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STUDENT COMPANY SECRETARY

[e-Journal for Executive & Professional Students]



THE INSTITUTE OF
Company Secretaries of India

भारतीय कम्पनी सचिव संस्थान

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June 2024

Contents

From the President	1
From the Secretary	3
Recent Initiatives for Students	4
I. ACADEMICS	
• Articles	6
• Regulatory Updates	40
• Legal World	60
• Case Snippets	75
II. STUDENT SERVICES	79
III. EXAMINATION	96
IV. MEMBERSHIP	98
V. NEWS FROM REGION	101

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PREPARED BY DIRECTORATE OF ACADEMICS

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Important Announcement for Students

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

INFO CAPSULE

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

SUBJECTWISE MONTHLY UPDATES

https://www.icsi.edu/student_pn/academic-portal/subjectwise-monthly-updates/

GUIDELINE ANSWERS

https://www.icsi.edu/student_pn/academic-portal/guideline-answers/

RESEARCH CORNER

https://www.icsi.edu/student_pn/academic-portal/research-corner/

**STUDY MATERIALS 2024 (UPDATED VERSION) AND
MODEL QUESTION PAPER**

https://www.icsi.edu/student_pn/academic-portal/new-syllabus-2022/executive-programme/

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



समत्वं योग उच्यते ॥

(Evenness of mind is known as Yoga.)

Dear Students

The Indian mainland, has always been proud, not only of being around for thousands of years, but for making the most of this age-old presence. The beauty and finesse of this presence lies in the modern-day validation and resourcefulness of its scriptures, texts and practices. And Yoga, comes as a perfect brand ambassador of this dynamism. Where on one hand, we are making major breakthroughs in science and technology and Artificial Intelligence; the other hand sees us, teaching the right way to live, be mindful of our habits and build a better connectivity with our own selves – all by way of ‘Yoga’.

As a student who would have just partaken in the June 2024 session of Examinations, it would have become evidently clear as to the pressures build up around those days and the ones preceding. At the same time, it is only a precursor to times filled with pulling all-nighters, beating deadlines and chasing goals once you become a full-fledged professional. Amidst all this, the human side must not be forgotten. To function at your maximum capacity and to continually enhance your capability, you need to be at the peak of your health so as to undertake your responsibilities with ease and elan.

With the theme for this year – ‘Yoga for self and society’, the International Day of Yoga seems like an opportune moment to focus on self-enhancement. And what better way to initiate the journey than to begin it with Yoga.

Friends, a major event that made its way into the memoir books for the Institute and its members was the celebration of PCS Day on the 15th June, 2024. While learned discussions and light informal celebrations marked the PCS Week held across the country, the hosting of 25th National Conference of Practising Company Secretaries in the land of Lord Rama – the guiding light of good governance – the city of Ayodhya.

Even though, it is a matter of decision for a future date, but whatever path you choose – employment or practice – both would require equal measures of hard work, patience, and grit – to uphold the flag mast of governance high.

And until that moment of choice arrives, keep yourselves on the path of learning, of soaking in both knowledge and information and of seeking excellence in whatever you pursue...

Happy learning !!!

Regards,

(CS B. Narasimhan)

President

The Institute of Company Secretaries of India



Dear Students,

The month of June is filled with celebration of a wide array of days – all at a global level. From the World Environment Day to the World Oceans Day, to World Music Day and yes, the International Day of Yoga. Each of these plays a monumental role in shaping our actions as a nation and as Humanity. The fact that these elements have been accorded significance in the form of dedicated days, speaks volumes of the need for measures to be taken in certain circumstances and celebrations made by way of cohesive alignments in others.

Given the recent portrayals of climate change, it is inevitably the need of the hour to lay greater emphasis on preserving the environment, planting trees and saving the oceans to prevent the aftermath of global warming. However, as far as the other two days are concerned, while music feeds the soul, it is yoga which helps us to connect with our inner selves raising our vibrations sky-high.

Coming from a lineage of sages, we Indians indeed can revel in pride to be a part of such great history. And with that it draws upon us, to preserve, protect and promote it. Even though formalized only 5000 years ago, the practice of Yoga is said to be as old as human civilization – and yet finds a strong presence in the 21st Century. I am sure that this fact is a cue enough for all of us to imbibe in our daily routines a few *asanas*, *pranayams*, and meditations to begin with, and witness a sea change in our perspective and thought processes.

Talking of history and I am taken back to the 25th National Conference of Practising Company Secretaries held in the heart of Ayodhya on the 14-15 of June, 2024. The deliberations during the 2-day Conference all pointed towards the fact that as a nation planning to lead the world through its industriousness, by way of its tech-savvy ways, and with the help of its smallest enterprise, it is imperative that we hold strongly to our roots and share with the world the pearls of wisdom so emanating.

You being the future torchbearers of governance and the brand ambassadors of this Institute, must understand this responsibility of balancing our ancient heritage with modernity, as and when the need be.

For true professionalism does not confine itself to the pages of a few books but makes its presence felt in every aspect and conduct and definitely believes in the Indian thought that the entire world is my family,

वसुधैव कुटुम्बकम्

Regards,

(CS Asish Mohan)

Secretary

The Institute of Company Secretaries of India

RECENT INITIATIVES FOR STUDENTS

- The **Student Company Secretary e-journal** for Executive / Professional programme students of ICSI has been released for the month of **May, 2024**. The same is available on the Institute's website at the weblink: https://www.icsi.edu/student_pn/academic-portal/student-company-secretary/
- The **CSEET Communique (e-bulletin)** for the month of **May, 2024** containing the latest updates /concepts through articles /write-ups and sample questions in respect of parts of the CSEET has been placed on the ICSI website. The same is also available at the CSEET Portal at the Institute's website. The weblink to access the CSEET Communique is: https://www.icsi.edu/student_pn/cseet/cseet-e-bulletin/
- **Info Capsule** is being issued as an update on daily basis for members and students, covering latest amendments on various laws for the benefit of our members and students. The same is available on the ICSI website at the weblink: <https://www.icsi.edu/infocapsule/>
- **Organising Samadhan Diwas:-**

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

The 44th Samadhan Diwas was organised on 12th June, 2024 through virtual mode.

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



Academics



- **Framework on Verification of Market Rumours**
- **Exemptions Granted to Government Companies**

Framework on Verification of Market Rumours*

Introduction

In order to bring more transparency and to ensure timely disclosure of material events or information by listed entities, SEBI had, inter-alia, approved the amendments to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”), relating to market rumours which are to be verified and confirmed, denied or clarified, as the case may be, by top 100 listed entities and by top 250 listed entities.

The rumour verification requirement was introduced with an objective to avoid false market sentiment or impact on the securities of the listed entity. There may be many rumours circulating in the market which may or may not have material impact on the securities of the listed entity. Hence, it was envisaged that only rumours pertaining to material events or information should require verification by the listed entity.

Rumour Verification Requirements as per LODR Regulations

Regulation 30(11) of LODR Regulations, as amended by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2024, states that the listed entity may on its initiative also, confirm or deny any reported event or information to stock exchange.

Provided that the top 100 listed entities and thereafter the top 250 listed entities, with effect from the date specified by SEBI, shall confirm, deny or clarify, upon the material price movement as may be specified by the stock exchanges, any reported event or information in the mainstream media which is not general in nature and which indicates that rumour of an impending specific event or information is circulating amongst the investing public, as soon as reasonably possible but in any case not later than twenty four hours from the trigger of material price movement.

* CS Puneeta Ahuja, Executive (Academics), The ICSI

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

Provided further that if the listed entity confirms the reported event or information, it shall also provide the current stage of such event or information.

Provided further that when the listed entity confirms within twenty four hours from the trigger of material price movement, any reported event or information on which pricing norms provided under Chapter V or Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or pricing norms provided under Regulation 8 or Regulation 9 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 or pricing norms provided under Regulation 19 or Regulation 22B of the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 or any other pricing norms specified by the Board or the stock exchanges are applicable, then the effect on the price of the equity shares of the listed entity due to the material price movement and confirmation of the reported event or information may be excluded for calculation of the price for that transaction as per the framework as may be specified by SEBI.

As per the earlier rumour verification requirement, rumour was to be with respect to an impending specific 'material' event or information in terms of the provisions of Regulation 30 of LODR Regulations. Under Regulation 30 of LODR Regulations, events specified under Para A of Part A of Schedule III of LODR Regulations are deemed material events and the materiality for events specified under Para B of Part A of Schedule III of LODR Regulations is to be determined based on the criteria specified under regulation 30(4) of LODR Regulations.

However, in terms of Regulation 30(11) of LODR Regulations, as amended by SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2024, now listed entity is required to verify market rumours, upon material price movement.

Further, the proviso to Regulation 30(11) of LODR Regulations inter-alia requires top 100 listed entities and thereafter the top 250 listed entities to mandatorily verify and confirm, deny or clarify market rumours from the date as may be specified by SEBI. In this regard, SEBI has specified that the requirement to verify market rumours under Regulation 30(11) of LODR Regulations shall be applicable to top 100 listed entities with effect from June 01, 2024 and to top 250 listed entities (i.e., next top 150) with effect from December 01, 2024 as specified by SEBI circular dated January 25, 2024.

Framework for considering unaffected price for transactions upon confirmation of market rumour

As per proviso to Regulation 30(11) of LODR Regulations, unaffected price shall be considered for transactions on which pricing norms specified by SEBI or the stock exchanges are applicable, provided that the rumour pertaining to such transaction has been confirmed within 24 hours from the trigger of material price movement.

In this regard, SEBI has specified that the unaffected price shall be considered by excluding the effect on the price of the equity shares of the listed entity due to the material price movement and confirmation of the rumour. Accordingly, SEBI has laid down a framework for considering unaffected price which shall be applicable to top 100 listed entities with effect from June 01, 2024 and to top 250 listed entities (i.e., next top 150) with effect from December 01, 2024.

The framework provides that calculation of adjusted volume weighted average price (“VWAP”) for considering unaffected price is:

1. The variation in daily WAP from the day of material price movement till the end of the next trading day after confirmation of the rumour shall be attributed to the rumour and confirmation of the rumour (“WAP variation”).
2. The adjusted daily WAP shall be calculated by excluding the WAP variation from the daily WAP in the look back period from the day of the material price movement onwards. The adjusted daily WAP from the day of material price movement till the end of the next trading day after confirmation of the rumour shall be same as the daily WAP on the trading day preceding the day of material price movement.
3. The adjusted VWAP for the look back period shall be calculated based on the adjusted daily WAP calculated as mentioned at above.

In case the price variation due to confirmation of the rumour, hits the price band limit on the next trading day post rumour confirmation, the price variation in the subsequent trading days shall be included for adjustment till such day the price does not hit the band limit. The unaffected price shall be applicable only if the listed entity has confirmed the rumour pertaining to the transaction within 24 hours from the trigger of material price movement.

The unaffected price shall be applicable for a period of 60 days or 180 days, as applicable based on the stage of transaction, from the date of confirmation of the market rumour till the ‘relevant date’ under the existing regulations (public announcement, board approval, etc., as the case may be). The stages of transaction and applicability period of the unaffected price shall be specified in the Industry Standards on Regulation 30(11) of LODR Regulations. In case rumour pertaining to a transaction has been confirmed by the listed entity and subsequent rumour(s) are reported in the mainstream media with material update to the transaction which require confirmation under Regulation 30(11) of LODR Regulations, then the unaffected price shall be applicable for each instance of confirmation of rumour.

Formation of the Industry Standards Forum

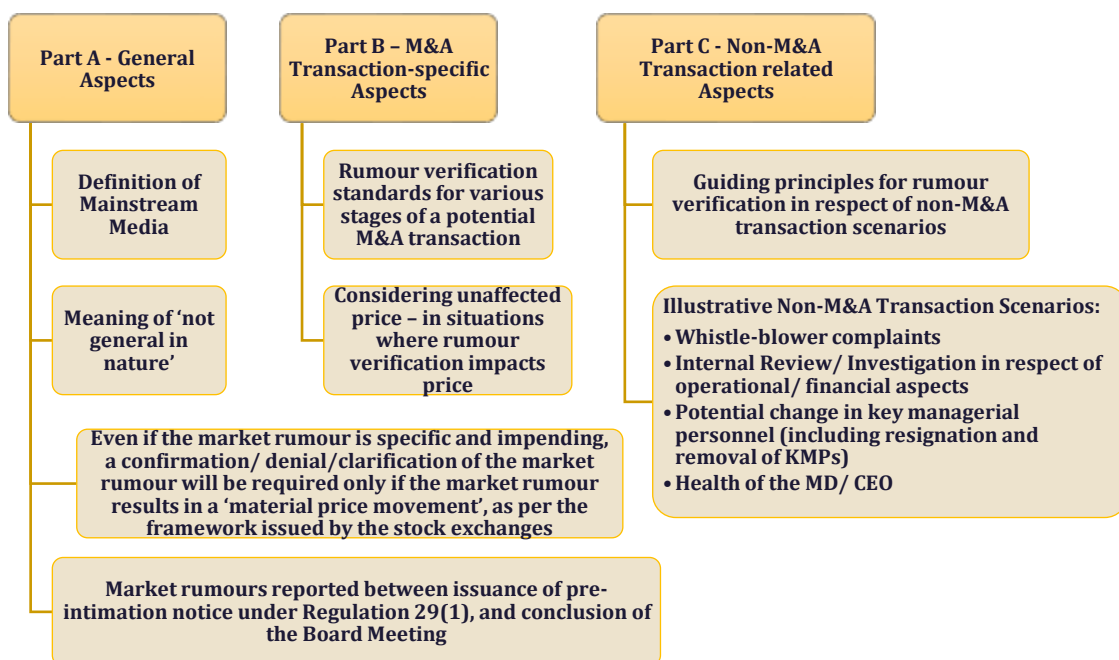
In order to facilitate capital formation and ease of doing business, at the initiative of SEBI, three industry associations, viz. ASSOCHAM, CII and FICCI, came together to form Industry Standards Forum (“ISF”) under the aegis of the Stock Exchanges on a pilot basis. ISF took up the rumour verification requirement as one of the pilot projects for formulating standards for effective implementation of the said requirement, in consultation with SEBI.

The Industry Standards Forum has formulated industry standards, in consultation with SEBI, for effective implementation of the requirement to verify market rumours under Regulation 30(11) of LODR Regulations. The listed entities are required to follow the aforesaid industry standards to ensure compliance with Regulation 30(11) of LODR Regulations.

Industry Standards on Verification of Market Rumours

This Industry Standards Note has been published to facilitate uniform approach and assist listed entities in complying with their obligations in respect of confirmation/ denial/ clarification of market rumours, as per the proviso to Regulation 30(11) of LODR Regulations and to set out standard operating procedures for compliance with the Rumour Verification Requirement.

Main Aspects Covered in the Industry Standards



This Industry Standards Note has been prepared in consultation with SEBI. Any addition/ modification/ alteration to this Industry Standards Note shall be made only in consultation with SEBI. This Industry Standards Note is available on the websites of the BSE Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”) (collectively, the “Stock Exchanges”). Further, the same is hosted on the websites of the Federation of Indian Chambers of Commerce and Industry (FICCI) accessible at <https://ficci.in/>, the Associated Chambers of Commerce & Industry of India (ASSOCHAM), accessible at <https://www.assochem.org/>, and the Confederation of Indian Industry (CII), accessible at <https://www.cii.in/>. The listed entities shall follow this Industry Standards Note to ensure compliance with the Rumour Verification Requirement.

Some of the key highlights of Industry Standards Note are as follows:

- **Scope and Ambit of ‘Mainstream Media’**

Mainstream media will only cover the specific news sources that are set out in the Industry Standards Note. The criteria for identification of the news sources, along with the list of specific news sources for each category of media have been identified based on inputs received from AdFactors.

Social media platforms (including but not limited to Whatsapp, X (Twitter), Instagram, Facebook, Telegram etc) will be excluded from the ambit of mainstream media. However, the social media handles of the identified news sources will be covered within the purview of ‘mainstream media’. It is clarified that this will not include any quotes/re-tweets/re-posts that are made from the information reported on such social media handles.

- **Interpretation of ‘not general in nature’ under the proviso to Regulation 30(11) of the LODR Regulations**

As per Industry Standards Note on verification of market rumours, for a market rumour to require a confirmation/ denial/ clarification under Regulation 30(11), it must:

- provide specifically identifiable details of the matter/ event; or
- provide quotes or be attributed to sources who are reasonably expected to be knowledgeable about the matter.

Further, if a specific rumour is false, the company shall issue a statement to deny the rumour.

Illustrations for M&A transaction-specific scenarios:

Sr. No.	Nature of Event involving the Listed Entity	Example of Market Rumour that provides 'specifically identifiable details'	Example of Market Rumour that does not provide 'specifically identifiable details'
1.	Divestment of an undertaking	Company X is proposing to sell its fertiliser business.	Company X is proposing to divest one of its business divisions.
2.	Acquisition of an asset	Company X is evaluating a potential acquisition of ABC manufacturing facility.	Company X is proposing to acquire an asset (without identifying the relevant asset).
3.	Acquisition of a stake in another company	Company X is currently in talks to acquire a stake in Company Y (target entity).	<ul style="list-style-type: none"> •Company X is currently in talks to undertake a potential acquisition (without identifying the target entity). •Company X is in talks for undertaking various acquisitions in the current financial year.
4.	Merger	Company X is in talks for a potential merger with another FMCG company.	Company X is in talks for a potential restructuring.
5.	Demerger	Company X is proposing to demerge its consumer healthcare business.	Company X is proposing to demerge one of its businesses.

Illustrative Non- M&A Transaction Scenarios:

Sr. No.	Nature of Event involving the Listed Entity	Example of Market Rumour that provides 'specifically identifiable details'	Example of Market Rumour that does not provide 'specifically identifiable details'
1.	Potential Appointment of a key managerial personnel	Company X is proposing to appoint an industry veteran as its next CEO, in its upcoming Board meeting.	Company X may consider changes in its management, in the near future.
2.	Resignation of one or more KMPs	The CEO of Company X is likely to resign.	Company X is likely to witness resignations amongst it's KMPs, in the near future.
3.	Product Launch	<ul style="list-style-type: none"> • Company X is proposing to launch Product ABC in the next 12 (twelve) months. • Company X, an automobile company, proposes to launch electric scooters in the next 12 months. 	Company X proposes to launch various new products in the current financial year.
4.	Material Contracts	Company X, is about to bag a large construction contract from Y.	Company X is currently in talks for bagging an EPC contract.
5.	Strategic/ Technical Collaborations	Company X is in talks for a potential strategic collaboration with Company Y.	Company X is evaluating potential strategic/ technical collaborations.

- **Even if the market rumour is specific and impending, a confirmation/ denial/ clarification under Regulation 30(11) will be required only if the market rumour results in a material price movement.**

The parameter of Material Price Movement should be applied by listed companies, specifically for evaluating whether an impending and specific market rumour requires a confirmation/ denial/ clarification under Regulation 30(11). It is clarified that Regulation 30(11) shall not be applicable to market rumours that do not result in a Material Price Movement, as per the framework issued by the stock exchanges.

The aforesaid parameter of Material Price Movement should be applied by listed companies, specifically for rumour verification under Regulation 30(11), and does not extend to evaluation of disclosure of material events/ information, under the other provisions of Regulation 30, read with Para A and Para B of Part A of Schedule III of the LODR Regulations and the aforesaid parameter of Material Price Movement shall be applicable for market rumours in respect of M&A transaction scenarios as well as non-M&A transaction scenarios.

- **Market Rumour that is reported post issuance of a pre-intimation notice under Regulation 29(1) of the LODR Regulations**

If there is a market rumour during the time-period between issuance of the pre-intimation notice of a Board meeting under Regulation 29(1) and conclusion of the Board meeting, no confirmation/ denial/ clarification will be required. Appropriate disclosures may be made by the company as required under Regulation 30 read with Schedule III of the LODR Regulations, following the conclusion of the Board meeting. However, if the rumour is in respect of actions/ events distinct from the subject of the preintimation notice, that may potentially take place at a future date, a specific confirmation/ denial/ clarification of the rumour may be required.

Illustratively, post issuance of the pre-intimation notice in relation to a preferential issue, if there is a rumour in respect of the persons/ entities who will be subscribing to equity shares as a part of a proposed preferential issue, no confirmation/ denial/ clarification will be required in respect of the names of the proposed allottees. However, if there is a rumour that the proceeds of the preferential allotment will be used to fund an acquisition of a specific target, then a rumour in respect of the manner of utilisation of the proceeds may require a specific confirmation/ denial/ clarification subject to and in accordance with the provisions of Regulation 30(11).

- **M&A transaction-specific aspects**

The expression “M&A transaction” includes the following types/ categories of transactions:

- i. any transaction concerning the securities of a listed company (i.e. purchase, sale, issuance, buyback, delisting etc);
- ii. a preferential issue of securities by a listed entity, and any other fund-raising transactions undertaken by the listed entity;
- iii. scheme of arrangement involving a listed company (or any of its subsidiaries);
- iv. Acquisition/ sale of an undertaking (including shareholding of another company) by a listed entity;
- v. A proposed joint venture between a listed entity and another entity.

The requirement to confirm a market rumour under Regulation 30(11) shall not be applicable for transactions undertaken in the ordinary course of business, which includes the following types/ categories of transactions:

- (i) An on-market block deal transaction or an on-market bulk deal transaction, in respect of the securities of the listed company;
- (ii) An on-market treasury transaction or an on-market non-strategic transaction, undertaken by a listed company in respect of another listed company. For the avoidance of doubt, it is clarified that an ‘on-market treasury transaction’ refers to an on-market transaction undertaken by a listed company in respect of another listed company, pursuant to its treasury management policies/ objectives. Illustratively, if Listed Company A invests its surplus funds through an on-market transaction to acquire a 0.5% equity stake in Listed Company B, on a non-strategic basis, this will be regarded as an ‘on-market treasury transaction’.

