SEPTEMBER 2021

09

STUDENT COMPANY SECRETARY

[e-Journal for Executive & Professional Students]

Social Stock Exchange

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)

Azadi Ka Amrit Mahotsav

STUDENT COMPANY SECRETARY

[e-Journal for Executive & Professional Students]

September 2021

Contents

INFO CAPSULE

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

CASE DIGEST SERIES

https://www.icsi.edu/student/sample-case-studies/

SUBJECTWISE MONTHLY UPDATES

https://www.icsi.edu/student/subjectwise-monthly-updates/

GUIDELINE ANSWERS

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

Announcement for the Students

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

on the topic

Measuring Quality of Due Diligence- Lessons for Company Secretary

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

प्रणम्यं शिरसा देव गौरीपुत्रं विनायकम।
भक्तावासं: स्मरैनित्यंमायु:कामार्थसिद्धये।।1।।

The learned one, who wishes for more life, wealth and love,
Should salute to Lord Ganapathi who is the son of Goddess Parvathi

Dear Students,

With this shloka invoking the blessings of Lord Ganesha, the lord of knowledge, wisdom, and focused vision, I extend my heartiest best wishes to all of you on the occasion of Ganesh Chaturthi. I also believe that his arrival and presence in our abodes, workplaces and lives shall remove all the difficulties and obstacles facing us especially those that had been brought with the pandemic.

At the same time, on behalf of each one of you and of my own accord I would also like to seek the blessings and best wishes of our revered Gurus, Teachers, and guiding lights of this profession on the occasion of Teachers' Day gone by. If you were to ask me, the celebration of Teacher's Day is not just a celebration of the birthday of a former President of India or his contributions as a teacher in the field of education, but of the love, care, affection, knowledge, wisdom, influence, and inspiration imparted and shared by learned men and women in such a manner that it ends up shaping the entire future of nations.

It is at this juncture that I am intrigued to share another Sanskrit shloka with you:

आचार्यात् पादम् आधत्ते पादं शिष्यः स्वमेधया ।
पादं सब्रह्मचारिभ्यः पादं कालक्रमेण च ॥

If the true meaning of the shloka is to be delved into, it means that "A student gets a quarter (knowledge) from his teacher, a quarter by his own intelligence. A quarter from his fellow students and a quarter in due course of time". The fact that a quarter of knowledge is gained from peers and a quarter over time, it becomes inevitable for a student to not only share thoughts and opinions with fellow students and professionals but should keep the flames of fire of learning burning inside. When it comes to learning, one can never be satiated for learning is eternal.

It is with this thought and intent, that the ICSI had organized a Motivational Session for our students in the presence of Ms. Sweta Agrawal, IAS taking this as an opportunity to learn from those who have never been bogged down by adversaries and touched successes with glory. It was indeed a treat to be awestruck and motivated at the same time by the life journey of our speaker and to take cues for our future. Even further a One Day Programme was also organized on International Literacy day with the theme Transforming Education.

I hope and believe that all of you are reaping maximum benefits possible from the initiatives being undertaken by the Institute for your continual development. Living in the era of competition and competence, gaining adequate competence is the key to being a part of the competition.

So keep learning, keep growing!!!!!!

With warm regards,

(CS Nagendra D. Rao)
President
The Institute of Company Secretaries of India

RECENT INITIATIVES FOR STUDENTS

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

2. The **CSEET Communique (e-bulletin)** for the month of **August, 2021** containing the latest updates in respect of Papers of the CSEET has been placed on the ICSI Website. The same is also available at the CSEET Portal at the Institute's website at the weblink: *https://www.icsi.edu/student/cseet/cseet-e-bulletin/*

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

4. **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/*

5. **ICSI Conducted 8th Samadhan Diwas on Thursday, 9th September 2021**

   ICSI had organised 8th Samadhan Diwas on the topic **"Importance of Training in Professional life"** on Thursday, 9th September, 2021. The President, CS Nagendra D. Rao, along with The Vice President, CS Devendra V. Deshpande shared their views with the students on the importance of training in Professional life.

   Expert faculty, Dr. (CS) Akhil Prasad, Director, Country Counsel India and Company Secretary with Boeing India shared his expertise with students regarding goals setting and achievement of same through a systematic approach.

   In the second session, officials of the Directorate of Training took up the grievances of the students and resolved them.

   Students' grievances pertaining to the following areas were resolved by the officials of Directorate of Training:

   1. Pending registration in Classroom EDP, e-EDP, e-MSOP.
   2. Instant issue of sponsorship letters for Practical Training.
   3. Exemption related matters in Practical Training.
   4. Resolving the issues of Training Completion Certificate.

6. **Youtube links of the One Day free Programme for the students on the theme "Transforming Education" on 8th September 2021 are as follows:**

   https://www.youtube.com/watch?v=ALwlV7F8G-Y%29&feature=youtu.be

   https://www.youtube.com/watch?v=3at0hPYpIrA&feature=youtu.be

7. **Schedule of ICSI Classes at Regional/ Chapter offices for December 2021 session of Examination.**

   Details available on below link :
   https://www.icsi.edu/media/webmodules/Schedule_of_classes_for_DEC_21_session_at_RO_CHAPTERS.pdf

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

   Details available on below link :
   https://www.icsi.edu/media/webmodules/CSEET/Announcement%20_students_12th_20211.jpg

9. **Online Current Affairs and General Knowledge quiz 2021**

   Details available on below link :
   https://www.icsi.edu/all-india-online-current-affairs-gk-quiz-2021/

10. **All India Company Law quiz 2021 for CS Students**

    Details available on below link :
    https://www.icsi.edu/video-spice/

11. **CSEET (November 2021 session)**

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

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

    Recorded video lectures for students of the Institute are available at the below link:

    URL to login: https://el earning.icsi.in

    Login credentials are sent to all registered students at email.

    After successful login, go to "My courses" or "My Communities" section, where you will find the recorded videos and other contents

13. **Online CSEET classes**

    Online CSEET Classes are being conducted by Regional/Chapter Offices for the students appearing in CSEET to be held in November 2021

    Schedule of classes and contact of coordinators, is available at below link:
    https://www.icsi.edu/media/webmodules/websiteClassroom.pdf

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

    Details available on below link :
    https://www.icsi.edu/media/webmodules/granting_exemption_230621.pdf

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

Details available on below link :
https://www.icsi.edu/media/webmodules/Announcement_Concession_in_fees_in_case_of_death_of_parents.pdf

16. **Link of the Power packed Webinar held on 05th September 2021 at 11 a.m. on the occasion of Teacher's Day. Motivational session by IAS, Sweta Agarwal**

https://www.youtube.com/watch?v=RQ6yAhvUoUA

17. **Important Announcement for December 2021 Examination Enrolment**

Details available on below link :
https://www.icsi.edu/media/webmodules/IMPORTANT_ANNOUNCEMENT_FOR_DECEMBER_2021_EXAMINATION_ENROLLMENT.pdf

18. **Conduct of CBE for CS Foundation Programme, June-2021 Session on 11-12 September, 2021 in Lab / Centre Mode**

Details available on below link :
https://www.icsi.edu/media/webmodules/6.9.2021_IMPORTANT_EXAMINATION_ANNOUNCEMENT.pdf

***

Academics

- **Social Stock Exchange**
- **Big Tech Firms in Financial Services Sector - An Overview**
- **SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - A Brief Analysis**

SOCIAL STOCK EXCHANCE *

INTRODUCTION

The Hon'ble Finance Minister as part of the Budget Speech for FY 2019-20 had proposed to initiate steps towards creating a Social Stock Exchange (SSE), under the regulatory ambit of Securities and Exchange Board of India, for listing social enterprise and voluntary organizations. The Hon'ble Finance Minister as part of the Budget Speech for FY 2019-20 had announced as follows:

"It is time to take our capital markets closer to the masses and meet various social welfare objectives related to inclusive growth and financial inclusion. I propose to initiate steps towards creating an electronic fund raising platform- a social stock exchange-under the regulatory ambit of Securities and Exchange Board of India for listing social enterprises and voluntary organizations working for the realization of a social welfare objective so that they can raise capital as equity, debt or as units like a mutual fund."

Accordingly, SEBI constituted working group on Social Stock Exchange to examine and make recommendations with respect to possible structures and mechanisms, within the securities market domain, to facilitate raising of funds by social enterprises and voluntary organizations.

The report of working group on Social Stock Exchange was uploaded by SEBI for public comments on June 01, 2020. While analysing the comments received on this report, it was felt that further expert advice and clarity may be needed on certain critical operational issues before comprehensively firming up views in the matter. Accordingly, a Technical Group (TG) was constituted by SEBI on September 21, 2020, the report of which was uploaded by SEBI on its website on May 06, 2021 for public comments.

Key Dates pertaining to development of the concept of Social Stock Exchange in India		**Objective**
Constitution of Working Group	September 19, 2019	To examine and make recommendations with respect to possible structures and mechanisms, within the securities market domain, to facilitate raising of funds by social enterprises and voluntary organizations.
Report of the working group	June 1, 2021	
Constitution of Technical Group	September 21, 2020	To review and make recommendations on certain critical operational issue, in the context of the recommendations made by the Working Group on the Social Stock Exchange
Technical Group Report	May 06, 2021	
Submission of Public Comments on the Report of Technical Group	July 20, 2021 (Before extension, it was June 20, 2021)	

* *Directorate of Academics*

Views expressed in the Article may not express the views of the Institute.

The SSE initiative has played a key part in raising awareness with capital markets globally on sustainability issues, and in assisting members to transform their initiatives to include the SDGs in addition to the initial ESG imperatives. Under the leadership of the SSE, the number of stock exchanges providing guidance and training on ESG disclosure has increased year-on-year.

The SEBI report defines social enterprise as "a class or category of enterprises that are engaging in the business of 'creating positive social impact'", which are then categorised as NPOs and FPEs. It also recognises the necessity of treating NPOs differently from FPOs and developing innovative investment options for NPOs, separate from those available for FPEs. Institutional listing, with its emphasis on enhanced and continuous disclosure, will promote transparency and accountability. This would lead to strong, fair and impartial corporate governance practices for the social enterprises that list with the proposed SSE. Strict checks and balances would prevent undue influence and misappropriation of funds.

The Indian SSE, as this report suggests, supports innovative outcomes based financial instruments such as Pay for Success (PFS) bonds like social impact bonds or Development Impact Bonds (DIBs), zero coupon zero principal bonds and sovereign wealth funds, using which NPOs can finance their operations. For FPEs, the SEBI Report recommends that the SSE could popularise available funding options including the relatively mainstream equity funds and specialised social venture funds. These capital pooling options are highly underutilised in India, despite there being no legal or regulatory impediment on their use for this purpose.

GLOBAL OUTLOOK

Out of the eight SSEs, three are active (Canada, Jamaica, Singapore), one (India) is proposed and four (Brazil, Portugal, South Africa, UK) are no longer in operation. The following table shows the establishment of Social Stock Exchanges across the globe:

S. No.	Name of SSE	Year of Establishment	Country
1.	BOVESPA SSE	2003	Brazil
2.	UK SSE	2013	United Kingdom
3.	Social Venture Connexion (SVX)	2013	Canada
4.	Impact Investment Exchange (IIX)	2013	Singapore
5.	SASIX	2006	South Africa
6.	Jamaica SSE	2018	Jamaica

UK Social Stock Exchange (SSX) was developed to provide a platform to small and mid-cap companies (with a social impact lens) which were not able to raise sufficient capital through the stock exchanges on which they were listed. The UK SSX thus adopted the structure of a secondary listing platform through which investors could screen for impact-oriented organisations and invest in their securities through their listing on other stock exchanges. Similarly, Canada and Singapore viewed their SSEs primarily as tools to build and strengthen the impact investment ecosystem in these countries, rather than a wider platform to raise funds for all types of social organisations.

On the other hand, Jamaica is aiming to develop its overall social sector funding landscape and has therefore adopted an approach that seeks to help not-for-profit organisations access funding and assist for-profit social organisations access capital through the issuance of securities. The adoption of such an approach will lead to the development of separate markets and, by extension, separate exchange platforms for not-for profit and for-profit organisations.

Social stock exchanges' ability to cover their costs, as well as the experimental nature of early SSEs, were highlighted as relevant factors in SSE sustainability. Seven SSEs received philanthropic funding to conceptualize and kickstart operations, but this was often insufficient to finance operating costs as SSEs did not generate enough income through their fee structure, due to lack of scale and demand for their services.

NEED FOR SOCIAL STOCK EXCHANGE

Among the wide range of funding options available to the Social Enterprises, the need of alternative fund-raising structure has been proposed by the Government through listing of social enterprises and voluntary organizations with a social welfare objective, in Social Stock Exchange (SSE).

Social Stock Exchange (SSE) will aim at mitigating the economic damage caused by Covid-19 pandemic and this will need Social capital to rebuild the livelihoods of the people affected due to pandemic. Social Stock Exchange will aim at addressing the pressing problem, as it will unlock the large pools of social capital and enabling commercial capital to partner with Social capital.

The British Council Report observed that 32% of Indian social enterprises have seen a general lack of understanding among banks and financial organisations about their work and 20% reported a lack of awareness amongst community members about their goals, functions and objectives. The report also found that about 33% of Indian social enterprises felt that their limited networks act as a barrier to accessing investors.

SSEs would help improve visibility and knowledge, among all stakeholders, especially funders, issuers and customers, about the contributions of social enterprises to the economy. They would also establish procedures to standardise social finance transactions, build awareness about the needs and challenges of this sector and develop social capital. These stock exchanges would bridge the funding gap for social enterprises and enable a growth of strong professional networks of investors and subject matter experts in order to guide social enterprises. They therefore create the necessary social investment ecosystem for enterprises and investors, whose objective is to generate maximum positive social impact and place environmental, social and governance (ESG) features within the pursuit of profits and growth. Environmental features cover Resource Conservation, environmentally sustainable working practices; Social features cover privacy, data protection, employee welfare etc. and Governance features cover board diversity, conflicts of interest resolution mechanism, independent oversight of management etc.

Rationale behind a Social Stock Exchange (SSE)

The rationale for an SSE is multipronged. Most importantly, the public provision of essential services can be further improved, and private sector and non-profit sector provision can play a significant role in closing the gap. The SSE is meant to serve these private and non-profit sector providers by channeling greater capital to them. To take just three examples – education, health and agriculture – the potential of high-quality private and non-profit sector led provision becomes obvious. SSEs act as a link between social entrepreneurs in need of capital and investors prepared to put their money into them. SSE is a platform enabling social entrepreneurs to trade their shares after going through checks, financial and social audits.

The Human Development Index, which brings together the three dimensions of education, health and income to produce a comprehensive measure of a country's development achievements, ranks India 129 among 189 countries for the year 2019. It is clear that India can benefit greatly from more funding to the social sector, which cares explicitly about creating sizeable and measurable impact. This will support the government in achieving its sector development outcomes.

JOURNEY OF SOCIAL STOCK EXCHANGE IN INDIA

Constitution of Working Group

A working group on Social Stock Exchanges under the chairmanship of Shri Ishaat Hussain (Director SBI Foundation and Ex-Director (Finance) Tata Sons Limited was constituted by SEBI to examine and make recommendations with respect to possible structures and mechanisms, within the securities market domain, to facilitate raising of funds by social enterprises and voluntary organizations.

The report of working group on Social Stock Exchange was uploaded by SEBI for public comments on June 01, 2020. It covers the modalities for creating a Social Stock Exchange that will serve as a platform for fundraising and also incorporate a set of procedures by which social impact will be measured and reported.

As per report, the SSE can be housed within the existing stock exchange such as the Bombay Stock Exchange (BSE) and/or National Stock Exchange (NSE). This will help the SSE leverage the existing infrastructure and client relationships of the exchanges to onboard investors, donors, and social enterprises (for-profit and non-profit).

Players in Social Stock Exchange

The universe of enterprises that create social impact is vast and consists of a variety of legal forms. These can broadly be categorized as under:

For-profit enterprises (FPEs)	Non Profit Organisations (NPOs)
Companies registered under the Companies Act	Section 8 companies
sole proprietorships	Trusts and Societies
partnership firms	
HUFs and limited liability partnerships	

The key difference between these two categories is that they source different kinds of capital. **Specifically, FPEs can raise equity while NPOs cannot.**

Equity is a residual claim for the owner, i.e., it is a claim on profits. This means that the owners of an FPE can reasonably expect some financial gain. NPOs do not generate profits and therefore cannot issue equity.

A caveat here is that Section 8 companies are allowed to organize on a share basis, and therefore can issue equity. However, the shares do not represent a residual claim on the Section 8 Company's profits, as the law prevents dividends from being paid out to shareholders.

At present, India has a number of conduits through which the social sector receives funding. These are both new (CSR, Impact investing, Socially Responsible Investing or SRI, etc.) and old (philanthropy, government agencies, etc.) and they work to varying degrees of effectiveness. Enabling these diverse channels to come together on a common platform and introducing uniform frameworks in reporting, measurement and standards can represent an important step forward in development of this sector. This is where the SSE has a big role to play.

Ineligible Entities	
	i. Corporate foundations that are primarily funded by a parent corporate entity or a group of corporate entities.
	ii. Political or religious organisations or activities
	iii. Professional or trade associations.
	iv. Infrastructure companies and housing companies (other than affordable housing companies).

Social enterprises would be eligible for listing through an independent assessment of their (i) commitment to address social problems (ii) capacity to generate and report impact, and (iii) ability to manage funds. This due diligence should be supported by a continuous monitoring of fund utilisation by these enterprises. It is, however, important to recognise the nascency of the Indian social sector and the need to develop satisfactory social reporting, impact evaluation and social audit capabilities among different actors. To this end, the SEBI report recommends a 'self-declaration' model for social enterprises in the immediate term. Any entity that declares an intent to create a social impact and commits to measuring and reporting that impact is considered a social enterprise.

The Working Group report has provided the following two primary roles of SSE

a) To effectively deploy the fund raising instruments and structures available under the regulatory guidelines towards social enterprises:
   - For FPEs: Equity and Social Venture Funds(SVFs)[1]
   - For NPOs: zero coupon zero principal bonds[2], SVFs, Mutual Funds (MFs),various pay-for-success structures, other securities and units that may evolve
   - For Section 8 Companies: Equity and Debt

b) To foster overall sector development by creating a capacity building unit which will be responsible for:

1 *Social Venture Funds (SCFs) are funds investing in early-stage social enterprises to expand opportunity for people living in poverty.*

2 *Zero Coupon Bonds is a debt security that does not pay interest but instead trades at a deep discount, drawing a profit at maturity, when the bond is redeemed for its full face value.*

- Encouraging the setting up of a Self-Regulatory Organization (SRO) that will bring together existing Information Repositories (IRs), in the immediate term for extending requisite support to SSE
- Implementing the reporting standard for all social enterprises that benefit from the SSE.
- Operating the "capacity building fund" for enhancing reporting capabilities by NPOs (particularly the smaller NPOs). Creating awareness and driving adoption of this fund among NPOs, philanthropists, and donors.
- Actively raising awareness and promoting the fundraising instruments/ structures available on the SSE among social enterprises and non-profit organisations

Both these roles are equally important to ensure that the SSE makes a meaningful impact.

The working group report defines 'Social Enterprise' as an enterprise that is engaged in the business of 'creating positive social impact'. It also envisages a minimum reporting standard wherein Social Enterprise voluntarily submits a report and measures their intent to create social impact. The definition is bound to multiple interpretation and vests the decision of identifying as social enterprise to the enterprise itself based on self-declaration approach.

Key Recommendations of the Working Group for NPOs

- Non- profit organizations can directly list on SSE through issuance of zero coupon zero principal bonds.
- A range of funding mechanisms have been recommended including some of the existing mechanisms such as SVFs and Mutual Funds.
- Common minimum standards for reporting on social impact have been suggested for FPEs and NPOs. Impact is measured from the perspective of the beneficiary. This would help create some uniformity in impact reporting, which can support decision-making for donors.
- Common minimum standards for reporting on governance and financials have been suggested. The suggested framework includes general information, governance, funding, and legal and statutory filings/reports.
- Develop new institutions that provide sector-level infrastructure have been recommended. The SSE should encourage the setting up of a Self-Regulatory Organization (SRO) that will bring together existing Information Repository (IRs) such as GuideStar, DARPAN, and Credibility Alliance.

