)?

DEFINITIONS:

•Section 2(41) of Companies Act 2013 defines "financial year", in relation to any company or body corporate, means the period ending on the 31st day of March every year, and where it has been incorporated on or after the 1st day of January of a year, the period ending on the 31st day of March of the following year, in respect whereof financial statement of the company or body corporate is made up:

Provided that where a company or body corporate, which is a holding company or a subsidiary or associate company of a company incorporated outside India and is required to follow a different financial year for consolidation of its accounts outside India, the Central Government may, on an application made by that company or body corporate in such form and manner as may be prescribed, allow any period as its financial year, whether or not that period is a year:

Provided further that any application pending before the Tribunal as on the date of commencement of the Companies (Amendment) Ordinance, 2019, shall be disposed of by the Tribunal in accordance with the provisions applicable to it before such commencement.

Provided also that a company or body corporate, existing on the commencement of this Act, shall, within a period of two years from such commencement, align its financial year as per the provisions of this clause;

•Section 2(11) of the Companies Act 2013 defined "Body corporate" or "corporation" includes a company incorporated outside India, but excludes:

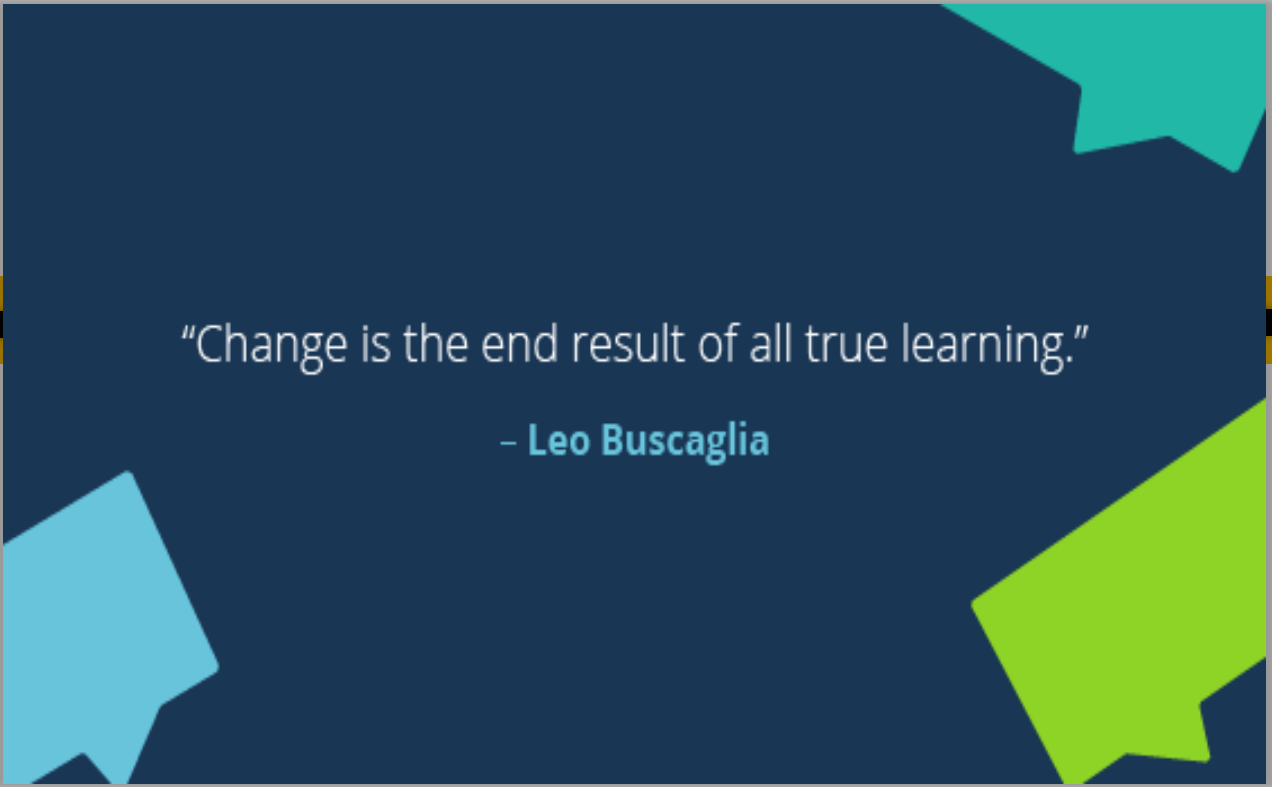
- iii. a co-operative society registered under any law relating to co-operative societies; and
- iv. any other body corporate (not being a company as defined in this Act) that the Central Government may specify by notification.