For an M&A transaction, complete disclosure standards have been provided depending on the stage of the transaction and the extent of the details specified in the rumour. For example, if a rumour was reported at the stage of engagement of legal/ financial advisors for due diligence, the company can issue a general disclosure such as *‘The company evaluates various strategic opportunities in the ordinary course, for growth and expansion of its business.’*

If the rumour was reported at the stage of signing of an exclusive binding term-sheet in respect to an M&A transaction with a listed target company, a confirmation is required along the lines of *‘This is to confirm that the company has executed a binding term-sheet with [name of the counterparty] in respect of a potential [publicly available details of the deal]. Please note that the parties are still in negotiation and no binding*

agreement has been entered into for giving effect to the potential deal. The execution and the ultimate consummation of the potential deal is subject to various factors including receipt of approval by the Board of Directors of the company and execution of binding agreements between the parties and there can be no guarantee or assurance of the execution/consummation of any deal.'

- **Non-M&A transaction-specific aspects**

In respect of market rumours for non-M&A transaction related scenarios, companies may evaluate disclosability based on the following parameters:

- (i) The market rumour in respect of the non-M&A transaction event should provide specifically identifiable details: The market rumour should either (i) provide specifically identifiable details of the matter/ event; or (ii) provide quotes/be attributed to sources who are reasonably expected to be knowledgeable about the matter. Further, as stated above, Regulation 30(11) shall not be applicable to market rumours that are vague or general in nature.
- (ii) The market rumour should be in respect of an impending event: The expression 'impending' inter alia refers to an event that is imminent, close at hand or about to happen.
- (iii) Material Price Movement: The market rumour should result in a Material Price Movement, as per the framework issued by the Stock Exchanges, which is set out above.

Scenarios like whistle-blower complaints, change of key managerial personnel and health of MD/CEO are considered under Non-M&A categories.

To illustrate, a rumour reported that a whistle-blower complaint was received by a listed entity alleging irregularities in its accounts. In this case, the entity shall deny the rumour if no such complaint has been received. In case such a complaint has been received, neither confirmation nor a clarification is required because the rumour does not provide any identifiable details like the irregularities were found in revenue accounting.

Another Illustration, a Market Rumour reported in the identified sources of mainstream media that Company A has initiated an internal review/ investigation in respect of certain allegations relating to irregularities in its accounts. In this case Company A shall deny the market rumour if no such internal review/ investigation has been initiated by Company A. In case such an internal review/ investigation has been initiated by Company A, neither confirmation nor a clarification is required

because the rumour does not provide any identifiable details in respect of the internal review/ investigation.

A market rumour regarding a potential change in key managerial personnel:

A market rumour regarding a potential change in key managerial personnel (including their removal or resignation) shall require a specific confirmation/denial/clarification only after there is an acceptance by the company of the change (by following due process in line with applicable policies of the company), or if the company has initiated the process (whether formally or otherwise) for finding the candidate/ finding the replacement, as the case may be.

Rumour regarding the health of the MD/CEO:

Further, in the event of a market rumour regarding the health of the MD/ CEO, the company shall first enquire with the MD/ CEO as to whether he/ she has received medical advice stating that he/ she will be indisposed or unavailable to fulfil the requirements of the role in a regular manner for more than 45 (forty five) days in any rolling period of 90 (ninety) days on account of ill health.

If the MD/ CEO thereafter informs the company that he/ she has received medical advice stating the above, the company shall be required to confirm the market rumour, under Regulation 30(11) of the LODR Regulations. However, if the MD/ CEO has not received any medical advice stating that he will be indisposed/ unavailable for the aforesaid time-period, the company shall deny the market rumour, under Regulation 30(11) of the LODR Regulations.

Conclusion

Overall, SEBI looks to meet its objective of safeguarding deals from rumours, promoting transparency and reducing speculative trading. With the deep involvement of ISF, the new guidelines for market rumour verification provides the much-needed balance at implementation level.

References:

- <https://nsearchives.nseindia.com/web/sites/default/files/inline-files/Industry%20Standards%20Note%20on%20verification%20of%20market%20rumours%20under%20Regulation%2030%2811%29%20of%20LODR%20Regulations.pdf>
- https://www.sebi.gov.in/legal/circulars/may-2024/industry-standards-on-verification-of-market-rumours_83485.html
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- <https://economictimes.indiatimes.com/markets/stocks/news/a-market-rumour-will-now-no-longer-remain-just-a-rumour-under-latest-sebi-order/articleshow/110433852.cms?from=mdr>

Exemptions Granted to Government Companies*

Introduction

Government companies play a crucial role in the economic and social landscape of India. They are often tasked with implementing strategic national projects and providing essential services that might not be immediately profitable but are necessary for public welfare. Recognizing their unique roles and operational frameworks the various regulatory authorities has granted several exemptions to these companies to facilitate their efficient functioning and alignment with broader governmental objectives.

Meaning of 'Government Company'

Section 2(45) of Companies Act, 2013 states that "Government Company" means any company in which not less than fifty-one per cent of the paid-up share capital is held by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments, and includes a company which is a subsidiary company of such a Government company;

Explanation. - For the purposes of this clause, the "paid up share capital" shall be construed as "total voting power", where shares with differential voting rights have been issued.

Section 2(64) of Companies Act, 2013 states that "paid-up share capital" or "share capital paid-up" means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid-up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called.

The Government Companies are further classified into:

Wholly Owned Govt. Company: is a Company where Government holding is 100%

Other Govt. Company: is a Company where Government holding is 51% to 99.99%

* CS Bhakti Harindra Chawhan, Executive (Academics), The ICSI

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

Relaxations for Government Companies under Companies Act, 2013

Ministry of Corporate Affairs (MCA) had issued a notification on June 05, 2015 which provided various exemptions to Government Companies under Companies Act, 2013. Later MCA issued another notification dated June 13, 2017 amending the June 05, 2015 notification.

A Government Company can claim various relaxations under Companies Act, 2013 if it has not defaulted in filing its Financial Statements or Annual Return with the Registrar. The Major privileges to Government Companies under Companies Act, 2013 are summarized below:

Sr. No	Section	Provision
1.	Chapter II- Section 4(1): Name	<p>The memorandum of a company shall state</p> <p>(a) the name of the company with the last word "Limited" [in the case of a public limited company, or the last words "Private Limited" in the case of a private limited company. Government Company is not required to mention "Limited" or "Private Limited" with its name.</p> <p>Government Company is not required to mention "Limited" or "Private Limited" with its name.</p>
2.	Chapter IV- Section 56: Transfer and Transmission of Securities:	<p>The provisions of section 56(1), in so far as it requires a proper instrument of transfer, to be duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee, shall not apply with respect to bonds issued by a Government company, provided that an intimation by the transferee specifying his name, address and occupation, if any, has been delivered to the company along with the certificate relating to the bond; and if no such certificate is in existence, along with the letter of allotment of the bond.</p> <p>Section 56(1) of Companies Act, 2013 relating to Transfer of Shares is not applicable to Government Company in respect of Securities held by nominees of the Government. Government Company is not required to submit Form SH-4 in case of transfer of shares, if the person is acting as a nominee of the Government</p> <p>In case of transfer of Bonds issued by a Government Company, Instrument of transfer is not required to be executed and delivered to the Company provided an intimation regarding</p>

		the transfer supported by the details of the transferee and the relevant bond certificate is delivered to the Company.
3.	Chapter VII- Section 89: Declaration in respect of beneficial interest in any share	<p>Where the name of a person is entered in the register of members of a company as the holder of shares in that company but who does not hold the beneficial interest in such shares, such person shall make a declaration within such time and in such form as may be prescribed to the company specifying the name and other particulars of the person who holds the beneficial interest in such shares.</p> <p>Every person who holds or acquires a beneficial interest in share of a company shall make a declaration to the company specifying the nature of his interest, particulars of the person in whose name the shares stand registered in the books of the company and such other particulars as may be prescribed.</p> <p>This Section is not applicable to Government Company</p>
4.	Chapter VII- Section 90: Register of significant beneficial owners in a company:	<p>(1) Every individual, who acting alone or together, or through one or more persons or trust, including a trust and persons resident outside India, holds beneficial interests, of not less than twenty-five per cent. or such other percentage as may be prescribed, in shares of a company or the right to exercise, or the actual exercising of significant influence or control as defined in clause (27) of section 2, over the company, shall make a declaration to the company, specifying the nature of his interest and other particulars, in such manner and within such period of acquisition of the beneficial interest or rights and any change thereof, as may be prescribed:</p> <p>Provided that the Central Government may prescribe a class or classes of persons who shall not be required to make declaration under this sub-section.</p> <p>(2) Every company shall maintain a register of the interest declared by individuals under sub-section (1) and changes therein which shall include the name of individual, his date of birth, address, details of ownership in the company and such other details as may be prescribed.</p> <p>(3) The register maintained under sub-section (2) shall be open to inspection by any member of the company on payment of such fees as may be prescribed.</p> <p>(4) Every company shall file a return of significant beneficial owners of the company and changes therein with the Registrar containing names, addresses and other details as</p>

		<p>may be prescribed within such time, in such form and manner as may be prescribed.</p> <p>This Section is not applicable to Government Company.</p>
5.	<p>Chapter VII- Section 96(2): Place of Annual General Meeting:</p>	<p>Every Annual General Meeting (AGM) shall be called during business hours, that is, between 9 a.m. and 6 p.m. on any day that is not a National Holiday and shall be held either at the registered office of the company or at some other place within the city, town or village in which the registered office of the company is situated.</p> <p>In case of Government Company, in Sub- section (2) of Section 96 for the words</p> <p>"Some other place within the city, town or village in which the registered office of the company is situate", the words "such other place as the Central Government may approve in this behalf" is applicable.</p> <p>AGM of Government Company shall be held either at the registered office of the company or at such other place within the city, town or village in which registered office is situated or at such other place as may be approved by Central Government</p>
6.	<p>Chapter VIII, second proviso to sub-section (1) of section 123:</p>	<p>Rules for declaration of dividend in case of inadequacy or absence of profits Shall not apply to Wholly-owned Government company.</p>
7.	<p>Chapter VIII, sub- section (4) of section 123: Declaration of Dividend</p>	<p>The amount of the dividend, including interim dividend, shall be deposited in a scheduled bank in a separate account within five days from the date of declaration of such dividend.</p> <p>This shall not apply in case of Government Company in which the entire paid-up share capital is held by the Central Government, or by any State Government or Governments or by the Central Government and one or more State Governments or by one or more Government Company.</p>
8.	<p>Chapter IX- Section 129: Financial Statements</p>	<p>Section 129 of the Companies Act, 2013 which stands for the Segment reporting in case the company has the segment has been relaxed and the compliance of Accounting Standard 17 has been made voluntary for the Government Company.</p>

9.	Chapter IX, clause (e) & (p) of sub-section (3) of section 134	Disclosure in Board's report about Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director, etc; and a statement indicating the manner in which formal annual evaluation of the performance of the Board, its Committees and of individual directors has been made is not applicable to Government Companies.
10.	Chapter XI, section 149(l) (b) and first proviso to sub-section (l) of section 149:	1. Maximum 15 Directors 2. Appointment of more than 15 Directors after passing Special Resolution: Shall not apply to Government Companies
11.	Chapter XI clause (a) of sub-section (6) of section 149.	An independent director in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience The word "Board" is replaced with "Ministry".
12.	Chapter XI, clause (c) of sub-section (6) of section 149.	No restriction for appointment as the independent Directors of the Government Companies: who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year.
13.	Chapter XI - Section 152(6) and (7) : Retirement of Directors by rotation	The provisions relating to compulsory retirement of directors by rotation shall not apply to a Government Company if it is an unlisted Government Company; or it is a subsidiary of an unlisted Government Company.
14.	Chapter XI, section 160 Right of Persons Other than Retiring Directors to Stand for Directorship	Section 160. (1) states that a person who is not a retiring director in terms of section 152 shall, subject to the provisions of this Act, be eligible for appointment to the office of a director at any general meeting, if he, or some member intending to propose him as a director, has, not less than fourteen days before the meeting, left at the registered office of the company, a notice in writing under his hand signifying his candidature as a director or, as the case may be, the intention of such member to propose him as a candidate for that office, along with the deposit of one lakh rupees or such higher amount as may be prescribed which shall be refunded

		<p>to such person or, as the case may be, to the member, if the person proposed gets elected as a director or gets more than twenty-five per cent. of total valid votes cast either on show of hands or on poll on such resolution.</p> <p>Provided that requirements of deposit of amount shall not apply in case of appointment of an independent director or a director recommended by the Nomination and Remuneration Committee, if any, constituted under sub-section (1) of section 178 or a director recommended by the Board of Directors of the Company, in the case of a company not required to constitute Nomination and Remuneration Committee.</p> <p>(2) The company shall inform its members of the candidature of a person for the office of director under sub-section (1) in such manner as may be prescribed.]</p> <p>This provision is not applicable to Government Companies</p>
15.	Chapter XI- Section 162: Appointment of Directors to be voted individually:	<p>Section 162 of Companies Act, 2013 (1) At a general meeting of a company, a motion for the appointment of two or more persons as directors of the company by a single resolution shall not be moved unless a proposal to move such a motion has first been agreed to at the meeting without any vote being cast against it.</p> <p>(2) A resolution moved in contravention of sub-section (1) shall be void, whether or not any objection was taken when it was moved.</p> <p>(3) A motion for approving a person for appointment, or for nominating a person for appointment as a director, shall be treated as a motion for his appointment.</p> <p>In case of Government Company - Section 162 shall not apply to:-</p> <p>(a) a Government Company in which the entire paid up share capital is held by the Central Government, or by any State Government or Governments or by the Central Government and one or more State Governments;</p> <p>(b) a subsidiary of a Government Company, referred to in (a) above, in which the entire paid up share capital is held by that Government Company.</p>

		Appointment of Directors to be voted individually shall not apply to Government Company and also its wholly owned subsidiary.
16.	Chapter XI, Section 163: Option to Adopt Principle of Proportional Representation for Appointment of Directors.	Notwithstanding anything contained in this Act, the articles of a company may provide for the appointment of not less than two-thirds of the total number of the directors of a company in accordance with the principle of proportional representation, whether by the single transferable vote or by a system of cumulative voting or otherwise and such appointments may be made once in every three years and casual vacancies of such directors shall be filled as provided in sub-section (4) of section 161. This Section is not applicable to Government Companies.
17.	Chapter XI - Section 164(2): Disqualifications for Appointment of Director:	As per Section 164(2) of Companies Act, 2013, No person who is or has been a director of a company which— (a) has not filed financial statements or annual returns for any continuous period of three financial years; or (b) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more, shall be eligible to be re-appointed as a director of that company or appointed in other company for a period of five years from the date on which the said company fails to do so. This Section is not applicable to Government Company
18.	Chapter XI- Section 170- Register of Directors	Every company shall keep at its registered office a register containing such particulars of its directors and key managerial personnel as may be prescribed, which shall include the details of securities held by each of them in the company or its holding, subsidiary, subsidiary of company's holding company or associate companies. A return containing such particulars and documents as may be prescribed, of the directors and the key managerial personnel shall be filed with the Registrar within thirty days from the appointment of every director and key managerial personnel, as the case may be, and within thirty days of any change taking place. Section 170 is not applicable to Government Company in which the entire share capital is held by the Central Government, or by any State Government or Governments or

		by the Central Government or by one or more State Governments.
19.	Chapter XI- Section 171: Members' Right to Inspect	<p>171. (1) The register kept under sub-section (1) of section 170,-</p> <p>(a) shall be open for inspection during business hours and the members shall have a right to take extracts therefrom and copies thereof, on a request by the members, be provided to them free of cost within thirty days; and</p> <p>(b) shall also be kept open for inspection at every annual general meeting of the company and shall be made accessible to any person attending the meeting.</p> <p>(2) If any inspection as provided in clause (a) of sub-section (1) is refused, or if any copy required under that clause is not sent within thirty days from the date of receipt of such request, the Registrar shall on an application made to him order immediate inspection and supply of copies required thereunder.</p> <p>In case of Government Company - Section 171 shall not apply to Government Company in which the entire share capital is held by the Central Government, or by any State Government or Governments or by the Central Government or by one or more State Governments.</p>
20.	Chapter XII, clause (i) of subsection (4) of section 177	<p>Every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include,</p> <p>(i) the recommendation for appointment, remuneration and terms of appointment of auditors of the company;</p> <p>In case of Government Company -Every Audit Committee is required to recommend for remuneration only.</p>
21.	Chapter XII, sub- sections (2), (3) and (4) of section 178: Nomination and Remuneration Committee and Stakeholders	<p>(2) The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an</p>

	Relationship Committee	<p>independent external agency and review its implementation and compliance.</p> <p>(3) The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.</p> <p>(4) The Nomination and Remuneration Committee shall, while formulating the policy under sub-section (3) ensure that—</p> <p>(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;</p> <p>(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and</p> <p>(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:</p> <p>Provided that such policy shall be placed on the website of the company, if any, and the salient features of the policy and changes therein, if any, along with the web address of the policy, if any, shall be disclosed in the Board's report.</p> <p>In case of Government company- Sub-sections (2), (3) and (4) of Section 178, shall not apply except with regard to appointment of 'senior management' and other employees</p>
22.	Chapter XII, 185: Loan to Directors, etc.	<p>This section relates to provisions with regards to loan to directors.</p> <p>This shall not apply to Govt Co. in case such Company obtains approval of the Ministry or Department of the Central Government which is the administrative incharge of the Company, or as the case may be, the State Government before making any loan or giving any guarantee or providing security under this section.</p>
23.	Chapter XII - Section 186: Loan and	<p>In case of Government Company - Section 186 shall not apply to :-</p> <p>(a) a Government Company engaged in defence production;</p>

	Investment by Company:	(b) a Government Company, other than a listed company, in case such company obtains approval of the Ministry or Department of the Central Government which is administratively in State Government before making any loan or giving any guarantee or providing any security or making any investment under the section.
24.	Chapter XII, first and second proviso to sub-section (1) of section 188: Related Party Transactions	<p>(1) Except with the consent of the Board of Directors given by a resolution at a meeting of the Board and subject to such conditions as may be prescribed, no company shall enter into any contract or arrangement with a related party with respect to-</p> <p>In case of Government company - First and second proviso to Sub-section (1) of Section 188 shall not apply to :-</p> <p>(a) a Government company in respect of contracts or arrangements entered into by it with any other Government company, or with Central Government or any State Government or any combination thereof;</p> <p>(b) a Government company, other than a listed company, in respect of contracts or arrangements other than those referred to in clause (a), in case such company obtains approval of the Ministry or Department of the Central Government which is administratively in charge of the company, or, as the case may be, the State Government before entering into such contract or arrangement.</p>
25.	Chapter XIII, sub-sections (2), (4) and (5) of section 196: Appointment of Managing Director, Whole-time Director or Manager	<p>(2) No company shall appoint or re-appoint any person as its managing director, whole-time director or manager for a term exceeding five years at a time:</p> <p>(4) Subject to the provisions of section 197 and Schedule V, a managing director, whole-time director or manager shall be appointed and the terms and conditions of such appointment and remuneration payable be approved by the Board of Directors at a meeting which shall be subject to approval by a resolution at the next general meeting of the company and by the Central Government in case such appointment is at variance to the conditions Specified in Part I of that Schedule.</p> <p>Provided that a notice convening Board or general meeting for considering such appointment shall include the terms and conditions of such appointment, remuneration payable and</p>

		<p>such other matters including interest, of a director or directors in such appointments, if any:</p> <p>Provided further that a return in the prescribed form shall be filed within sixty days of such appointment with the Registrar.</p> <p>(5) Subject to the provisions of this Act, where an appointment of a managing director, whole-time director or manager is not approved by the company at a general meeting, any act done by him before such approval shall not be deemed to be invalid.</p> <p>In case of government company - Sub-section (2), (4) and (5) of Section 196 shall not apply.</p>
26.	Chapter XIII - Section 197: Overall Maximum Managerial Remuneration and Managerial Remuneration in case of absence or inadequacy of profits:	<p>The total managerial remuneration payable by a public company, to its directors, including managing director and whole-time director, and its manager in respect of any financial year shall not exceed 11% of the net profits of that company for that financial year computed in the manner laid down in section 198 except that the remuneration of the directors shall not be deducted from the gross profits.</p> <p>Section 197 relating to the remuneration to the managerial personnel would not apply to the Government Companies and limits prescribed there in would also not form part of the policy of the company.</p>
27.	Chapter XIII, sub-sections (1), (2), (3) and (4) of section 203: Appointment of Key Managerial Personnel	<p>This section relates to appointment of Key Managerial Personnel-</p> <ul style="list-style-type: none"> • MD and Chairman not to be same person. • KMP to be appointed by a resolution of the Board • KMP not to hold office in more than one company • Vacancy to be filled within six months <p>In case of government Company, as per Section 4A the provisions of sub-sections (1), (2), (3) and (4) of this section shall not apply to a managing director or Chief Executive Officer or manager and in their absence, a whole-time director of the Government Company.</p>
28.	Chapter XV- Section 230 to Section 232 of Companies Act, 2013-	<p>In case of government companies, instead of the National Company Law Tribunal (NCLT), the Central Government is empowered to approve the compromise arrangement and amalgamations.</p>

	Compromises, Arrangements and Amalgamations:	
29.	Chapter XXVIII - Section 439 of Companies Act, 2013-Offences to be Non cognizable:	<p>As per Section 439(1) of Companies Act, 2013 notwithstanding anything in the Code of Criminal Procedure, 1973, every offence under this Act except the offences referred to in sub-section (6) of section 212 shall be deemed to be non-cognizable within the meaning of the said Code.</p> <p>No court shall take cognizance of any offence under this Act which is alleged to have been committed by any company or any officer thereof, except on the complaint in writing of the Registrar, a shareholder or a member of the company, or of a person authorised by the Central Government in that behalf:</p> <p>Provided that the court may take cognizance of offences relating to issue and transfer of securities and non-payment of dividend, on a complaint in writing, by a person authorised by the Securities and Exchange Board of India.</p> <p>In case of government company, no court shall take cognizance of any offence under this Act which is alleged to have been committed by any company or any officer thereof, except on the complaint in writing of a person authorised by the Central Government in that behalf.</p>
30.	Annual Reports on Government Companies	<p>Section 394(1) of Companies Act, 2013 states that where the Central Government is a member of a Government company, the Central Government shall cause an annual report on the working and affairs of that company to be—</p> <p>(a) prepared within three months of its annual general meeting before which the comments given by the Comptroller and Auditor-General of India (CAG) and the audit report is placed under the proviso to sub-section (6) of section 143; and</p> <p>(b) as soon as may be after such preparation, laid before both Houses of Parliament together with a copy of the audit report and comments upon or supplement to the audit report, made by the Comptroller and Auditor-General of India.</p> <p>As per Section 394(2) of Companies Act, 2013 states that where in addition to the Central Government, any State</p>

		<p>Government is also a member of a Government company, that State Government shall cause a copy of the annual report prepared under sub-section (1) to be laid before the House or both Houses of the State Legislature together with a copy of the audit report and the comments upon or supplement to the audit report referred to in sub-section (1).</p> <p>The annual reports along with the audit reports of a government company are laid before parliament if it is a Central Government Company. If the Government Company is a State Government Company, then the annual reports of that company are placed before the State legislature.</p>
31.	Audit of Government Companies Section 139	<p>The first auditor shall be appointed by the Comptroller and Auditor-General of India within 60 days from the date of registration of the company and in case the Comptroller and Auditor-General of India does not appoint such auditor within the said period, the Board of Directors of the company shall appoint such auditor within the next 30 days; and in the case of failure of the Board to appoint such auditor within the next thirty days, it shall inform the members of the company who shall appoint such auditor within the sixty days at an extraordinary general meeting, who shall hold office till the conclusion of the first annual general meeting.</p>
32.	Chapter XII, section 182: Prohibitions and restrictions regarding political contributions	<p>Section 182 of the Companies Act, 2013 prohibits Government Companies to make political contribution. A donation or subscription or payment caused to be given by a company on its behalf or on its account to a person who, to its knowledge, is carrying on any activity which, at the time at which such donation or subscription or payment was given or made, can reasonably be regarded as likely to affect public support for a political party shall also be deemed to be contribution of the amount of such donation, subscription or payment to such person for a political purpose.</p> <p>Amount of expenditure incurred directly or indirectly by a company on advertisement in any publication, in the nature of a souvenir, brochure, tract, pamphlet or the like shall also be deemed—</p> <p>to be a contribution to such political party, where such publication is by or on behalf of a political party</p> <p>to be a contribution for a political purpose, in case such publication is not by or on behalf of but for the advantage of a political party.</p>

Relaxations for Government Companies under Competition Act, 2002

Section 54: Power to exempt:

Section 54 of the Competition Act enables the Central Government to provide exemption from the application of the Act or any provision thereof. This power can be exercised by the Central Government to provide exemption to any enterprise which performs a sovereign function on behalf of the Central Government or a State Government; or any class of enterprises if such exemption is necessary in the interest of security of the State or public interest; or any practice or agreement arising out of and in accordance with any obligation assumed by India under any treaty, agreement or convention with any other country or countries.