  (IRs, which are necessary because of the dire lack of robust information on NPOs, unlike in the for-profit sector. IRs would work on enumeration of NPOs, their activities and areas of operation as well as for standardization and verification IRs can play an important role in building confidence in NPOs by providing credible and standardized information about them. They can also act as a "feeder" to the SSE by helping players on the SSE access additional opportunities to fund high-quality NPOs.)
- Allowing funding to NPOs on SSE to count towards CSR commitments of companies has been recommended. The Ministry of Corporate Affairs (MCA) may authorize the trading of CSR spends between companies with excess CSR-spends and those with deficit CSR-spends, and the SSE can provide a platform for this purpose.

Key Recommendations of the Working Group for FPEs

- FPEs will use the SSE to raise equity capital. They will, therefore, list on the SSE, which will be a segment of an existing high-turnover stock exchange such as the BSE and/or NSE.
- The equity instruments will be tradeable. Listing criteria will apply for FPEs, just as they apply for for-profit conventional enterprises who list on the main board of the BSE or NSE. However, there is a critical difference between for-profit social enterprises (FPEs) and for-profit conventional enterprises – the former will also be performing social impact reporting according to the minimum reporting standard outlined in the report. In other words, FPEs will have to demonstrate that they are in the business of "creating positive social impact". This will enable them to access a kind of capital that conventional for-profit enterprises do not have access to.
- Association of FPEs with SSE must not be based only on self-reporting. To ensure that only bonafide FPEs are able to associate with SSE, SEBI, in consultation with the existing specialist entities, should work out a mechanism for assessing credentials of the social impact dimensions self-declared by the FPEs.
- FPEs will also be able to raise funds using funding structures such as SVFs. In order to kickstart activity on the SSE for FPEs, the report recommended tax incentives to investors (such as exemptions from the Security Transactions Tax and Long Term Capital Gains Tax) and tax relief to FPEs (for 5 years).

Constitution of Technical Group

While analysing the comments received on Working Group report, it was felt that further expert advice and clarity may be needed on certain critical operational issues before comprehensively firming up views in the matter.

Accordingly, SEBI constituted a Technical Group (TG) on September 21, 2020 under the chairmanship of Dr. Harsh Kumar Bhanwala (Ex – Chairman - NABARD). The report of technical group was uploaded by SEBI on its website for public comments on May 06, 2021. The comments to be submitted to SEBI latest by July 20, 2021.

This Technical Group report seeks to put the dots and dashes to the high level recommendations made by the WG. The broad operational structure provided herein will go a long way in enabling SEBI to build robust and adequate framework to kick-start the Social Stock Exchange. Taking the Working Group Report ahead this Technical Group deliberated at length on the various aspects such as determining what constitutes an eligible Social Enterprises for SSE through primacy of social impact, enabling on-boarding of social enterprises on SSE, and detailing their disclosure norms. The Technical Group also deliberated on aspects related to ecosystem development, especially on Social Auditors.

Terms of reference (ToR)

The broad terms of reference of the Technical Group were to review and make recommendations on the following matters, in the context of the recommendations made by the Working Group on the Social Stock Exchange (SSE):

Article

i. Framework for on-boarding and regulating non-profit organizations (NPOs) and for-profit social enterprises (FPEs) on the SSE including defining for-profit social investing/enterprises

ii. Standardizing reporting and disclosure requirements for NPOs and FPEs on the SSE including financial reporting, governance & operational performance and social impact.

iii. Scope of work, eligibility criteria and regulation of social auditors, other intermediaries such as information repositories and, their necessary SROs.

iv. Further evolution and growth of social auditors

Key Recommendations made by the Technical Group

i. Social Enterprises (SE), eligible to participate in SSE, shall be entities (Non – Profit Organization- NPO and For-Profit Social Enterprise (FPE) having social intent and impact as their primary goal. The primacy is to be determined through application of the following filters:

- SE should be engaged in at least one of the 15 broad eligible activities
- SE should target underserved or less privileged population segments or regions
- SE shall have at least 67% of its activities qualifying as eligible activities to the target population

ii. To inculcate a cultural shift towards a disclosure based regime, TG has recommended prior registration of NPOs with SSE before fund raising. The registration criteria for NPOs include parameters such as minimum annual spending and receipts, valid IT registration certificate etc.

iii. The instruments/ mode of raising finance recommended i) for NPOs include equity, Zero Coupon Zero Principal bonds, Mutual Funds, Social Impact Funds, and Development Impact Bonds ii) for FPEs include equity, debt, social impact funds, and development impact bonds.

iv. All SEs on SSE will be required to make disclosure of social impact on annual basis comprising of strategic intent and planning, approach and the impact scorecard.

v. A Capacity Building Fund (CBF) of Rs. 100 Crores may be instituted to enable NPOs and other stakeholders to navigate the SSE and its processes, instruments etc. apart from creating awareness.TG recommends that the CBF can be housed in NABARD as an administrative fund.

vi. In respect of Social Auditors (SA), TG recommends that to begin with only reputed firms/institutions having relevant expertise shall be allowed to carry out social audits. Such institutions will employ social auditors who have qualified certification course conducted by NISM. Social Auditors will be required to be empanelled with an SRO which is proposed to be under ICAI as a separate Sustainability Directorate.

vii. In order to make Social Venture Funds (SVF-a type of Cat-I AIF) as an attractive means for investment in NPOs, the TG has recommended that a new form of SVF may be set up allowing 100% grants-in, grants-out. TG has also recommended that reference to "muted" returns in the AIF Regulations may be removed and the nomenclature of Social Venture Funds may be changed to 'Social Impact Funds'.

Reporting on Social Impact - Annual Impact Report

Social Stock Exchange (SSE) will recognize For-profit social enterprise (FPEs) and non-profit social enterprises (NPOs) differently, as they operate in different ways with different financial needs. Yet, common minimum standards for reporting have been proposed for all enterprises under the Social Stock Exchange. These standards will require the enterprises to report on social impact, governance, and financials.

Social enterprises, whether FPEs or NPOs, that seek to raise funds through Social Stock Exchange (SSE), need to report under minimum reporting standard. This reporting requirement will help the stakeholders of the report to capture the performance of these organization and to check whether they are genuinely working towards creating social impact.

Apart from the disclosures on general, governance and financial aspects (which differ for NPOs and FPEs), both the FPE and the NPO, once they have their securities listed (or once the NPO has registered with an exchange but chooses not to list), will have to produce an Annual Impact Report (AIR). This report is to capture the qualitative and quantitative aspects of the social impact generated by the entity, and where applicable, that generated by the project or solution the security is meant to fund. If the NPO is registered without listing any security, the AIR must cover the NPO's significant programs or projects during the year, and the methodology for determination of significance must be explained. Additionally, if there is a program covered under a listed security, it will qualify as a significant program.

Aspects to be covered under Annual Impact Report

1. What is the social or environmental challenge the organization and/or the instrument listed is addressing? Has this changed in the last year?
2. How is the organization attending to the challenge or planning to attend to the challenge? Has this changed in the last year?
3. Who is being impacted (target segment)? Has this changed in the last year?
4. What will be the outcomes of the solution/program? Disclosure should include positive and potential unintended negative outcomes.

CONCLUSION

The Hon'ble Finance Minister's bold vision of a Social Stock Exchange could not have come at a more opportune time for India. In a country whose policy makers have always striven to create economic prosperity for all, the seeds of a form of capital that would prioritize social returns over financial returns have always been present in the policymaker's conception of Indian business and enterprise. It is no wonder then that India is the only country in the world to have mandated a Corporate Social Responsibility role for its private enterprises, and that it is also one of the world's fastest growing impact investing destinations. Yet, much more can and should be done. India's economic imperative is to feed, clothe, educate and empower more than a billion people, in ways that conserve and grow its natural, cultural and social heritages. It cannot expect to accomplish this lofty objective on the strength of conventional commercial capital alone. If that were possible, India would not be home to over 3 million non-profit organizations who are working tirelessly to close the capabilities gap for hundreds of millions of Indians. These NPOs must receive adequate financial assistance to continue and multiply their stalwart efforts. They represent the core of the Hon'ble Finance Minister's vision for a new form of enterprise in India, one in which the entrepreneur is an agent of positive social impact more than anything else.

References:

- **Report of Working Group on Social Stock Exchange is available at** https://www.sebi.gov.in/reports-and-statistics/reports/jun-2020/report-of-the-working-group-on-social-stock-exchange_46751.html
- **Report of Technical Group on Social Stock Exchange** https://www.sebi.gov.in/reports-and-statistics/reports/may-2021/technical-group-report-on-social-stock-exchange_50071.html
- https://www.samhita.org/wp-content/uploads/2021/03/India-SSE-report-final.pdf
- https://sseinitiative.org/wp-content/uploads/2019/12/SSE-10-year-impact-report.pdf
- https://www.theindiaforum.in`/article/social-stock-exchanges-india-sebi-s-promise

***

Article

BIG TECH FIRMS IN FINANCIAL SERVICES SECTOR - AN OVERVIEW*

INTRODUCTION

Now a days Google providing Application Programming Interfaces (APIs), to allow its users to book Fixed Deposits (FDs) through Google Pay. Equitas Small Finance Bank (SFB) launched a unique fixed deposit scheme that can be booked through the Google Pay app in an instant, much like buying a shirt from an online marketplace. Consumers can book high-interest rate FDs fully digitally through the Google Pay app - without needing to open a savings account with Equitas Bank on its own Spot integrated with the Google Pay platform. On maturity, principal and interest of the FD go directly to the Google Pay user's existing bank account - which could be in any bank across the country.

Fintech is a combination of financial and technology. It is used to help companies, business owners and consumers to manage their financial operations, processes, and lives by utilizing specialized software and algorithms that are used on computers and, increasingly, smartphones.

Government demonetisation move gave a boost to the fintech ecosystem in India, especially in terms of supply chain. People of our country became aware about the cashless transactions during that period when cash was not available. The high speed mobile data and smartphones helped in digital transactions and more people began transacting digitally. That was the seed of the fintech ecosystem in India. Earlier people were not comfortable in online payments but after demonitisation they were bound to use other mode of transactions. Now digital mode of payments is famous not only in big cities even in rural India also. Many Indian startups emerged and provide the fintech services to the country but the major portion of the payment system in India is captured by the big tech firms.

Role of Big Tech Firms in Financial Sector

India has emerged as one of the biggest fintech hubs in the world as new-age companies leveraged technology to change the way people and businesses avail banking and financial services. Five information technology firm such as Google, Amazon, Facebook, Apple and Microsoft are together called Big Tech firms as they hold maximum market share in the world and their market capitalisation ranging between $1 trillion and $2 trillion, each. They offer a wide range of digital financial services like lending, analytics, customer onboarding, and security and have a substantial footprint in the payment systems. Some of the other digital financial services are crowdfunding, asset management, banking and insurance of several advanced and emerging market economies. The main focus of the tech giants is on digital payments market after online transactions surged amid the pandemic.

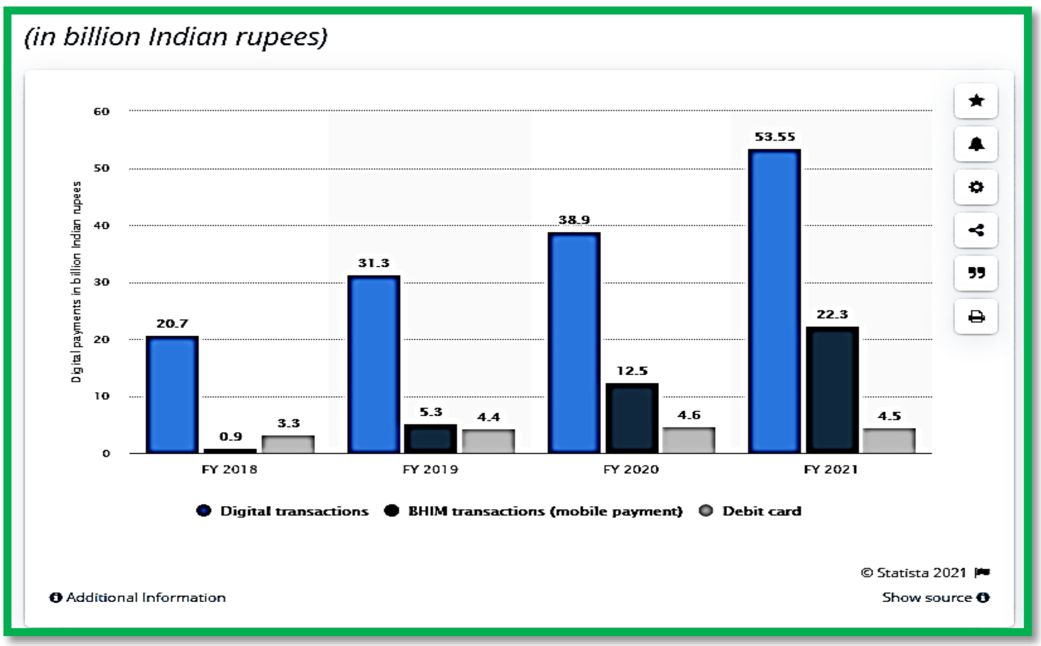
* *CA Sarika Verma, Assistant Director, The ICSI*

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

Benefits of Fintech for Customers

Total value of digital payments in India from financial year 2018 to 2021, by transaction type

Risks Associated with Fintech are:



Source: https://www.statista.com/statistics/1196776/india-digital-payments-by-transaction-type/

Fintech is beneficial for the banks as well as for customers. Still big techs present at least three unique challenges, which are as fellow:

(i) First, they straddle many different (non-financial) lines of business with sometimes opaque overarching governance structures.

(ii) Second, they have the potential to become dominant players in financial services.

(iii) Third, big techs are generally able to overcome limits to scale in financial services provision by exploiting network effects.

Global public debt rose to an all-time high as the pandemic-induced decline in government revenues and increased spending to support growth-oriented policies and other pandemic related measures led to a sharp increase in fiscal gaps.

Aggregate public and private debt for a sample of 61 countries rose by USD 24 trillion in 2020 alone making up over a quarter of the USD88 trillion rise over the past decade. The pandemic also took its toll on private sector and household indebtedness and the debt of the private non-financial sector stood at USD 214 trillion in 2020, up from USD 194 trillion in 2019.

Concerns & Steps Taken by The Reserve Bank of India

RBI's concerns have been intensified around a level playing field with banks, operational risk, too-big-to fail issues, challenges for antitrust rules, cyber security and data privacy. For central banks and financial regulators, financial stability objectives may be best pursued by blending activity and entity-based prudential regulation of big techs (an activity-based approach is already applied in areas such as Anti-Money Laundering (AML) /Combating the Financing of Terrorism (CFT). An activity-based approach is the provision of cloud services, where minimising operational and in particular, cyber risk is paramount. Furthermore, as the digital economy expands across borders, international coordination of rules and standards becomes more pressing.

Over the years, the Reserve Bank has taken several measures for improving customer service and grievance redress in banks. With increasing number of complaints received in the offices of the Banking Ombudsman, the need was felt to strengthen the existing mechanism. Accordingly, with effect from January 27, 2021 a comprehensive framework for dealing with customer grievances was implemented which comprises:

> The RBI emphasised that the best ways for financial regulators and global central banks to supervise these companies is by setting down an international standard based on coordination of rules.

(a) enhanced disclosures on customer complaints;

(b) monetary disincentive in the form of recovery of cost of redress of complaints from banks when maintainable complaints are comparatively high; and

(c) intensive review of the grievance redress mechanism and supervisory action against banks that fail to improve their redress mechanism in a time bound manner.

The cyber threat landscape for the financial system in India is continuously evolving, with new vulnerability exploits, attack vectors and threat groups emerging regularly. The year 2021 has so far seen attempts to target the payment ecosystem of the country by adopting multiple modus operandi, including the theft of payment card credentials and compromise of ATM infrastructure. In response, the Reserve Bank has issued advisories/alerts to mitigate their impact and is also working more intensively with supervised entities to strengthen their cyber security resilience.

The Computer Security Incident Response Team for the Financial Sector (CSIRT-Fin) under The

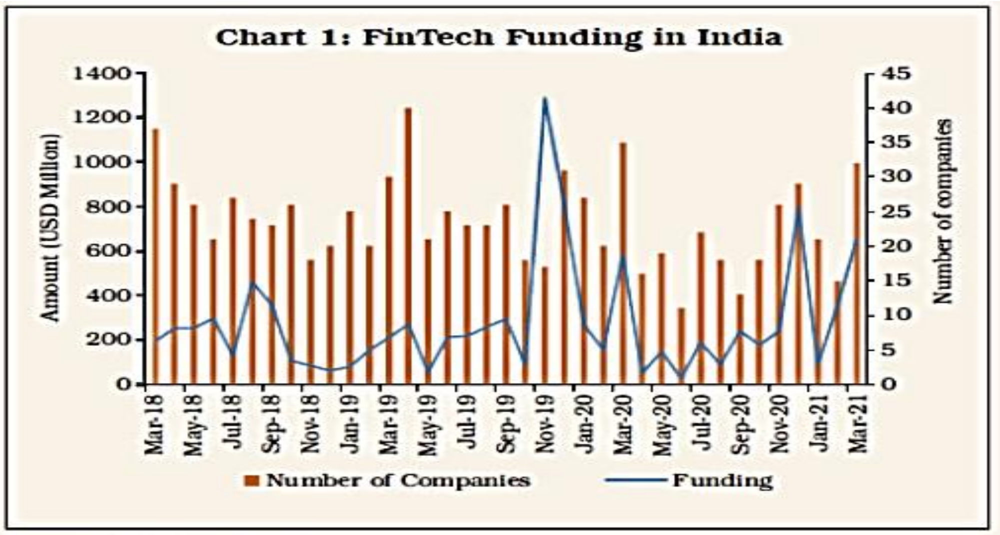
Indian Computer Emergency Response Team (CERTIn) issued various early warning threat intelligence alerts in near real time to enable mitigation of attacks by the financial sector organisations. CERT-In has on-boarded 158 financial sector organisations in the Cyber Swachhta Kendra to track vulnerable services and malware infections in their respective networks and has been conducting regular cyber security drills / exercises for capacity building.

During July 2020-March 2021, 178 e-BAAT programmes were conducted by the regional offices.

e-Baat Programmes and Awareness Campaigns- The Reserve Bank has been conducting electronic Banking Awareness And Training (e-BAAT) programmes regularly for the benefit of cross-section of customers / bankers / students / public. The aim of these programmes was to educate the masses to move their focus of payments from physical presence of money to electronic money payments through various forms.

LATEST TREND

The payment systems recorded a robust growth of 26.2 per cent in terms of volume during 2020-21 on top of the expansion of 44.2 per cent in the previous year. In terms of value, the contractionary trend which started in the previous year (-1.2 per cent) got further amplified and witnessed a drop of 13.4 per cent, mainly due to lower growth observed in the large value payment system, *viz.,* Real Time Gross Settlement (RTGS) system and decrease in transactions of paper based instruments. The decline in value of transactions in RTGS is largely attributable to the subdued economic activity. The share of digital transactions in the total volume of non-cash retail payments increased to 98.5 per cent during 2020- 21, up from 97.0 per cent in the previous year.



Source: Tracxn. 2021

Source : https://rbi.org.in/scripts/AnnualReportPublications.aspx?Id=1322

Some of the Latest Products of Big Tech Firms

(i) Google has also tied up with small lenders for opening of time deposits. It already offers wealth management products such as digital gold, mutual funds on Google Pay.

(ii) Amazon.com also recently invested in fintech startup Smallcase Technologies, in what was its first investment in wealth management.

(iii) Facebook recently announced that it would roll out its small business loan programme that offers loans through a partner to firms that advertise on its platform. It said that India would be the first country where it rolls out the programme. The loans offered would range from around $6,822 to $68,229 (Rs. 5-50 lakh approx). Interest rates of 17-20 per cent will be levied, potentially without collateral.

(iv) Xiaomi India also said that the company plans to offer loans, credit cards and insurance products in partnership with some of the country's biggest lenders and startup digital lenders.

CONCLUSION

With rapid progress of technology and advent of new developments and innovations in the payments ecosystem, the Reserve Bank of India has enhanced its focus on safety and security of payment systems in India. The Reserve Bank of India also continued its efforts to nurture efficiency, innovation, competition, customer protection and financial inclusion. Implementation of round-the-clock RTGS within a short timeline was a momentous milestone in this journey.

The fintech industry continues to expand at a rapid pace in wake of the COVID-19 pandemic. The fintech market in India was approximated at around Rs. 1,920.16 billion in 2019 and is expected to reach Rs. 6,207.41 billion by 2025, growing at a CAGR of 22.7 percent.