VIEW OF MANTHANIES:

4. A company or body corporate, being a holding, subsidiary, or associate company of a company incorporated outside India, may apply to the Central Government for approval to adopt a different financial year in order to facilitate consolidation of accounts.

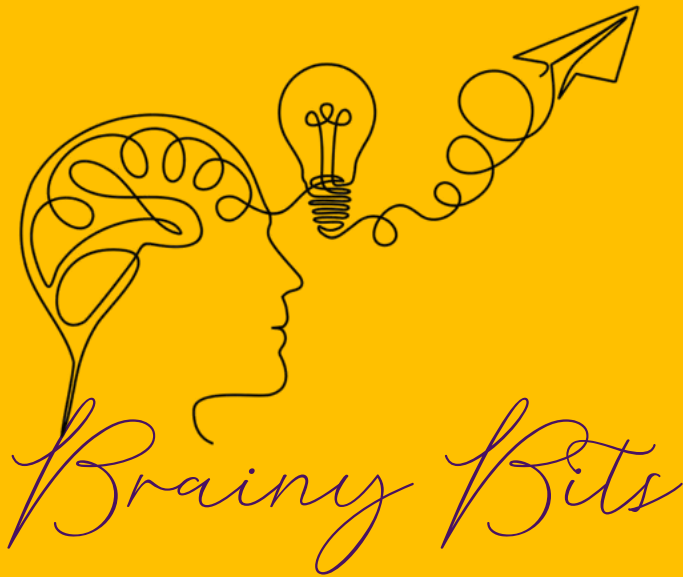
5. There have been both legal and practical interpretations on this aspect. The legal view is that the Act does not explicitly clarify whether prior approval is required for reverting to the uniform financial year. However, in practice, it is generally considered necessary for a company to obtain the approval of the Regional Director (RD) before switching back to the standard financial year commencing on April 1 and ending on March 31. Further, the proviso to Section 2(41) of the Companies Act, 2013, empowers the RD to allow any period as the company's financial year, whether or not such period constitutes a full year. Accordingly, the financial year may extend beyond 12 months, provided there is no overlapping of months.

6. In the case of ABC Limited and Z Inc., the RD has raised an objection on the grounds that ABC Limited closed its financial year on March 31, 2025. Accordingly, the only practicable solution is to adopt the financial year beginning April 1, 2025, and close it on December 31, 2025.



"Change is the end result of all true learning."