Where exemption is provided to any enterprise which performs a sovereign function on behalf of the Central Government or a State Government and enterprise is engaged in any activity including the activity relating to the sovereign functions of the Government, the Central Government may grant exemption only in respect of activity relating to the sovereign functions. The power to grant exemption can be exercised by the Central Government by issuing a notification in official gazette. The exemption notification may also specify the period for which the exemption has been granted the following exemptions are in vogue in relation to the provision regarding combinations:

1. Exemption from giving notice to the Commission within 30 days:

The Central Government, vide notification no. S.O. 2039(E) published on 29 June 2017 in public interest has exempted every person or enterprise who is a party to a combination from giving notice within 30 days mentioned in Section 6(2) of the Act, subject to the provisions of Section 6(2A) and Section 43A of the Act.

This exemption was provided for a period of five years from the date of publication of the notification in the Official Gazette. However, the Central Government, vide notification no. S.O. 1193(E) published on 16 March 2022 has extended the exemption up to ten years.

2. Exemption to banking companies:

The Central Government, vide notification no. S.O. 1034(E) published on 11 March 2022 in public interest has exempted a banking company in respect of which the Central Government has issued a notification under Section 45 of the Banking Regulation Act, 1949, from application of the provisions of Sections 5 and 6 of the Act for a period of five years from the date of publication of the notification in the Official Gazette.

3. Exemption to regional rural banks

The Central Government, vide notification no. S.O. 2561(E) published on 10 August 2017 in public interest has exempted regional rural banks in respect of which the Central Government has issued a notification under Section 23A(1) of the Regional Rural Banks Act, 1976, from the application of provisions of Sections 5 and 6 of the Act for a period of five years from the date of publication of the notification in the Official Gazette.

4. Exemption to nationalised banks

The Central Government, vide notification no. S.O. 2828(E) published on 30 August 2017 in public interest has exempted all cases of reconstitution, transfer of the whole or any part thereof and amalgamation of nationalised banks under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 and the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980, from the application of provisions of Sections 5 and 6 of the Act for a period of ten years from the date of publication of the notification in the Official Gazette.

5. Exemption to central public sector enterprises operating in the oil and gas sectors:

The Central Government, vide notification no. S.O. 3714(E) published on 22 November 2017 in public interest has exempted all cases of combinations under Section 5 of the Act involving central public sector enterprises operating in the oil and gas sectors under the Petroleum Act, 1934 and the rules made thereunder or under the Oilfields (Regulation and Development) Act, 1948 and the rules made thereunder, along with their wholly or partly owned subsidiaries operating in the oil and gas sectors, from the application of the provisions of Sections 5 and 6 of the Act for a period of five years from the date of publication of the notification in the Official Gazette.

RELAXATIONS FOR GOVERNMENT COMPANIES UNDER SEBI RULES AND REGULATIONS

Exemption under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sr. No	Regulation	Provision
1.	Regulation 17(1D)	<p>Continuation of a Director serving on the Board of Directors</p> <p>Regulation 17(1D) states that with effect from April 1, 2024, the continuation of a director serving on the board of directors of a listed entity shall be subject to</p>

		<p>the approval by the shareholders in a general meeting at least once in every five years from the date of their appointment or reappointment, as the case may be.</p> <p>Provided further that the requirement specified in this regulation shall not be applicable to the director appointed pursuant to the order of a Court or a Tribunal or to a nominee director of the Government on the board of a listed entity, other than a public sector company, or to a nominee director of a financial sector regulator on the board of a listed entity.</p>
	<p>Regulation 23(2), 23(3) and 23(4)</p>	<p>Related party transactions</p> <p>Regulation 23(2) inter alia provides that all related party transactions and subsequent material modifications shall require prior approval of the audit committee of the listed entity.</p> <p>Regulation 23(3) stipulates that Audit committee may grant omnibus approval for related party transactions proposed to be entered into by the listed entity subject to the prescribed conditions.</p> <p>Further, as per Regulation 23(4), all material related party transactions and subsequent material modifications shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.</p> <p>The provisions of sub-regulations (2), (3) and (4) shall not be applicable to the transactions entered into between two government companies.</p>

Exemption under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018

Sr. No	Regulation	Provision
1.	Regulation 8	<p>Additional conditions for an Offer for Sale</p> <p>Regulation 8 states that only such fully paid-up equity shares may be offered for sale to the public, which have been held by the sellers for a period of at least one year prior to the filing of the draft offer document.</p> <p>Provided that in case the equity shares received on conversion or exchange of fully paid-up compulsorily convertible securities including depository receipts are being offered for sale, the holding period of such convertible securities, including depository receipts, as well as that of resultant equity shares together shall be considered for the purpose of calculation of one year period referred in this sub-regulation.</p> <p>Provided further that such holding period of one year shall be required to be complied with at the time of filing of the draft offer document.</p> <p>The requirement of holding equity shares for a period of one year shall not apply:</p> <p>a) in case of an offer for sale of a government company or statutory authority or corporation or any special purpose vehicle set up and controlled by any one or more of them, which is engaged in the infrastructure sector;</p> <p>b) if the equity shares offered for sale were acquired pursuant to any scheme approved by a High Court or approved by a tribunal or the Central Government under the sections 230 to 234 of Companies Act, 2013, as applicable, in lieu of business and invested capital which had been in existence for a period of more than one year prior to approval of such scheme;</p>

Exemption under the Securities Contracts (Regulation) Rules, 1957

Sr. No	Rule	Provision
1.	Rule 19A	<p>Minimum Public Shareholding Requirements</p> <p>The minimum offer and allotment to public in terms of an offer document shall be-</p> <p>(i) at least twenty five per cent of each class or kind of equity shares or debenture convertible into equity shares issued by the company, if the post issue capital of the company calculated at offer price is less than or equal to one thousand six hundred crore rupees;</p> <p>(ii) at least such percentage of each class or kind of equity shares or debentures convertible into equity shares issued by the company equivalent to the value of four hundred crore rupees, if the post issue capital of the company calculated at offer price is more than one thousand six hundred crore rupees but less than or equal to four thousand crore rupees;</p> <p>(iii) at least ten per cent of each class or kind of equity shares or debentures convertible into equity shares issued by the company, if the post issue capital of the company calculated at offer price is above four thousand crore rupees but less than or equal to one lakh crore rupees;</p> <p>(iv) at least such percentage of each class or kind of equity shares or debentures convertible into equity shares issued by the company equivalent to the value of five thousand crore rupees and at least five per cent of each such class or kind of equity shares or debenture convertible into equity shares issued by the company, if the post issue capital of the company calculated at offer price is above one lakh crore rupees:</p> <p>Provided that the company referred to in this sub-clause (iv) shall increase its public shareholding to at least ten per cent within a period of two years and at least twenty-five per cent. within a period of five years, from the date of listing of the securities, in the manner specified by the Securities and Exchange Board of India.</p>

	<p>Further, Rule 19A states that-</p> <p>(1) Every listed company shall maintain public shareholding of at least twenty five per cent.</p> <p>Provided that every listed public sector company which has public shareholding below twenty-five per cent. on the commencement of the Securities Contracts (Regulation) (Second Amendment) Rules, 2018, shall increase its public shareholding to at least twenty-five per cent, within a period of three years from the date of such commencement, in the manner specified by the Securities and Exchange Board of India.</p> <p>Explanation: For the purposes of this sub-rule, a company whose securities has been listed pursuant to an offer and allotment made to public in terms of clause (b) of sub-rule (2) of rule 19, shall maintain minimum twenty five per cent, public shareholding from the date on which the public shareholding in the company reaches the level of twenty five percent in terms of said sub-clause.</p> <p>(2) Where the public shareholding in a listed company falls below twenty five per cent. at any time, such company shall bring the public shareholding to twenty five per cent. within a maximum period of twelve months from the date of such fall in the manner specified by the Securities and Exchange Board of India.</p> <p>Provided that every listed public sector company whose public shareholding falls below twenty five per-cent. at any time after the commencement of the Securities Contracts (Regulation) (Second Amendment) Rules, 2018, shall increase its public shareholding to at least twenty five per-cent, within a period of two years from such fall, in the manner specified by the Securities and Exchange Board of India.</p> <p>(3) Omitted</p> <p>(4) Where the public shareholding in a listed company falls below twenty-five per cent. in consequence to the Securities Contracts (Regulation) (Amendment) Rules, 2015, such company shall increase its public shareholding to at least twenty-five per cent. in the manner specified by the Securities and Exchange Board</p>
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		<p>of India within a period of three years, as the case may be, from the date of notification of:</p> <p>(a) the Depository Receipts Scheme, 2014 in cases where the public shareholding falls below twenty five per cent. as a result of such scheme;</p> <p>(b) the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 in cases where the public shareholding falls below twenty-five per cent., as a result of such regulations.</p> <p>(5) Where the public shareholding in a listed company falls below twenty-five per cent, as a result of implementation of the resolution plan approved under section 31 of the Insolvency and Bankruptcy Code, 2016 such company shall bring the public shareholding to twenty-five per cent within a maximum period of three years from the date of such fall, in the manner specified by the Securities and Exchange Board of India:</p> <p>Provided that, if the public shareholding falls below ten per cent, the same shall be increased to at least ten per cent, within a maximum period of twelve months from the date of such fall, in the manner specified by the Securities and Exchange Board of India.</p> <p>Provided further that, every listed company shall maintain public shareholding of at least five per cent as a result of implementation of the resolution plan approved under section 31 of the Insolvency and Bankruptcy Code, 2016.</p> <p>(6) Notwithstanding anything contained in sub-rules (1) to (5), the Central Government may, in public interest, exempt any listed entity in which the Central Government or State Government or public sector company, either individually or in any combination with other, hold directly or indirectly, majority of the shares or voting rights or control of such listed entity, from any or all of the provisions of this rule.</p> <p><i>Explanation.</i> -- For the purposes of this rule, the exemption shall continue to be valid for the period specified therein, irrespective of any change in control of</p>
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		<p>such listed entity subsequent to issuance of such exemption.</p> <p>PSUs often receive special dispensation from various securities rules. For instance, SEBI has granted additional time of 3 years to Life Insurance Corporation of India to achieve 10% public shareholding under Rule 19(2)(b)(iv) of the Securities Contracts (Regulation) Rules, 1957, i.e., within a period of 5 years from the date of listing. Accordingly, the revised timeline for the Life Insurance Corporation of India to achieve 10% public shareholding is on or before May 16, 2027.</p>
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Regulatory Updates

CAPITAL MARKET AND SECURITIES LAWS

- **Facilitating collective oversight of distributors for Portfolio Management Services (PMS) through APMI (Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/32 dated May 02, 2024)**

To promote ease of doing business and in order to facilitate collective oversight of PMS distributors at the industry level, SEBI vide this circular has provided that any person or entity involved in the distribution of portfolio management services shall obtain registration with Association of Portfolio Managers in India (APMI). Portfolio Managers shall ensure that any person or entity engaged in the distribution of its services has obtained registration with APMI, in accordance with the criteria laid down by APMI. This circular shall come into effect from January 01, 2025 and APMI are shall issue the criteria for registration of distributors by July 01, 2024.

For details:

https://www.sebi.gov.in/legal/circulars/may-2024/facilitating-collective-oversight-of-distributors-for-portfolio-management-services-pms-through-apmi_83146.html

- **Portfolio Managers - Facilitating ease in digital on-boarding process for clients and enhancing transparency through disclosures (Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/35 dated May 02, 2024)**

SEBI has modified various clauses of its Master Circular dated March 20, 2023 for Portfolio Managers and prescribed that, with effect from October 01, 2024-

- while on-boarding a client, Portfolio Manager shall ensure that the client has understood the structure for fees and charges in the manner of as prescribed by SEBI.
- Portfolio Manager shall also provide an annexure detailing the fee calculation.

For new clients, on-boarded on or after October 01, 2024-

- Portfolio Manager shall provide to its client a “Most Important Terms and Conditions (MITC)” document, which shall be duly acknowledged by the client in order to facilitate ease of understanding of the critical aspects of the Portfolio Manager-client relationship.
- Portfolio Manager shall also provide a fee calculation tool to all clients that highlights various fee options with multi-year fee calculations. Such tool shall incorporate the high watermark principle, wherever applicable.
- whenever performance fees is charged to the client, the annexure for fees and charges to the PMS-client agreement, shall also contain the additional fee illustrations.

For details:

https://www.sebi.gov.in/legal/circulars/may-2024/portfolio-managers-facilitating-ease-in-digital-on-boarding-process-for-clients-and-enhancing-transparency-through-disclosures_83147.html

- **Framework for administration and supervision of Research Analysts and Investment Advisers (Circular No. SEBI/HO/MIRSD/MIRSD-SEC-3/P/CIR/2024/34 dated May 02, 2024)**

In terms of Regulation 38A of the 'SECC Regulations' notified on April 26, 2024, a recognised Stock Exchange may undertake the activities of administration and supervision over specified intermediaries on such terms and conditions and to such an extent as may be specified. Accordingly, Stock Exchange shall now be recognised as Research Analyst Administration and Supervisory Body (RAASB) and Investment Adviser Administration and Supervisory Body (IAASB) under Regulation 14 of the SEBI (Research Analysts) Regulations, 2014 and SEBI (Investment Advisers) Regulations, 2013 for administration and supervision of Research Analysts ('RAs') and Investment Advisers ('IAs') respectively. For recognition of a recognised stock exchange as RAASB and IAASB, an entity must have minimum 15 years of existence as a recognised stock exchange. Further, the stock exchange must have a Minimum net worth of Rs 200 crore and have nation-wide terminals. The core functions relating to registration, enforcement action and disciplinary or penal action shall remain with SEBI and SEBI shall continue to register IAs and RAs as per the mandate given under the SEBI Act, 1992. The detailed framework for RAASB and IAASB is specified in Annexure I to this circular which shall become effective on July 25, 2024.

For details:

https://www.sebi.gov.in/legal/circulars/may-2024/framework-for-administration-and-supervision-of-research-analysts-and-investment-advisers_83145.html

- **Entities allowed to use e-KYC Aadhaar Authentication services of UIDAI in Securities Market as sub-KUA (Circular No. SEBI/HO/MIRSD/ SEC FATF/P/ CIR/ 2024/36 dated May 06, 2024)**

The Master Circular on Know Your Client (KYC) norms for the securities market dated October 12, 2023 inter alia has detailed the provision for the adaptation of Aadhaar based e-KYC process and e-KYC Authentication facility for Resident Investors under section 11A of the Prevention of Money Laundering Act, 2002 in securities market as sub-KUA and on-boarding process of sub-KUA by UIDAI. Department of Revenue, Ministry of Finance (DoR-MoF) has from time to time issued gazette notifications notifying entities, to undertake Aadhaar authentication service of UIDAI under Section 11A of the Prevention of Money Laundering Act, 2002. In this regard, DoR-MoF, vide Gazette Notification S.O. 1863(E) dated April 30, 2024, notified one entity which is permitted to use Aadhaar authentication services of UIDAI under section 11A of the Prevention of Money-laundering Act, 2002. SEBI, vide this circular has prescribed that the above-mentioned entity shall follow the process as detailed in SEBI circular dated October 12, 2023 and as may be prescribed by UIDAI from time to time. The KUAs shall facilitate the on-boarding of the entity as sub-KUA to provide the services of Aadhaar authentication with respect to KYC.

For details:

https://www.sebi.gov.in/legal/circulars/may-2024/entities-allowed-to-use-e-kyc-aadhaar-authentication-services-of-uidai-in-securities-market-as-sub-kua_83178.html

- **Master Circular for Alternative Investment Funds (AIFs) (Circular No. SEBI/HO/AFD-1/AFD-1-PoD/P/CIR/2024/39 dated May 07, 2024)**

SEBI has issued a Master Circular dated May 07, 2024 related to Alternative Investment Funds (AIFs). The provisions of all circulars issued until March 31, 2024 regarding AIFs have been incorporated in this Master Circular, which supersedes the Master Circular for AIFs dated July 31, 2023. In addition to the requirements specified under this Master Circular, the AIFs shall be required to independently comply with the other requirements specified by SEBI for market intermediaries such as the 'Levy of Goods & Services Tax (GST) on the fees payable to SEBI', 'Approach to securities market data access and terms of usage of data provided by data sources in Indian securities market', 'Digital mode of payment', 'Information regarding Grievance Redressal Mechanism' and 'Guidelines on Outsourcing of Activities by Intermediaries', etc.

For details:

https://www.sebi.gov.in/legal/master-circulars/may-2024/master-circular-for-alternative-investment-funds-aifs_83229.html

- **Periodic reporting format for Investment Advisers (Circular No. SEBI/HO/MIRSD/MIRSD-PoD-2/P/CIR/2024/38 dated May 07, 2024)**

SEBI has recognized Investment Advisers Administration and Supervisory Body ("IAASB") for the purpose of administration and supervision of Investment Advisers ("IAs") under regulation 14 of the IA Regulations. At present, the IAASB has been seeking reports from IAs on an ad-hoc basis. It is decided to specify a standardized format for periodic reporting for IAs. IAs shall submit periodic report for half-yearly periods ending on September 30 and March 31 of every financial year. IAs shall submit the periodic report for the half-yearly period ending on March 31, 2024 to IAASB within a period of fifteen days from the date of issuance of circular by IAASB. For the subsequent half-yearly periods, IAs shall submit periodic reports within seven working days from the end of the half-yearly period for which details are to be furnished.

For details:

https://www.sebi.gov.in/legal/circulars/may-2024/periodic-reporting-format-for-investment-advisers_83230.html

- **Master Circular for Registrars to an Issue and Share Transfer Agents (Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024)**

The SEBI has issued a Master Circular dated May 07, 2024 related to Registrars to an Issue and Share Transfer Agents in order to enable the users to have access to the applicable circulars at one place. This Master Circular consolidates various directives previously issued to RTAs by SEBI. It supersedes the previous Master Circular for RTAs dated May 17, 2023, and subsequent circulars on the subject. The new Master Circular rescinds previous directives concerning RTAs. However, actions taken under the rescinded circulars prior to this Master Circular remain valid and are considered as having been done under the corresponding provisions of the new circular. Any pending applications with SEBI under the rescinded circulars are now considered under the provisions of the new Master Circular.

For details:

https://www.sebi.gov.in/legal/master-circulars/may-2024/master-circular-forregistrarsto-an-issue-and-share-transfer-agents_83226.html

- **Review of validation of KYC records by KRAs under Risk Management Framework (Circular No. SEBI/HO/MIRSD/SECFATF/P/CIR/2024/41 dated May 14, 2024)**

SEBI vide circular SEBI/HO/MIRSD/SECFATF/P/CIR/2023/169 dated Oct 12, 2023 has specified the Risk Management Framework at Know Your Client Registration Agency (KRAs) wherein the attributes for verification by KRAs have been mentioned. For ease of transacting by clients, the provisions of the Master Circular dated October 12, 2023 have been reviewed and risk management framework has been simplified. It is provided that the KRAs shall verify the Permanent Account Number (PAN), Name and Address of records of all clients within 2 days of receipt of KYC records. Further provided that the records of those clients in respect of which all attributes above are verified by KRAs with official databases (such as Income Tax Department database on PAN, Aadhaar XML / Digilocker / M-Aadhaar) and PAN-Aadhaar linkage has also been verified as referred to in Rule 114 AAA of the Income Tax Rules, 1962 shall be considered as Validated Records.