The National Payments Corporation of India (NPCI) which owns UPI in November 2020 had introduced a market share-capping rule for third party apps on UPI where no single company could have a volume exposure of greater than 30% in any given quarter from 2022.

Recently, South Korea's National Assembly approved the passage of its "Anti-Google Law" on 31 August. The legislation, named after Google but with a broader scope, will bar Alphabet company and Apple from compelling developers to adopt their in-app billing systems when developing apps for their two market-dominating app stores.

Government need to enact legislation to giving a level playing field to fintech firm for smooth operation in the country as well as provide protection to citizen in processing "sensitive personal data" such as financial data Keeping in view the trust, transparency, security breaches etc.

REFERENCES:

1. *https://www.rbi.org.in/Scripts/AnnualReportMainDisplay.aspx*
2. *https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51832*
3. *https://www.businesstoday.in/latest/economy/story/facebook-xiaomi-amazon-google-eye-indias-digital-loan-market-305538-2021-08-31*
4. *https://yourstory.com/2021/03/role-fintech-shaping-post-pandemic-business/amp*

***

SEBI (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021 - A BRIEF ANALYSIS*

BACKGROUND

SEBI (Issue of Sweat Equity) Regulations, 2002 ("Sweat Equity Regulations") and SEBI (Share Based Employee Benefits) Regulations, 2014 ("SBEB Regulations") were notified on September 24, 2002 and October 28, 2014 respectively. The Sweat Equity regulations provided framework for issuance of Sweat Equity shares by listed companies and the SBEB Regulations provided framework to regulate Employee Stock Option Scheme, Employee Stock Purchase Scheme and other share based employee benefits.

Further, to improve ease of doing business from a regulatory perspective, it was observed that, both the SBEB Regulations and the Sweat Equity Regulations regulate employee benefits arising out of and relating with the equity shares of listed companies, thus the possibility of merging both such regulations may be explored.

Accordingly, the SEBI constituted the Expert Group to analyze the above proposals, and to provide its recommendations on the following:

- Revisiting the framework of SBEB regulations and suggesting policy change thereto
- Revisiting the framework of SEBI Sweat equity regulations vis-à-vis the Companies Act, 2013 and suggesting policy changes thereto
- Suggesting, whether it is advisable to combine both the regulations and if so, providing a draft of combined regulations

The changes in the two regulations and their merger into a single regulation were approved by SEBI in the Board Meeting held on August 06, 2021. Thereafter, the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (herein referred as "New Regulations") have been notified and become effective on August 13, 2021. Pursuant to this, the SEBI (Share Based Employee Benefits) Regulations, 2014 and SEBI (Issue of Sweat Equity) Regulations, 2002 (herein referred as "Erstwhile Regulations") stand repealed.

* *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.

Key highlights of the changes under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

1. Definition of "employee" [Regulation 2(1)(i)]

As per the Erstwhile Regulations	As per the New Regulations
Employee Means a **permanent** employee of the company who has been working in India or outside India; or a director of the company, whether a whole time director or not but excluding an independent director; or an employee as defined in clause (i) or (ii) of a subsidiary, in India or outside India, or of a holding company of the company	Employee, except in relation to issue of sweat equity shares, means — an employee as designated by the company, who is exclusively working in India or outside India; or a director of the company, whether a whole-time director or not, **including a non-executive director who is not a promoter or member of the promoter group,** but excluding an independent director; or an employee as defined in sub-clauses (i) or (ii), **of a group company including subsidiary or its associate company,** in India or outside India, or of a holding company of the company
Rationale behind the Change	
To include employees who are working on non-permanent basis like contractual employees, "gig workers" and employees on probation or deputation. To include clarification on inclusion of a non-executive director (who is not a promoter or member of the promoter group). In the erstwhile regulations, the employees of only holding and subsidiary companies were eligible for the grant of employee stock options or other employee benefits. Now, as per the new Regulations, the employees of group Companies as well as associate companies are also eligible for the grant of employee stock options or other employee benefits.	

2. Definition of "Grant Date" [Regulation 2(1)(q)]

As per the Erstwhile Regulations	As per the New Regulations
"grant date" means the date on which the compensation committee approves the grant.	**"grant date" means the date on which the compensation committee approves the grant.** ***Explanation,*** **—For accounting purposes, the grant date will be determined in accordance with applicable accounting standards**
Rationale behind the Change	
An explanation has been inserted to clarify that for the accounting purposes, grant date will be determined in accordance with applicable accounting standards.	

Article

3. Implementation of the Scheme through Trust [Regulation 3(1)]

As per the Erstwhile Regulations	As per the New Regulations
A company may implement schemes either directly or by setting up an irrevocable trust(s). Provided that if the scheme is to be implemented through a trust the same has to be decided upfront at the time of taking approval of the shareholders for setting up the schemes:	A company may implement a scheme either directly or by setting up an irrevocable trust. Provided that if the scheme is to be implemented through a trust, the same has to be decided upfront at the time of taking approval of the shareholders for setting up the scheme. **Provided further that if prevailing circumstances so warrant, the company may change the mode of implementation of the scheme subject to the condition that a fresh approval of the shareholders by a special resolution is obtained prior to implementing such a change and that such a change is not prejudicial to the interests of the employees.**
Rationale behind the Change	
Flexibility has been accorded to the companies to switch routes (from trust to direct route or vice versa), subject to the approval of the shareholders by special resolution, subject to the condition that such switch is not prejudicial to the interests of the employees.	

4. Compensation Committee [Regulation 5(2)]

As per the Erstwhile Regulations	As per the New Regulations
The compensation committee shall be a committee of such members of the board of directors of the company as provided under section 178 of the Companies Act, 2013, as amended or modified from time to time.	The compensation committee shall be a committee of such members of the Board of Directors of the company **as provided under regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time:** **Provided that a company may also opt to designate its nomination and remuneration committee as the compensation committee for the purposes of these regulations.**
Rationale behind the Change	
Flexibility has been given to designate Nomination and Remuneration Committee (NRC) of a company as the Compensation Committee. Since a listed company is already required to have an NRC in terms of Regulation 19 of SEBI (LODR) Regulations. The requirements	

of constitution of the compensation committee can be made part of the NRC, without the requirement to set up a separate committee.

5. Utilization of Fund/ Shares held by Trust in case of Winding Up of the Scheme [Regulation 8]

As per the Erstwhile Regulations	As per the New Regulations
In case of winding up of the schemes being implemented by a company through trust, the excess monies or shares remaining with the trust after meeting all the obligations, if any, shall be utilised for repayment of loan or by way of distribution to employees as recommended by the compensation committee.	In case of winding up of the schemes being implemented by a company, the excess monies or shares remaining with the trust after meeting all the obligations, if any, shall be utilised for repayment of loan or by way of distribution to employees **or subject to approval of the shareholders, be transferred to another scheme under these regulations, as recommended by the compensation committee.**
Rationale behind the Change	
The assets of the trust are acquired and earmarked for the benefit of the employees of the company. If any surplus remains with the trust upon winding up, an option has been provided for deferring the utilisation of such funds or using it for the benefit of employees through a different scheme. Accordingly, transfer of shares or monies held by such trust upon winding up should be permitted to be transferred to one or more existing share-based employee benefit schemes, subject to approval of shareholders for such transfer.	

6. Applicability of Minimum Vesting Period in case of Death/ Permanent Incapacity [Regulation 9(4)]

As per the Erstwhile Regulations	As per the New Regulations
In the event of death of the employee while in employment, all the options, SAR or any other benefit granted to him under a scheme till such date shall vest in the legal heirs or nominees of the deceased employee.	In the event of death of the employee while in employment, all the options, SAR or any other benefit granted under a scheme **to him/her till his/her death shall vest, with effect from the date of his/her death,** in the legal heirs or nominees of the deceased employee, as the case may be.
Rationale behind the Change	
To have a more lenient view in the special circumstances of death or permanent incapacity, and permit vesting immediately in such circumstances.	

7. Certificate from Auditor [Regulation 13]

As per the Erstwhile Regulations	As per the New Regulations
In the case of every company that has passed a resolution for the schemes under these regulations, the board of directors shall at each annual general meeting place before the shareholders a certificate from the auditors of the company that the scheme(s) has been implemented in accordance with these regulations and in accordance with the resolution of the company in the general meeting.	In the case of every company which has passed a resolution for the scheme(s) under these regulations, the Board of Directors shall at each annual general meeting place before the shareholders a certificate from **the secretarial auditors of** the company that the scheme(s) has been implemented in accordance with these regulations and in accordance with the resolution of the company in the general meeting.
Rationale behind the Change	
There was no clarity in Erstwhile Regulations with regards to whether the certificate should be provided by the statutory auditor, internal auditor or secretarial auditor. Now, under the new Regulations, the audit certificate referred to under Regulation 13 should be procured from such secretarial auditor as **the secretarial auditor (being an independent practising company secretary)** is more conversant with these laws compared to other categories of persons and secretarial auditor is also required under Regulation 24A of the LODR Regulations, to furnish a secretarial audit report on an annual basis. The Institute of Company Secretaries of India (ICSI) has sent a specific request letter to the SEBI dated January 25, 2021, requesting the SEBI to authorise company secretaries in practice to provide the applicable certification under Regulation 13 of the SBEB Regulations.	

8. Objective/ Purpose for the Issue of Sweat Equity Shares [Regulation 30]

As per the Erstwhile Regulations	**As per the New Regulations**
A company whose equity shares are listed on a recognized stock exchange may issue sweat equity shares in accordance with Section 79A of Companies Act, 1956 and these Regulations to its– (a)Employees (b)Directors	A company whose equity shares are listed on a recognised stock exchange may issue sweat equity shares **in accordance with section 54 of the Companies Act, 2013 and these regulations to its employees for their providing know-how or making available rights in the nature of intellectual property rights or value additions, by whatever name called.**

Rationale behind the Change
As the Erstwhile Regulations did not specify permissible purpose/objective for issuance of sweat equity shares, as are provided under the Companies (Share Capital and Debentures) Rules, 2014 (applicable only to unlisted companies). Since the purpose of issuance was not provided, the listed companies were not clear as to whether issuance of sweat equity shares was entirely discretionary or permitted only for certain purposes/objectives. Now, to streamline the same, the Objective/ purpose for the issue of sweat equity shares has been specified under the new Regulations.

9. Maximum quantum of Sweat Equity Shares [Regulation 31]

As per the Erstwhile Regulations	As per the New Regulations
	A company shall not issue sweat equity shares for more than fifteen percent of the existing paid-up equity share capital in a year: **Provided that the issuance of sweat equity shares in the company shall not exceed twenty five percent of the paid-up equity share capital of the company at any time:** **Provided further that a company listed on Innovators Growth Platform shall be permitted to issue not more than fifteen percent of the paid-up equity share capital in a financial year subject to overall limit not exceeding fifty percent of the paid-up equity share capital of the company, up to ten years from the date of its incorporation or registration.**
Rationale behind the Change	
The erstwhile Regulations did not specify a maximum limit on the quantum of sweat equity shares that may be issued by a company. This is provided under the Companies (Share Capital and Debentures) Rules, 2014 (applicable only to unlisted companies). In a view of the same, SEBI has specified the maximum limit upon the quantum of sweat equity shares that may be issued by a company.	

10. Lock In Period for Sweat Equity Shares [Regulation 38]

As per the Erstwhile Regulations	As per the New Regulations
The Sweat Equity shares shall be locked in for a period of three years from the date of allotment.	The sweat equity shares shall be locked in for **such period of time as specified in relation to a preferential issue under the SEBI (Issue**

	of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time.
Rationale behind the Change	
It was considered that the lock-in period of 3 years provided under the erstwhile Regulations which was having an adverse impact on the attractiveness of sweat equity shares. Therefore, the suitable changes with regards to the lock-in period have been made with a view that the lock-in period should be consistent with the lock-in period prescribed in relation to preferential issue under the ICDR Regulations. Therefore, the Lock-in period for the Sweat Equity shares shall be 3 years from the date of allotment of shares in case such shares are allotted to promoters or promoter groups. However, in case where the shares are issued to any person other than promoters and promoter group, the shares shall be locked in for a period of 1 year.	

References

1. *https://www.sebi.gov.in/reports-and-statistics/reports/jul-2021/consultation-paper-on-review-of-sebi-share-based-employee-benefits-regulations-2014-and-sebi-issue-of-sweat-equity-regulations-2002_50960.html*
2. *https://www.sebi.gov.in/legal/regulations/aug-2021/securities-and-exchange-board-of-india-share-based-employee-benefits-and-sweat-equity-regulations-2021_51889.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

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

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

Executive Programme (Old Syllabus)

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

Executive Programme (New Syllabus)

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

Professional Programme (Old Syllabus)

(iii) Advanced Tax Laws and Practice (Module-3, Paper-7)

Professional Programme (New Syllabus)

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

Professional Programme (New Syllabus)

(v) Direct Tax Law and Practice (Module-3, Elective Paper-9.5)

Students may also note that: For Indirect Taxes:

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

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

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

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

Joint Secretary (SG)
Dte. of Academics

Practice Mentor

HOW TO OBTAIN DIN*

The concept of a Director Identification Number (DIN) has been introduced for the first time in the year 2006. It is an 8-digit unique identification number that has lifetime validity. Through DIN, details of the directors are maintained in a database.

DIN is specific to a person, which means even if he is a director in two or more companies, he has to obtain only one DIN. And if he leaves a company and joins some other, the same DIN would work in the other company as well.

Procedure to obtain DIN

(1) Digital Signature Certificate - Obtain Digital Signature Certificate before applying for DIN and ensure that the applicant does not have any DIN allotted earlier as the Companies Act, 2013 prohibits to obtain and retain more than 1 DIN (Section 155).

(2) (a) SPICe+ Web Form: Application for allotment of DINs to the proposed first Directors in respect of new companies (Section 153 read with Rule 9 of the Companies(Appointment and Qualification of Directors) Rules, 2014).

- Any person (not having DIN) proposed to become a first director in a new company shall have to make an application through Web Form SPICe+. Up to maximum 3 DIN can be obtained through SPICe+.

(b) DIR-3 Form: Application for allotment of Director Identification Number before Appointment in an existing company (Section 153).

Any person intending to become a director in an existing company shall have to make an application in e-Form DIR-3 and should follow the following procedure:

Applicant's Name	Ensure that the prefixes/suffixes like Mr./Mrs./Kumari/Shri etc. shall not be used with applicant's name or applicant's father's name in E-Form DIR-3. Further, the particulars of the applicant shall be filed as per Permanent Account Number (PAN) card, in case of Indian National and as per Passport in case of Foreign National. The Spelling of applicant's name and applicant's father's name shall be exact in all cases.

* *Prepared by CS Ajanta Sen, Consultant, The ICSI.*

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

Declaration in Form DIR-3A	Prepare a declaration in Form DIR-3A, in case the applicant has no surname after his/her name and file it along with DIR-3A by mentioning his/her father's or grandfather's surname in DIR-3. However, in case of father's name of the applicant, if only single word name of father is written on the PAN of an Indian National, the single name can be accepted by MCA in DIR-3 in respect of Father's Name. Note: Even married woman shall give her father's name in DIR-3. Further, in case of foreign nationals, proof regarding father's name is not required.
Board Meeting	Arrange a Board Meeting of the existing company in which the DIN applicant is proposed/intended to be appointed as Director.
Supporting Documents	**The following are the mandatory attachments to be filed in all cases:** **1. Proof of Identity of applicant** In case of Indian nationals, Income-tax PAN is a mandatory requirement for proof of identity. Proof of identify enclosed should also contain the date of birth of the applicant and the same should match the date of birth filled in the application form. In case the proof of identify does not indicate the Date of Birth then additional proof of Date of Birth, duly certified/ attested, should be attached. In case of foreign nationals, passport is a mandatory requirement for proof of identity. **2. Proof of residence of applicant** Address proofs like passport, election (voter identity) card, and ration card, driving license, electricity bill, telephone bill or aadhaar shall be attached and should be in the name of applicant only. In case of Indian applicant, documents should not be older than 2 months from the date of filing of the Form. In case of foreign applicant, address proof should not be older than 1 year from the date of filing of the Form. 3. In case of proofs which are in languages other than Hindi / English, the proofs should be translated in Hindi / English from professional translator carrying his details (name, signature, address) and seal. In the case

	of foreign nationals, translation done by the notary of home country is also acceptable. 4. Latest Photograph in case of DIR-3 5. Board resolution proposing his appointment as director in an existing company 6. Specimen signature duly verified 7. Any other information can be provided as an optional attachment(s). *All Supporting documents shall be self-attested by the applicant while in case the DIN applicant residing outside India, all supporting documents to be attached with the Form DIR-3, should be attested by the Consulate of India Embassy and/or foreign public notary.*
Certification	Form DIR-3 shall be signed and submitted electronically by the applicant using his or her own Digital signature certificate and shall be verified digitally by a company secretary in full time employment or by the managing director or director or CEO or CFO of the company in which the applicant is intended to be appointed as director.
Fee Payment	Upon upload of DIN application, payment of fees can be made only through electronic mode (i.e. Net banking / Credit Card/Debit Card/Pay later/ NEFT).
Generation of DIN	• On the submission of the Form DIR-3 on the portal and payment of the requisite amount of fees through online mode an application number shall be generated by the system automatically. • After generation of application number, the Central Government shall process the applications received for allotment of DIN, decide on the approval or rejection thereof and communicate the same to the applicant along with the DIN allotted in case of approval by way of a letter by post or electronically or in any other mode, within a period of 1 month from the receipt of such application. • If the Central Government, on examination, finds such application to be defective or incomplete in any respect, it shall give intimation of such defect or incompleteness, by placing it on the website and by email to the applicant who has filed such application, directing the applicant to rectify such defects or incompleteness by resubmitting the application

	within a period of 15 days of such placing on the website and email: However, the Central Government shall - a) reject the application and direct the applicant to file fresh application with complete and correct information, where the defect has been rectified partially or the information given is still found to be defective; b) treat and label such application as invalid in the electronic record in case the defects are not removed within the given time; and c) inform the applicant either by way of letter by post or electronically or in any other mode. • In case of rejection or invalidation of application, the fee so paid with the application shall neither be refunded nor adjusted with any other application.
Change in DIN Details	Ensure that if there is any change in the particular filed in E-Form DIR-3, the applicant must submit e-form DIR-6 with Central Government along with the supporting documents within 30 days of such change.
The Central Government may prescribe any identification number which shall be treated as Director Identification Number for the purposes of this Act and in case any individual holds or acquires such identification number, the requirement of this section shall not apply or apply in such manner as may be prescribed.	
Directors KYC- Every individual who holds a Director Identification Number (DIN) as on 31st March of a financial year, is mandatorily required to complete KYC either through Web-based KYC or by filing e-form DIR-3 KYC on or before 30th, September of immediate next financial year. *[Rule 12A of the Companies (Appointment and Qualification of Directors) Rules, 2014.]*	

Reasons for rejection of DIN Application	
S.No.	**Description**
1	Proof of identity has not been attested by an authorized person.
2	Proof of residential address has not been attested by an authorized person.
3	The supporting document for identity proof is not valid as it has not been issued by any Government Authority
4	The enclosed evidence has handwritten entries.

5	Date of Birth is not matching with the date of birth mentioned in the proof attached.
6	Applicant's Name is not matching with the name mentioned in the proof attached.
7	Address is not matching with the address details mentioned in the proof attached
8	Applicant's Father's Name is not matching with the father's name mentioned in the proof attached.
9	The submitted application is duplicate DIN application i.e. an approved DIN already exists in this name.
10	Identification number entered in application does not match with the identity proof enclosed.
11	The gender is not entered correctly in DIN form.
12	ID proof not attached with the application
13	Address proof not attached with the application
14	Non-submission of copy of passport (for foreign nationals)
15	Passport duly appostillised not enclosed (For foreign nationals)
16	Verification by applicant is not attached
17	Verification by applicant not in prescribed format
18	Verification by applicant is not signed
19	The prefixes/ suffixes like Mr. / Ms. / Kumari / Shri / Late or Ji etc. are used in your name or your father's name field in DIN form.
20	The supporting documents attached not valid or current or has expired.
21	In case of others, description is written by the back office user.

***

REGULATORY UPDATE

COMPANY LAW

1. The Companies (Appointment and Qualification of Directors) Amendment Rules, 2021 (Notification No. G.S.R. 579(E), dated August 19, 2021)

The MCA in exercise of the powers conferred by section 149 read with section 469 of the Companies Act, 2013 has notified the Companies (Appointment and Qualification of Directors) Amendment Rules, 2021 to further amend the Companies (Appointment and Qualification of Directors) Rules, 2014.