– Leo Buscaglia



CS Phani Datta D N

B.com, FCS

Practicing Company Secretary

phanidatta.dn@gmail.com

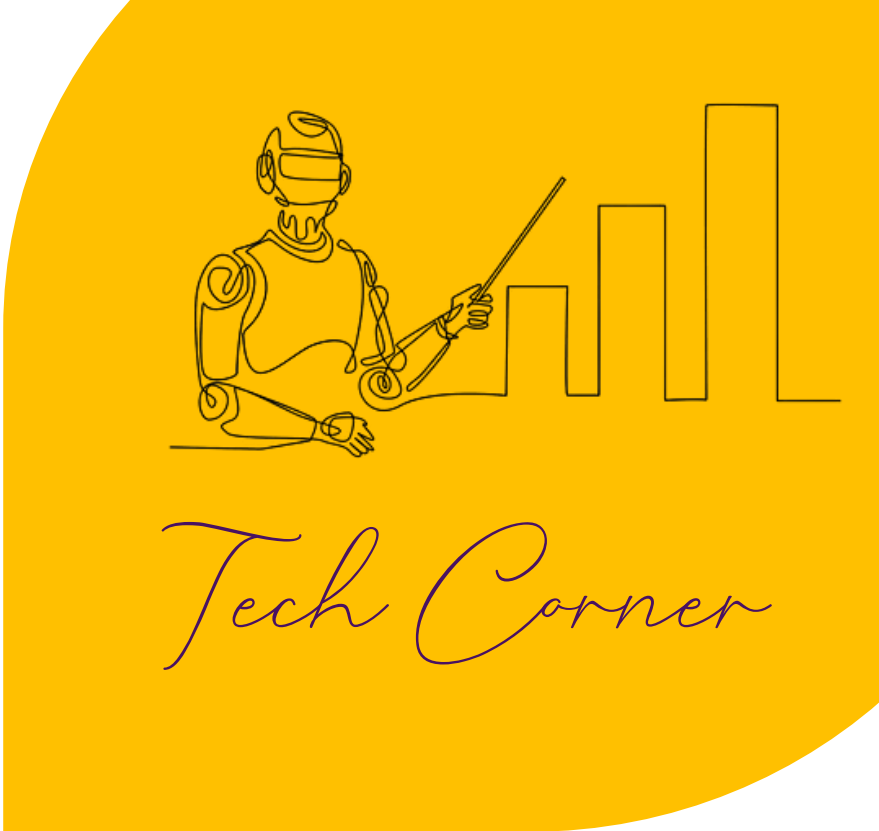
Cross Word – 6

(Based on SEBI LODR Regulations)

N	I	L	A	B	G	T	H	T	R	O	W	T	E	N	V	A	L	U	E
D	E	S	I	G	N	A	T	E	D	S	E	C	U	R	I	T	I	E	S
S	I	T	J	A	P	A	R	P	I	T	A	L	R	E	S	E	R	V	Y
O	L	E	G	R	I	E	V	A	N	C	E	S	R	E	P	O	R	T	R
C	M	D	D	T	R	D	D	D	A	U	D	I	T	R	E	G	O	R	E
I	A	P	I	R	A	I	E	I	E	F	I	N	A	N	I	D	E	N	L
A	I	E	C	E	T	R	V	V	O	V	E	V	O	T	A	R	G	O	A
L	N	U	A	P	I	K	A	I	O	N	A	S	C	R	U	T	I	R	T
E	B	Y	T	E	O	F	F	E	R	R	D	O	C	U	M	E	N	T	E
N	O	R	I	R	N	P	I	E	X	P	E	R	U	V	I	T	E	E	D
T	A	S	O	T	A	E	N	N	O	T	I	F	I	A	I	M	I	V	P
E	R	O	N	O	L	C	F	O	O	C	U	M	E	N	T	S	U	O	A
R	D	N	O	F	C	T	I	R	E	G	I	S	T	R	A	I	B	T	R
P	R	T	T	S	E	R	V	I	C	E	R	O	Y	E	E	S	O	I	T
R	R	E	Z	I	N	I	T	U	R	C	S	C	H	E	D	U	L	N	Y
I	T	B	A	N	E	R	N	S	I	N	G	L	E	W	I	N	D	G	T
S	R	F	O	R	P	R	O	F	I	T	S	E	L	U	E	R	O	W	A
E	Y	N	D	G	D	B	T	T	B	A	N	K	E	R	R	E	P	O	N

CLUES

1. Audit Committees look at me, Risk Committees consult me, and disclosures revolve around me. Without me, quarterly and annual results cannot breathe life. Who am I? (3)
2. I represent equity and convertible rights; SEBI calls me the “basic building block” of capital markets. Who am I? (10+10)
3. I trade on international stock exchanges, allowing foreign investors to indirectly hold equity of Indian companies. Who am I? (3)
4. I am born out of Regulation 2(1)(ee) of the ICDR, 2018. My doors open only when the issuer satisfies track record, profitability, and net tangible assets. I am not the arena for SMEs. Who am I? (4+5)
5. Whether you raise equity, issue non-convertible securities, float a mutual fund, or securitise debt instruments, I am your passport to investors — prescribed, scrutinised, and disclosed. Who am I? (5+8)
6. I am a chameleon: Companies Act defines me, Accounting Standards refine me, and SEBI extends me. My scope expands with every amendment, but one exclusion stands — listed mutual fund units. Who am I? (7+5)
7. I pursue a social objective but carry a profit motive; I may distribute returns yet must report my social impact under ICDR’s social listing route. I straddle impact and investors — what am I?(3+6+2)
8. ICDR recognises me by function, not by form — whether I trade or I grant, my primary objective is measurable social impact. I am the entity around which the Social Stock Exchange orbits. Who am I? (6+10)
9. SEBI requires listed entities to maintain SCORES connectivity, redressal mechanisms, and investor relations functions so that I am not ignored. What am I? (10)
10. I don’t issue debt, nor do I hold receipts. Instead, I manage the cash flows and collections of assets in a securitisation pool, ensuring investors are not cheated. Who am I? (8)