For details:

https://www.sebi.gov.in/legal/circulars/may-2024/review-of-validation-of-kyc-records-by-kras-under-risk-management-framework_83367.html

- **Master Circular for Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) (Circular No. SEBI/HO/DDHS-PoD-2/P/CIR/2024/43 and SEBI/HO/DDHS-PoD-2/P/CIR/2024/44 dated May 15, 2024)**

For effective regulation of REITs and InvITs, Securities and Exchange Board of India (SEBI) has been issuing various circulars from time to time. In order to enable the stakeholders to have an access to all the applicable circulars at one place, the provisions of the circulars issued till May 15, 2024 are incorporated in this Master Circular for REITs and InvITs. This Master Circular shall come into force from the date of its issuance. With respect to the directions or other guidance issued by SEBI, as specifically applicable to REITs and InvITs, the same shall continue to remain in force in addition to the provisions of any other law for the time being in force. Pursuant to issuance of this Master Circular, the entities which are required to ensure compliance with various provisions shall submit necessary reports as envisaged in this Master Circular on a periodic/ continuous basis.

For details:

https://www.sebi.gov.in/legal/master-circulars/may-2024/master-circular-for-real-estate-investment-trusts-reits_83375.html

https://www.sebi.gov.in/legal/master-circulars/may-2024/master-circular-for-infrastructure-investment-trusts-invits_83376.html

- **Master Circular for Debenture Trustees (Circular No. SEBI/HO/DDHS-PoD3/P/CIR/2023/46 dated May 16, 2024)**

Debenture Trustees are regulated under the provisions of SEBI (Debenture Trustees) Regulations, 1993 ('DT Regulations'). While the broad framework for Debenture Trustees has been laid down in the DT Regulations, over the years, procedural/ disclosure requirements and obligations have been specified by SEBI through circulars. For effective regulation of the corporate bond market and to enable the Debenture Trustees and other market stakeholders to get access to all the applicable circulars at

one place, this Master Circular has been prepared compiling the existing circulars as on May 16, 2024, with consequent changes.

For details:

https://www.sebi.gov.in/legal/master-circulars/may-2024/master-circular-for-debenture-trustees-dts_83419.html

- **Master Circular for ESG Rating Providers (“ERPs”) (Circular No. SEBI/HO/DDHS/POD3/P/CIR/2024/45 dated May 16, 2024)**

ESG Rating Providers are regulated under the provisions of SEBI (Credit Rating Agencies) Regulations, 1999 that inter-alia prescribe guidelines for registration of ERPs, general obligations of ERPs, manner of inspection and code of conduct applicable to ERPs. While the broad framework for ERPs has been laid down in the CRA Regulations, the procedural / disclosure requirements and obligations are being specified through this master circular, which will enable the industry and other users to have access to all the applicable directions to ERPs at one place.

For details:

https://www.sebi.gov.in/legal/master-circulars/may-2024/master-circular-for-esg-rating-providers-erps_83421.html

- **Master Circular for Credit Rating Agencies (Circular No. SEBI/HO/DDHS/DDHS-POD3/P/CIR/2024/47 dated May 16, 2024)**

SEBI (Credit Rating Agencies) Regulations, 1999 (“CRA Regulations”) prescribes guidelines for registration of Credit Rating Agencies (CRAs), general obligations of CRAs, manner of inspection and investigation and code of conduct applicable on CRAs. Multiple circulars have been issued, over the years, covering the operational and procedural aspects thereof. In order to enable the industry and other users to have access to all the applicable circulars/ directions at one place, Master Circular for CRAs has been prepared compiling the existing circulars as on May 16, 2024, with consequent changes.

For details:

https://www.sebi.gov.in/legal/master-circulars/may-2024/master-circular-for-credit-rating-agencies-cras_83417.html

- **SEBI (Buy-Back of Securities) (Amendment) Regulations, 2024 (Notification No. SEBI/LAD-NRO/GN/2024/180 dated May 17, 2024)**

Securities and Exchange Board of India, on May 17, 2024, notified the SEBI (Buy-Back of Securities) (Amendment) Regulations, 2024 which shall come into force on the date of their publication in the Official Gazette. Vide this notification, the amendments have been made in Regulation 19 and Regulation 22B of the SEBI (Buy-Back of Securities) Regulations, 2018. It is provided that for determination of the volume weighted average market price under Regulation 19 and for calculation of the lower end of the price range under Regulation 22B, the effect on the price of the equity shares of the company due to material price movement and confirmation of reported event or information may be excluded as per the framework specified under Regulation 30(11) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For details:

https://www.sebi.gov.in/legal/regulations/may-2024/securities-and-exchange-board-of-india-buy-back-of-securities-amendment-regulations-2024_83474.html

- **SEBI (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2024 (Notification No. SEBI/LAD-NRO/GN/2024/179 dated May 17, 2024)**

Securities and Exchange Board of India, on May 17, 2024, notified the SEBI (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2024 which shall come into force on the date of their publication in the Official Gazette. Vide this notification, the amendments have been made in Regulation 8 and Regulation 9 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. It is provided that for determination of the offer price under Regulation 8 and for determination of the price of equity shares under Regulation 9, the effect on the price of the equity shares of the target company due to material price movement and confirmation of reported event or information may be excluded as per the framework specified under Regulation 30(11) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For details:

https://www.sebi.gov.in/legal/regulations/may-2024/securities-and-exchange-board-of-india-substantial-acquisition-of-shares-and-takeovers-amendment-regulations-2024_83472.html

- **SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2024 (Notification No. SEBI/LAD-NRO/GN/2024/181 dated May 17, 2024)**

Securities and Exchange Board of India, on May 17, 2024, notified the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2024 which shall come into force on the date of their publication in the Official Gazette. Vide this notification, SEBI has amended the definition of “generally available information” as prescribed under regulation 2(1)(e) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and provides that generally available information means information that is accessible to the public on a non-discriminatory basis and **shall not include unverified event or information reported in print or electronic media.**

For details:

https://www.sebi.gov.in/legal/regulations/may-2024/securities-and-exchange-board-of-india-prohibition-of-insider-trading-amendment-regulations-2024_83471.html

- **SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2024 (Notification No. SEBI/LAD-NRO/GN/2024/177 dated May 17, 2024)**

SEBI has notified the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2024 which shall come into force on the date of their publication in the Official Gazette except the amendments in Regulations 3, 17, 21(5), 25, 30 [omission of the Explanation under sub-regulation (11)], 34, 43A and 44 which shall come into force with effect from December 31, 2024. SEBI vide this notification made various amendments including regulation 3 specifying the applicability of the provisions of SEBI LODR regulations to a listed entity on the basis of market capitalisation. It is, inter alia, provided that every recognized stock exchange shall, at the end of the calendar year i.e., 31st December, prepare a list of entities that have listed their specified securities ranking such entities on the basis of their average market capitalisation from 1st July to 31st December of that calendar year. The relevant provisions shall then become applicable to a listed entity that is required to comply with such requirements

for the first time (or, if applicable, required to comply after any interim period) after a period of three months from December 31 (i.e. April 1) or from the beginning of the immediate next financial year, whichever is later.

For details:

https://www.sebi.gov.in/legal/regulations/may-2024/securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-amendment-regulations-2024_83476.html

- **SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2024 (Notification No. SEBI/LAD-NRO/GN/2024/178 dated May 17, 2024)**

In order to facilitate ease of doing business for companies coming for IPOs / fund raising, SEBI has amended the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and notified SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2024 which shall come into force on the date of their publication in the Official Gazette. The amendments, inter alia, have been made in respect of the following:

- Promoter group entities and non-individual shareholders holding more than five percent of the post-offer equity share capital to be permitted to contribute towards minimum promoters' contribution (MPC) without being identified as a promoter
- Doing away with the requirement of one percent security deposit in public/rights issue of equity shares.
- Flexibility in extending the bid/offer closing date on account of force majeure events by minimum one day instead of present requirement of minimum three days.

For details:

https://www.sebi.gov.in/legal/regulations/may-2024/securities-and-exchange-board-of-india-issue-of-capital-and-disclosure-requirements-amendment-regulations-2024_83469.html

- **Industry Standards on verification of market rumours (Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/52 dated May 21, 2024)**

In order to facilitate ease of doing business, the Industry Standards Forum ("ISF") comprising of representatives from three industry associations, viz. ASSOCHAM, CII and FICCI, under the aegis of the Stock Exchanges, on a pilot basis, has formulated industry standards, in consultation with SEBI, for effective implementation of the requirement to verify market rumours under Regulation 30(11) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"). It is provided that the industry associations which are part of ISF (ASSOCHAM, FICCI, and CII) and the stock exchanges shall publish the industry standards note on their websites and listed entities are required to follow the aforesaid industry standards to ensure compliance with Regulation 30(11) of LODR Regulations. The requirement to verify market rumours under Regulation 30(11) of LODR Regulations is applicable to top 100 listed entities with effect from June 01, 2024 and to top 250 listed entities (i.e., next top 150) with effect from December 01, 2024 as specified by SEBI circular dated January 25, 2024.

For details:

https://www.sebi.gov.in/legal/circulars/may-2024/industry-standards-on-verification-of-market-rumours_83485.html

- **Framework for considering unaffected price for transactions upon confirmation of market rumour (Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/51 dated May 21, 2024)**

SEBI vide this circular has placed the framework for considering unaffected price as Annexure to this circular and the same shall be applicable to top 100 listed entities with effect from June 01, 2024 and to top 250 listed entities (i.e., next top 150) with effect from December 01, 2024. As per proviso to Regulation 30(11) of LODR Regulations, unaffected price shall be considered for transactions on which pricing norms specified by SEBI or the stock exchanges are applicable, provided that the rumour pertaining to such transaction has been confirmed within 24 hours from the trigger of material price movement. Further, it has been specified that the unaffected price shall be considered by excluding the effect on the price of the equity shares of the listed entity due to the material price movement and confirmation of the rumour.

For details:

https://www.sebi.gov.in/legal/circulars/may-2024/framework-for-considering-unaffected-price-for-transactions-upon-confirmation-of-market-rumour_83483.html

- **SEBI Master Circulars dated May 21, 2024**

Securities and Exchange Board of India, from time to time, has been issuing various circulars/directions. In order to enable users to have access to the applicable circulars at one place, the following Master Circular have been issued by SEBI:

1. Master Circular for Investment Advisers (The provisions of circulars issued until May 15, 2024 have been incorporated in this Master Circular.)
2. Master Circular for Research Analysts (The provisions of circulars issued until May 15, 2024 have been incorporated in this Master Circular.)
3. Master Circular for listing obligations and disclosure requirements for Non-convertible Securities, Securitized Debt Instruments and/or Commercial Paper (The provisions of circulars issued until May 20, 2024 have been incorporated in this Master Circular.)

For details: <https://www.sebi.gov.in/>

- **SEBI Master Circulars (May 22, 2024)**

Securities and Exchange Board of India, from time to time, has been issuing various circulars. In order to enable users to have access to the applicable circulars at one place, the following Master Circular have been issued by SEBI:

1. Master Circular for issue and listing of Non-convertible Securities, Securitized Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper (The provisions of circulars issued until May 21, 2024 have been incorporated in this Master Circular.)
2. Master Circular for Stock Brokers

For details: <https://www.sebi.gov.in/>

- **Audiovisual (AV) presentation of disclosures made in Public Issue Offer Documents (Circular No. SEBI/HO/CFD/CFD-TPD-1/P/CIR/2024/55 dated May 24, 2024)**

Based on comments received from various stakeholders, it has been decided by SEBI that salient disclosures made in the Draft Red Herring Prospectus (DRHP), Red Herring Prospects (RHP) and Price Band Advertisement for public issues shall also be made available in Audio Visual format (AV) for ease in understanding the features of public issues. Such AV shall be prepared and placed in the public domain for all main board public issues. The same shall initially be in bilingual format i.e. English and Hindi. The Hindi version shall contain text in Devanagari script. AV to be in compliance with the provisions regarding “Public communications and publicity materials” prescribed under Schedule IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and the duration of each bilingual version of the AV shall be approximately 10 minutes. The provisions of this circular shall be made applicable to all DRHP filed with SEBI on or after July 01, 2024 on Voluntary basis and October 01, 2024 onwards on Mandatory basis.

For details:

https://www.sebi.gov.in/legal/circulars/may-2024/audiovisual-av-presentation-of-disclosures-made-in-public-issue-offer-documents_83569.html

- **Self Regulatory Organizations for Social Impact Assessors in the context of Social Stock Exchange (“SSE”) (Circular No. SEBI/HO/CFD/PoD-1/P/CIR/2024/0060 dated May 27, 2024)**

In terms of Regulation 292A(f) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, a Social Impact Assessor means an individual registered with self regulatory organization under the Institute of Chartered Accountants of India or such other agency, as may be specified by SEBI, who has qualified a certification program conducted by National Institute of Securities Market. In this regard, SEBI, vide this circular, has added the ICAI Social Auditors Organization (ICMAI SAO), under the Institute of Cost Accountants of India and **ICSI Institute of Social Auditors (ICSI ISA), under the Institute of Company Secretaries of India**, to the list of Self-Regulatory Organisations for Social Impact Assessors in the context of Social Stock Exchange.

For details:

https://www.sebi.gov.in/legal/circulars/may-2024/self-regulatory-organizations-for-social-impact-assessors-in-the-context-of-social-stock-exchange-sse_83583.html

- **Timelines for disclosures by Social Enterprises on Social Stock Exchange (“SSE”) for FY 2023-24 (Circular No. SEBI/HO/CFD/PoD-1/P/CIR/2024/0059 dated May 27, 2024)**

SEBI vide this circular has prescribed the timelines for disclosures by Social Enterprises on Social Stock Exchange for FY 2023-24. It is stipulated that, in terms of Regulation 91C (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations’) Not for Profit Organizations (NPOs) registered on SSE including NPOs whose designated securities are listed on SSE, shall be required to make annual disclosures to the SSE on matters specified under the SEBI Circular dated September 19, 2022 by 31st October, 2024 for the Financial Year 2023-24. Further, in terms of Regulation 91E (1) of SEBI LODR Regulations, 2015, Social Enterprises which

has registered or raised funds through SSE shall be required to submit Annual Impact Report to SSE by 31st October, 2024 for the Financial Year 2023-24.

For details:

https://www.sebi.gov.in/legal/circulars/may-2024/timelines-for-disclosures-by-social-enterprises-on-social-stock-exchange-sse_83582.html

- **Standard Operating Procedure for handling of Stock Exchange outage and extension of trading hours thereof in Commodity Derivatives segment (Circular No. SEBI/HO/MRD/MRD-PoD-1/P/CIR/2024/62 dated May 27, 2024)**

SEBI vide this circular has prescribed the Standard Operating Procedure for handling of Stock Exchange outage and extension of trading hours thereof in Commodity Derivatives segment. Stock Exchange Outage shall mean stoppage of continuous trading, either suo moto by exchange or by virtue of reasons beyond control of stock exchange. It is inter alia prescribed that if outage occurs on one exchange, market hours shall remain unchanged on unaffected exchange/s. In case the stock exchange that suffered the outage shall intimate about the outage to Market participants, Trading Members and SEBI. The circular shall be effective from July 01, 2024.

For details:

https://www.sebi.gov.in/legal/circulars/may-2024/standard-operating-procedure-for-handling-of-stock-exchange-outage-and-extension-of-trading-hours-thereof-in-commodity-derivatives-segment_83588.html

- **SEBI (Infrastructure Investment Trusts) (Amendment) Regulations, 2024 (Notification No. No. SEBI/LAD-NRO/GN/2024/182 dated May 27, 2024)**

SEBI has notified the SEBI (Infrastructure Investment Trusts) (Amendment) Regulations, 2024, which shall come into force on the date of their notification in the Official Gazette. The amendments in SEBI (Infrastructure Investment Trusts) Regulations, 2014 have been made and a new Chapter IVA has been inserted to provide a framework for issuance of subordinate units. Under the framework it is provided that the subordinate units shall only be issued by a privately placed InvITs upon acquisition of an infrastructure project. The subordinate units shall be issued only to the sponsor, its associates and the sponsor group and shall be deemed to be a part of the consideration for acquisition of the infrastructure project from such sponsor, its associates and the sponsor group. The objective of the framework for issuance of subordinate units is to enable usage of subordinate units to bridge the valuation gaps that may arise as a result of difference in the valuation of an asset assessed by the Sponsor (in its capacity of the asset seller) and the InvIT (in capacity of the asset buyer). The framework is designed to also include risk mitigation measures in respect of such units.

For details:

https://www.sebi.gov.in/legal/regulations/may-2024/securities-and-exchange-board-of-india-infrastructure-investment-trusts-amendment-regulations-2024_83616.html

- **Investor Charter for Stock Exchanges (Circular No. SEBI/HO/MRD/MRD-PoD-2/P/CIR/2024/63 dated May 29, 2024)**

In order to facilitate investor awareness about various activities such as business transacted and services provided to investors on stock exchanges, grievance redressal

mechanism, rights and obligations of investors, guidance pertaining to special circumstances related to market activities due to default of brokers, advisory for investors etc., SEBI in November 2021 has formulated the Investor Charter for Stock exchanges containing the information for investors on aforesaid issues and advised Stock Exchanges to disclose the same on their respective websites. In view of the recent developments in the securities market including introduction of Online Dispute Resolution (ODR) platform and SCORES 2.0, SEBI has modified the Investor Charter for Stock Exchanges inter-alia detailing the services provided to Investors, Rights of Investors, various activities of stock exchanges with timelines, Dos and DON'T's for Investors, Responsibilities of Investors, Code of Conduct for Stock Exchanges and Grievance Redressal Mechanism which is placed at Annexure A to this circular.

For details:

https://www.sebi.gov.in/legal/circulars/may-2024/investor-charter-for-stock-exchanges_83653.html

- **Investor Charter for Depositories and Depository Participants (Circular No. SEBI/HO/MRD/MRD-PoD-1/P/CIR/2024/66 dated May 29, 2024)**

In order to facilitate investor awareness about various activities such as dematerialization/rematerialization of securities, transmission of securities, settlement instruction, consolidated account statement, grievance redressal mechanism etc., SEBI in November 2021 has formulated the Investor Charter for Depositories and Depository Participants (DPs) containing the information for investors on aforesaid issues and advised Depositories to disclose the same on their respective websites. In view of the recent developments in the securities market including introduction of Online Dispute Resolution (ODR) platform and SCORES 2.0, SEBI has modified the Investor Charter for Depositories and DPs, inter-alia, detailing the services provided to Investors, Rights of Investors, various activities of Depository through DPs with timelines, Dos and DON'T's for Investors, Responsibilities of Investors, Code of Conduct for Depositories and DPs and Grievance Redressal Mechanism which is placed at Annexure to this circular.

For details:

https://www.sebi.gov.in/legal/circulars/may-2024/investor-charter-for-depositories-and-depository-participants_83649.html

- **Norms for acceptable collaterals and exposure of Clearing Corporations (Circular No. SEBI/HO/MRD/MRD-PoD-3/P/CIR/2024/65 dated May 29, 2024)**

SEBI through various circulars issued from time to time has prescribed norms for risk management of Clearing Corporations (CCs), including acceptable liquid assets by CCs with applicable haircuts to meet the requirements for initial margins, mark to market losses, value at risk margins, extreme loss margins, base minimum capital, etc. In order to further strengthen the risk management framework of CCs, SEBI has reviewed the existing collaterals accepted by CCs and also to have prudential norms for exposure of CCs.

For details:

https://www.sebi.gov.in/legal/circulars/may-2024/norms-for-acceptable-collaterals-and-exposure-of-clearing-corporations_83650.html

- **Settlement Calculator BETA - SEBI (Settlement Proceedings) Regulations, 2018 (PR No.09 /2024 dated May 30, 2024)**

In order to simplify and provide more transparency in the process of arriving at the indicative settlement amount in terms of the parameters laid down in the SEBI (Settlement Proceedings) Regulations, 2018, SEBI has launched the Settlement Calculator (BETA version). This Settlement Calculator contains fields that the applicant may identify in terms of the violations and also enables the applicant to select the appropriate options with respect to their past regulatory track record on the basis of actions of SEBI as well as the details of other ongoing proceedings, if any, as on date of filing the settlement application. A user friendly guide video has also been included in the Settlement Calculator for the ease of understanding the process of arriving at the indicative settlement amount. The BETA version of the Settlement Calculator is available on the SEBI website and can be accessed from the link <https://www.sebi.gov.in/set-cal.html> or the QR Code.

For details:

https://www.sebi.gov.in/media-and-notifications/press-releases/may-2024/settlement-calculator-beta-sebi-settlement-proceedings-regulations-2018_83688.html

- **Master Circular for Foreign Portfolio Investors, Designated Depository Participants and Eligible Foreign Investors (Circular No. SEBI/HO/AFD/AFD-PoD-2/P/CIR/2024/70 dated May 30, 2024)**

SEBI vide circular number SEBI/HO/AFD2/CIR/P/2022/175 dated December 19, 2022, had issued Master Circular for FPIs, DDPs and Eligible Foreign Investors under the SEBI (Foreign Portfolio Investors), Regulations 2019. Subsequently, various circulars have been issued pertaining to FPIs and DDPs. The provisions of the aforesaid circulars are incorporated in this Master Circular which supersedes the earlier Master Circular dated December 19,2022. This Master Circular shall come into force from the date of its issue.