(1) In Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014, in the first proviso, for clause (B),

the following clause has been substituted, namely:—

"(B) in the pay scale of Director or equivalent or above in any Ministry or Department, of the Central Government or any State Government, and having experience in handling,—

(i) the matters relating to commerce, corporate affairs, finance, industry or public enterprises; or

(ii) the affairs related to Government companies or statutory corporations set up under an Act of Parliament or any State Act and carrying on commercial activities.".

(2) after the second proviso, the following proviso has been inserted, namely:—

"Provided also that the following individuals, who are or have been, for at least ten years :—

(A) an advocate of a court; or

(B) in practice as a chartered accountant; or

(C) in practice as a cost accountant; or

(D) in practice as a company secretary,

shall not be required to pass the online proficiency self-assessment test.".

Impact

The Amendment provides that an individual is exempted to pass the online proficiency self-assessment test to be included in independent directors' databank if he has served for a total period of not less than three years as on the date of inclusion of his name in the data bank in the pay scale of Director or equivalent or above in any Ministry or Department, of the Central Government or any State Government, and having experience in handling,— (i) the matters relating to commerce, corporate affairs, finance, industry or public enterprises; or (ii) the affairs related to Government companies or statutory corporations set up under an Act of Parliament or any State Act and carrying on commercial activities.".

It is further provided that an individual who are or have been, for at least ten years an advocate of a court or as a chartered accountant in practice or as a cost accountant in practice or as a company secretary in practice, shall not be required to pass the online proficiency self-assessment test.

For details:
https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MzU0MTU=&docCategory=Notifications&type=open

2. The Companies (Creation and Maintenance of databank of Independent Directors) Second Amendment Rules, 2021 (Notification No: G.S.R. 580(E), dated August 19, 2021)

The MCA in exercise of the powers conferred by section 150 read with section 469 of the Companies Act, 2013 has notified the Companies (Creation and Maintenance of databank of Independent Directors) Second Amendment Rules, 2021 to further amend the Companies (Creation and Maintenance of databank of Independent Directors) Rules, 2019.

In the Companies (Creation and Maintenance of databank of Independent Directors) Rules, 2019, after rule 5, the following new rule 6 and the Schedule has been inserted, namely:-

"6. Annual report on the capacity building of independent directors:- The institute shall within sixty days from the end of every financial year send an annual report to every individual whose name is included in the data bank and also to every company in which such individual is appointed as an independent director in format provided in the Schedule to these Rules."

The amendment also prescribes the format of Annual report on Capacity Building of Independent Director.

Impact

With this amendment the Indian Institute of Corporate Affairs (IICA) shall within sixty days from the end of every financial year send an annual report to every individual whose name is included in the data bank and also to every company in which such individual is appointed as an independent director.

For details:
https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MzU0MTY=&docCategory=Notifications&type=open

3. Frequently Asked Questions (FAQs) on Corporate Social Responsibility (CSR) (General Circular No: 14/2021, dated August 25, 2021)

In view of several amendments in Section 135 of the Companies Act, 2013 as well in the CSR Rules, the MCA has issued an updated set of Frequently Asked Questions (FAQs) on the Corporate Social Responsibility (CSR), in supersession of clarifications and FAQs issued vide General Circular no. 21/2014 (dated June 18, 2014), 36/2014 (dated September 17, 2014), 01/2016 (dated January 12, 2016) ,05/2016 (dated May 16, 2016), clarification issued vide letter dated January 25, 2018 and General Circular no. 06/2018 (dated May 28, 2018), for better understanding and facilitating effective implementation of CSR.

For details:
https://www.mca.gov.in/bin/dms/getdocument?mds=GTatbQatWaZKl7Zzifcd9Q%253D%253D&type=open

SECURITIES LAWS AND CAPITAL MARKETS

1. SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2021 (August 3, 2021)

SEBI vide its notification dated August 03, 2021, amends the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which shall come into force on January 1, 2022.

The amendments, *inter alia*, include the following:

- The listed entity shall ensure that approval of shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. [Reg. 17(1C)]- **New Insertion**
- **At least** 2/3rd of the members of the audit committee shall be independent directors and all related party transactions shall be approved by only independent directors on the Audit Committee. [Reg. 18(1)(b)]
- The composition of Nomination and remuneration committee has been modified to include at least 50% independent directors instead of existing requirement of 2/3rd of independent directors. [Reg. 19(1)(c)]
- The appointment, re-appointment or removal of an independent director of a listed entity, shall be subject to the approval of shareholders by way of a special resolution. [Reg. 25(2A)]- **New Insertion**
- The requirement of undertaking Directors and Officers insurance has been extended to the top 1000 companies with effect from January 01, 2022. [Reg. 25(10)]
- No independent director, who resigns from a listed entity, shall be appointed as an executive / whole time director on the board of the listed entity, its holding, subsidiary or associate company or on the board of a company belonging to its promoter group, unless a period of one year has elapsed from the date of resignation as an independent director. [Reg. 25(11)]- **New Insertion**

For details:
https://www.sebi.gov.in/legal/regulations/aug-2021/securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-third-amendment-regulations-2021_51719.html

2. SEBI (Alternative Investment Funds) (Third Amendment) Regulations, 2021 (August 3, 2021)

SEBI vide its notification dated August 03, 2021, amends the provisions of SEBI (Alternative Investment Funds) Regulations, 2012, which shall come into force on the date of their publication in the Official Gazette.

The amendment introduced a framework for, “accreditation agency”, “accredited investor” and “large value fund for accredited investors” as under:

1) “**accreditation agency**” means a subsidiary of a recognized stock exchange or a subsidiary of a depository or any other entity as may be specified by the Board from time to time.

2) “**accredited investor**” means any person who is granted a certificate of accreditation by an accreditation agency who,

   (i) in case of an individual, Hindu Undivided Family, family trust or sole proprietorship has:

      (A) annual income of at least two crore rupees; or

      (B) net worth of at least seven crore fifty lakh rupees, out of which not less than three crores seventy-five lakh rupees is in the form of financial assets; or

      (C) annual income of at least one crore rupees and minimum net worth of five crore rupees, out of which not less than two crore fifty lakh rupees is in the form of financial assets.

   (ii) in case of a body corporate, has net worth of at least fifty crore rupees;

   (iii) in case of a trust other than family trust, has net worth of at least fifty crore rupees;

   (iv) in case of a partnership firm set up under the Indian Partnership Act, 1932, each partner independently meets the eligibility criteria for accreditation:

   Provided that the Central Government and the State Governments, developmental agencies set up under the aegis of the Central Government or the State Governments, funds set up by the Central Government or the State Governments, qualified institutional buyers as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, Category I foreign portfolio investors, sovereign wealth funds and multilateral agencies and any other entity as may be specified by the Board from time to time, shall deemed to be an accredited investor and may not be required to obtain a certificate of accreditation;”

3) “**large value fund for accredited investors**” means an Alternative Investment Fund or scheme of an Alternative Investment Fund in which each investor (other than the Manager, Sponsor, employees or directors of the Alternative Investment Fund or employees or directors of the Manager) is an accredited investor and invests not less than seventy crore rupees;”

   The notification further provides that-

   - the minimum level of investment value i.e., Rs. 1 crore is not applicable to accredited investors. [Proviso to Reg. 10 (c)]
   - large value funds for accredited investors may be permitted to extend its tenure of the close ended Alternative Investment Fund beyond 2 years, subject to terms of the contribution agreement, other fund documents and such conditions as may be specified by the SEBI from time to time. [Proviso to Reg.13(4)]

- large value funds for accredited investors of Category I and II may invest up to 50% of the investable funds in an investee company directly or through investment in the units of other Alternative Investment Funds. [Proviso to Reg. 15(1)(c)]
- large value funds for accredited investors of Category III may invest up to 20% of the investable funds in an investee company directly or through investment in units of other Alternative Investment Funds. [Proviso to Reg. 15(1)(d)]

Modalities for implementation of the framework for Accredited Investors

(Circular No. SEBI/HO/IMD/IMD-I/DF9/P/CIR/2021/620 dated August 26, 2021)

SEBI has come out with detailed modalities for implementation of the Accredited Investors (AIs) framework, a move expected to open up a new channel of raising funds from sophisticated investors. The SEBI has issued guidelines on eligibility criteria for AIs, procedure as well as validation for accreditation, procedure to avail benefits linked to accreditation and flexibility to investors to withdraw 'consent'. The SEBI had earlier this month introduced the concept of "Accredited Investors" in the securities market.

For details:
https://www.sebi.gov.in/legal/regulations/aug-2021/securities-and-exchange-board-of-india-alternative-investment-funds-third-amendment-regulations-2021_51670.html

https://www.sebi.gov.in/legal/circulars/aug-2021/circular-on-modalities-for-implementation-of-the-framework-for-accredited-investors_52116.html

3. SEBI (Investment Advisers) (Third Amendment) Regulations, 2021 (August 3, 2021)

SEBI vide its notification dated August 03, 2021, amends the provisions of SEBI (Investment Advisers) Regulations, 2013 which shall come into force on the date of their publication in the Official Gazette.

- The amendment introduced a framework for "accreditation agency" & "accredited investor" which shall have the same meaning as assigned to it as per SEBI (Alternative Investment Funds) Regulations, 2012.

  (The definitions are covered above under the heading "SEBI (Alternative Investment Funds) (Third Amendment) Regulations, 2021").
- Further, Regulation 15A has been amended which provides that Investment Adviser shall be entitled to charge fees for providing investment advice from a client *including an accredited investor* in the manner as specified by the SEBI.

Modalities for implementation of the framework for Accredited Investors

(Circular No. SEBI/HO/IMD/IMD-I/DF9/P/CIR/2021/620 dated August 26, 2021)

SEBI has come out with detailed modalities for implementation of the Accredited Investors (AIs) framework, a move expected to open up a new channel of raising funds from sophisticated investors. The SEBI has issued guidelines on eligibility criteria for AIs, procedure as well as validation for accreditation, procedure to avail benefits linked to accreditation and flexibility to investors to withdraw 'consent'. The SEBI had earlier this month introduced the concept of "Accredited Investors" in the securities market.

For details: https://www.sebi.gov.in/legal/regulations/aug-2021/securities-and-exchange-board-of-india-investment-advisers-third-amendment-regulations-2021_51672.html

4. SEBI (Portfolio Managers) (Third Amendment) Regulations, 2021 (August 3, 2021)

SEBI vide its notification dated August 03, 2021, amended the provisions of SEBI (Portfolio Managers) Regulations, 2020, which shall come into force on the date of their publication in the Official Gazette.

The amendment introduced a framework for, "accreditation agency", "accredited investor" and "large value accredited investor" as under:

1) "**accreditation agency**" shall have the same meaning as assigned to it as per SEBI (Alternative Investment Funds) Regulations, 2012 (covered herein above in Lesson 15 under SEBI (Alternative Investment Funds) (Third Amendment) Regulations, 2021).
2) "**accredited investor**" means any person who fulfils the eligibility criteria as specified by the Board and is granted a certificate of accreditation by an accreditation agency.
3) **"large value accredited investor"** means an accredited investor who has entered into an agreement with the portfolio manager for a minimum investment amount of ten crore rupees.

The notification further provides that-

- The portfolio manager shall, before taking up an assignment of management of funds and portfolio on behalf of a client, enter into an agreement in writing with such client. However, the contents of agreement as specified shall not apply to the agreement between the portfolio managers and the large value accredited investors. [Proviso to Reg. 22(1)]
- the requirement of minimum investment amount of Rs. 50 lakh per client shall not apply to an accredited investor, subject to appropriate disclosures in the disclosure document and the terms agreed between the client and the portfolio manager. [Proviso to Reg. 23(2)]
- the portfolio manager may offer discretionary or non-discretionary or advisory services for investment up to 100% of the assets under management of the large value accredited investors in unlisted securities, subject to appropriate

disclosures in the disclosure document and the terms agreed between the client and the portfolio manager. [Reg. 24(4A)]

Modalities for implementation of the framework for Accredited Investors

(Circular No. SEBI/HO/IMD/IMD-I/DF9/P/CIR/2021/620 dated August 26, 2021)

SEBI has come out with detailed modalities for implementation of the Accredited Investors (AIs) framework, a move expected to open up a new channel of raising funds from sophisticated investors. The SEBI has issued guidelines on eligibility criteria for AIs, procedure as well as validation for accreditation, procedure to avail benefits linked to accreditation and flexibility to investors to withdraw 'consent'. The SEBI had earlier this month introduced the concept of "Accredited Investors" in the securities market.

For details:

https://www.sebi.gov.in/legal/regulations/aug-2021/securities-and-exchange-board-of-india-portfolio-managers-third-amendment-regulations-2021_51674.html

5. SEBI (Foreign Portfolio Investors) (Amendment) Regulations, 2021 (August 3, 2021)

SEBI vide its notification dated August 03, 2021, amends the provisions of SEBI (Foreign Portfolio Investors) Regulations, 2019, which shall come into force on the date of their publication in the Official Gazette.

The amendment substitutes the Regulation 4 (c) (eligibility criteria of foreign portfolio investor) with the following, namely, –

"(c) non-resident Indians or overseas citizens of India or resident Indian individuals may be constituents of the applicant provided they meet the conditions specified by the Board from time to time:

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

i. such resident Indian, other than individuals, is an eligible fund manager of the applicant, as provided under sub-section (4) of section 9A of the Income Tax Act, 1961 (43 of 1961); and

ii. the applicant is an eligible investment fund as provided under subsection (3) of section 9A of the Income Tax Act, 1961 (43 of 1961) which has been granted approval under the Income Tax Rules, 1962;"

For details:
https://www.sebi.gov.in/legal/regulations/aug-2021/securities-and-exchange-board-of-india-foreign-portfolio-investors-amendment-regulations-2021_51676.html

6. **Permitting non-scheduled Payments Banks to register as Bankers to an Issue**

(Circular No. SEBI / HO / MIRSD / MIRSD_DOR / P / CIR/ 605 / 2021 dated August 3, 2021)

SEBI vide notification dated July 30, 2021, amended the SEBI (Bankers to an Issue) Regulations, 1994 (BTI Regulations) thereby permitting such other banking company, as may be specified by the SEBI, from time to time, to carry out the activities of Bankers to an Issue (BTI), in addition to the scheduled banks.

In this regard, non-scheduled Payments Banks, which have prior approval from Reserve Bank of India, shall be eligible to act as a Bankers to an Issue (BTI) subject to fulfilment of the conditions stipulated in the BTI Regulations. Further, Payments Banks registered as a BTI shall also be permitted to act as a Self-Certified Syndicate Bank subject to the fulfilment of the criteria laid down by the SEBI. The blocking / movement of funds from the investor to issuer shall only be made through the savings account of the investor held with the payments bank.

For details:
https://www.sebi.gov.in/legal/circulars/aug-2021/permitting-non-scheduled-payments-banks-to-register-as-bankers-to-an-issue_51595.html

7. **SEBI (Credit Rating Agencies) (Amendment) Regulations, 2021 (August 3, 2021)**

SEBI vide its notification dated August 03, 2021, amends the provisions of SEBI (Credit Rating Agencies) Regulations, 1999, which shall come into force on the date of their publication in the Official Gazette.

The amendment defines a Credit Rating Agency (CRA) in terms of rating of securities that are listed or proposed to be listed on a recognized stock exchange. Further, an explanation in Regulation 9(f) is inserted specifying that ratings undertaken by a CRA under the respective guidelines of a financial sector regulator or authority shall be under the purview of the respective financial sector regulator or authority.

For details:
https://www.sebi.gov.in/legal/regulations/aug-2021/securities-and-exchange-board-of-india-credit-rating-agencies-amendment-regulations-2021_51668.html

8. **Maintenance of Current Accounts in multiple banks by Mutual Funds**

(Circular No. SEBI/HO/IMD/IMD-I/DOF5/P/CIR/2021/610 dated August 4, 2021)

Mutual funds currently maintain current accounts in multiple banks including in banks having presence beyond the top 30 cities ("B-30 cities"), for receiving subscription amount and for payment of redemption proceeds / dividend / brokerage/ commission etc. This enables investors to transact with banks of their choice and facilitates faster transfer of funds.

Based on the request of mutual fund industry, SEBI has clarified that mutual funds should maintain current accounts in an appropriate number of banks for the purpose of receiving subscription amount and for payment of redemption / dividend / brokerage / commission etc. to facilitate financial inclusion, convenience of investors and ease of doing business.

For details:
https://www.sebi.gov.in/legal/circulars/aug-2021/maintenance-of-current-accounts-in-multiple-banks-by-mutual-funds_51630.html

9. Requirement of minimum number and holding of unit holders for unlisted Infrastructure Investment Trusts (InvITs)

(Circular No. SEBI / HO / DDHS / DDHS_Div3 / P / CIR / 2021 / 611 dated August 04, 2021)

SEBI vide its notification dated July 30, 2021, amended the provisions of SEBI (Infrastructure Investment Trusts) Regulations, 2014 ("InvIT Regulations") to provide the requirement of minimum number of unit holders in an InvIT. SEBI vide this circular has provided that the registered unlisted InvITs which have already issued units as on the date of this circular, shall comply with the new provisions for the minimum number of unit holders in an InvIT within a period of six months from the date of this circular.

For details:
https://www.sebi.gov.in/legal/circulars/aug-2021/requirement-of-minimum-number-and-holding-of-unit-holders-for-unlisted-infrastructure-investment-trusts-invits-_51631.html

10. Modification in Operational Guidelines for FPIs and DDPs pursuant to amendment in SEBI (Foreign Portfolio Investors) Regulations, 2019

(Circular No. SEBI/ HO/ FPI&C/ P/CIR/2021/609 dated August 04, 2021)

The SEBI vide circular dated August 04, 2021 has modified the Operational Guidelines for FPIs and DDPs pursuant to amendment in SEBI (Foreign Portfolio Investors) Regulations, 2019, as under:

- To enable Resident Indian fund managers to benefit from the provisions of Section 9A, clause (c) of Regulation 4 of the SEBI (Foreign Portfolio Investors) Regulations, 2019, has been amended vide Gazette Notification No. SEBI.LAD-NRO/GN/2021/32dated August 03, 2021.
- For operationalizing the aforementioned amendment to the SEBI (Foreign Portfolio Investors) Regulations, 2019, the Explanation provided under Para 2 (ii) (b) of Part A

of the Operational Guidelines for FPIs and DDPs, issued vide circular dated November 05, 2019, stands modified as below:

"**Explanation : The contribution of resident Indian individuals shall be made through the Liberalised Remittance Scheme (LRS) notified by Reserve Bank of India and shall be in global funds whose Indian exposure is less than 50%."**

For details:
https://www.sebi.gov.in/legal/circulars/aug-2021/modification-in-operational-guidelines-for-fpis-and-ddps-pursuant-to-amendment-in-sebi-foreign-portfolio-investors-regulations-2019_51628.html

11. SEBI (Mutual Funds) (Second Amendment) Regulations, 2021 (August 5, 2021)

SEBI vide its notification dated August 05, 2021, amends the provisions of SEBI (Mutual Funds) Regulations, 1996 which shall come into force on the 270th day from the date of their publication in the Official Gazette.

The amendment, inter alia, has inserted a new sub-regulation 25(16A) under Asset management company and its obligations which provides that the asset management company shall invest such amounts in such schemes of the mutual fund, based on the risks associated with the schemes, as may be specified by the Board from time to time.

For details:
https://www.sebi.gov.in/legal/regulations/aug-2021/securities-and-exchange-board-of-india-mutual-funds-second-amendment-regulations-2021_51695.html

12. SEBI (Prohibition of Insider Trading) (Second Amendment) Regulations, 2021 (August 5, 2021)

SEBI vide its notification dated August 05, 2021, amends the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, which shall come into force on the date of their publication in the Official Gazette.

The amendments has been made in regulation 7D which provides that the Board may at its sole discretion, declare an Informant eligible for Reward provided that the amount of Reward shall be ten percent of the monetary sanctions and shall not exceed Rupees 10 crores (earlier Rs. 1 crores) or such higher amount as the Board may specify from time to time.

Further, a new sub-regulation 7D (1A) has been inserted which provides that if the total reward payable is less than or equal to Rupees One Crore, the Board may grant the said reward upon the issuance of the final order by the Board.