The Rise of AI: Tools Shaping Our Digital Future

Artificial Intelligence is everywhere these days—from the apps on our phones to the tools we use at work. But with so many options popping up, it’s tough to know which ones are actually useful, easy to use, and won’t cost you a fortune.

That’s why we’ve put together this quick guide to some of the best free and user-friendly AI tools across different categories. Whether you want to design a website, create images or videos, write better, study smarter, or just make your daily work easier, there’s an AI tool out there that can help.

Here’s a table that highlights the top picks in each category, along with what they’re best at—so you can jump right in and try them for yourself.

Category	Free & User-Friendly AI Tools (Websites/Apps)	Best Usage
General AI (Chat & Assistance)	1. ChatGPT Free (chat.openai.com) 2. Claude AI (claude.ai)	Conversations, writing, coding help Long structured text & summaries

Website Creation	1. Durable AI (durable.co) 2. Wix ADI (wix.com)	Auto-generate websites with design & content Easy drag-and-drop site creation
Coding & Development	1. Replit (replit.com) 2. Codeium (codeium.com)	Online IDE + AI code completion Free AI coding assistant
Image Generation	1. Stable Diffusion (stability.ai) 2. Canva AI (canva.com)	Artistic image generation Quick AI-powered design & graphics
Video Generation	1. Pika Labs (pika.art) 2. Runway (runwayml.com)	Cinematic AI videos Short video creation & edits
Voice & Speech AI	1. ElevenLabs Free (elevenlabs.io) 2. Murf AI (murf.ai)	Realistic voiceovers AI narration & dubbing
Music & Audio	1. Suno AI (suno.ai) 2. Soundraw (soundraw.io)	Full AI songs Instrumental/royalty-free tracks
Studies & Learning	1. Khan Academy (khanacademy.org) 2. Quizlet AI (quizlet.com)	AI tutoring Flashcards & test prep
Article & Blog Writing	1. Copy.ai Free (copy.ai) 2. Rytr (rytr.me)	Blog & article drafts Marketing & ad copy
Text & Content Generation	1. ChatGPT Free (chat.openai.com) 2. Perplexity AI (perplexity.ai)	Essays, stories, Q&A Search + citations
Agreements & Legal Docs	1. DoNotPay (donotpay.com) 2. Legal Robot (legalrobot.com)	Draft legal docs Analyze contracts

Productivity & Work	1. Notion AI (notion.so) 2. Google Gemini (gemini.google.com)	Notes, task management AI search & content help
Business & Data	1. ChatGPT Free (basic data use) 2. Google Sheets + Gemini AI	Data analysis Spreadsheet help
Design & Creativity	1. Canva Free (canva.com) 2. Fotor AI (fotor.com)	Posters, logos, branding AI photo editing
Presentations	1. Beautiful.ai (beautiful.ai) 2. Tome AI (tome.app)	AI-made presentations Storytelling slides
Research & Knowledge	1. Perplexity AI (perplexity.ai) 2. Elicit (elicit.org)	Research with sources Academic paper insights

AI is a powerful companion that can make our work faster, smarter, and more creative. From writing articles to designing visuals or even analyzing data, these tools can save us a lot of time and effort.

But it's important to remember that AI isn't perfect. The content it generates may sometimes be inaccurate, biased, or incomplete. That's why it's always better to review, verify, and refine anything created by AI instead of using it as-is.

Think of AI as a helpful assistant rather than a replacement—use it to spark ideas, handle repetitive tasks, or speed up your process. But the final touch, the judgment, and the responsibility should always come from you.