For details:

https://www.sebi.gov.in/legal/master-circulars/may-2024/master-circular-for-foreign-portfolio-investors-designated-depository-participants-and-eligible-foreign-investors_83689.html

- **Comprehensive guidelines for Investor Protection Fund (IPF) and Investor Services Fund (ISF) for Stock Exchanges having commodity derivatives segment (Circular No. SEBI/HO/MRD/MRD-PoD-1/P/CIR/2024/71 dated May 30, 2024)**

SEBI has revised the guidelines for Investor Protection Fund (IPF) and Investor Services Fund (ISF) for Stock Exchanges having commodity derivatives segment. The new requirements have been framed as placed in Annexure 1 to this Circular which shall come into force from June 01, 2024. Further, a detailed Standard Operating Procedure (SOP), stating the process and timelines for declaration of default of a trading member, processing of investor claims out of IPF and review of claim is placed at Annexure 2 to this Circular.

For details:

https://www.sebi.gov.in/legal/circulars/may-2024/comprehensive-guidelines-for-investor-protection-fund-ipf-and-investor-services-fund-isf-for-stock-exchanges-having-commodity-derivatives-segment_83718.html

- **Revision of eligibility criteria for launching commodity futures contracts (Circular No. SEBI/HO/MRD/MRD-PoD-1/P/CIR/2024/69 dated May 30, 2024)**

SEBI has modified the norms under Paragraph 2.2 and Paragraph 10.1 of the Master Circular dated August 4, 2023 for Commodity Derivatives segment prescribe Criteria for Eligibility, Retention and Re-introduction of Derivative Contracts on Commodities and Permission for Trading in Futures Contracts, respectively.

For details:

https://www.sebi.gov.in/legal/circulars/may-2024/revision-of-eligibility-criteria-for-launching-commodity-futures-contracts_83684.html

DIRECT TAX

- **CBDT notifies ‘Tamil Nadu Electricity Regulatory Commission’ for section 10(46) [Notification No. 42 Dated May 8, 2024]**

The Central Government notifies the ‘Tamil Nadu Electricity Regulatory Commission’ (hereinafter referred to as “the assessee”), a body constituted by the Government of Tamil Nadu, for the purposes of the clause (46) of section 10 of the Income-tax Act, 1961 with respect to certain specified income arising to the body subject to fulfilment of certain conditions.

For details:

<https://incometaxindia.gov.in/communications/notification/notification-42-2024.pdf>

- **CBDT notifies ‘Tamil Nadu Water Supply and Drainage Board, Chennai’ for section 10(46) [Notification No. 43 Dated May 22, 2024]**

The Central Government notifies the ‘Tamil Nadu Water Supply and Drainage Board, Chennai’ (PAN: AAALT0834F), a Board constituted under the Tamil Nadu Water Supply and Drainage Board Act, 1970 for the purposes of the clause (46) of section 10 of the Income-tax Act, 1961 with respect to certain specified income arising to the board subject to fulfilment of certain conditions.

For details:

<https://incometaxindia.gov.in/communications/notification/notification-43-2024.pdf>

- **Cost Inflation Index for FY 2024-25 [Notification No. 44 Dated May 24, 2024]**

Financial Year	Cost Inflation Index
2024-25	"363"

For details:

<https://incometaxindia.gov.in/communications/notification/notification-44-2024.pdf>

- **CBDT notifies Mathura Vrindavan Development Authority for section 10(46A) [Notification No. 47 Dated May 29, 2024]**

The Central Government notifies the Mathura Vrindavan Development Authority (hereinafter referred to as “the assessee”), an authority constituted under the Uttar Pradesh Urban Planning Development Act, 1973 (President’s Act 11 of 1973), for the purposes of the sub-clause (b) of clause (46A) of section 10 of the Income-tax Act, 1961.

For details:

<https://incometaxindia.gov.in/communications/notification/notification-47-2024.pdf>

- **Changes to Form No. 27Q of Income-tax Rules [Notification No. 48 Dated June 4, 2024]**

The Central Board of Direct Taxes (CBDT) has released Notification which unveils the Income-tax (Sixth Amendment) Rules, 2024. These rules bring about a modification to Form No. 27Q of the Income-tax Rules, 1962. Particularly, a new note labeled as Note 7A has been added within the Annexure section under the “Verification” heading. Note 7A instructs taxpayers to indicate “P” if they are seeking lower deduction or no deduction based on a notification issued under sub-section (1F) of section 197A.

For details:

<https://incometaxindia.gov.in/communications/notification/notification-48-2024.pdf>

BANKING LAWS

- **Master Direction – Risk Management and Inter-Bank Dealings: Amendments (Notification no. RBI/2024-25/32A. P. (DIR Series) Circular No. 04 dated May 03, 2024)**

Standalone Primary Dealers (SPDs) have been granted authorisation under Section 10(1) of the Foreign Exchange Management Act (FEMA), 1999 pursuant to notification no. DNBR (PD) CC.No.094/03.10.001/2018-19 July 27, 2018. Accordingly, amendments are being made in the Master Direction to reflect the applicability of the provisions to SPDs.

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12680&Mode=0>

- **Launch of PRAVAAH, RBI Retail Direct Mobile Application and FinTech Repository (Press release 2024-2025/393 dated May 28, 2024)**

Shri Shaktikanta Das, Governor, Reserve Bank of India on May 28, 2024 launched three major initiatives of the Reserve Bank of India, namely the PRAVAAH portal, the Retail Direct Mobile App and a FinTech Repository. The PRAVAAH portal will make it convenient for any individual or entity to apply online for various regulatory approvals in a seamless manner. This portal will also enhance the efficiency of various processes related to granting of regulatory approvals and clearances by the Reserve Bank. The Retail Direct Mobile App will provide retail investors a seamless and convenient access to the retail direct platform and provide ease of transacting in government securities (G-Secs). The Fintech Repository will contain information on Indian FinTech Sector for a better understanding of the sector from a regulatory perspective and facilitate in designing appropriate policy approaches.

For details: https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=57990

- **Framework for Recognising Self-Regulatory Organisation(s) for FinTech Sector (Press release 2024-2025/403 dated May 30, 2024)**

To encourage self-regulation in the FinTech sector, the Reserve Bank of India (RBI) had released a 'Draft framework for recognising Self-Regulatory Organisations (SRO) for FinTech Sector' on January 15, 2024, inviting comments and feedback from the stakeholders. Based on the inputs received and examination thereof, the 'Framework for Recognising Self-Regulatory Organisation(s) for FinTech Sector' (SRO-FT framework) has been finalised. In terms of the SRO-FT framework, the Reserve Bank intends to initiate the process of recognising SRO(s). Accordingly, entities meeting or intending to meet the eligibility conditions and requirements of the SRO-FT framework may submit an application form along with the required enclosures.

For details: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=58000

INSURANCE LAWS

- **Master Circular on Rural, Social Sector and Motor Third Party Obligations (Ref.: IRDAI/NL/CIR/RSS/77/5/2024 dated May 10, 2024)**

The Insurance Regulatory and Development Authority of India has issued master circular under Section 34 of the Insurance Act, 1938, Section 14 of the IRDA Act, 1999 and Regulation 9 of the Insurance Regulatory and Development Authority of India (Rural, Social Sector and Motor Third Party Obligations) Regulations, 2024. The master circular is applicable to all life, general and stand-alone health insurers.

For details: <https://irdai.gov.in/document-detail?documentId=4858052>

- **Master Circular on Registration, Capital Structure, Transfer of Shares and Amalgamation of Insurers, 2024 (Ref.: IRDAI/F&I/CIR/78/5/2024 dated May 15, 2024)**

The Insurance Regulatory and Development Authority of India has notified the IRDAI (Registration, Capital Structure, Transfer of Shares and Amalgamation of Insurers) Regulations, 2024. In exercise of the powers conferred by section 34 of the Insurance Act, 1938, section 14 of the IRDA Act, 1999 and Regulation 59 and 60 of Registration Regulations, 2024, the Authority hereby issues this Master Circular to provide clarifications on various provisions of the Registration Regulations, 2024.

For details: <https://irdai.gov.in/document-detail?documentId=4885776>

- **Master Circular on Expenses of Management, including Commission, of Insurers, 2024 (Ref.: IRDAI/F&I/CIR/79/5/2024 dated May 15, 2024)**

The extant Insurance Regulatory and Development Authority of India (Expenses of Management, including Commission, of Insurers) Regulations, 2024 were notified on 23rd January, 2024. In order to supplement the regulations, this Master Circular is issued under section 34 of the Insurance Act, 1938, section 14 of the IRDA Act, 1999 and Regulation 23 of the Insurance Regulatory and Development Authority of India (Expenses of Management, including Commission, of Insurers) Regulations, 2024. This Master Circular is applicable to life, general and health insurers.

For details: <https://irdai.gov.in/document-detail?documentId=4886329>

- **Master Circular on Actuarial, Finance and Investment Functions of Insurers (Ref.: IRDAI/ACTL/CIR/MISC/80/05/2024 dated May 17, 2024)**

The Insurance Regulatory and Development Authority of India has issued Master Circular under the provisions of Section 34 of the Insurance Act, 1938 and Section 14 of the IRDA Act, 1999 read with Regulation 7 of the IRDAI (Actuarial, Finance and Investment Functions of Insurers) Regulations, 2024. This Master Circular provides necessary guidance on aspects pertaining to various provisions of the IRDAI (Actuarial, Finance and Investment Functions of Insurers) Regulations, 2024 and applicable to all insurers including those engaged exclusively in reinsurance business, unless otherwise specified.

For details: <https://irdai.gov.in/document-detail?documentId=4907769>

- **Master Circular on Corporate Governance for Insurers, 2024 (Ref: IRDAI/F&I/CIR/MISC/82/5/2024 dated May 22, 2024)**

The Insurance Regulatory and Development Authority of India (Corporate Governance for Insurers) Regulations, 2024 were notified on March 21, 2024. The Authority has outlined in general terms, governance responsibilities of the Board in the management of insurers under the Regulations. In exercise of the powers conferred by Section 34 of the Insurance Act, 1938, Section 14 of the IRDA Act, 1999 and Regulation 12 of the Insurance Regulatory and Development Authority of India (Corporate Governance for Insurers) Regulations, 2024 the Authority hereby issues this master circular to provide various operational and procedural aspects, for adoption by all insurers. This Master Circular shall be applicable to all insurers except foreign company engaged in re-insurance business through a branch established in India.

For details: <https://irdai.gov.in/document-detail?documentId=4916164>

- **Master Circular on Health Insurance Business (Ref: IRDAI/HLT/CIR/PRO/84/5/2024 dated May 29, 2024)**

The Insurance Regulatory and Development Authority of India has issued Master Circular under the section 14(2)(e) of the IRDAI Act 1999 and section 34 of the Insurance Act, 1938 read with Regulation 7 of schedule-III of IRDAI (Insurance Products) Regulations 2024. Master Circular is issued to provide clarifications on various provisions IRDAI (Insurance Products) Regulations 2024.

For details: <https://irdai.gov.in/document-detail?documentId=4942918>

- **Master Circular on Reinsurance, 2024 (Ref: IRDAI/REIN/MSTCIR/ MISC/ 87/ 5/ 2024 dated May 31, 2024)**

The Authority has notified Insurance Regulatory and Development Authority of India (Registration and Operations of Foreign Reinsurers Branches and Lloyd's India) Regulations, 2024 and IRDAI (Reinsurance) Regulations, 2018, with the objective of strengthening and harmonizing the regulatory framework for reinsurance operations. In exercise of the powers conferred by Section 14 of the IRDA Act, 1999, section 34 of the Insurance Act, 1938 and Regulation 33 of IRDAI (Registration and Operations of Foreign Reinsurers Branches and Lloyd's India) Regulations, 2024 and Regulation 12 of IRDAI (Reinsurance) Regulations, 2018, the Authority hereby issues this Master Circular to specify various requirements and forms and to provide directions/guidelines on various provisions of the said Regulations.

For details: <https://irdai.gov.in/document-detail?documentId=4974650>

ECONOMIC, COMMERCIAL AND INTELLECTUAL PROPERTY LAWS

- **Foreign Exchange Management (Deposit) (Fourth Amendment) Regulations, 2024 (May 06, 2024)**

In exercise of the powers conferred by sub-section (2) of section 47 of the Foreign Exchange Management Act, 1999, the Reserve Bank of India notified the Foreign Exchange Management (Deposit) (Fourth Amendment) Regulations, 2024. According to the Amendment an authorised dealer in India may allow a person resident outside India to open, hold and maintain an interest-bearing account in Indian Rupees and / or foreign currency for the purpose of posting and collecting margin in India, for a permitted derivative contract entered into by such person in terms of Foreign Exchange Management (Margin for Derivative Contracts) Regulations, 2020, dated October 23, 2020, as amended from time to time, subject to directions issued by the Reserve Bank in this regard.

For details : [https://egazette.gov.in/\(S\(zibsamuyso4nradrfltgvdri\)\)/ViewPDF.aspx](https://egazette.gov.in/(S(zibsamuyso4nradrfltgvdri))/ViewPDF.aspx)

COMPETITION LAW

- **The Competition Commission of India (General) Amendment Regulations, 2024(May 10, 2024)**

Competition Commission of India notified the Competition Commission of India (General) Amendment Regulations, 2024. The Amendment Regulation inter alia provides that:

- A party seeking confidentiality over the information or the document(s) furnished by it shall set out cogent reasons for such treatment and shall self-certify that making the information or document(s) or part(s) thereof public.
- The party seeking access to confidential information shall make a request for setting up a Confidentiality Ring, by way of an application, at the earliest.
- In case such request is made by a party post receipt of the non-confidential version of the investigation report, the same shall be made within a period of 10 (ten) days from the receipt thereof: Provided that if the Commission is satisfied that the party was prevented by sufficient cause from making the request within the said period of 10 (ten) days, it may entertain the request made within a further period of 7 (seven) days.
- The parties shall file undertakings within a period of 10 (ten) days from the date of receipt of the order setting up Confidentiality Ring: Provided that if the Commission is satisfied that the party was prevented by sufficient cause from filing the undertaking within the said period of 10 (ten) days, it may accept the same filed within a further period of 5 (five) days.

For details: [https://egazette.gov.in/\(S\(wg3j0verfkovndj0vy3zff5k\)\)/ViewPDF.aspx](https://egazette.gov.in/(S(wg3j0verfkovndj0vy3zff5k))/ViewPDF.aspx)

INSOLVENCY AND BANKRUPTCY - LAW & PRACTICE

- **Uploading of judicial orders related to insolvency proceedings by Insolvency Professionals (2024)**

Insolvency Professionals (IPs) have been uploading information related to the public announcement, claims, invitation for resolution plan and auction notice on the website of Insolvency and Bankruptcy Board of India (IBBI). Additionally, to enhance facilitation of various stakeholders, IBBI also hosts judicial orders passed by different courts and tribunals related to insolvency proceedings on its website at <https://ibbi.gov.in/en/orders>. It all forms part of facilitation of stakeholders in the IBC ecosystem.

As IPs have the first-time access and information of all the important judicial orders affecting the processes handled by them under the Insolvency and Bankruptcy Code, 2016 (Code), it has been decided that the IPs shall upload below mentioned judicial orders pertaining to their respective assignments on their dashboard. This would also ensure that the important judicial orders which have significant impact on the ongoing processes under the Code are available for facilitation of stakeholders in a timely manner.

For details: [ef3fb678992457e435db462881bfd258.pdf](#) (ibbi.gov.in)



Legal World

CORPORATE LAWS

Landmark Judgement

M/S SPEEDLINE AGENCIES V. T.STANES & CO.LTD [SC]

Civil Appeal No. 4481of 2010

P. Sathasivam& J.M. Panchal, JJ [Decided on 14/05/ 2010]

Equivalent citations: 2010 AIR SCW 3880, 2010 (6) SCC 257, (2010) 5 SCALE 670, (2010) 160 Comp Cas 33; (2010) 98 CLA 397

Companies Act, 1956 - section 391and 394- amalgamation of landlord company- landlord company had eviction order against the tenant- whether post -merger the transferee company could seek eviction of the tenant – Held, Yes.

Brief facts : Appellant was the tenant of United Coffee Supply Co. Ltd[“UCSL”]. UCSL changed its name to Stanes Tea and Coffee Ltd [“STCL”]. STCL filed an eviction petition against the appellant on th4 ground that nit requires the premises for its own use which was allowed by the Rent Controller. Appeal against this order was dismissed and the revision petition filed in the High Court. During the pendency of the revision petition STCL was transferred, by a Scheme of Amalgamation, T. Stanes & Company Ltd. [“TSCL”] and the case title was amended to replace TSCL as respondent in the revision petition. The High court dismissed the petition. Aggrieved by the said order, the appellant has preferred the above appeal before this Court by way of special leave petition.

Appellant contended that the new entity TSCL cannot evict the appellant as the need of TSCL would be different from that of the original landlord STCL. Respondent contended that as per the scheme of amalgamation the transferee company i.e. TSCL had stepped onto the shoes of STCL and has the right to evict the appellant from the premises.

Decision : Appeal dismissed.

Reason: We have considered all the relevant materials and rival contentions. In normal circumstances, after passing of the decree by the trial Court, the landlord would have obtained possession of the premises, but for the tenant continuing in occupation of the premises only on account of stay order from the appellate court. In such circumstances, the well-known principle that *"an act of the court shall prejudice no man"* shall come into operation. Therefore, the heirs of the landlord will be fully entitled to defend the appeal preferred by the tenant. When a company stands dissolved (with or without winding up) due to amalgamation, its rights under the decree for eviction devolves on the amalgamated company.

In the present case, subsequent event of amalgamation of a company took place during the pendency of the revision in the High Court. Though, subsequent events which have occurred during the pendency of a revision petition in the High Court or the matter was pending before this Court, have been taken into consideration by this Court in some cases, the question as to the difference between the exercise of jurisdiction in appeal and revision was not argued or decided in those cases.

Coming to the expression "for its own use/occupation", it has to be construed widely and given wide and liberal meaning. When a company wants to expand its business and amalgamates with another company, this would also be a case of "for its own use". If

a landlord which is a company cannot advance its interest in the business by amalgamating with another company by putting to use its own property, it would be unjust, unfair and unreasonable. Further, the provisions of Rent Control Act should not be so construed as to frustrate and defeat the legislation. If in a case of landlord requiring the premises for its own use, to amalgamate with another company and expands its business, the rent control legislation may clash with the provisions of the Companies Act. The Companies Act and the Rent Control Act have to be harmoniously interpreted and not to be so interpreted as to result in the one Act destroying a right under the other Act.

The landlord's entitlement to evict the tenant had merged with the decree. Further, the amalgamation took place long after the decree for eviction and rights had crystallized under the decree for eviction and merged into it. The assets of the erstwhile company had vested in the amalgamated company. A decree constitutes an asset. The said asset of erstwhile company has devolved on the amalgamated company. The eviction was on the ground of its own requirement of the erstwhile company. The said business will be continued to be carried by the amalgamated company. If the amalgamated company is deprived of the said benefit, it will frustrate the very purpose of amalgamation and defeat the order of amalgamation passed by the High Court exercising jurisdiction under the Companies Act.

The present case being one where the order of eviction is eminently just, fair and equitable as ordered by two authorities and confirmed by the High Court, we do not find any valid ground for interference, on the other hand, we are in agreement with the conclusion arrived at by the authorities as well as the High Court. Taking into consideration the appellant-tenant is continuing in the premises for more than four decades, we grant time for handing over possession till 31.12.2010 on usual condition of filing an undertaking within a period of four weeks. With the above observation, the appeal fails and the same is dismissed.

GLOBAL CREDIT CAPITAL LTD& ANR v. SACH MARKETING PVT. LTD. & ANR [SC]

Civil Appeal No. 1143 of 2022 with Civil Appeal Nos.6991-6994 of 2022

Abhay S. Oka & Pankaj Mithal, JJ. [Decided on 25/04/2024]

Insolvency and Bankruptcy Code, 2016 - section 7 - CIRP initiated by financial creditor - lending by way of security deposits - whether the lender is a financial creditor - Held, Yes.

Brief facts: In Civil Appeal no.1143 of 2022, the issue involved is whether the first respondent is a financial creditor within the meaning of sub-section (7) of Section 5 of the Insolvency and Bankruptcy Code, 2016 (for short, 'the IBC'). The corporate debtor, in this case, is M/s. Mount Shivalik Industries Limited. The impugned judgment respondent was a financial creditor. As far as Civil Appeal nos.6991-6994 of 2022 are concerned, the issue was whether the 1st to 4th respondents therein are financial creditors of the same corporate debtor - M/s. Mount Shivalik Industries Limited. The impugned judgment dated 29th October 2021 follows the impugned judgment in Civil Appeal no.1143 of 2022.

Decision : Dismissed.

Reason : Now, coming back to the definition of a financial debt under sub-section (8) of Section 5 of the IBC, in the facts of the case, there is no doubt that there is a debt with interest @21% per annum. The provision made for interest payment shows that it represents consideration for the time value of money. Now, we come to clause (f) of sub-section (8) of Section 5 of the IBC. The first condition of applicability of clause (f) is that the amount must be raised under any other transaction. Any other transaction means a transaction which is not covered by clauses (a) to (e). Clause (f) covers all those transactions not covered by any of these sub-clauses of sub-section (8) that satisfy the test in the first part of Section 8. The condition for the applicability of clause (f) is that the transaction must have the commercial effect of borrowing. "Transaction" has been defined in sub-section (33) of Section 3 of the IBC, which includes an agreement or arrangement in writing for the transfer of assets, funds, goods, etc., from or to the corporate debtor. In this case, there is an arrangement in writing for the transfer of funds to the corporate debtor. Therefore, the first condition incorporated in clause (f) is fulfilled.