Provided that in case the total reward payable is more than Rupees One Crore, the Board may grant an interim reward not exceeding Rupees One Crore upon the issuance of the final order by the Board and the remaining reward amount shall be paid only upon collection or recovery of the monetary sanctions amounting to at least twice the balance reward amount payable.

For details:
https://www.sebi.gov.in/legal/regulations/aug-2021/securities-and-exchange-board-of-india-prohibition-of-insider-trading-second-amendment-regulations-2021_51932.html

13. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (August 09, 2021)

The SEBI vide e-Gazette notification dated August 09, 2021, has notified the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021. These regulations shall come into force on the seventh day from the date of its publication in the Official Gazette. Unless otherwise provided, these regulations shall apply to the:

a) issuance and listing of debt securities and nonconvertible redeemable preference shares by an issuer by way of public issuance;

b) issuance and listing of non-convertible securities by an issuer issued on private placement basis which are proposed to be listed; and

c) listing of commercial paper issued by an issuer in compliance with the guidelines framed by the Reserve Bank of India.

The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 shall stand repealed from the date on which these regulations come to force.

The objective to bring out these regulations is to simplify and to align the Regulations in line with the various circulars/guidance and various provisions of the regulations, issued by SEBI and improve the structure of the regulations in order to enhance readability. Also, to identify policy changes in line with the present market practices and the prevailing regulatory environment and to ease doing business.

For details: https://www.egazette.nic.in/WriteReadData/2021/228840.pdf

14. Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper

(Circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021)

The SEBI vide notification dated August 09, 2021 notified the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, pursuant to merger and repeal of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 and SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013.

The process of merging these regulations into the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 also entails consolidation of related existing circulars (annexed to this circular) into a single operational circular, with consequent changes. The stipulations contained in such circulars have been detailed chapter-wise in this operational circular.

This operational circular provides a chapter-wise framework for the issuance, listing and trading of Nonconvertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities or Commercial Paper.

For details: https://www.sebi.gov.in/legal/circulars/aug-2021/operational-circular-for-issue-and-listing-of-non-convertible-securities-ncs-securitised-debt-instruments-sdi-security-receipts-sr-municipal-debt-securities-and-commercial-paper-cp-_51761.html

15. Disclosure of shareholding pattern of promoter(s) and promoter group entities

(Circular No. SEBI/HO/CFD/CMD/CIR/P/2021/616 dated August 13, 2021)

As per Regulation 31(4) SEBI (LODR) Regulations, 2015, it is mandatory that all entities falling under promoter and promoter group be disclosed separately in the shareholding pattern on the website of stock exchanges, in accordance with the format specified by SEBI.

The shareholdings of promoters and promoter group entities, which are currently collectively disclosed under 'table II-Statement showing shareholding pattern of the promoter and promoter group', shall now be segregated into promoter(s) and promoter group in the revised format as annexed to this circular.

For details:
https://www.sebi.gov.in/legal/circulars/aug-2021/disclosure-of-shareholding-pattern-of-promoter-s-and-promoter-group-entities_51847.html

16. Tendering of shares in open offers, buy-back offers and delisting offers by marking lien in the demat account of the shareholders.

(Circular no. SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021)

SEBI has decided that a lien shall be marked against the shares of the shareholders participating in tender offers. Upon finalization of the entitlement, only accepted quantity of shares shall be debited from the demat account of the shareholders. The lien marked against unaccepted shares shall be released. As per the circular, this will reduce the systematic risk and risks associated with the movement of securities from the demat account of shareholders to Clearing Corporation account and vice-versa and make the process more investor friendly.

Under the existing mechanism, the shares tendered by shareholders are required to be directly transferred to the account maintained by the clearing corporation and different tendering processes are being adopted by Depositories.

For details:
https://www.sebi.gov.in/legal/circulars/aug-2021/tendering-of-shares-in-open-offers-buybacks-and-delisting-offers-by-marking-lien-in-the-demat-account-of-the-shareholders_51849.html

17. Guidelines on issuance of non-convertible debt instruments along with warrants ('NCDs with Warrants') in terms of Chapter VI – Qualified Institutions Placement of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018

(Circular no. SEBI/HO/CFD/DIL/CIR/P/2021/614 dated August 13, 2021)

In order to streamline the procedure of issuance and applicability of Electronic Book Platform (EBP) mechanism on the NCDs portion, SEBI has issued guidelines for nonconvertible debentures with warrants products, whereby it made electronic book platform (EBP) mandatory for the 'NCDs portion' of the issue (for both stapled and segregated offer) and issuer shall be required to comply with the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, and circulars issued there under.

Also, at least 40 % size of the 'total issue size' of the issue shall consist of 'Warrants portion' where in 'total issue size' means combined size of NCDs issue and the aggregate size of the warrants portion, including the conversion price of warrants.

This circular shall be applicable for all issues of 'NCDs with Warrants' made under ICDR Regulations, 2018, on or after the date of this circular.

For details:
https://www.sebi.gov.in/legal/circulars/aug-2021/guidelines-on-issuance-of-non-convertible-debt-instruments-along-with-warrants-ncds-with-warrants-in-terms-of-chapter-vi-qualified-institutions-placement-of-sebi-issue-of-capital-and-disclosure-_51827.html

18. Automation of Continual Disclosures under Regulation 7(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015 - System driven disclosures - Ease of doing business

(Circular No. SEBI/HO/ISD/ISD/CIR/P/2021/617 dated August 13, 2021)

Para 7 of the SEBI circular dated September 09, 2020 on implementation of System Driven Disclosures (SDD) in phases states that 'the system would continue to run parallel with the existing system i.e. entities shall continue to independently comply with the disclosure obligations under PIT Regulations as applicable to them till March 31, 2021'.

It has been confirmed by stock exchanges and depositories that System Driven Disclosure ('SDD') is implemented in line with aforesaid circular and is in place since April 1, 2021. Therefore, manual filing of disclosures as required under Regulation 7(2) (a) & (b) of PIT Regulations are no longer mandatory for listed companies who have complied with requirements of the circular dated September 09, 2020.

For details:
https://www.sebi.gov.in/legal/circulars/aug-2021/automation-of-continual-disclosures-under-regulation-7-2-of-sebi-prohibition-of-insider-trading-regulations-2015-system-driven-disclosures-ease-of-doing-business_51848.html

19. Penalty for Repeated Delivery Default

(Circular No. SEBI/HO/CDMRD/DRMP/CIR/P/2021/619 August 17, 2021 dated August 17, 2021)

SEBI had stipulated delivery default norms vide its circular dated March 23, 2021. To further strengthen the delivery mechanism and ensure market integrity, it has been decided that in the case of repeated default by a seller or a buyer, for each instance of repeated default, an additional penalty shall be imposed, which shall be 3% of the value of the delivery default. Further, repeated default shall be defined as an event, wherein a default on delivery obligations takes place 3 times or more during a six months period on a rolling basis. The penalty levied shall be transferred to Settlement Guarantee Fund (SGF) of the Clearing Corporation. This circular shall be effective after one month from the date of issuance of the circular.

For details:
https://www.sebi.gov.in/legal/circulars/aug-2021/penalty-for-repeated-delivery-default_51902.html

20. Disclosure of risk-o-meter of scheme, benchmark and portfolio details to the investors

(Circular No. SEBI/HO/IMD/IMD-II DOF3/P/CIR/2021/621 dated August 31, 2021)

SEBI has clarified that Asset Management Companies (AMCs) shall disclose risk-o-meter of the scheme and benchmark of the scheme in all its promotional material. AMCs shall provide a feature wherein a link is provided to investors to their registered email to enable the investor to directly view/download only the portfolio of schemes subscribed by the said investor. Further, AMCs shall enter into arrangements with their selected Index providers to provide the risk-o-meter for their benchmarks to the AMCs latest by the fifth day subsequent to the end of the month. The provisions of this circular shall be applicable with effect from October 1, 2021.

For details:
https://www.sebi.gov.in/legal/circulars/aug-2021/disclosure-of-risk-o-meter-of-scheme-benchmark-and-portfolio-details-to-the-investors_52262.html

INDIRECT TAX LAWS

Goods and Services Tax

1. **CBIC Notifies seventh amendment (2021) to CGST Rules, 2017 (Notification No. 32/2021- Central Tax dated August 29, 2021)**

   The filing of Form GSTR 3B & GSTR 1/IFF by companies using Electronic Verification Code (EVC), instead of Digital Signature Certificate (DSC) has already been enabled for the period from April 27, 2021 to August 31, 2021. The said period has been further extended to October 31, 2021.

   For details:
   https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-32-central-tax-english-2021.pdf

2. **CBIC extends last date of FORM GSTR-3B late fee Amnesty Scheme (Notification No. 33/2021- Central Tax dated August 29, 2021)**

   Government extends the last date to avail benefit of the late fee amnesty scheme from August 31, 2021 to November 30, 2021 i.e. relief for taxpayers by way of reduction/ waiver of late fee for non-filing of FORM GSTR 3B during July, 2017 to April, 2021.

   For details:
   https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-33-central-tax-english-2021.pdf

3. **CBIC extends timelines for filing of application for revocation of cancellation of registration (Notification No. 34/2021- Central Tax dated August 29, 2021)**

   Government extends timelines for filing of application for revocation of cancellation of registration to September 30, 2021, where due date for filing such application falls between March 01, 2020 to August 31, 2021, in cases where registration has been cancelled under clause (b) or clause (c) of section 29(2) of the Central Goods and Services Tax Act, 2017.

   For details:
   https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-34-central-tax-english-2021.pdf

4. **Clarification regarding extension of time limit to apply for revocation of cancellation of registration (Circular No. 158/14/2021- GST dated September 6, 2021)**

   Government had issued notification No. 34/2021-Central Tax dated August 29, 2021 to extend timelines for filing of application for revocation of cancellation of registration. In order to ensure uniformity in the implementation of the said notification across field formations, the date for filing application for revocation of cancellation of registration in all cases, where registration has been cancelled under clause (b) or clause (c) of sub-section (2) of section 29 of CGST Act, 2017 and where the due date of filing of application for revocation of cancellation of registration falls between March 01, 2020 to August 31, 2021, is extended to September 30, 2021, irrespective of the status of such applications.

For details:
https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular%20No.%20158_14_2021_GST.pdf

Customs

5. Principal Commissioners/Commissioners of Customs to decide the amount of security required in certain cases of provisional assessments (Circular No. 19/2021- Customs dated August 16, 2021)

Amendment in Circular No.38/2016-Customs with the insertion of a new entry 5(d) to enable Principal Commissioners/Commissioners of Customs to decide the amount of security required in certain cases of provisional assessments. The new entry 5(d) is applicable to all fresh import consignments and those pending finalisation of assessment under Section 18 of the Customs Act.

For details:
https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2021/Circular-No-19-2021.pdf

6. De-notification of Inland Container Depots/Container Freight Stations/Air Freight Stations (Circular No. 20/2021- Customs dated August 16, 2021)

A facility will become ripe for de-notification if the following conditions are met, namely,

i. The application for de-notification is complete in all respects,

ii. There are no dues, including the duties on the uncleared goods that are eventually sold, pending to be recovered from the custodian,

iii. All the uncleared goods lying at the facility have been cleared from the facility by disposal and / or shifting to any other facility in the jurisdiction of the Commissionerate,

iv. All the detained / seized / confiscated goods lying at the facility are disposed and / or shifted out of the facility to another location for safe custody, and

v. All the other items belonging to Customs such as office records, furniture etc. are removed from the facility.

For details:
https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2021/Circular-No-20-2021.pdf;jsessionid=C6A17DF66FCEBFD601DF825DB61D2507

DIRECT TAX

1. Extension of time lines for electronic filing of various Forms under the Income-tax Act,1961 [Circular No. 15 Dated August 3, 2021]

On consideration of difficulties reported by the taxpayers and other stakeholders in electronic filing of certain Forms under the provisions of the Income-tax Act, 1961 (Act) read with Income-tax Rules, 1962 (Rules), the Central Board of Direct Taxes (CBDT), in exercise of its powers under Section 119 of the Act, extends the due dates for electronic filing of such Forms as under:

Sr. No.	*Details*	*Form*	*Extended Due Date*
1.	Quarterly remittances Statement (Quarter ending June 30, 2021)	Form 15CC	August 31, 2021
2.	Annual Equalization Levy Statement FY 2020-21	Form 1	August 31, 2021
3.	Statement of Income Paid to Unit holders by Investment Fund PY 2020-21	Form 64D	September 15, 2021
4.	Statement of Income Paid to Unit holders by Investment Fund PY 2020-21	Form 64C	September 30, 2021
5.	Quarterly Intimation of Investments made in India by a Pension Fund (Quarter ending June 30, 2021)	Form 10BBB	September 30, 2021

For details:
https://www.incometaxindia.gov.in/communications/circular/circular_no_15_2021.pdf

2. Notification No. 84 [Dated August 3, 2021]

The Central Government hereby specifies the pension fund, namely, the 2726247 Ontario Inc., (hereinafter referred to as the assessee) as the specified person for the purposes of the sub-clause (iv) of clause (c) of the Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961 in respect of the eligible investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 (hereinafter referred to as said investments) subject to the fulfillment of the certain conditions.

For details:
https://www.incometaxindia.gov.in/communications/notification/notification_84_2021.pdf

3. **Notification No. 85 (Dated August 4, 2021)**

The Central Government hereby notifies for the purposes of the clause (46) of section 10 of the Income-tax Act, 1961, 'National Council of Science Museums', Kolkata (PAN AAAAN2541C), an autonomous body established under the Ministry of Culture, Government of India, in respect of the certain specified income arising to the Council subject to certain conditions.

For details:
https://www.incometaxindia.gov.in/communications/notification/notification_85_2021.pdf

4. **Notification No. 86 (Dated August 4, 2021)**

The Central Government notifies for the purposes of the clause (46) of section 10 of the Income-tax Act, 1961, 'Real Estate Regulatory Authority' as specified in the schedule to this notification, constituted by Government in exercise of powers conferred under sub-section (1) of section 20 of the Real Estate (Regulation and Development) Act, 2016 as a 'class of Authority' in respect of the certain specified income arising to that Authority subject to certain conditions.

For details:
https://www.incometaxindia.gov.in/communications/notification/notification_86_2021.pdf

5. **Income Tax (22nd Amendment) Rules 2021 [Dated August 9, 2021]**

CBDT has notified Income tax (22nd Amendment) Rules, 2021 to insert the following two rules as follow:

Rule 21AI	**Computation of exempt income of specified fund for the purposes of clause (4D) of section 10** The Rule provides formula for computation of income attributable to units held by non-resident (not being the permanent establishment of a non-resident in India) in a specified fund for the purpose of clause (4D) of section 10 of the Income tax Act, 1961.
Rule21AJ	**Determination of income of a specified fund attributable to units held by non-residents under sub-section (1A) of section 115AD** The Rule provides formula of calculation, for purposes of sub-section (1A) of section 115AD, the income of a specified fund by way of short-term or long-term capital gains, referred to in clause (b) of sub-section (1) of section 115AD, attributable to the units held by non-resident (not being the permanent establishment of a non-resident in India)

For details:
https://www.incometaxindia.gov.in/communications/notification/notification_90_2021.pdf

6. **Income tax (23rd Amendment) Rules, 2021 [Notification No. 92 Dated August 10, 2021]**

CBDT notifies the Income tax (23rd Amendment), Rules, 2021, to prescribe the procedure / methodology for re-computation of book profit u/s 115JB of the Income tax Act, 1961, to provide relief in MAT payable in certain cases. Accordingly, new IT Rule 10RB on 'Relief in tax payable u/s 115JB(1) due to operation of section 115JB(2D)' along with new FORM No. 3CEEA for 'annual furnishing of particulars of re-computation for any adjustment on account of income of past year(s) included in books of account of previous year by a Company on account of secondary adjustment u/s 92CE or on account of an Advance Pricing Agreement entered u/s 92CC' have been introduced/ inserted in the Income Tax Rules, 1962.

For details: https://www.incometaxindia.gov.in/communications/notification/notification_92_2021.pdf

7. **Extension of timelines for electronic filing of various Forms under the Income-tax Act, 1961 [Dated August 29, 2021]**

Sr. No.	*Details*	*Sections / Rules*	*Form No.*	*Extended Due Dates*
1.	Application for registration or intimation or approval	10(23C), 12A, 35(1(ii)/(iia)(ii) or 80G	Form 10A	March 31, 2022
2.	Application for registration or approval	10(23C), 12A, or 80G	Form 10AB	March 31, 2022
3.	Equalization Levy Statement	FY 2020-21	Form 1	December 31, 2021
4.	Quarterly statement to be furnished by authorized dealer in respect of remittances made	Rule 37BB Quarter ending June 30, 2021	Form 15CC	November 30, 2021
5.	Quarterly statement to be furnished by authorized dealer in respect of remittances made	Rule 37BB Quarter ending September 30, 2021	Form 15CC	December 31, 2021

6.	Uploading of the declarations received from recipients	Quarter ending June 30, 2021	Form 15G/15H	November 30, 2021
7.	Uploading of the declarations received from recipients	Quarter ending September 30, 2021	Form 15G/15H	December 31, 2021
8.	Intimation to be made by Sovereign Wealth Fund in respect of investments made by it in India	Quarter ending June 30, 2021	Form II SWF	November 30, 2021
9.	Intimation to be made by Sovereign Wealth Fund in respect of investments made by it in India	Quarter ending September 30, 2021	Form II SWF	December 31, 2021
10.	Intimation to be made by a Pension Fund in respect of each investment made by it in India	Rule 2DB Quarter ending June 30, 2021	Form 10BBB	November 30, 2021
11.	Intimation to be made by a Pension Fund in respect of each investment made by it in India	Rule 2DB Quarter ending September 30, 2021	Form 10BBB	December 31, 2021
12.	Intimation by a constituent entity, resident in India, of an international group, the parent entity of which is not resident in India	Rule 10DB sub section (1) of section 286	Form No.3CEAC	December 31, 2021
13.	Report by a parent entity or an alternate reporting entity or any other constituent entity, resident in India	Rule 10DB sub-section (2) or subsection (4) of section 286	Form No. 3CEAD	December 31, 2021
14.	Intimation on behalf of an international group	Rule 10DB sub-section (4) of section 286	Form No. 3CEAE	December 31, 2021

For details:
https://www.incometaxindia.gov.in/communications/circular/circular-no-16-of-2021.pdf

BANKING LAWS

1. **Safe Deposit Locker/Safe Custody Article Facility provided by the banks - Revised Instructions Notification no. RBI/ 2021-2022/86 DOR.LEG.REC/ 40/ 09.07.005/2021-22 dated August 18, 2021)**

   After taking into consideration the various developments in the area of banking and technology, nature of consumer grievances and also the feedback received from banks and Indian Banks' Association (IBA), Reserve Bank of India has reviewed the guidelines/instructions issued on the above subject.

   For details:
   https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12146&Mode=0

2. **Tokenisation – Card Transactions : Extending the Scope of Permitted Devices (Notification no. RBI/2021-22/92 CO.DPSS.POLC.No.S-469/02-14-003/2021-22 dated August 25, 2021)**

   It has been decided by the Reserve Bank of India to permit authorised card payment networks to offer card tokenisation services to any token requestor (i.e., third party app provider), subject to certain conditions. The permission was extends to all use cases / channels [e.g., Near Field Communication (NFC) / Magnetic Secure Transmission (MST) based contactless transactions, in-app payments, QR code-based payments, etc.] or token storage mechanisms (cloud, secure element, trusted execution environment, etc.). Now on a review of the framework and keeping in view stakeholder feedback, it has been decided to extend the scope of tokenisation to include consumer devices – laptops, desktops, wearables (wrist watches, bands, etc.), Internet of Things (IoT) devices, etc. This initiative is expected to make card transactions more safe, secure and convenient for the users.

   For details:
   https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12152&Mode=0

3. **Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2021 (Notification no. RBI/DOR/2021-22/81 DOR.MRG.42/21.04.141/2021-22 dated August 25, 2021)**

   The Reserve Bank of India has, from time to time, issued several guidelines / instructions / directives to the banks on Prudential Norms for Classification, Valuation and Operation of Investment Portfolio by Banks. To enable banks to have current instructions at one place, a Master Direction incorporating all the existing guidelines / instructions / directives on the subject has been prepared for reference of the banks.

   For details:
   https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12153&Mode=0

4. Master Directions on Prepaid Payment Instruments (PPIs) (Notification no. RBI/ DPSS / 2021-22 / 82 CO.DPSS.POLC.No.S-479 / 02.14.006 / 2021-22 dated August 27, 2021)

The Reserve Bank of India has issued Master Directions on Prepaid Payment Instruments (MD-PPIs).Objectives of the master directions are as under:

a. To provide a framework for authorisation, regulation and supervision of entities issuing and operating PPIs in the country;

b. To foster competition and encourage innovation in this segment in a prudent manner while taking into account safety and security of systems and transactions along with customer protection and convenience; and

c. To provide for harmonisation and interoperability of PPIs.

For details:
https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12156&Mode=0

5. Review of incentive and other measures to enhance distribution of coins (Notification no. RBI/2021-22/93 DCM (CC) No.97527/03.41.01/2021-22 dated August 27, 2021)

Keeping in view the overall objectives of Clean Note policy and to ensure that all bank branches provide better customer service to members of public with regard to exchange of notes and distribution of coins, the afore-said Scheme has since been reviewed and it has now been decided to revise the incentive being paid to the banks for distribution of coins with a major thrust on alternate avenues so as to extend the outreach.

For details: https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12154&Mode=0

6. Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff – Clarification (Notification no. RBI/2021-22/95 DOR.GOV.REC.44/29.67.001/2021-22 dated August 30, 2021)

It has been observed that banks do not recognise grant of the share-linked compensation as an expense in their books of account concurrently. Therefore, in the interest of better clarity, the following sentence is being added in the existing guidelines of the captioned subject.

“The fair value thus arrived at should be recognised as expense beginning with the accounting period for which approval has been granted”.

For details : https://rbi.org.in/Scripts/NotificationUser.aspx?Id=11720&Mode=0

7. Master Direction on Financial Statements - Presentation and Disclosures (Notification no. RBI/DOR/2021-22/83 DOR.ACC.REC.No.45/21.04.018/2021-22 dated August 30, 2021)

The Reserve Bank of India has, from time to time, issued several guidelines/instructions/directives to the banks on the presentation of financial statements, regulatory clarification on compliance with accounting standards, and disclosures in notes to accounts. A Master Direction incorporating, updating and where required, harmonizing across the banking sector the extant guidelines/instructions/directives on the subject has been prepared to enable banks to have all current instructions on presentation and disclosure in financial statements at one place for reference.

For details: https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12158&Mode=0

INSURANCE LAWS

1. Guidelines on Insurance Claims of victims of Floods (July 2021) in the calamity affected districts of Maharashtra State (August 06, 2021)

The Insurance Regulatory and Development Authority of India (IRDAI) has issued above guidelines addressing all General Insurance Companies and Stand-Alone Health Insurance Companies to take immediate steps to mitigate the hardships of the affected insured population by ensuring immediate registration and settlement of eligible claims.

For details:
https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4539&flag=1

2. Guidelines on settlement of Life Insurance Claims to the victims of Flood in Maharashtra (August 06, 2021)

Due to recent flood there are reports of loss of human lives and loss of belongings in the state of Maharashtra, the Insurance Regulatory and Development Authority of India (IRDAI) has issued above guidelines for facilitation the quick and timely settlement of life insurance claims.

For details:
https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4537&flag=1

***

Company Law Corner

PRIVILAGES AND EXEMPTIONS AVAILABLE FOR PRIVATE LIMITED COMPANIES UNDER THE COMPANIES ACT, 2013

INTRODUCTION

Private Companies have a critical role to play in the growth of the economy. Most of the Start-Ups are floated as Private Companies. The impact of regulatory oversight on the cost of doing business for companies is an important consideration while framing the laws. Regulators always strive to achieve a balance so that a reasonable level of oversight is achieved without excess cost of compliances.

Ministry of Corporate Affairs keeping benevolent motto of "ease of doing business" in mind has decided to waive off certain statutory compliances for private companies.

DEFINITION OF PRIVATE COMPANY

The definition of a private company is mentioned under section 2 (68) of the Companies Act 2013:

"private company" a company having a minimum paid-up share capital as may be prescribed, and which by its articles,—

(*i*) restricts the right to transfer its shares;

(*ii*) except in case of One Person Company, limits the number of its members to two hundred:

Provided that where two or more persons hold one or more shares in a company jointly, they shall, for the purposes of this clause, be treated as a single member:

Provided further that—

(*A*) persons who are in the employment of the company; and

(*B*) persons who, having been formerly in the employment of the company, were members of the company while in that employment and have continued to be members after the employment ceased,

shall not be included in the number of members; and

(*iii*) prohibits any invitation to the public to subscribe for any securities of the company;

PRIVILAGES UNDER THE COMPANIES ACT, 2013

The companies Act specifies the tabulated privileges to private company in comparison to other companies (Public/Listed):

- **Easy to Form**

  Under the Companies Act, 2013, a private limited company is relatively easier to form than a public limited company. A mere two persons can form a private company as opposed to the requirement of seven or more persons for a Public limited company.

There is no requirement of minimum paid up share capital even for a private limited company.

- **Provisions for Alteration of Articles of the Company**

  Articles of Association of Private Limited Company may contain provisions for Entrenchment to the effect that specified provisions may be altered only if conditions or procedures as that are more restrictive than those applicable in case of special resolution are met or complies with.

  Entrenchment clause in Article of a private company leads to give additional legal safeguard by placing the clause in a very strong position, that cannot be changed easily or addition of provision which makes certain amendments either more difficult or cumbersome by way of procedure, checks and safeguards. All the members of the Private Company is required to agree to the Entrenchment clause in the Articles.

- **Lesser Compliance for Issue of Shares**

  A Private Company, while issuing further capital, is not required to make a prospectus or submit a statement in lieu of this prospectus to the Registrar of companies. A prospectus and Registrar's permission is requisite for a public company which can make public offers to larger number of potential investors. Since a private company does not have the capability of making a public offer, it is exempted from this requirement.

  Rule 9A of Companies (Prospectus and Allotment of Securities) Rules, 2014 pertaining to Dematerialization of Shares requires every unlisted public company to Issue the securities only in dematerialized form; and to facilitate dematerialization of all its existing securities.

  However, such compliance is not required for Private Company.

- **Closure of Register of Members or Debenture Holders or Other Security Holders**

  Section 91 read with Rule 10 of the Companies(Management and Administration) Rules, 2014, provides that a company closing the register of members or the register of debenture holders shall give at least seven days previous notice and in such manner, as may be specified by Securities and Exchange Board of India, if such company is a listed company or intends to get its securities listed, by advertisement at least once in 2 newspapers, once in a vernacular newspaper in the principal vernacular language of the district and at least once in English language in an English newspaper circulating in that district and having wide circulation in the place where the registered office of the company is situated and publish the notice on the website as may be notified by the Central Government and on the website, if any, of the Company.

  This requirement is not applicable to a private company provided that the notice has been served on all members of the private company not less than seven days prior to closure of the register of members or debenture holders or other security holders.

- **Lesser Compliances related to Directors of Private Companies**

  A Private Company has the privilege of having as less as two directors as opposed to the requirement of three directors for a Public Company. Further, at every annual general meeting of a public company, one-third of such of the directors for the time being as are liable to retire by rotation.

  However, directors of Private Companies are not liable to retire by rotation.

- **W.R.T. appointment of Woman Director**

  Second proviso to section 149(1) provides that every listed company and every other public company having (a) paid–up share capital of one hundred crore rupees or more; or (b) turnover of three hundred crore rupees or more are mandated to have at least one woman director.

  Private Companies are exempted from appointing such women director.

- **W.R.T. appointment of Independent Director**

  Section 149(4) provides that every listed public company shall have at least one-third of the total number of directors as independent directors; and

  The Central Government has prescribed the Public Companies having paid up share capital of ten crore rupees or more; or turnover of one hundred crore rupees or more; or, in aggregate, outstanding loans, debentures and deposits, exceeding fifty crore rupees to have at least two directors as independent directors in the Board of Directors of the Company.

  However, Private Companies are exempted from appointing such Independent Directors.

- **Disqualifications for Appointment of Director**

  A private company may by its AOA provide for any disqualifications for appointment as a director in addition to those specified in sub-sections (1) and (2) of Section 164.

- **Vacation of office of Director**

  Private companies may by its AOA, provide any other ground for the vacation of the office of a director in addition to those specified in Section 167.

- **Key Managerial Personnel**

  Appointment of Managing Director, Chief Executive Officer (CEO), Manager, Whole-time Director, Chief Finance Officer (CFO) as per Section 203 is not applicable. However, all Private Companies having a paid up share capital of Rs. 10 crores or more is required to appoint a Whole Time Company Secretary.

- **Overall Maximum Managerial Remuneration**

  The total managerial remuneration payable by a public company, to its directors, in respect of any financial year shall not exceed eleven per cent. of the net profits.

  However, such restriction is not applicable on Private Company and is allowed to pay the justifiable managerial resolution as per the Articles of Association and authorized resolutions.

- **Quorum for General Meetings**

  The requirement of Quorum of General Meeting for Private Company is, two members personally present, for a meeting of the company which is lesser in comparison to a Public Company.

- **Voting through Electronic Means**

  Section 108 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 provides that every company which has listed its equity shares on a recognized stock exchange and every company having not less than one thousand members shall provide to its members facility to exercise their right to vote on resolutions proposed to be considered at a general meeting by electronic means.

  This requirement is not mandated for a Private Limited Company.

- **Voting through Postal Ballot**

  Section 110 (1) read with rule 22(16) Companies (Management and Administration) Rules, 2014 provides that Private Companies are not required to transact any business through postal ballot.

- **Report on Annual General Meeting**

  Section 121 provides that Private companies are not required to file report on annual general meeting through E Form MGT-15 unlike Listed Companies.

- **Audit Committee and Nomination and Remuneration Committee**

  Section 177 and 178 provides that every listed public company or Public Companies having paid up share capital of ten crore rupees or more; or turnover of one hundred crore rupees or more; or have, in aggregate, outstanding loans, debentures and deposits, exceeding fifty crore rupees is required to constitute an Audit Committee and Nomination and Remuneration Committee.

  However, Private Companies are exempted from constituting such committees.

- **Vigil Mechanism**

  Vigil mechanism is applicable to a Private Company only if it has borrowed money from banks and public financial institutions in excess of fifty crore rupees.

- **Internal Audit**

  Section 138 provides that only private companies having:

  - turnover of two hundred crore rupees or more during the preceding financial year; or
  - outstanding loans or borrowings from banks or public financial institutions exceeding one hundred crore rupees or more at any point of time during the preceding financial year shall be required to appoint an internal auditor.

- **Corporate Social Responsibility Committee**

  Section 135 read with CSR Rules provides that a private company having only two directors on its Board is required to constitute its CSR Committee with two such directors only.

EXEMPTIONS FOR PRIVATE LIMITED COMPANY

Keeping in view the concept of "Ease of Doing Business", the Ministry of Corporate Affairs deriving its power from Section 462 of the Companies Act, 2013 has issued notifications (dated 5th June, 2015 and 13th June, 2017) for exemption of private companies from several requirements under the Act.

Sr. No.	*Chapter/Section Number/Sub section(s) in the Companies Act 2013*	*Exceptions/Modifications/ Adoptions*	*Effect*
Chapter I-Preliminary			
1	**Proviso of clause (40) of section 2- Definition of financial statement**	(40) "financial statement" in relation to a company, includes— (i) a balance sheet as at the end of the financial year; (ii) a profit and loss account, or in the case of a company carrying on any activity not for profit, an income and expenditure account for the financial year; (iii) cash flow statement for the financial year; (iv) a statement of changes in equity, if applicable; and (v) any explanatory note annexed to, or forming part of, any document referred to in sub-clause (i) to sub-clause (iv): Provided that the financial statement, with respect to One Person Company,	one person company, small company, dormant company and private company (if such private company is a start-up)need not include cash flow statement in its financial statement

		small company, dormant company and private Company (if such private Company is start-up) may not include the cash flow statement;	
2	**Sub-clause (viii) of clause (76) of section 2- Related Party Definition**	Shall not apply with respect to section 188.	With respect to Section 188, a private company shall not be deemed to be a related party of :- (i) its holding, subsidiary or an associate company of such company; (ii) a subsidiary of a holding company to which it is also a subsidiary (i.e. fellow subsidiary); or (iii) an investing company or the venturer of the company will not be considered as related party for the purpose of section 188.
Chapter IV- Share Capital and Debentures			
3	**Section 43 and section 47- Share Capital and Voting Rights**	Shall not apply where memorandum or articles of association of the private company so provides.	Memorandum or Articles of Association of Private Company can provide for different kinds of share capital with differential voting rights.
4	**Sub-clause (i) of clause (a) of sub-section (l) and sub-section (2) of section**	Shall apply with following modifications:- In clause (a), in sub-clause (i), the following proviso shall be	If ninety percent of members of private company have given their consent in

	62- Further issue of share capital	inserted, namely:- Provided that notwithstanding anything contained in this sub clause and sub-section (2) of this section, in case ninety per cent. of the members of a private company have given their consent in writing or in electronic mode, the periods lesser than those specified in the said sub-clause or sub-section shall apply.	writing/ electronic mode, the periods lesser than those specified in the said sub-clause or sub-section shall apply. Accordingly, the limit for acceptance of offer by existing shareholders may be less than 15 days, if 90% of members have given their consent in writing/electronic mode.
5	**Clause (b) of sub-section (1) section 62-passing of special resolution for offering employees stock options**	In clause (b), for the words "special resolution", the words "ordinary resolution" shall be substituted.	Private company is exempt for passing special resolution, rather ordinary resolution is sufficient.
6	**Section 67-Restrictions on Purchase by Company or Giving of Loans by it for Purchase of its Shares**	Shall not apply to private companies – a) in whose share capital no other body corporate has invested any money; b) if the borrowings of such a company from banks or financial institutions or any body corporate is less than twice its paid up share capital or fifty crore rupees, whichever is lower; and c) such a company is not in default in repayment of such borrowings subsisting at the time of making transactions under this section.	Private Companies are exempted from section 67 subject to following 3 conditions: (i) no other body corporate has invested any money in share capital of such company; (ii) the borrowings of such a company from banks / financial institutions / any Body Corporate is less than twice its paid up capital or Rs.

			50 crs whichever is lower; and (iii) such a company is not in default in repayment of such borrowings subsisting at the time of making transactions under this section.
Chapter V-Acceptance of deposits by Companies			
7	**Clauses (a) to (e) o[sub-section (2) of section 73 - Prohibition on Acceptance of Deposits from Public**	Clause (a) to (e) of Sub-section 2 of Section 73 shall not apply to private Companies A. which accepts from its members monies not exceeding 100% of aggregate of the paid up share capital, free reserves and securities premium account; or B. which is a start-up, for five years from the date of its incorporation; or C. which fulfils all of the following conditions, namely:- a) which is not an associate or a subsidiary company of any other company; b) if the borrowings of such a company from banks or financial institutions or any body corporate is less than twice of	Conditions for acceptance of Deposits from Members such as issue circular to its members, file a copy of the circular to the RoC, deposit certain amount of money in its deposit repayment reserve account, and certify that no default has been committed in repayment of deposits and interest thereon are not applicable to Private companies which fulfills the prescribed conditions

		its paid up share capital or fifty crore rupees, whichever is lower; and c) such a company has not defaulted in the repayment of such borrowings subsisting at the time of accepting deposits under this section: Provided that the company referred to in clauses (A), (B) or (C) shall file the details of monies accepted to the Registrar in such manner as may be specified.	
Chapter VII: Management & administration			
8	**Clause (g) of Section 92(1) - Annual Return**	Shall apply to Private Company, which are small company namely: (g) "aggregate amount of remuneration drawn by directors"	Small Company will only disclose the aggregate amount of remuneration drawn by all directors. No need to bifurcate the amount
9	**Proviso to Section-92(1) Proviso-Signing of Annual Return**	In relation to One Person Company, small company and private company (if such private company is a start-up), the annual return shall be signed by the company secretary, or where there is no company secretary, by the director of the company.	In case of OPC, small company and private company (if such company is a start-up) the annual return needs to be signed by Company Secretary (CS) of the company and if there is no CS then it can be signed by any director of the company.
10	Sections l0l to 107 and section 109.	Shall apply unless otherwise specified in respective sections or the	A private company can provide separate provisions in its

	Provisions: **101: Notice of General Meeting** **102: Explanatory Statements** **103; Quorum of General Meeting** **104: Chairman of the General Meeting** **105: Proxies** **106: Restrictions on Voting Rights** **107: Voting by show of hands** **109: Demand for poll**	articles of the company provide otherwise.	articles with respect to its general meeting notice, explanatory statement, quorum, chairman, proxies, voting(by show of hands or by way of poll).
8	**Clause (g) of sub-section (3) of section I17- Resolutions and Agreements to be Filed**	Shall not apply.	Board Resolutions passed u/s 179(3) are not required to be filed with the Registrar in Form MGT-14
Chapter X : Audit & Auditors			
11	**Clause (g) of subsection (3) of section 141- Eligibility, Qualifications and Disqualifications of Auditors**	Shall apply with the modification that the words "other than one person companies, dormant companies, small companies and private companies having paid-up share capital less than one hundred crore rupees" shall be inserted after the words 'twenty companies".	An auditor or audit firm can audit one person company, dormant company, small company and private company having paid- up share capital upto one hundred crore without counting them in the limit of twenty companies.
12	**Clause (i) Section-143 (3) - Powers and Duties of Auditors and Auditing Standards**	Clause (i) of Sub-Section (3) of Section 143 Shall not apply to a private company:- • which is a one person company or a small company; or	The clause(i) of Section 143(3) focus about the requirement of having adequate Internal Financial Control System & its

		• which has turnover less than rupees fifty crores as per latest audited financial statement and which has aggregate borrowings from banks or financial institutions or any body corporate at any point of time during the financial year less than rupees twenty five crore.	operating effectiveness in the Company and Disclosure of the same in Auditors Report. Now the OPCs, Small Companies and Specified Private Companies are not obligated to maintain these control systems in their respective Company.
Chapter XI: Appointment and qualifications of directors			
13	**Section 160 - Right of Persons Other than Retiring Directors to Stand for Directorship**	Shall not apply	the requirement of deposit of Rs. 1 lakh is not required
14	**Section 162 - Appointment of Directors to be Voted Individually**	Shall not apply	More than 1 director can be appointed through a single resolution
Chapter XII: Meetings of Board and its Powers			
15	**Section - 173 (5) - Holding of Board Meeting**	A One Person Company, small company, dormant company and private Company (if such private Company is a start-up) shall be deemed to have complied with the provisions of this section if at least one meeting of the Board of Directors has been conducted in each half of a calendar year and the gap between the two meetings is not less than ninety day.	Private Companies (if such Private Company is a Startup) requires to hold at least 1 board meeting during each half of calendar year and the gap between the two meeting is not less than 90 days

16	**Section - 174 (3) - Quorum for meetings of Board**	Sub-Section (3) of Section 174 shall apply to a Private Company with the exception that the interested director may also be counted towards quorum in such meeting after disclosure of his interest pursuant to section 184.	This means that if the number of Interested Directors exceeds or is equal to two-thirds of the total strength of the Board of Directors, the Interested Director may also be counted towards quorum in such meeting after disclosure of his interest pursuant to Section 184.
17	**Section 180- Restrictions on Powers of Board**	Shall not apply	Powers listed under section 180 can now be taken by the board of a private limited company without obtaining approval from the shareholders of the company.
18	**Sub-section (2) of section 184 - Disclosure of Interest by Director**	Shall apply with the exception that the interested director may participate in such meeting after disclosure of his interest.	Interested director can participate and will also be counted for quorum in such meeting after disclosure of his interest.
19	**Section 185 - Loan to Directors**	Shall not apply to a private company – a) in whose share capital no other body corporate has invested any money: b) if the borrowings of such a company from banks or financial institutions or any body corporate is less than twice of its paid up share	Private companies fulfilling the prescribed conditions are only eligible for an exemption from the provisions of Section 185 and can advance, directly or indirectly, any loan(including any loan represented by book debt)or give any guarantee or provide any security in connection with a loan taken by any

		capital or fifty crore rupees, whichever is lower ; and c) such a company has no default in repayment of such borrowings subsisting at the time of making transactions under this section.	director of company or any person associated with such director in the manner specified in the section.
20	**Second proviso to sub-section (l) of section 188 - Related Party Transactions**	Shall not apply Second proviso to Section 188(1) provides that no member of the company shall vote on such resolution, to approve any contract or arrangement which may be entered into by the company, if such member is a <u>related party</u>.	In Private company, a related party to any contract or arrangement can vote on such resolution as a member of the company.
Chapter XIII-Appointment and remuneration of the Managerial Personnel			
21	**Sub-sections (4) and (5) of section 196.** **Section 196(4) : Appointment of managing director, whole time director or manager** **Section196(5) : Validating the actions of managing director/whole time director/manager, if appointment is not approved by a company in general meeting**	Shall not apply	Provisions of Section 196(4) & (5) are not applicable, therefore the remuneration and terms and conditions of appointment of a Managing Director (MD), Whole-time Director (WTD) or Manager of a private Company need not be subject to the provisions of Section 197 , Schedule V and approval of members in their general meeting. Filing of Form MR-1 is also not applicable.