To decide whether the second condition had been fulfilled, it is necessary to refer to the factual findings recorded in the impugned judgment. The NCLAT has referred to the letter dated 26th October 2017 addressed by the corporate debtor to the first respondent. We have perused a copy of the said letter annexed to the counter. By the said letter, the corporate debtor informed the first respondent that for the year 2016-2017, the corporate debtor had provided the interest amounting to Rs.18,06,000/- in the books of the corporate debtor and that the sum will be credited to the account of the first respondent on the date of payment of TDS. In paragraph 21 of the impugned judgment, it is held that the financial statement of the first respondent for the Financial Year 2017-2018 shows revenue from the interest on the security deposit. It is also held that the amounts were treated as long-term loans and advances in the financial statement of the corporate debtor for the Financial Year 2015- 2016. Moreover, in the financial statement of the corporate debtor for the Financial Year 2016-17, the amounts paid by the first respondent were shown as "other long-term liabilities". Therefore, if the letter mentioned above and the financial statements of the corporate debtor are considered, it is evident that the amount raised under the said two agreements has the commercial effect of borrowing as the corporate debtor treated the said amount as borrowed from the first respondent.

Therefore, we have no hesitation in concurring with the NCLAT's view that the amounts covered by security deposits under the agreements constitute financial debt. As it is a financial debt owed by the first respondent, sub-section (7) of Section 5 of the IBC makes the first respondent a financial creditor. The contracts subject matter of the Civil Appeal Nos. 6991 to 6994 of 2022 are in the form of letters, which provide for similar clauses as in the case of agreements subject matter of Civil Appeal No. 1143 of 2022.

Subject to what is held above, we summarize our legal conclusions:

- a. There cannot be a debt within the meaning of sub-section (11) of section 5 of the IB Code unless there is a claim within the meaning of sub-section (6) of section 5 of thereof;
- b. The test to determine whether a debt is a financial debt within the meaning of sub-section (8) of section 5 is the existence of a debt along with interest, if any, which is disbursed against the consideration for the time value of money. The cases covered by categories (a) to (i) of sub-section (8) must satisfy the said test laid down by the earlier part of sub-section (8) of section 5;

- c. While deciding the issue of whether a debt is a financial debt or an operational debt arising out of a transaction covered by an agreement or arrangement in writing, it is necessary to ascertain what is the real nature of the transaction reflected in the writing; and
- d. Where one party owes a debt to another and when the creditor is claiming under a written agreement/ arrangement providing for rendering 'service', the debt is an operational debt only if the claim subject matter of the debt has some connection or co- relation with the 'service' subject matter of the transaction.

For the reasons recorded earlier, we hold that the view taken by the NCLAT under the impugned judgments and orders is correct and will have to be upheld. Therefore, we confirm the impugned judgments and dismiss the appeals with no order as to costs. The Resolution Professional shall continue with the CIRP process in accordance with the impugned judgments.

SHUBHAM CORPORATION PRIVATE LTD v. KOTOJU VASUDEVA RAO RP OF NAVAYUGA INFOTECH PRIVATE LIMITED & ORS [NCLAT]

Company Appeal (AT) (CH) (Insolvency) No.163 of 2023

Rakesh Kumar Jain & Ajai Das Mehrotra. [Decided on 22/05/2024]

Insolvency and Bankruptcy Code, 2016- CIRP- debt under debenture subscription agreement- whether the debenture holder is a financial creditor-Held, No.

Brief facts : The IRP received a claim from the Appellant herein. The IRP after verifying the same, approved the claim as Financial Debt, included the Appellant in the List of Financial Creditors and reconstituted the CoC including Appellant as Member and filed IA No. 1384/2022 before the Ld. NCLT, Hyderabad to bring on record the updated summary of claims and the reconstituted CoC. The Operational Creditor/Respondent in the said IA filed counter before the Ld. NCLT seeking directions to the IRP to re-examine the claim of the Appellant and consequential reconstitution of CoC.

The Ld. NCLT considered the objections raised by the Operational Creditor that the Appellant herein cannot be included in the list of Financial Creditors. After examining the Debenture Subscription Agreement (hereinafter referred to as 'DSA'), the Ld. NCLT held that the inclusion of the Appellant herein in the list of Financial Creditors is impermissible under law and consequently the prayer to receive the revised list of members of CoC is unacceptable and is liable to be rejected. The said IA was dismissed thereby the Appellant was not accepted as Financial Creditor and the revised CoC was not taken on record.

Decision : Dismissed.

Reason : It is an admitted fact that the Appellant herein was a debtor of sum of Rs. 110,85,44,776/- and that the Corporate Debtor had offered to issue Compulsory Convertible Debentures (CCD) carrying 0% interest to the Appellant in lieu of the said debt. The said offer was made vide letter dated 03.02.2020 which is available at page 85 of the Appeal Paper Book. The said offer for issuance of Zero Coupon CCDs was accepted by the Appellant vide letter dated 14.02.2020 which is at page 86 of the Appeal Paper Book.

Thereafter, on 02.03.2020, the Corporate Debtor and the Appellant entered into Debenture Subscription Agreement (DSA). The terms and conditions of the CCDs are defined in Annexure A available at page 99 of the Appeal Paper Book, according to which CCDs shall be of face value of Rs. 10/- and shall be freely transferable. The CCDs can be converted into equity shares at any time before the expiry of 10 years from the date of allotment of CCDs and if no such option is exercised, such CCDs will automatically be converted to equity shares as per conversion formula given in clause 2.3 of the Annexure. The equity shares allotted on conversion of the CCDs shall carry the right to receive all dividends and other distributions and shall rank pari passu with the existing equity shares of the Company. On conversion of CCDs into equity shares, the Appellant will be eligible for rights proportional to its shareholding and as mutually agreed with the Company.

The perusal of the relevant clauses of the DSA, Annexure A of the DSA and the Debenture Certificate clearly shows that the only obligation of the Corporate Debtor was to issue shares in exchange of the said debentures. These debentures are not interest bearing and are Zero Coupon CCDs. As per the DSA, the debentures have to be compulsorily converted into shares and do not carry any obligation towards repayment of the original debt. The Appellant, through the DSA dated 02.03.2020 and issue of CCD Certificate dated 31.03.2020, had voluntarily and contractually given up any right whatsoever to receive repayment of principal or interest. It is now entitled only to receive shares at end of tenure, or earlier, if it so opts. The Corporate Debtor was admitted into CIRP on 16.09.2022, much after the extinguishment of right of repayment of the Appellant under DSA dated 02.03.2020 and issue of Debenture Certificate on 31.03.2020.

The issue to be decided in this case, therefore, is whether the Compulsorily Convertible Debentures which do not carry any obligation to repay should be treated as debt or as equity, while admitting the claim under IBC. Similar issue was examined by this Tribunal in the case of *M/s IFCI Limited vs Sutanu Sinha, Company Appeal (AT) (CH) (Ins.) No. 108/2023* vide order dated 05.06.2023. The said judgment has been upheld by the Hon'ble Supreme Court of India in Civil Appeal No. 4929/2023 vide judgment dated 09.11.2023. Since this is the latest judgment under IBC by the Hon'ble Apex Court, we shall be guided by it in our decision. In the said judgment of IFCI cited supra, upheld the decision of NCLT and NCLAT for treatment of CCD as equity.

The salient clauses of the DSA have been reproduced earlier. An examination of the DSA shows that the debentures issued to the Appellant were compulsorily convertible into equity and the only option to the Appellant was to get it converted to shares even prior to the stipulated period of 10 years, failing which the CCDs were to automatically convert into equity shares at the end of 10 years. There was no liability or obligation to repay the debt.

We have noted the guidance approved by the Hon'ble Supreme Court in stating in para 23 of the IFCI judgment cited supra that it is not advisable for court to supplement or add to commercial contract. The DSA between the Appellant and the Corporate Debtor clearly had no clause regarding repayment and no clause regarding any option other than conversion of the debentures into shares. A convertible debenture can be regarded as "debt" or "equity" based on the test of liability for repayment. If the terms of convertible debentures provide for repayment of borrower's principal amount at any time, it can be treated as a debt instrument but if it does not contemplate repayment of the principal amount at any time, that is, if it compulsorily leads to conversion into equity shares, it is nothing but an equity instrument. Respectfully following the judgment of the Hon'ble Supreme Court in the case of *M/s IFCI Limited vs. Sutanu Sinha & Ors.*, cited supra, we hold

that the compulsorily convertible debentures held by the Appellant are equity instrument and accordingly, we do not find any reason or justification to interfere in the impugned order of the Adjudicating Authority. In the result, the Appeal is dismissed. All related IAs pending, if any, are closed. No order as to costs.

SUPERINTENDENT OF STAMPS & INSPECTOR GENERAL OF REGISTRATION v. AVIL MENEZES RP OF AMW AUTO-COMPONENT LTD [NCLAT]

Comp. App. (AT) (Ins) No. 1591 of 2023 & I.A. No. 5750 of 2023

Rakesh Kumar Jain, Naresh Salecha & Indevvar Pandey. [Decided on 20/05/2024]

Insolvency & Bankruptcy Code, 2016 - corporate debtor was the transferee company in a demerger scheme - stamp duty liability on demerger payable by the corporate debtor - Resolution Plan provided for partial liability only - department filed claim belatedly-whether the claim is admissible - Held, No.

Brief facts : The Stamp Duty accrued as a result of demerger of Asia Motors Works Ltd. being transferor company and AMW Motors Ltd being the transferee No. 1 company and AMW Autocomponent Ltd. being the transferee No. 2 company. It was the claim of the Appellant that the Appellant had filed the claims of Rs. 15,38,79,179/- being in nature of Stamp Duty and Penalty, however only Rs. 2,65,00,000/- has been provided in the Resolution Plan under the caption "Land Payments and Stamps Duty" and did not consider remaining outstanding amount of stamp duty and fees.

The limited issue to be decided in the present appeal was regarding belated claims of the Appellant which has been filed by the Appellant in form 'F' on 23.03.2023 against the public announcement by the Respondent issued on 03.09.2020.

Decision : Dismissed.

Reason : We observe that the time is essence for resolution of the Corporate Debtor and if any plan is saddled with huge delays of more than 30 months as in present case, we are afraid that the resolution of the Corporate Debtor will never take off.

We have noted from the pleadings of the Appellant that he was informed for the first time by the Respondent on 17.02.2021 whereas which was much delayed after the public announcement on 03.09.2020. One query was raised by this Appellate Tribunal to the Appellant that even for argument's sake the Appellant came to know only on 17.02.2021 why did the Appellant file the claim only on 23.03.2023 i.e., after more than 2 years and not immediately after 17.02.2021, the Appellant could not response properly on this pointed query. Thus, we note that there was no plausible reason for the Appellant to explain his conduct of filing such belated claims after 30 months of the public notice.

We note that the claim was filed by the Appellant much beyond the date when the Resolution Plan was approved by the CoC. We also note that the Respondent, however disclosure the contingent liability to the perspective Resolution Applicants through financial statement that the Respondent is seeking a waiver of Stamp Duty Payments through the provisions of its Resolution Plan. The Respondent explained that though he sought exemption time the stamp duty however it was not a condition precedent for the implementation of the Resolution Plan and made clear that the denial of waiver by the

Adjudicating Authority would only result in that the Stamp Duty Payments to be made by the SRA in accordance to the Resolution Plan.

We also note that in catena of Judgment of Hon'ble Supreme Court of India has held that SRA cannot be burdened with related undisputed claims after the Resolution Plan submitted by him has been approved by the CoC. It is the fact that the Resolution Plan was approved by the CoC much earlier then the claim submitted by the Appellant. The Resolution Plan is stated to have been implemented by the SRA.

We have already noted that as per ratio decided by the Hon'ble Supreme Court of India in the matter of Committee of Creditors of Essar Steel India Limited (Supra) that claims after the Resolution Plan has been approved by the CoC should not be accepted. Similarly, in RPS Infrastructure (Supra) the Hon'ble Supreme Court of India has again held that mere fact that the plan has not been approved by the Adjudicating Authority does not imply that plan can go back and forth thereby making the CIRP an endless process. In view of above detailed discussions, we find no merit in the appeal. The appeal deserved to be dismissed and stand dismissed. No Costs. Interlocutory Application(s), if any, are Closed.

TAX LAWS

COMMISSIONER OF TRADE AND TAXES v. FEMC PRATIBHA JOINT VENTURE NTs [SC]

Civil Appeal No. 3940 of 2024

P.S. Narasimha & P.B. Varale, JJ. [Decided on 01/05/2024]

Delhi Value Added Tax Act, 2004 - section 38 and 42- refund of tax - adjustment of refund against outstanding tax dues- whether refund of tax is bound by the timelines set in the Act - Held, Yes.

Brief facts: The issue for consideration before the court was whether the timeline for refund under Section 38(3) of the Delhi Value Added Tax Act, 2004 must be mandatorily followed while recovering dues under the Act by adjusting them against the refund amount.

The respondent claimed refund of excess tax credit amounting to Rs. 17,10,15,285/- for the 4th quarter of 2015-16 through revised return filed on 31.03.2017 and Rs. 5,44,39,148/- for the 1st quarter of 2017-18 through return filed on 29.03.2019, along with applicable interest under Section 42 of the Act. The appellant did not pay the refund even until 2022, pursuant to which the respondent sent a letter dated 09.11.2022 for the consideration of their refund. The Value Added Tax Officer passed an adjustment order dated 18.11.2022 to adjust the respondent's claims for refund against dues under default notices dated 30.03.2020, 23.03.2021, 30.03.2021, and 26.03.2022. The respondent then filed a writ petition before the Delhi High Court for quashing the adjustment order and the default notices.

By judgment impugned herein, the High Court quashed the adjustment order and directed refund of Rs. 17,10,15,285/- for the 4th quarter of 2015-16 and Rs. 5,44,39,148/- for the 1st quarter of 2017-18, along with interest as per Section 42 till the date of realisation. In respect of the default notices, the High Court gave liberty to the respondent to avail statutory appeal under Section 74 of the Act.

Decision : Dismissed.

Reason : The learned ASG has submitted that the timelines specified in section 38(3) are only to ensure that interest is paid if the refund is delayed beyond the statutorily prescribed period. However, he has argued, the timeline cannot be used to denude the power to adjust refund amounts against outstanding dues under Section 38(2). The refund can be adjusted as long as outstanding dues exist at the time when the refund is processed, even if it is beyond the stipulated timeline. The learned counsel for the assessee has supported the reasoning of the High Court and has placed reliance on several judgments of the Delhi High Court that affirm this position of law.

We find no reason to interfere with the impugned judgment, which follows the view that has been consistently adopted by the High Court. The finding of the High Court is based on the plain language of Section 38 of the Act. Sub-section (1) provides that any amount of tax, penalty and interest that is in excess of the amount due from a person shall be refunded to him by the Commissioner. Sub-section (2) permits the Commissioner to first apply such excess to recover any other amount that is due under the Act or the Central Sales Tax Act, 1956. Sub-section (3), which is relevant for our purpose, provides the assessee with the option of getting the refund or carrying it forward to the next tax period as a tax credit. In case of refund, Section 38(3)(a) provides the timeline for refund from the date on which the return is furnished or claim for refund is made as: (i) within one month, if the period for refund is one month; (ii) within two months, if the period for refund is a quarter. Sub-section (4) provides that if notice has been issued under Section 58 or additional information has been sought under Section 59, then the amount shall be carried forward to the next tax period as tax credit. Sub-sections (5) and (6) pertain to security. Sub-section (7) provides certain exclusions while calculating the period under sub-section (3). Sub-sections (8)-(10) pertain to refund in cases of sale to registered and unregistered dealers. Lastly, sub-section (11) provides that the refund shall not be allowed to a dealer who has not filed any return that is due under the Act. The language of Section 38(3) is mandatory and the department must adhere to the timeline stipulated therein to fulfil the object of the provision, which is to ensure that refunds are processed and issued in a timely manner.

In the present case, Section 38(3)(a)(ii) is relevant as both the refunds in the present case pertain to quarter tax periods. Therefore, as per Section 38(3)(a)(ii), the refund should have been processed within two months from when the returns were filed (31.03.2017 and 29.03.2019), which comes up to 31.05.2017 and 29.05.2019. The default notices are dated 30.03.2020, 23.03.2021, 30.03.2021, and 26.03.2022. It is therefore evident that the default notices were issued after the period within which the refund should have been processed. Sub-section (2) only permits adjusting amounts towards recovery that are “due under the Act”. By the time when the refund should have been processed as per the provisions of the Act, the dues under the default notices had not crystallised and the respondent was not liable to pay the same at the time. The appellant-department is therefore not justified in retaining the refund amount beyond the stipulated period and then adjusting the refund amount against the amounts due under default notices that were issued subsequent to the refund period.

Further, the learned ASG’s contention that the purpose of the timeline provided under sub-section (3) is only for calculation of interest under Section 428 would defeat the object of the provision. Such an interpretation would effectively enable the department to

retain refundable amounts for long durations for the purpose of adjusting them on a future date. This would go against the object and purpose of the provision. This contention is hence rejected.

In view of the above, we dismiss the present appeal and affirm the impugned judgment directing the refund of amounts along with interest as provided under Section 42 of the Act.

COMPETITION LAW

HARMIT AHUJA v. MARUTI SUZUKI INDIA LTD [CCI]

Case No. 43 of 2023

Ravneet Kaur , Anil Agrawal & Sweta Kakkad. [Decided on 06/05/ 2024]

Competition Act, 2002 - section 4-abuse of dominance - car dealer - limited edition of car model with freebies and extended period of warranty- denial of refund of excess amount paid by the manufacturer - whether abuse of dominance-Held, No.

Brief facts : The basic grievance of the Informant is the alleged introduction of limited edition 'Thunder' Model of Maruti Jimny by the OP in India in June 2023, costing ₹10.74 lacs, laced with several freebie accessories and extended warranty free of cost, which not only led to the initial customers of Jimny, who had bought the car from the OP at higher prices, feeling cheated, but also led to a downfall in the resale prices of the cars purchased by them as this new model was available at a discount of around ₹2.30 lacs. Further, the Informant was aggrieved by the fact that when he asked the OP for a refund of the excess amount paid by him for purchasing the Jimny cars, the OP refused to provide him such refund. Therefore, the Informant had filed the present Information alleging contravention of the provisions of Section 4 of the Act.

Decision : Dismissed.

Reason : The Commission has perused the Information filed by the Informant and the documents annexed therewith.

As the allegations made in the present Information pertain to the car 'Jimny', an SUV, it is noted from the information available in the public domain and evidently, in 2022 and 2023, the SUV sales made by the OP were 2,49,100 and 2,06,200 respectively, while the sales made by Mahindra & Mahindra were 2,39,800 and 2,04,500, respectively. Assuming that the above-stated data comprises the entire SUV segment of the passenger cars market in India, the market share of the OP in the same in 2022 and 2023 comes to approx. 22% and 21.5% respectively.

In light of the data extracted above, in the opinion of the Commission, the OP does not hold a market share large enough to enable it to operate independently of competitive forces prevailing in the market or to affect its competitors or consumers or the market in its favour, especially in the SUV segment of passenger vehicles. As such, the OP does not appear to be a dominant player in the market. Therefore, in the opinion of the Commission, a case of violation of the provisions of Section 4 of the Act cannot be made out against the OP.

Further, the Commission also notes that the grievance raised by the Informant is an inter-se dispute between the Informant and the OP regarding price of the product sold by the OP to the Informant. In the opinion of the Commission, on the basis of the grievances alleged by the Informant, no competition issue or concern seems to arise from the facts and allegations stated by the Informant. Once a buyer purchases a product from a seller at a given price, it cannot insist to avail benefit of any future discount which may be offered on such product by the seller. The discounted price alleged also does not seem to be predatory in nature.

In view of the above, the Commission is of the considered opinion that no prima facie case of contravention of the provisions of Section 4 of the Act is made out against the OP in the present matter. Hence, the matter is directed to be closed in terms of the provisions contained in Section 26(2) of the Act.

RAVI SHANKAR TIWARI v. AUTOMATTIC INC. [CCI]

Case No. 01 of 2023

Ravneet Kaur, Anil Agrawal, Sweta Kakkad & Deepak Aaurag. [Decided on 29/04/ 2024]

Competition Act, 2002 - section 4- abuse of dominance - delisting of complainant's plugins from the plugin's directory maintained by WordPress - whether abuse of dominance - Held, No.

Brief facts: The Informant is a software developer from Kolkata. It has been submitted that the Opposite Party is involved in the development of open-source software, applications, blogging websites, plugins, etc. The Informant has further averred that the Opposite Party is the parent company of Wordpress.org [a content management system (CMS)], wherein the user can create a simple blog as well as a fully operational website and mobile applications.

The Informant was primarily aggrieved by delisting of its plugins from the plugin's directory maintained by WordPress and the same is alleged to be an abuse of its dominant position in the relevant market by WordPress in violation of provisions of Section 4 of the Act.

Decision : Dismissed.

Reason : At the outset, it is noted that the alleged conduct of the OP or wordpress.org does not appear to be an abuse of dominant position, if any, for reasons elaborated in this order. However, for completeness, the Commission has delineated the applicable relevant market and assessed dominance of the OP or wordpress.org in the same.

In relation to dominance in this market, it is noted that in addition to wordpress.org, there are multiple players in this market like Wix, Squarespace, Shopify, Joomla, and Drupal which offer similar website building and management services. Based on the available data, it is noted that wordpress.org has the largest market share i.e., 62.5% in the relevant market and thus, can be inferred to be dominant on that basis.

Now, coming to the examination of alleged conduct of WordPress, it is noted that the primary grievance of the Informant is delisting of its plugins by WordPress. The OP has submitted that all plugin developers are subject to a set of guidelines i.e., 'Detailed Plugin Guidelines', 'Forum Guidelines' and the 'Community Code of Conduct', in order to ensure

a simple and transparent process for developers to submit their plugins to the Plugin Directory. The Detailed Plugin Guidelines contain a list of do's and don'ts applicable to developers who submit plugins for being listed in the Plugin Directory. Some of the acts prohibited under the Guidelines include spamming of public facing pages of WordPress.org and engaging in dishonest, immoral, or illegal activities. Violation of Detailed Plugin Guidelines may result in all the developers' plugins being removed from the Plugin Directory and the developer being banned from hosting any plugins on WordPress.org.