Note: The above-mentioned exceptions is applicable to a private company which has not committed a default in filing its financial statements under section 137 of the Companies Act, 2013 or annual return under section 92 of the Companies Act, 2013 with the Registrar of Companies.

CONCLUSION

The Private Companies are economy boosters therefore, the Ministry of corporate affairs time to time considers the relaxation to the provisions applicable to private companies, wherever the situation requires, in order to provide hassle free compliance access to the promoters and professionals.

***

Legal Maxims

S.No.	*Legal Maxim*	*Meaning*	*Usage & Example*
1.	*Certiorari*	To be apprised	A type of writ seeking judicial review. **For eg. The High Court of Delhi issued the Writ of *Certiorari* against the order of the Court under its jurisdiction.**
2.	*Doli incapax*	Incapable of guilt	Presumption that young children or persons with diminished mental capacity cannot form the intent to commit a crime. **For eg. According to section 82 of The Indian Penal Code, 1860 —Nothing is an offence which is done by a child under seven years of age. As he is *Doli incapax.***
3.	*Ei incumbit probatio qui dicit*	Proof lies on him who asserts.	The concept that one is innocent until proven guilty. **For eg. An accused is not guilty until he is convicted due the rule of *Ei incumbit probatio qui dicit***
4.	*Ex delicto*	From a transgression	The consequence of a crime or tort. **For eg. The *Ex delicto* of the crime always keep the criminal in fear.**
5.	*Favor contractus*	Favor of the contract	A concept in treaty law that prefers the maintaining of a contract over letting it expire for purely procedural reasons. **For eg. The contract between the parties renewed on the basis of the principle of the legal maxim *Favor contractus.***

***

Legal World

CORPORATE LAWS

Landmark Judgement

COSMOSTEELS PRIVATE LTD v. JAIRAM DAS GUPTA & ORS [SC]

CMPNo. 7962 of 1977 in Civil Appeal No. 1347(N) of 1977

M.H.Beg, P.N. Bhagwati & D.A. Desai, JJ. [Decided on 16/12/1977]

Equivalent citations: 1978 AIR 375: 1978 SCR (2) 422; (1978) 48 Comp Cas 312; 1978 SCC (1) 215.

Companies Act,1956- sections 397-398 read with sections 100-104- purchase of shares by company under court order in a petition filed under sections 397-398 - whether creditors to be given notice-Held, No.

Brief facts : This miscellaneous petition by Interveners raised a short but interesting question in the field of Company Law. The question was: whether when on a direction given by the Court, while granting relief against oppression to the minority shareholders of the Company, to the Company to purchase the shares of some of its members which would ipso facto bring about reduction of the share capital because a Company cannot be its own member, is it obligatory to serve a notice upon all the creditors of the Company?

Briefly stated, there were two groups in the company viz “Gupta Group” (the Respondents) and “Jain Group”. In a petition under section 397-398, the court ordered the company to purchase the shares of Gupta Group, if Jain Group fails to purchase.

The interveners filed the present miscellaneous petition requesting the Court to permit them to intervene in the proceedings and to postpone the purchase of shares by the Company until such time as the Company adopts proceedings in a competent Court by following the procedure laid down by the Companies Act, 1956, and particularly sections 100 to 104 for reduction of the share capital.

Decision : Petition dismissed.

Reason : It was conceded that the procedure prescribed in sections 100 to 104 is not required to be followed where reduction of share capital is necessitated by the direction given by the Court in a petition under ss. 397 and 398. Section 77 leaves no room for doubt that reduction of a share capital may have to be brought about in two different situations by two different modes. Undoubtedly, where the Company has passed a resolution for reduction of its share capital and has submitted it to the Court for confirmation the procedure prescribed by ss. 100 to 104 will have to be followed, if they are attracted. On the other hand, where the Court, while disposing of a petition under ss. 397 and 398, gives a direction to the Company to purchase shares of its own members, a consequent reduction of the share capital is bound to ensue, but before granting such a direction it is not necessary to give notice of the consequent reduction of the share capital to the creditors of the company. No such requirement is laid down by the Act. Two procedures ultimately bringing about reduction of the share capital are distinct and separate and stand apart from each other and one, or the other may be resorted to according to the situation. That is the clearest effect of the disjunctive or in section 77. The scheme of sections 397 and 406 appears to constitute a code by itself for granting relief to oppressed minority shareholders and for granting appropriate relief, a power of widest amplitude, inter alia, lifting the ban on company purchasing its shares under Court's direction, is conferred on the Court. When the Court exercises this power by directing a purchase of its shares by the Company, it would necessarily involve reduction of the capital of the Company. Is such power of the Court subject to a resolution to be adopted by the members of the Company which, when passed with statutory majority, has to be submitted to Court for confirmation? No canon of construction would permit such an interpretation in which the statutory power of the Court for its exercise depends upon the vote of the members of the Company. This would inevitably be the situation if reduction of share capital can only be brought about by resorting to the procedure prescribed in ss. 100 to 104. Additionally it would cause inordinate delay and the very purpose of granting relief against oppression would stand self-defeated Viewed from a slightly different angle, it would be impossible to carry out the directions given under s. 402 for reduction of share capital if the procedure under ss. 100 to 104 is required to be followed. Under ss. 100 to 104 the Company has to first adopt a special resolution for reduction of share, capital if its articles so permit. After such a resolution is adopted winch, of necessity must be passed by majority, and it being a special resolution, by a statutory majority, it will have to be submitted for confirmation to the Court. Now, when minority shareholders complain of oppression by majority and seek relief against oppression from the Court under ss. 397 and 398 and the Court in a petition of this nature considers it fair and just to direct the Company to purchase the shares ,of the minority shareholders to relieve oppression, if the procedure prescribed by ss. 100 to 104 is required to be followed, the resolution will have to be first adopted by the members of the Company but that would be well-nigh impossible because the very majority against whom relief is sought would be able to veto a at the threshold and the power conferred on the Court would be frustrated. That could never have been the intention of the Legislature. Therefore, it is not conceivable that when a direction for purchase of shares is given by the Court under s. 402 and consequent reduction in share capital is to be effected, the procedure prescribed for reduction of share capital in ss. 100 to 104 should be required to be followed in order to make the direction effective.

It was also urged that the Court was in error in making the order without notice to the Central Government. Section 400 provides that the Court shall give notice of every application made to it under ss. 397 or 398 to the Central Government and shall take into consideration the representation, if any, made to it by that Government before passing a final order under that section. It was urged that before this Court made the final order dated 31st May 1977, the record does not show that any notice was given to the Central Government and, therefore, also the order is vitiated. We see no merit in this contention. Undoubtedly, when a petition is made to the Court under Ss. 397 and 398 it is obligatory upon the Court to give notice of the petition to the Central Government and it would be open to the Central Government to make a representation and if any such representation is made, the Court would have to take it into consideration before passing the final order in the proceeding. But s. 400 does not envisage afresh notice to be issued at the appellate stage. The present petition under ss. 397 and 398 was made to the Calcutta High Court and it was not disputed that before the learned single Judge finally disposed of the petition inter alia directing purchase of shares of the Gupta Group by the Company, notice was issued to the Central Government. as envisaged by s.400. The Central Government apparently did not appear and make any representation. The matter came before this Court initially against the interim order made by the appellate Bench of the Calcutta High Court in the appeal against the order of the learned single Judge, but subsequently special leave was obtained for appealing against the order of the learned single Judge also and it was after this special leave was granted that this Court made the final order. Therefore, there was no question of issuing fresh notice to the Central Government under s. 400 and the contention must be negatived. Accordingly, we find no merits in the Civil Miscellaneous Petition and it must be rejected.

GENERAL LAWS

SARVESH BISARIA v. ANAND NIROG DHAM HOSPITAL PVT LTD [DEL]

CMM. No. 148 of 2020

Asha Menon. [Decided on 30/07/2021]

Civil Procedure Code, 1908- Order 37- summary proceedings- dishonour of cheque- leave to defend granted- MM had taken cognizance of the offence under section 138 of the NI Act- whether this cognizance automatically entitles the plaintiff for a decree in the summary suit- Held, No.

Brief facts : The petitioner filed a suit for recovery of Rs.1,65,75,000/- under Order 37 of the CPC. The trial court granted leave to the respondent/defendants to defend the suit. Challenging the leave granted , the Petitioner assailed the judgement under Art.227 of the Constitution of India before the High Court.

Decision : Petition dismissed.

Reason : As regards the question whether leave to defend has been rightly granted to the respondent/defendant or not, the facts that prevailed upon before the learned Trial Court were that the petitioner/plaintiff himself has referred to loans having been given to the respondent/defendant by way of bank transfer. The petitioner/plaintiff had also accepted that the respondent/defendant had been paying interest for some time after which it defaulted. In fact, the plaint record reflects this position. The existence of some business transactions is, therefore, made out even from the plaint. Though the petitioner/plaintiff has claimed now that those loan transactions were something different, that would be a matter to be seen during trial.

When the respondent/defendant has challenged the claim of the petitioner/plaintiff that he had acted as legal advisor to them and, therefore, the invoice raised was for a fee, this fact too will have to be proved. In fact, in the application for leave to defend, the respondent/defendant has averred that the petitioner/plaintiff had claimed to have been providing legal assistance to the respondent/defendant since the year 2000, yet the invoice had been raised only in December, 2018, and therefore, the amounts raised in the invoice would also be time- barred.

With regard to the submissions made by the learned counsel for the petitioner/plaintiff, that, on taking cognizance of an offence by the learned MM under Section 138 of the N.I. Act automatically a decree against the respondent/defendant should follow, cannot be accepted, as cognizance leads to trial and the accused can also get acquitted. Secondly, on the one hand the petitioner/plaintiff claims that the cheques were towards loans which were separate transactions and on the other hand, wants this Court to draw conclusions on that basis, that the signatures on the cheques were admitted and the learned MM had taken cognizance of the case to decree this suit.

In the light of these submissions, it is indeed a matter of trial as to what was the liability of the respondent/defendant towards the petitioner/plaintiff and towards what transaction or service rendered by the petitioner/plaintiff, that is, as a lender or as a legal advisor, would he be entitled to the suit amount.

The learned Trial Court was, therefore right in observing that the defence taken was not moonshine and disclosed triable issues which required inquiry. Leave to defend had to be granted in the light of these varying stands taken by the petitioner/plaintiff in different proceedings. The petition is devoid of merit and is dismissed along with the pending application.

AMAZON.COM NV INVESTMENT HOLDINGS LLC v. FUTURE RETAIL LTD [SC]

Civil Appeal Nos. 4492-4493 of 2021

R.F. Nariman & B.R. Gavai,JJ. [Decided on 06/08/2021]

Arbitration and Conciliation Act, 1996- sections 17 - arbitration through SIAC- appointment of emergency arbitrator- interim award by the arbitrator- whether legal- Held, Yes.

Section 37- appeal from judgements- Single judge upholding the award and its execution- on appeal division bench reverses the judgement- whether the judgement appealable -Held, No.

Brief facts : Three agreements dated 22/12/2019 were entered into between the parties. A Shareholders' Agreement was entered into amongst the Biyani Group, i.e., Respondents No. 1 to 13 ["FRL Shareholders' Agreement"]. Under this Shareholders' Agreement, FCPL was accorded negative, protective, special, and material rights with regard to FRL including, in particular, FRL's retail stores ["retail assets"]. The rights granted to FCPL under this Shareholders' Agreement were to be exercised for Amazon's benefit and thus were mirrored in a Shareholders' Agreement entered into between Amazon, FCPL, and Respondents No. 3 to 13 ["FCPL Shareholders' Agreement"]. Amazon agreed to invest a sum of Rs.1431 crore in FCPL based on the rights granted to FCPL under the FRL Shareholders' Agreement and the FCPL Shareholders' Agreement. This investment was recorded in the Share Subscription Agreement entered into between Amazon, FCPL, and Respondents No. 3 to 13 ["Share Subscription Agreement"]. It was expressly stipulated that this investment in FCPL would "flow down" to FRL. It appears that the basic understanding between the parties was that Amazon's investment in the retail assets of FRL would continue to vest in FRL, as a result of which FRL could not transfer its retail assets without FCPL's consent which, in turn, could not be granted unless Amazon had provided its consent. Also, FRL was prohibited from encumbering/ transferring/ selling/ divesting/ disposing of its retail assets to "restricted persons", being prohibited entities, with whom FRL, FCPL, and the Biyanis could not deal. The Mukesh Dhirubhai Ambani group (Reliance Industries group) is a "restricted person" under both these Shareholders' Agreements.

On 26/12/2019, Amazon invested the aforesaid sum of Rs.1431 crore in FCPL which "flowed down" to FRL on the very same day. Within a few months from the date of this investment, i.e., on 29/08/2020, Respondents No. 1 to 13 entered into a transaction with the Mukesh Dhirubhai Ambani group which envisages the amalgamation of FRL with the Mukesh Dhirubhai Ambani group, the consequential cessation of FRL as an entity, and the complete disposal of its retail assets in favour of the said group.

Amazon initiated arbitration proceedings and filed an application seeking emergency interim relief under the SIAC Rules, asking for injunctions against the aforesaid transaction. The Emergency Arbitrator heard detailed oral submissions from all parties and then passed an "interim award" in which the learned Arbitrator issued injunctions/directions against the respondents not to complete the disputed amalgamation activity.

Amazon went ahead with an application, to enforce the emergency award, filed under Section 17(2) of the Arbitration Act which was allowed by the learned Single Judge of the Delhi High Court. On appeal by the respondents, the Division Bench of the Delhi High Court set aside the judgement of the single Judge. Against the said order, Amazon appealed to the Supreme Court of India.

Issues : (i) Whether an "award" delivered by an Emergency Arbitrator under the Arbitration Rules of the Singapore International Arbitration Centre ["SIAC Rules"] can be said to be an order under Section 17(1) of the Arbitration and Conciliation Act, 1996 ?

(ii) Whether an order passed under Section 17(2) of the Arbitration Act in enforcement of the award of an Emergency Arbitrator by a learned Single Judge of the High Court is appealable?

Decision : Appeal allowed.

Reason : By way of contrast, the present is a case akin to Centrotrade (supra). As has been pointed out in Centrotrade (supra), the parties to the contract, in the present case, by agreeing to the SIAC Rules and the award of the Emergency Arbitrator, have not bypassed any mandatory provision of the Arbitration Act. There is nothing in the Arbitration Act that prohibits contracting parties from agreeing to a provision providing for an award being made by an Emergency Arbitrator. On the contrary, when properly read, various Sections of the Act which speak of party autonomy in choosing to be governed by institutional rules would make it clear that the said rules would apply to govern the rights between the parties, a position which, far from being prohibited by the Arbitration Act, is specifically endorsed by it. This judgment is, therefore, entirely distinguishable from the fact situation in the present case.

There can be no doubt that the "arbitral tribunal" as defined in Section 2(1)(d) speaks only of an arbitral tribunal that is constituted between the parties and which can give interim and final relief, "given the scheme of the Act", as Mr. Salve puts it, as contained in the aforementioned Sections. However, like every other definition section, the definition contained in Section 2(1)(d) only applies "unless the context otherwise requires". Given that the definition of "arbitration" in Section 2(1)(a) means any arbitration, whether or not administered by a permanent arbitral institution, when read with Sections 2(6) and 2(8), would make it clear that even interim orders that are passed by Emergency Arbitrators under the rules of a permanent arbitral institution would, on a proper reading of Section 17(1), be included within its ambit. It is significant to note that the words "arbitral proceedings" are not limited by any definition and thus encompass proceedings before an Emergency Arbitrator, as has been held hereinabove with reference to Section 21 of the Act read with the SIAC Rules. The short point is as to whether the definition of "arbitral tribunal" contained in Section 2(1)(d) should so constrict Section 17(1), making it apply only to an arbitral tribunal that can give final reliefs by way of an interim or final award.

The heart of Section 17(1) is the application by a party for interim reliefs. There is nothing in Section 17(1), when read with the other provisions of the Act, to interdict the application of rules of arbitral institutions that the parties may have agreed to. This being the position, at least insofar as Section 17(1) is concerned, the "arbitral tribunal" would, when institutional rules apply, include an Emergency Arbitrator, the context of Section 17 "otherwise requiring" – the context being interim measures that are ordered by arbitrators. The same object and context would apply even to Section 9(3) which makes it clear that the court shall not entertain an application for interim relief once an arbitral tribunal is constituted unless the court finds that circumstances exist which may not render the remedy provided under Section 17 efficacious. Since Section 9(3) and Section 17 form part of one scheme, it is clear that an "arbitral tribunal" as defined under Section 2(1)(d) would not apply and the arbitral tribunal spoken of in Section 9(3) would be like the "arbitral tribunal" spoken of in Section 17(1) which, as has been held above, would include an Emergency Arbitrator appointed under institutional rules.

As has been held by us above, it is wholly incorrect to say that Section 17(1) of the Act would exclude an Emergency Arbitrator's orders. This being the case, even if section 25.2 of the FCPL Shareholders' Agreement (pari materia with section 15.2 of the FRL Shareholders' Agreement) makes the SIAC Rules subject to the Arbitration Act, the said Act, properly construed, would include an Emergency Arbitrator's awards/orders, there being nothing inconsistent in the SIAC Rules when read with the Act.

A reading of the aforesaid Rules indicates that even before an arbitral Tribunal is constituted under the Rules, urgent interim reliefs can be granted by what is termed as an "Emergency Arbitrator". An "Emergency Arbitrator" is defined by Rule 1.3 of these Rules as meaning an arbitrator appointed in accordance with paragraph 3 of Schedule 1. Under paragraph 7 of Schedule 1, the Emergency Arbitrator has all the powers vested in the arbitral tribunal pursuant to SIAC Rules, including the authority to rule on his own jurisdiction. Importantly, under paragraph 8 of Schedule 1 to the SIAC Rules, the Emergency Arbitrator shall have the power to order such interim relief that he deems necessary and is to give summary reasons for his decision in writing. Under paragraph 9, the interim order is to be made within 14 days of his appointment, unless time is extended. Importantly, once the arbitral tribunal is constituted under paragraph 10, the tribunal may reconsider, modify, or vacate any such interim order. Such interim order or award issued by the Emergency Arbitrator will continue to bind the parties unless it is modified or vacated by the arbitral tribunal, once it is constituted, until the tribunal makes a final award or until the claim is withdrawn. Paragraph 10 of Schedule 1 also provides that any interim order or award made by the Emergency Arbitrator shall cease to be binding only if the tribunal is not constituted within 90 days of such order or award. Under paragraph 12, the parties agree that such orders shall be binding on the parties from the date it is made and undertake to carry out the interim order immediately and without delay.

A party cannot be heard to say, after it participates in an Emergency Award proceeding, having agreed to institutional rules made in that regard, that thereafter it will not be bound by an Emergency Arbitrator's ruling. As we have seen hereinabove, having agreed to paragraph 12 of Schedule 1 to the SIAC Rules, it cannot lie in the mouth of a party to ignore an Emergency Arbitrator's award by stating that it is a nullity when such party expressly agrees to the binding nature of such award from the date it is made and further undertakes to carry out the said interim order immediately and without delay.

Once the Emergency Arbitrator enters upon the reference, he is given all the powers of an arbitral tribunal under Rule 7 and is to decide completely independently of any other administrative authority under the SIAC Rules. Equally, Rule 9 does not, in any manner, impinge upon the independence of the Emergency Arbitrator as it only lays down the timeframe within which an interim order or award is to be made, which time is extendable by the Registrar. The interim order or award that is finally made by the Emergency Arbitrator has only to be approved by the Registrar as to its "form" and not on merits. Further, Rule 10 also does not, in any manner, interfere with the independence of the decision of the Emergency Arbitrator.

We, therefore, answer the first question by declaring that full party autonomy is given by the Arbitration Act to have a dispute decided in accordance with institutional rules which can include Emergency Arbitrators delivering interim orders, described as "awards". Such orders are an important step in aid of decongesting the civil courts and affording expeditious interim relief to the parties. Such orders are referable to and are made under Section 17(1) of the Arbitration Act.