In relation to the Informant's allegations, the OP has submitted detailed chronology of events leading to banning of Plugins of the Informant. Based on the information provided by the OP, which has not been contested by the Informant, it is noted that the Informant has repeatedly violated multiple guidelines of the wordpress.org despite being warned multiple times. Thus, the plugins of the Informant seems to be banned from the WordPress Plugin Directory due to his persistent misconduct contrary to the guidelines. These guidelines also do not appear to be unfair or unreasonable and are meant for maintaining quality of service and protecting interest of both developers and users. Accordingly, the Commission is of the view that WordPress.org is justified in taking appropriate action against any developer found non-compliant with the prescribed standards and regulations. It is also noted that guidelines have not been applied in a discriminatory manner and around 35 developers including the Informant have been permanently banned from WordPress.org for repeated violation of the Guidelines. Therefore, the conduct of the Opposite Party does not appear to be either unfair or discriminatory.

The Informant has also alleged that Jetpack (the plugin of the OP) could be the reason for deleting 5-star reviews of the Informant to bring the overall rating down. The OP has denied that Informant's Way2enjoy Image Optimizer Plugin was banned to support its own Jetpack Plugin. It is stated that OP's Jetpack plugin offers a wide range of features, whereas the Informant's Way2enjoy Image Optimizer Plugin is a one-point solution that has a sole function i.e., image optimization. Therefore, there is substantial distinction in the scope and depth of features of the two plugins and no legitimate basis is established to perceive the Informants plugin to be in direct competition with Jetpack. Thus, the allegations of self-preferencing are also unfounded.

Given the facts and circumstances of the present case, the Commission finds that no prima facie case of contravention of the provisions of Section 4 of the Act is made out against the Opposite Party in the instant matter. Accordingly, the Information is ordered to be closed forthwith in terms of the provisions contained in Section 26(2) of the Act. Consequently, no case for grant for relief(s) as sought under Section 33 of the Act arises and the said request is also rejected.

GENERAL LAWS

GEO MILLER AND CO PVT LTD v. UP JAL NIGAM & ORS [ALL]

Civil Misc. Arbitration Application No.4 of 2024 with Civil Misc. Arbitration Application No.5 of 2024

Shekhar B. Saraf, J. [Decided on 17/05/2024]

Arbitration and Conciliation Act, 1996 - section 29A- extension of time to make award - conflicting judgements of coordinate benches- reference to larger bench-

decision pending - in interregnum which one of the conflicting judgement to be followed - Held, the earlier judgement should be followed.

Brief facts : These applications have been filed under Section 29(A)(4) and Section 29(A)(5) of the Arbitration & Conciliation Act, 1996 (hereinafter referred to as the 'Act') praying for extension of the mandate of the arbitral tribunal.

There were conflicting judgements of coordinate benches and the issue of which bench's judgement would prevail was referred to a larger bench. Till the decision of the larger bench on the issue, which coordinate bench's judgement would rule the field is the question involved in this case.

Decision : Allowed.

Reason : Hence, for the better adjudication of the matter, I have divided the instant judgment into two issues:

Issue No. 1 : When there are conflicting judgments of different benches of coequal strength of a court on a similar question of law, which one assumes the status of binding precedent when the said question of law has been referred to a larger bench for adjudication ?

What emerges from the wisdom of the Hon'ble Supreme Court is that the doctrine of precedent, is not without its nuances and complexities. As elucidated by the Hon'ble Supreme Court, an earlier decision, even if considered incorrect by a later Bench, retains its binding effect on subsequent Benches of coordinate jurisdiction. The principle which emerges is that the earlier decision must be followed until the decision of the larger bench is returned. This principle is rooted in tradition, certainty, and the integrity of precedent itself. As articulated by the Apex Court, the law would be bereft of utility if thrown into a state of uncertainty by conflicting decisions. Throughout history, the stability and continuity of law have been upheld through adherence to established precedent. By following the earlier decision, even in the face of conflicting precedents, courts preserve the integrity of the legal system and uphold the principle of stare decisis - the notion that like cases should be decided like. From a practical standpoint, following the earlier decision until the decision of the larger bench is returned serves to promote certainty and predictability in the administration of justice. When conflicting precedents arise, uncertainty abounds, and litigants may be left in a state of limbo, unsure of their rights and obligations under the law. By adhering to the earlier decision, courts provide a measure of stability and clarity, allowing parties to proceed with confidence while awaiting resolution from the larger bench.

In light of the aforesaid, Issue No. 1 is answered as follows:

"When a bench of coequal strength is faced with conflicting judgments of other coequal benches, the judgment delivered earlier will continue to govern the field of law, till such time, the same is overturned or in case the question(s) of law, if referred to the larger bench is answered. This will also hold true when a lower court is faced with conflicting judgments of a higher court, or a coordinate bench is faced with conflicting judgments of a division bench."

Issue No. 2 : Which judgment will govern the field of law on Section 29A of the Act as far as this Court is concerned ?

In my view, the judgment of this Court in *Indian Farmers Fertilizers* (supra) ought to have been followed in *A'Xykno Capital Services* (supra). The doctrine of per incuriam is based on the latin phrase meaning "thorough lack of care". It allows the courts to depart from established precedent when a previous decision was made without proper consideration of relevant statutes, regulations, or binding authorities. However, the doctrine of per incuriam must be exercised with caution to ensure that it is not used as a pretext for disregarding inconvenient precedent. The principle should only be invoked in exceptional cases where the error is clear and unequivocal, and where adherence to the precedent would result in a grave injustice. Per incuriam should be used sparingly and only in exceptional cases.

In light of the above, the Issue No. 2 is answered as follows:

"The judgments in *Lucknow Agencies* (supra) and *Indian Farmers Fertilizers* (supra) having been delivered under different factual scenarios will continue to govern the field of law as far as Section 29A of the Act is concerned before this Court. All applications filed under Section 29A of the Act till such time as the Larger Bench, reference to which was made vide this Court's order dated February 26, 2024, returns its decision on the questions of law, will have to be decided in accordance with the law laid down in *Lucknow Agencies* (supra) and *Indian Farmers Fertilizers* (supra). The judgment in *A'Xykno Capital Services* (supra) having been delivered after the aforesaid judgments, will not hold any precedential value. Needless to say, this position will be subject to the decision of the Larger Bench."

In light of the aforesaid, since the appointment of the arbitrator in ARBT NOS. 4 and 5 of 2024 was made by this Court in exercise of its powers under Section 11 of the Act, the instant applications filed under Section 29A(4) and Section 29(A(5) of the Act are maintainable before this Court.

RASHMI GOYAL v. M/S MAHALAXMI FABRICS[DEL]

CRL.M.C. No(s) 2126-2132 of 2023.

Manoj Kumar Ohri, J. [Decided on 30/04/2024]

Section 141 of the NI Act read with Section 482 of the CrPC- Company secretary arrayed as director and made vicariously liable - whether tenable - Held, No.

Brief facts: As per the material placed on record, the petitioner was sought to be made vicariously liable for the offence under Section 138 NI Act, by describing her as a Director of the accused company and that it was upon her assurance that the goods were provided. Further, she had also assured that the subject cheques would be duly encashed. Thus, upon their dishonour, the petitioner becomes vicariously liable in terms of Section 141 NI Act.

Decision : Allowed.

Reason : The petitioner has contended that she was a Company Secretary in the accused company, it is also essential to deal with the position of Company Secretary in a company. Section 2(24) of the Companies Act, 2013 provides that 'Company Secretary' means any individuals defined as such in Section 2(1)(c) of the Companies Secretaries Act, 1980, which itself defined him/her as "a person who is a member of the Institute". While no specific definition of Company Secretary has been provided, however Section 2(51) of the Companies Act, which deals with 'Key Managerial Personnel' mentions company

secretary as one such personnel. Section 204 of the Companies Act provides for the functions of 'Company Secretary'.

From the discussion above, it can be culled out that the Company Secretary is a 'key managerial personnel' who performs secretarial functions on behalf of the Company to ensure that the secretarial compliances are made by the Company. The statutory role that a Company Secretary performs does not include "conducting the business of the Company" of the kind envisaged in Section 141, for such an individual to be made vicariously liable.

Thus, indisputably, it can be observed that the petitioner was employed in the company as a Company Secretary. Once the same is established, the question that arises for consideration is whether the petitioner can be made vicariously liable in terms of Section 141 NI Act. A perusal of the subject complaints would show that nowhere in the said complaints has the respondent averred that the petitioner was in-charge of, and responsible for the conduct of the business of the company. The word 'in-charge of a business' has been interpreted to mean a person having overall control of the day-to-day business of the company.⁴ In the ordinary course of business, it cannot be said that the petitioner, who was acting as a Company Secretary, would be in-charge of the day-to-day affairs of the company, as required in terms of Section 141(1). Thus, the petitioner cannot be vicariously liable in terms of Section 141(1).

Insofar as Section 141(2) is concerned, for the petitioner to be made liable in terms of the said provision, it needs to be shown that there was consent, connivance or neglect on her part, in the issuance as well as the dishonour of the subject cheques. A reading of the above-mentioned extract would show that the petitioner (arrayed as accused No.6 in the subject complaints) has been impleaded based upon sweeping allegations and bald averments, stating therein that based upon the assurances provided by the accused persons, respondent supplied the goods as well as accepted the subject cheques in discharge of the liability. Even if the said averments are taken at their face value, they do not appear to be adequate inasmuch as these averments do not particularly address/show the *Girdhari Lal Gupta v. B.H. Mehta*, (1971) 3 SCC 189 consent/connivance/neglect on the part of the petitioner in issuance or dishonour of the cheque.

In view of the facts of the present case including the fact that the petitioner was employed as a Company Secretary in the accused company as well as the position of law w.r.t Section 141 NI Act and the application of the same to the subject complaints as extracted above, it can be observed that the subject complaints are bereft of the adequate averments against the petitioner alleging the Petitioner's involvement in the conduct of the business of the Company beyond her statutory role as a Company Secretary, more particularly, in relation to the transaction pursuant to which cheque in question was issued. Neither is there any averment that the offence has been committed with the consent or connivance of is attributable to any neglect on the part of the Petitioner, so as to potentially make her liable under Sub- section (2) of Section 141.

Consequently, the present petitions are allowed and the criminal complaints filed under Section 138 read with Section 141 NI Act are quashed qua the petitioner.



Case Snippets

SEBI

Case Title	Judgment / Conclusion
<p><i>Reliance Home Finance Limited (Noticee)</i> May 17, 2024 Securities and Exchange Board of India</p>	<p>Imposition of penalty by SEBI in case of non-disclosure or delayed disclosures</p> <p>Brief facts of the Case:</p> <p>SEBI had carried out examination in the matter of Reliance Home Finance Limited (hereinafter referred to as “the Company”/ “Noticee”), regarding inadequate disclosures / non-disclosure pertaining to NCLT Order dated June 21, 2021. The examination was conducted to check compliance of provisions of regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “LODR Regulations, 2015”) read with Clause 2 of Listing Agreement during the period beginning January 09, 2020 till June 21, 2021 (hereinafter referred to as “examination period”).</p> <p>SEBI noted that Noticee has been alleged to have violated the provisions of Regulation 4(1)(d), 4(1)(e), Regulation 30(1), 30(2), 30(6) read with 30(7) of LODR Regulations, 2015 read with clause 2 of Listing Agreement for the following:</p> <ol style="list-style-type: none"> 1. Noticee has not made disclosures with respect to the Hon’ble NCLT Order dated June 21, 2021 and also did not disclose information regarding appeals filed by the Noticee and Bank of Baroda against Hon’ble NCLT’s Order dated June 21, 2021 at Hon’ble NCLAT. 2. Noticee has made delayed disclosures with respect to the information regarding its debt resolution plan, viz. invitation of Expression of Interest bid dated July 29, 2020, and approval of resolution plan on June 19, 2021. <p>SEBI Order:</p> <p>SEBI is of the view that the disclosures requirements under the respective regulations serve very important purposes. The stock exchange is informed via disclosures so that the investing public can take informed decision regarding the company. Further, timely and accurate disclosures are also the pillars of good corporate governance.</p> <p>Further, Hon’ble Securities Appellate Tribunal (‘SAT’) in the matter of <i>Coimbatore Flavors & Fragrances Ltd. vs SEBI (Appeal No. 209 of 2014 order dated August 11, 2014)</i>, has also held that “Undoubtedly, the</p>

	<p>purpose of these disclosures is to bring about more transparency in the affairs of the companies. True and timely disclosures by a company or its promoters are very essential from two angles. Firstly; investors can take a more informed decision to invest or not to invest in a particular scrip secondly; the Regulator can properly monitor the transactions in the capital market to effectively regulate the same."</p> <p>Further, Hon'ble SAT in its judgement dated October 14, 2014 in the matter of <i>Virendrakumar Jayantilal Patel vs. SEBI (Appeal No. 299 of 2014)</i>, has held that</p> <p>"..... obligation to make disclosures within the stipulated time is a mandatory obligation and penalty is imposed for not complying with the mandatory obligation."</p> <p>Having considered all the facts and circumstances of the case, the material available on record, the submissions made by Reliance Home Finance Limited and also the factors mentioned in Section 15J of the SEBI Act, 1992 and also taking into account judgment of the Hon'ble Supreme Court in <i>SEBI vs. Bhavesh Pabari (2019) 5 SCC 90</i>, SEBI, in exercise of the powers conferred upon it under Section 15-I of the SEBI Act and Rule 5 of the Adjudication Rules, imposed a penalty of ₹8,00,000/- (Rupees Eight Lakh only) under Section 15A(b) of the SEBI Act, 1992, on the Noticee for the violation of provisions of regulations 4(1)(d), 4(1)(e), Regulation 30(1), 30(2), 30(6) read with 30(7) of LODR Regulations, 2015 read with clause 2 of Listing Agreement.</p> <p><i>For details:</i> https://www.sebi.gov.in/enforcement/orders/may-2024/adjudication-order-in-the-matter-of-reliance-home-finance-limited_83448.html</p>
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INSURANCE LAWS

<i>Case Title</i>	<i>Judgment / Conclusion</i>
<p><i>United India Insurance Co. Ltd. (Appellants) vs. M/s Hyundai Engineering & Construction Co. Ltd. & Ors., (Respondents)</i></p> <p><i>Civil Appeal No. 1496 of 2023</i></p> <p><i>May 16, 2024</i></p> <p><i>Supreme Court of India</i></p>	<p><i>Facts of the case:</i></p> <p>In the given case, National Highway Authority of India (NHAI) awarded a construction project for the design, construction, and maintenance of a cable-stayed bridge across the river Chambal on NH-76 at Kota, Rajasthan to M/s Hyundai Engineering & Construction Co. Ltd. and another company. United India Insurance had issued a Contractor's All Risk Insurance Policy for the project. However, during the construction, a part of the bridge collapsed, resulting in fatalities. An investigation found that the collapse was due to defects in design, construction, and supervision. The National Consumer Disputes Redressal Commission (NCDRC) ruled in favor of M/s Hyundai Engineering & Construction Co. Ltd. and others, ordering United India Insurance to pay the insurance claim of Rs. 39,09,92,828/-. United India Insurance is now challenging this decision of NCDRC in the Supreme Court of India.</p> <p><i>Judgement:</i></p> <p>The Honorable Supreme Court of India collectively analysed the provisions of the insurance policy and found that the collapse of the bridge, which caused fatalities, falls under the coverage of the insurance policy and hence, ruled that the problems out of the bridge's design, construction, and supervision are the responsibility of the insurance company to cover. The court ordered United India Insurance Co. Ltd. to release and pay the insurance claim amount as directed by the NCDRC.</p>



Student Services

IMPORTANT ALERTS / ANNOUNCEMENTS FOR STUDENTS

PRE-EXAM TEST IS EXEMPTED FOR STUDENTS WHO UNDERGO CLASSES AT REGIONAL AND CHAPTER OFFICES (SUBJECT TO MEETING THE CONDITIONS)

Announcement regarding Download E-Admit Card for Executive and Professional Programme (Old & New Syllabus), June 2024 Examination

<https://www.icsi.edu/media/webmodules/AnnouncementAdmitCardJune22052024.pdf>

Announcement on Paperwise Exemption

https://www.icsi.edu/media/webmodules/Paperwise_exemption_announcement_for_students_09052023.pdf

FAQ on the Switchover Scheme for Professional Programme 2017 (Old) Syllabus to Professional Programme 2022 (New) Syllabus

https://www.icsi.edu/media/webmodules/Executive_FAQ_SW_23022023.pdf

Downloading of the Professional Programme Pass Certificate through Digilocker

<https://www.icsi.edu/media/webmodules/DigilockerAnnouncementMay22052024.pdf>

How to Download E-Professional Programme Certificate from Digi locker

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

Cut-Off Dates for the year 2024

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

Schedule of fee applicable for CS Course

https://www.icsi.edu/media/webmodules/student/FeeDetails_Concession.pdf

ICSI Study Centres

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

Join CSEET classes at ICSI Regional/Chapter Offices

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

Details Regarding Class-Room Teaching Centres at Regional /Chapters Offices

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

Number of Class-Room Teaching Centres at Regional /Chapters Offices

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

Chartered Secretary Journal**(Up-gradation of the knowledge of the Members and students)**<https://www.icsi.edu/cs-journal/>**Donate for the Noble Initiative of the Institute - "SHAHEED KI BETI SCHEME"**https://www.icsi.edu/media/webmodules/Shahheed_ki_beti.jpg**ALL INDIA COMPANY LAW QUIZ 2024 FOR CS STUDENTS**

ICSI is organizing All India Company Law Quiz 2024 for registered students of the ICSI.

Registration Window will open from Monday, 24th June 2024 at 10.00 AM and will close on Wednesday 31st July 2024, at 5.00 PM.

Register yourself & participate in the Quiz Competition.

Chance to win Cash Prize* of Rs.50,000/-, Rs.30,000/- Rs.20,000/- respectively & a Commendation Certificate

For Free Registration click at:

<https://g25.tcsion.com//EForms/configuredHtml/1677/62659/application.html>



**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)

**ATTENTION STUDENTS OF EXECUTIVE AND PROFESSIONAL PROGRAMME
(2017 OLD SYLLABUS)**

One More Attempt under 2017 Old Syllabus

The Institute has decided that the students of Executive & Professional Programme (2017 old syllabus) shall be allowed one more attempt during the December, 2024 & June 2025 session of examinations respectively.

All students of Executive & Professional Programme (2017 old syllabus) please note the following :

CS Course	Last Session of Examination under Old Syllabus (2017) as per the notification available at www.icsi.edu	Additional Attempt under Old Syllabus (2017)	All Examination (Executive & Professional) will be held under New Syllabus 2022
Executive Programme	June 2024	December 2024	June 2025
Professional Programme	December 2024	June 2025	December 2025

Please note that the students of Executive & Professional Programme (Old Syllabus 2017) shall be compulsorily switched over to 2022 (New syllabus) from June, 2025 & December 2025 respectively and no further requests shall be entertained.

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

Team ICSI

Date: 13.06.2024

REGISTRATION

1. Registration for CS Executive Entrance Test (CSEET)

- ✓ Information in detail:
https://www.icsi.edu/media/webmodules/CSEET_17042024.pdf
- ✓ Link to register: https://smash.icsi.edu/Scripts/CSEET/Instructions_CSEET.aspx

2. Registration for CS Executive Programme

- ✓ Information in detail:
https://www.icsi.edu/media/webmodules/11112022_ICSI_Students_leaflet.pdf

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

Registration of students registered upto and including June 2019 stands terminated on expiry of five-year period on 31st May, 2024. All such students whose registration has been expired are advised to seek Registration De novo follow:

- ✓ Registration De novo link: <https://smash.icsi.edu/Scripts/login.aspx>
- ✓ Process of Denovo:
https://www.icsi.edu/media/webmodules/user_manual_for_reg_denovo.pdf

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

- ✓ Follow:
https://www.icsi.edu/media/webmodules/14112022_Denovo3monthspriortoexpiryofRegistration.pdf

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

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

- ✓ Follow:
https://www.icsi.edu/media/webmodules/student/Guidelines_ContinuationRegistration.pdf
https://www.icsi.edu/media/webmodules/Detailed_notification_continuation_of_reg_profpass_stud.pdf



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

!!ATTENTION STUDENTS!!

Cut- off- Date for Acceptance of Applications for Admission to Executive/ Professional Programme is 31.07.2024 (for appearing in Any one Group in December 2024 Examination)

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

6. Registration to Professional Programme

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

Registration Fee: Rs. 20000.00

<i>Description</i>	<i>Amount (Rs.)</i>
EDUCATION FEE-PROFESSIONAL	19000.00
PRE -EXAM TEST FEE – PROFESSIONAL	1000.00

While registering for the Professional Programme, students are required to submit their option for the Elective Subjects of both Groups

Notwithstanding the original option of Elective Subjects, student has the option to change elective subjects & enroll for any other elective subjects, if he/she wishes. The study material if needed will have to be purchased by them against requisite payment. Soft copies of the study materials are available on the website of the Institute.

Process to change the Elective Subject :

Login with user ID and password at

<https://smash.icsi.edu/Scripts/login.aspx>

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

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

Eligibility of students for appearing in the Examinations shall be as under: -

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

7. **Re-Registration to Professional Programme**

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

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

EXEMPTIONS AND SWITCHOVER

1. Clarification Regarding Paper wise Exemption

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

https://www.icsi.edu/media/webmodules/Paperwise_exemption_syllabus17.pdf

https://www.icsi.edu/media/webmodules/ATTENTION_STUDENTS_RECIPROCAL_EXEMPTION_NEW_SYLLABUS_2022_Updated.pdf

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

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

User manual for cancellation of Exemption:

https://smash.icsi.edu/Documents/Qualification_Based_Subject_Exemptionand_Cancellation_Student.pdf

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

- (e) It may be noted that candidates who apply for grant of paper wise exemption or seek cancellation of paper wise exemption already granted, must see and ensure that the exemption has been granted/cancelled accordingly. Candidates who would presume automatic grant or cancellation of paper wise exemption without obtaining written confirmation on time and absent themselves in any paper(s) of examination and/or

appear in the exempted paper(s) would do so at their own risk and responsibility and the matter will be dealt with as per the above guidelines.

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

2. Syllabus Switchover

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

CS Course	Last Session of Examination under Old Syllabus (2017) as per the notification available at www.icsi.edu	Additional Attempt under Old Syllabus (2017)	All Examination (Executive & Professional) will be held under New Syllabus 2022
Executive Programme	June 2024	December 2024	June 2025
Professional Programme	December 2024	June 2025	December 2025

Detailed information about New syllabus 2022 is available at

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

Please Note: -

- a) All switchover students are eligible to appear in the Online Pre-Examination Test which is compulsory under the new syllabus before enrolling for any examinations. Process For Remitting the Fee for Pre-Examination Test is available in the link:

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

<https://www.icsi.edu/media/webmodules/ProcessRemitPretestFeeUnderSyllabus2022.pdf>

- b) Study material is not issued free of cost to the switchover students. Therefore, the student needs to obtain study material, at a requisite cost.
- c) Revert Switchover is not Permissible.
- d) Other details regarding Exemptions and Switchover are available on the student page at the website of the Institute.

PROCESS/ USER MANUAL TO SWITCHOVER

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

IMPORTANT LINKS

- https://www.icsi.edu/media/webmodules/switchover_process.pdf
- https://www.icsi.edu/media/webmodules/Correspondingexemptionafterswitchover%20-Fnd_ExePrg.pdf
- https://www.icsi.edu/media/webmodules/Switchover_17092016.pdf
- <https://www.icsi.edu/media/webmodules/ICSI%20New%20Syllabus%202022.pdf>

ENROLLMENT TO EXECUTIVE & PROFESSIONAL PROGRAMME EXAMINATION (REGULATION 35)

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

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

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

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

CS Course	Last Session of Examination under Old Syllabus (2017) as per the notification available at www.icsi.edu	Additional Attempt under Old Syllabus (2017)	All Examination (Executive & Professional) will be held under New Syllabus 2022
Executive Programme	June 2024	December 2024	June 2025
Professional Programme	December 2024	June 2025	December 2025

PROCEDURAL COMPLIANCE

CHANGE OF ADDRESS/CONTACT DETAILS/CREATION OF PASSWORD

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

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

Step 2: Change Mobile Number and Email address.

Process 2: Process to change correspondence /permanent address.

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

Step 2: To change Correspondence address

Step 3: Click on Save Button Process 3: Change/Reset Password

Process 3: Change/Reset Password

Step 1: Log in with valid credentials on smash.icsi.edu

Step 2: Click on Profile > Change Password or Forget password/Reset Password:

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

Process 4: Change Name/Photograph/Signature

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

STUDENT IDENTITY CARD

Identity Card can be downloaded after logging into the Student Portal at:
www.icsi.edu.

Step 1: Log in with valid credentials on smash.icsi.edu

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

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

Visit for details:

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

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

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

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

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

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

Dear Student,

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

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

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

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

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

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

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

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

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



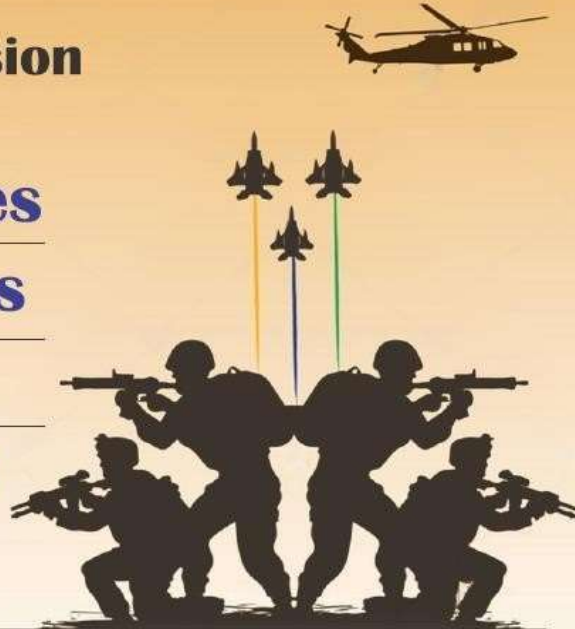
**THE INSTITUTE OF
Company Secretaries of India**
भारतीय कम्पनी सचिव संस्थान
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)

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

Motto
सत्यं वद। धर्मं चर। *Speak the truth; observe by that law.*

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

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



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

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

CS B.Narasimhan
President, The ICSI

CS Dhananjay Shukla
Vice President, The ICSI

CS Asish Mohan
Secretary, The ICSI



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Golden Opportunity to Become a Company Secretary

For Economically weaker and / or Academically Bright Students
To avail financial assistance from
STUDENTS EDUCATION FUND TRUST

ELIGIBILITY CRITERIA

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

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

To download the SEFT Form click here :

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

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President, The ICSI

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Vice-President, The ICSI

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**Expand your Horizons
CS- A career with endless
opportunities**

**12th appearing or 12th Passed or
equivalent thereto or under- graduate
students can join CS Course through**

**CSEET
(CS Executive Entrance Test)**

UGC
recognizes
CS qualification
equivalent to Post
Graduate Degree

SYLLABUS

- (a) Business Communication (50 Marks)
- (b) Legal Aptitude and Logical Reasoning (50 Marks)
- (c) Economic and Business Environment (50 Marks)
- (d) Current Affairs and Quantitative Aptitude (50 Marks)

ATTRACTIONS

- Computer based MCQ Test from anywhere
- No need to go to Examination Centre
- No Negative Marking
- Free Access to Online/Virtual Teaching for all registered candidates
- CSEET (guide 1 & guide 2) reference material
- Various fee concessions.
- Four Sessions in a year (January, May, July, November)

FEATURES

Fees : Rs. 2000/-

Duration of Exam: 120 Minutes

Last date for registration : 15th October 2024

Mode of Exam : Remote Proctored Mode

Examination for November 2024 session of CSEET : 09th November 2024

Qualifying Criteria: An aggregate of 50% and minimum 40% marks in each paper.

Link for Online Registration for CSEET: https://smash.icsi.edu/Scripts/CSEET/Instructions_CSEET.aspx

WAY FORWARD

Company Secretary Executive Entrance Test (CSEET)

Executive Programme

Professional Programme


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

For more information Helpdesk Number: 0120-4082162, Email : cseet@icsi.edu




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Online Doubt Clearing Classes by ICSI for students appearing in June 2024 Examination

Registration is open for
Executive Programme and Professional Programme
New Syllabus (2022) New Syllabus (2022)

::: HIGHLIGHTS :::

- Kindly make payment using the following link <https://tinyurl.com/uz7j7jf>
- Registered students can submit their doubts/queries through the Google form.
- Queries received from the students will be compiled and sent to the concerned faculty. The doubts /queries will be responded to by the faculties online during the classes.
- Students can also ask queries online through chat box during the class.
- Renowned faculties will sort out all your queries.
- Schedule of classes will be sent at your email id once you register for the classes.
- Free access of classes to students registered for Online Centralised Classes commenced from 01st Dec. 2023

LIVE STREAMING

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

Schedule of Classes

Executive Programme Group - I

1. Arbitration, Interpretation & General Laws - 08th May to 08th May 2024 at 10:00am to 01:30pm
2. Company Law & Practice - 02nd May to 08th May 2024 at 02:15 pm to 05:15 pm
3. Setting up of Business, Industrial & Labour Laws - 09th May to 15th May 2024 at 10:00am to 01:30pm
4. Corporate Accounting & Financial Management - 09th May to 15th May 2024 at 02:15 pm to 05:15pm

Executive Programme Group - II

5. Capital Markets & Securities Laws - 16th May to 22nd May 2024 at 10:00am to 01:30pm
6. Evidence, Commercial & Intellectual Property - 16th May to 22nd May 2024 at 02:15pm to 05:15pm
7. Tax Laws & Practice - 23rd May to 29th May 2024 at 10:00am to 01:30pm

Professional Programme Group - I

1. Environmental, Social & Governance (ESG) Principles & Practice - 02nd May to 08th May 2024 at 10:00am to 01:30pm
2. Drafting, Filings and Appearances - 09th May to 15th May 2024 at 02:15 pm to 05:15pm
3. Compliance Management, Audit & Due Diligence - 02nd May to 08th May 2024 at 02:15pm to 05:15pm

Professional Programme Group - II

1. Strategic Management & Corporate Finance - 09th to 15th May 2024 at 10:00am to 01:30pm
2. Corporate Restructuring, Valuation and Insolvency - 16th May to 22nd May 2024 at 02:15pm to 05:15pm

::: FEES :::

Executive Programme - ₹1000/Module

Professional Programme - ₹1000/Module


For any query, kindly click at support.icsi.edu and raise your query at Class Room Teaching related query tab.

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CS Dhananjay Shukla
Vice - President, The ICSI

CS Asish Mohan
Secretary, The ICSI

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Examination



COMPANY SECRETARIES EXAMINATION – DECEMBER 2024

THE INSTITUTE OF Company Secretaries of India भारतीय कम्पनी सचिव संस्थान <small>IN PURSUIT OF PROFESSIONAL EXCELLENCE Statutory body under an Act of Parliament (Under the jurisdiction of Ministry of Corporate Affairs)</small>				
COMPANY SECRETARIES EXAMINATION – DECEMBER, 2024				
REVISED TIME – TABLE				
EXAMINATION TIMING : 02:00 PM to 5:15* PM				
Date & Day	Executive Programme (Syllabus – 2017)	Executive Programme (Syllabus – 2022)	Professional Programme (Syllabus – 2017)	Professional Programme (Syllabus – 2022)
21.12.2024 Saturday	Jurisprudence, Interpretation and General Laws (Module-I)	Jurisprudence, Interpretation and General Laws (Group-1)	Governance, Risk Management, Compliances and Ethics (Module – I)	Environmental, Social and Governance (ESG) – Principles and Practice (Group-1)
22.12.2024 Sunday	Securities Laws and Capital Markets (Module-II)	Capital Market and Securities Laws (Group-2)	Secretarial Audit, Compliance Management and Due Diligence (Module – II)	Strategic Management and Corporate Finance (Group-2)
23.12.2024 Monday	Company Law (Module-I)	Company Law and Practice (Group-1)	Corporate Funding and Listings in Stock Exchanges (Module – III)	Drafting, Pleadings and Appearances (Group-1)
24.12.2024 Tuesday	Economic, Business and Commercial Laws (Module-II)	Economic, Commercial and Intellectual Property Laws (Group-2)	Advanced Tax Laws (Module – I)	Corporate Restructuring, Valuation and Insolvency (Group-2)
25.12.2024 Wednesday	NO EXAMINATION	NO EXAMINATION	NO EXAMINATION	NO EXAMINATION
26.12.2024 Thursday	Setting Up of Business Entities and Closure (Module-I)	Setting Up of Business, Industrial and Labour Laws (Group-1)	Corporate Restructuring, Insolvency, Liquidation and Winding – up (Module – II)	Compliance Management, Audit and Due Diligence (Group-1)
27.12.2024 Friday	Corporate and Management Accounting (OMR Based) (Module-II)	Tax Laws and Practice (Group-2)	Multidisciplinary Case Studies [Open Book Exam.] (Module – III)	Elective 2 (one out of below 5 subjects) [Open Book Exam.] (Group-2) (i) Arbitration, Mediation and Conciliation (ii) Goods and Services Tax (GST) and Corporate Tax Planning (iii) Labour Laws and Practice (iv) Banking and Insurance – Laws and Practice (v) Insolvency and Bankruptcy – Law and Practice
28.12.2024 Saturday	Tax Laws (OMR Based) (Module-I)	Corporate Accounting and Financial Management (Group-1)	Drafting, Pleadings and Appearances (Module – I)	Elective 1 (one out of below 4 subjects) [Open Book Exam.] (Group-1) (i) CSR and Social Governance (ii) Internal and Forensic Audit (iii) Intellectual Property Rights – Law and Practice (iv) Artificial Intelligence, Data Analytics and Cyber Security – Laws and Practice
29.12.2024 Sunday	Financial and Strategic Management (OMR Based) (Module-II)	NO EXAMINATION	Resolution of Corporate Disputes, Non-Compliances and Remedies (Module – II)	NO EXAMINATION
30.12.2024 Monday	NO EXAMINATION	NO EXAMINATION	Elective 1 out of below 5 subjects [Open Book Exam.] (Module – III) (i) Banking - Law and Practice (ii) Insurance - Law and Practice (iii) Intellectual Property Rights – Laws and Practices (iv) Labour Laws and Practice (v) Insolvency – Law and Practice	NO EXAMINATION

*15 minutes Extra-Time for reading the Question Paper has been granted to the Examinees from 02:00 PM to 2:15 PM.
 Note: The Institute reserves 31st December, 2024, 01st, 02nd, and 3rd January, 2025 to meet any exigency.





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LICENTIATE-ICSI ENROLLMENT



The Institute of Company Secretaries of India enrolls its students as a Licentiate of ICSI in accordance with Regulation 29 of the Company Secretaries Regulations, 1982.

ELIGIBILITY

A student who has:

- I. A person who has completed the Final examination or Professional Programme examination of the Institute may, within six months from the date of declaration of results in which he has passed the Final examination or Professional Programme examination can apply for enrolment as a licentiate.
- II. An Online application for enrolment as a Licentiate is to be made along with annual subscription of Rs. 1180/- (Rs. 1000/- Licentiate subscription + Rs. 180/- towards GST @18%)

VALIDITY OF CERTIFICATE

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

BENEFITS



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

For queries, please write to member@icsi.edu or contact on phone number 0120-4522000

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ICSI SECRETARIAL EXECUTIVE CERTIFICATE

The ICSI Secretarial Executive Certificate is a unique initiative of the Institute of Company Secretaries of India (ICSI) for the CS Students to create a pool of semi qualified professionals.



ELIGIBILITY

A student who has:-

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

VALIDITY OF CERTIFICATE

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

BENEFITS

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

Procedure to apply is available at <https://tinyurl.com/bdd7mmtu>

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

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News from Region

EIRC



**THE INSTITUTE OF
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Admission open for December 2024

(CS Executive Online Classes)

Register Now

**Exempted*
from Pre-Exam Test**

Batch will be commencing from
15th June 2024

Key Highlights

- Complete & perfect coverage of syllabus
- Special focus on ICSI study material
- Special session by rank holders of latest exam
- Experienced team of faculties
- Regular test & evaluation session
- Complementary library subscription
- Industry visit for corporate exposure
- Many more

Fees (All Inclusive)
Special Discount till 10.06.2024

Single Module: ₹ 9,000/-
Both Modules: ₹ 17,000/-
Single Subject: ₹ 3,500/-

Fees after 10.06.2024
Single Module: ₹ 10,000/-
Both Modules: ₹ 18,000/-

Students having family annual income of less than Rs. 2,50,000 may get sponsorship (Subject to approval from respective external authorities)

Fees may be paid by Cash / Cheque at ICSI EIRC House or at the account mentioned below
(Interested student are required to send the details with Payment Transaction Id at sumanta.dutta@icsi.edu after payment of fees)

Name of the A/c : Institute of Company Secretaries of India - EIRC || **SB A/c No.:** 3190000100070126
Bank and Branch: Punjab National Bank, Shakespeare Sarani, Kolkata ; **IFSC:** PUNB0319000

For More details please contact: Mr. Sumanta Dutta, Email Id: sumanta.dutta@icsi.edu

CS (DR.) MOHIT SHAW
CHAIRMAN, ICSI-EIRC

CS BISHAL HARLALKA
SECRETARY, ICSI-EIRC

Eastern India Regional Council of The Institute of Company Secretaries of India
ICSI CCGRT Kolkata Campus, Action Area - II, New Town, Kolkata - 700 135

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VISION
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and professional excellence"

ICSI Motto
श्रद्धां धरन् शक्तिः सदा। *Shraddha dharen shakti: sada by the best*

MISSION
"To bring together professionals
of different regional countries"

ICSI-EIRC LIBRARY

Free E-Library
Facility Available

Dear Students & Members,

Keeping in view for the benefit of Students & Members the EIRC of ICSI is promoting the revamped Library at ICSI-EIRC, House. The EIRC library is equipped with English and Hindi News Papers, Latest Books, Reference Materials & Subscriptions of Leading Journals. You all are requested to please come forward with the suggestions for new inclusions.

Books Available

- 📖 ICSI Publications 📖 ICSI Study Materials 📖 Books on Case Laws 📖 Bare Acts 📖 Taxation
- 📖 Scanners 📖 Reference Books 📖 Guideline Answers 📖 Chartered Secretary 📖 Crackers
- 📖 MCQ Books 📖 General Books 📖 News Papers

Library facilities is open from 10:00am to 05:45pm on working days

Particulars	Securities Deposit	Annual Subscription	Documents
Students	Rs.500/-	Rs.200/-	Student's / Member's ID Card & 2 Passport size photograph
Member	Rs.2500/-	Rs.200/-	
CRT Students	Rs.500/-	Exempted	

Terms & Conditions:-

1. Two books from the general section will be issued at a time for two weeks.
 - (a) If the issued book is not returned by the due date, the library member may be required to pay a fine of Rs.5/- for each day of default.
 - (b) Where a book is lost or damaged current publisher's price and a surcharge of not exceeding 25% of the price to meet the cost of acquisition shall be charged.
2. The security deposit shall be refundable on cessation of membership of library provided there is no book standing in the name of the person and there are no outstanding dues.
3. The annual library subscription once paid shall not be refunded under any circumstances.
4. The library membership shall be valid for the financial year and may be renewed on the 1st of April each year by paying annual fee.
5. Each member of the Library shall observe necessary and due care while handling books and other material.
6. Members or readers shall maintain strict discipline inside and around the Library and conduct themselves in a manner conducive to congenial atmosphere for study.
7. Every member of the library shall intimate in writing, changes if any, in his/her professional or residential address and contact number or status i.e. a registered student becoming a licentiate or member or a licentiate becoming a member of the Institute within 14 days


For further details and registration, please contact:

Mr. Sudipta Dutta, ICSI-EIRC Library
Mail at sudipta.dutta@icsi.edu

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SIRC



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Vision
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Motto
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अपारं धैर्यं । शक्तिः शोके । ज्ञः धैर्ये ।


Mission
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Announces



The Institute of Company Secretaries of India–Southern India Regional Council is conducting Class Room Teaching (physical mode) for CS Executive Programme Students of Group-I & II who are appearing in December, 2024 Examination from Wednesday, 12th June, 2024 at "ICSI-SIRC House", No.9, Wheat Crofts Road, Nungambakkam, Chennai – 600 034.

Date of Commencement
Wednesday, 12th June, 2024 (Both Groups)
(Classes may end by 3rd Week of October, 2024)



**Experienced
Faculties**

Fees:
Rs. 10,000/-
(Per Group)


Fees will not be refunded once classes commenced


Complimentary Backpack Bag

Group - I Timing:
6.30 AM to 8.30 AM

Group - II Timing:
6.00 PM to 8.00 PM

(Monday to Saturday)





Mode of Payment (Online Transfer)

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


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

Students are required to enter the details in the link after making the payments.
Google Form Link: <https://forms.gle/ic9kB6N5ZD26SLmR6>

For Further Details Contact:

Mr. C. Murugan, Southern India Regional Office, The Institute of Company Secretaries of India
ICSI-SIRC House, No.9, Wheat Crofts Road, Nungambakkam, Chennai-600034.
044-28268685/28279898 / siro@icsi.edu; chelliah.murugan@icsi.edu

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corporate governance."

MANTRA
एकता एवम् शान्तिः शक्तिः | speak the truth; win by the fact

MISSION
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Announces



16th Batch of 15 Days Executive Development Programme (EDP) (Classroom Mode)

Date & Time:
02.07.2024 to 20.07.2024 (Excluding Holidays)
10.00 am to 5.00 pm (Reporting Time: 9.30 am)

Venue:
ICSI-SIRC House, No.9, Wheat Crofts Road,
Nungambakkam, Chennai-600034

The objective of the Executive Development Programme (EDP) is to prepare the students who have passed CS Executive Examination for Practical Training with the Industry / Practising Company Secretary by developing their communication skills, personality, legal acumen and fundamentals of IT skills. This programme will enable them to perform better and learn the functional skills in core areas during their Practical Training.



The Participation Fee is Rs.7,500/- (including Tea, Lunch and cost of EDP Study Materials).
The outstation participants have to take care of their accommodation on their own. Admission is on first come first seat basis. The 15 Days EDP would be organized subject to the minimum enrollment of 20 Participants. Fees will not be refunded once classes commenced.

Students who have passed CS Executive Examination and who have not yet started/commenced their Practical Training with a Company/Practising Company Secretary are required to undergo and complete one month EDP out of which 15 days Executive Development programme (EDP) in Classroom Mode and 15 days in online mode.

Login through Stimulate Portal with your Smash Login Credentials and register. For Online Registration & Payment of Fee Link: <http://stimulate.icsi.edu/>

Please fill the Google Form after making the online payment: <https://forms.gle/9PabEHbD5HQaTvLM8>

The Students who have completed 15 days online EDP are only eligible to register for Classroom Mode EDP.

Lunch : 1.00 pm

For further details contact :
Ms. Roby Joseph, Southern India Regional Office, The Institute of Company Secretaries of India,
ICSI-SIRC House, No.9, Wheat Crofts Road, Nungambakkam, Chennai-600034.
Tel: 044-28268685/28222212 - siro@icsi.edu; robjoseph@icsi.edu

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Motto

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ICSI House, 22, Institutional Area, Lodi Road, New Delhi 110 003

tel 011-4534 1000 fax +91-11-2462 6727

email info@icsi.edu website www.icsi.edu