We now come to the question as to the maintainability of the appeal that has been filed under Order XLIII, Rule 1(r). Order XLIII, Rule 1(r) reads as under:

Given the fact that the 2015 Amendment Act has provided in Section 17(1) the same powers to an arbitral tribunal as are given to a court, it would be anomalous to hold that if an interim order was passed by the tribunal and then enforced by the court with reference to Order XXXIX Rule 2-A of the Code of Civil Procedure, such order would not be referable to Section 17. Section 17(2) was necessitated because the earlier law on enforcement of an arbitral tribunal's interim orders was found to be too cumbersome.

There can be no doubt that the legal fiction created under Section 17(2) for enforcement of interim orders is created only for the limited purpose of enforcement as a decree of the court. To extend this fiction to encompass appeals from such orders is to go beyond the clear intention of the legislature.

The second question posed is thus answered declaring that no appeal lies under Section 37 of the Arbitration Act against an order of enforcement of an Emergency Arbitrator's order made under Section 17(2) of the Act. As a result, all interim orders of this Court stand vacated. The impugned judgments of the Division Bench, dated 8th February, 2021 and 22nd March, 2021, are set aside. The appeals are disposed of accordingly.

COMPETITION LAWS

INFORMANT (CONFIDENTIAL) v. GRASIM INDUSTRIES LIMITED [CCI]

Case No. 51 of 2017 with connected cases.

A. K. Gupta, Sangeeta Verma & B. S. Bishnoi. [Decided on 06/08/2021]

Competition Act 2002- section 4- abuse of dominance- Viscose Staple Fibre (VSF)- CCI passes cease and desist order.

Brief facts : All three complaints in the instant matters were filed, by the informants, under Section 19(1)(a) of the Competition Act, 2002 against Grasim Industries Limited (the 'OP') alleging, inter alia, contravention of the provisions of Sections 3(4) and 4 of the Act with respect to Viscose Staple Fibre (VSF).

Decision: Cease and desist order passed.

Reason : Having considered the issue and contention of OP thereon, it is noted from the above table, that the quantum of VSF imports into India were 43,000 MT, 44,000 MT and 41,000 MT during the period of 2015-16, 2016-17 and 2017-18 respectively. It is observed that the quantum of VSF imports has been very small as a percentage of domestic consumption of VSF for each year considered ranging between 14% to 16% and the market share of OP has been ranging between 84% to 86% in the relevant market during the period of investigation. The consistent market share of OP during the period of investigation indicate that imports do not act as a significant, economically viable alternative source of VSF supply for the spinners, much less acting as any countervailing force. Furthermore, it is noted that VSF manufacturing is capital intensive and involves complex technology, and subject to strict environmental restrictions. OP is having an excess production capacity of around 25%, thus, it is difficult for a new entrant to offer any sort of price competition to OP in the relevant market. Taking into account the aforesaid discussion, it is clear that OP enjoys a position of dominance in the relevant market of supply of VSF to spinners in India.

Undertakings in competitive markets are generally entitled to determine whom to deal or supply and decide independently not to deal or supply to certain companies in the said market. Whereas, in case of dominant entity the situation is different as it is entrusted with a special responsibility with respect to the supply in the market. The case at hand however, points to a situation in which a dominant entity by offering VSF at prices that are not economically viable for the buyer/spinner to continue with its activity of spinning VSF yarn has denied a buyer/spinner access to an indispensable input in order to exclude that buyer/spinner from participating in VSF spinning thereby amounting to a refusal to supply. A refusal to supply may be classified as an exclusionary abuse. By way of its conduct the dominant entity prevents the requesting or terminated party from gaining access to an input. As a result, this undertaking/spinner is either driven out of the market, marginalized, denied access to market or prevented from entering the market.

VSF manufactured by OP is an indispensable input for producing both 100% VSF yarn or blended yarn. Without this input spinners cannot manufacture VSF yarn. The Commission has already shown that VSF imports are not an economically viable alternative for domestic spinners. Furthermore, the Commission in earlier cases has demonstrated that the OP has been discriminating against domestic category spinners by way of discounts resulting in a distortion of competition in the downstream market for 100% VSF yarn and blended yarn. In the instant matter, OP withdrew all discounts/credit notes to Informant No. 2, making the supply of VSF costly to Informant No. 2 and resulting in the VSF yarn manufactured by it to become uncompetitive. The difference between the present matter and earlier ones is that in the earlier matter, the issue was discrimination between domestic spinners regarding discounts offered by OP, whereas this is another case of discrimination but in a different form, i.e., withdrawing/providing no discounts/credit notes to a VSF spinner and at the same time selling VSF at discounted prices/adjusting through credit notes to other domestic spinners who are all competitors in the downstream domestic VSF yarn market. Owing to the said conduct, Informant No. 2 had to cease production of VSF yarn/blended VSF yarn. OP, being a dominant entity, manufacturing and supplying an indispensable input/raw material to downstream domestic spinners, is entrusted with a special responsibility not to discriminate amongst its buyers. Taking into account the aforesaid analysis, the Commission is of the view that the argument of OP, that refusal to supply VSF to Informant No. 2 is owing to a commercial dispute and the same is not a competition law matter, is devoid of merit and is misconceived. The Commission considers such conduct unfair and discriminatory in violation of Section 4(2)(a)(ii) read with Section 4(1) of the Act. The said conduct is also in violation of Section 4(2)(c) read with Section 4(1) of the Act.

In view of the above, the Commission is of the opinion that the OP has abused its dominant position in the relevant market of 'the market for supply of VSF to spinners in India' by charging discriminatory prices to its customers, denying market access and imposing supplementary obligations upon its customers in violation of the provisions of Sections 4(2)(a)(ii), 4(2)(c) and 4(2)(d) read with 4(1) of the Act, as detailed in this order. The Commission directs the OP to cease and desist from indulging in such practices, which have been found to be in contravention of the provisions of the Act.

***

Student Services

IMPORTANT STUDENT ANNOUNCEMENTS

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)

IMPORTANT ANNOUNCEMENT FOR DECEMBER 2021 EXAMINATION ENROLLMENT

It is hereby informed that submission of Examination Enrollment request for December 2021 Session will commence only after declaration of Result of June 2021 Exam Session held during 10th to 20th August 2021. The Enrollment process for December 2021 Exam Session will be active at least 15 days from the date of announcement of June 2021 Exam Result.

The cut off dates for submission of Enrollment Request for December 2021 Exam Session will be announced separately at the Institute's website www.icsi.edu.

Further, it is also informed to all concerned that the Company Secretaries Examinations, December -2021 will be held as per the schedule announced at www.icsi.edu

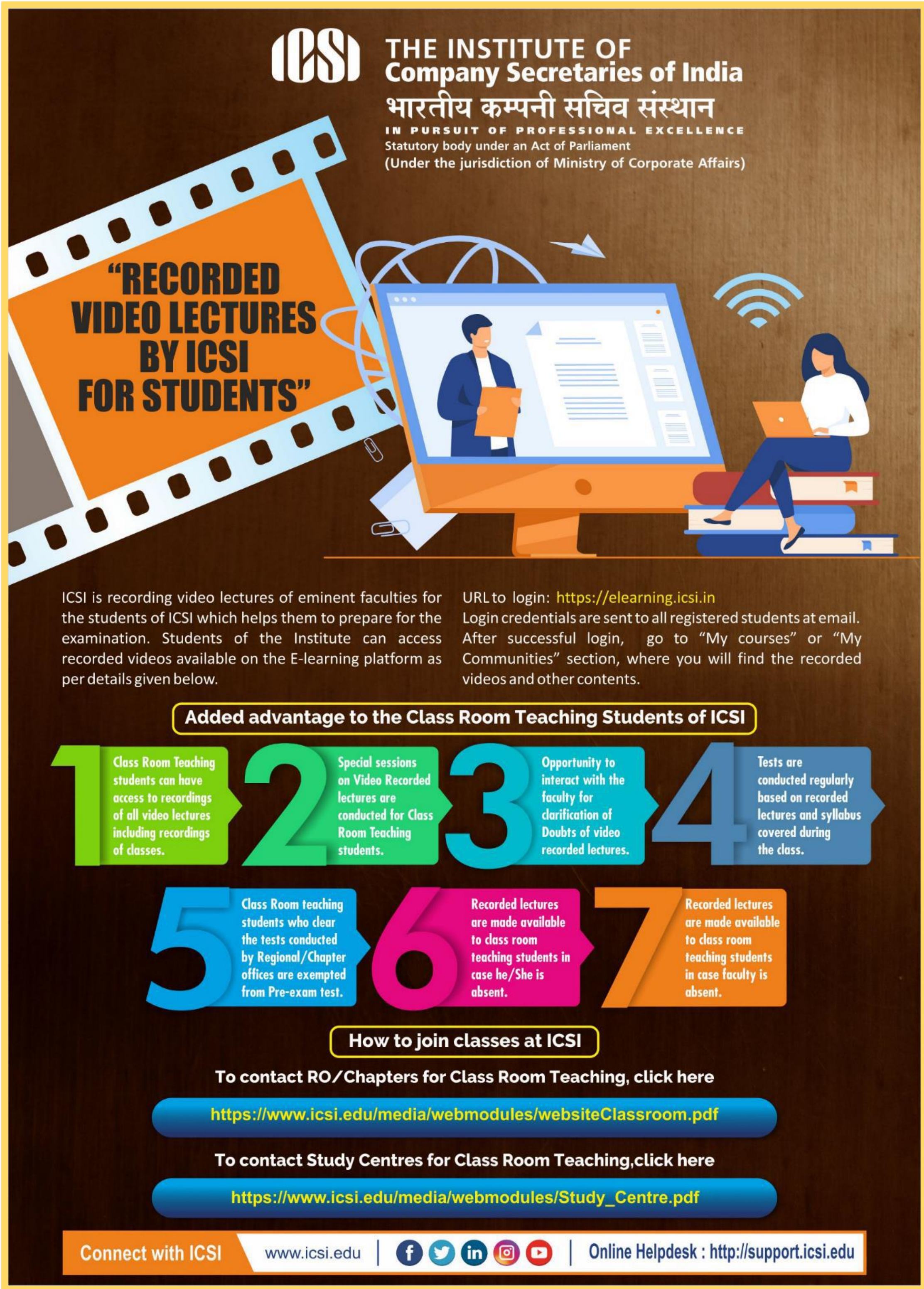
(A K Srivastava)
Joint Secretary

Date : 7th September, 2021

Link to register

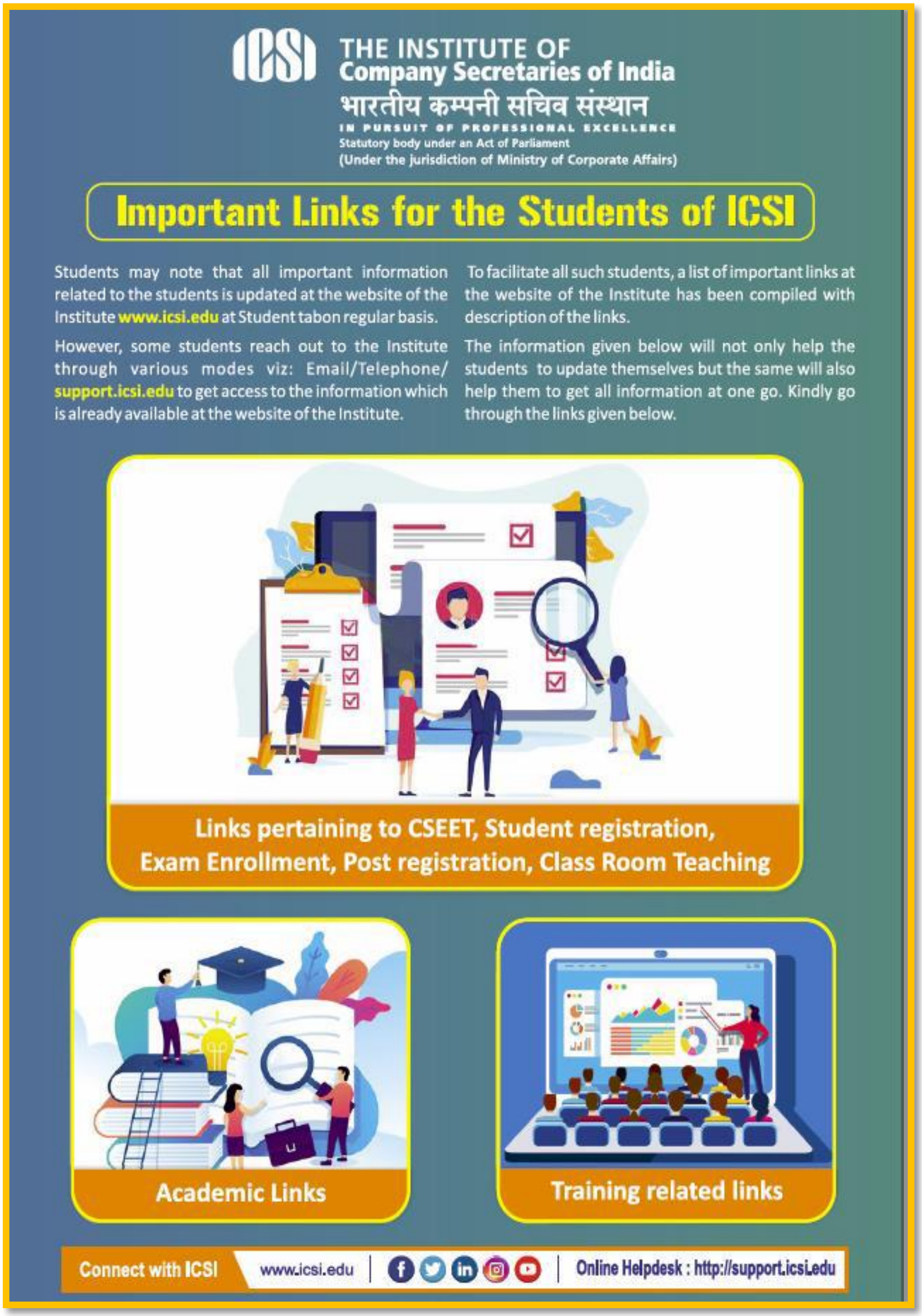
https://smash.icsi.edu/Scripts/CSEET/Instructions_CSEET.aspx

Link to join classes.
https://www.icsi.edu/media/webmodules/SCHEDULE_OF_CSEET_NOV21_classes_at_RO_CHAPTERS.pdf



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

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



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

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

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

Youtube links of the "One day Programme for the students" held on 8th September 2021 during "International Literacy Day".

https://www.youtube.com/watch?v=3at0hPYpIrA

https://www.youtube.com/watch?v=ALwlV7F8G-Y

Schedule of ICSI online classes at Regional/Chapter offices for CSEET Nov'21 examination.
Contact Regional/Chapter Offices of ICSI as per details given below to join the classes

Region/Chapter	*Name of the coordinator*	*Contact no*	*Email ID of Official*	*Chapter Email*	*Scheduled date to start CSEET NOV'21 classes*
Bhubaneswar	Mr. U C Mishra	0674-2552282	uc.mishra@icsi.edu	bhubaneswar@icsi.edu	1st batch will start on 20/08/2021 & 2nd batch - 05/10/2021
Dhanbad	Mr. Govind Kumar Tiwari	0326-6556005/ 9631149991	govind.tiwari@icsi.edu	dhanbad@icsi.edu	10.09.2021
Hooghly	Mr Aritra Karmakar	033-26720315	aritra.karmakar@icsi.edu	hooghly@icsi.edu	Aug'21
Kolkata- EIRO	Ms. Rukmini Nag	033 - 22832973	rukmani.nag@icsi.edu	eiro@icsi.edu; rukmani.nag@icsi.edu	10.09.2021
Patna	Mr. Gautam Karmakar	(0612) 2322405	goutam.karmakar@icsi.edu	patna@icsi.edu	20.08.2021
Ranchi	Mr. Shashi Bhushan Prasad	0651-2223382	shashi.bhushanprasad@icsi.edu	ranchi@icsi.edu	26.08.2021
Siliguri	Sudipta Dutta	9830319395	sudipta.dutta@icsi.edu	siliguri@icsi.edu	10.09.2021
Amritsar	Rani Raizada	0183-5005757	rani.raizada@icsi.edu	amritsar@icsi.edu	15.09.2021
Bareilly	Mr. Amit Kumar & Mr. Sanjeev Kumar Sharma	0581-2540012	amit.kumarb@icsi.edu	bareilly@icsi.edu	01.09.2021

Delhi-NIRO	Mr Vinay Kumar; Rajesh Gupta	(011) 49343006/ 011-49343005/ 011-49343002/	vinay.baisoya@icsi.edu; rajesh.gupta@icsi.edu	vinay.baisoya@icsi.edu; rajesh.gupta@icsi.edu	01.09.2021
Faridabad	Ms Suman Iyer	(0129) 4003761	suman.iyer@icsi.edu	faridabad@icsi.edu	26.08.2021
Jaipur	Raj Kumar Rai, Chandra Meena	0141-2707236	raj.rai@icsi.edu	jaipur@icsi.edu; chandra.meena@icsi.edu	22.08.2021
Jalandhar	Mr. Manish Kumar	7837210757	manish.kumar@icsi.edu	jalandhar@icsi.edu	30.08.2021
Karnal	Mr Sanjay Jakhmola	8699468859	sanjay.Jakhmola@icsi.edu	karnal@icsi.edu	01.09.2021 (tentative)
Kanpur	Mr Kunwar Lal Kushwaha	0512) 2296535 / 2212767	kl.kushwaha@icsi.edu	kanpur@icsi.edu	16.08.2021
Kota	Raju Kumar	0744-2406456	raju.kumar@icsi.edu	kota@icsi.edu	23.08.2021
Lucknow	Ravi Krishna Srivastava	0522-4109382	ravi.srivastava@icsi.edu	lucknow@icsi.edu	05.08.2021
Modinagar	Rahul Verma	01232-243048	rahul.verma@icsi.edu	modinagar@icsi.edu	02.08.2021
Panipat	Deepak Kumar Gupta	9335348179	deepak.gupta@icsi.edu	panipat@icsi.edu	10.09.2021
Amaravati	Mr. Dharavathu Ramprasad	0863-2233445	dharavathu.prasad@icsi.edu	amaravati@icsi.edu	06.09.2021
Bengaluru	Ms Noor Soumya	(080) 23116574	noor.sumayya@icsi.edu	bengaluru@icsi.edu	16.08.2021
Belagavi	Mr. Sandip Bansi Bhingardive	(0831) 4201716	sandip.bhingardive@icsi.edu	belagavi@icsi.edu	01.08.2021

Chennai-SIRO	C. Murugan	(044) 28279898	chelliah.murugan@icsi.edu	chelliah.murugan@icsi.edu	04.08.2021
Coimbatore	Mr. Sreejith P, Mr. S.Ashok	(0422) 2237006	sreejith.p@icsi.edu	coimbatore@icsi.edu	22.07.2021
Hyderabad	Mr. V Srinivas	040-27177721 /24 / 28, 9491989900	srinivas.v@icsi.edu	hyderabad@icsi.edu	09.08.2021
Kochi	Mr Sree Kumar T S	0484-2375950	sreekumar.ts@icsi.edu	kochi@icsi.edu	18.08.2021
Kozhikode	Mr Padmarajan E	0495 -2770702	calicut@icsi.edu	calicut@icsi.edu	22.07.2021
Mangaluru	Mr Shankar Rao Badi	0824-2216482	sankara.badi@icsi.edu	mangalore@icsi.edu	08.09.2021
Mysuru	Mr. N.Dhanabal	0821-2516065	dhanabal.n@icsi.edu	mysuru@icsi.edu	22.09.2021
Madurai	Mr. T.Raja	(0452) 2340797	t.raja@icsi.edu	madurai@icsi.edu	25.08.2021
Palakkad	Ms. Roby Joshep	0491- 2528558	roby.joseph@icsi.edu	palakkad@icsi.edu	1st batch started on 15.07.2021 2nd batch - 15.09.2021
Salem	Mr. Sunder Swamy S	0427 - 2443600 / 8754340840	sundarswamy.s@icsi.edu	salem@icsi.edu	2nd Week of Sep'2021
Thiruvananthapuram	Mr. S V Vinod Kumar	0471-2309915	vinod.sreerama@icsi.edu	tvm@icsi.edu	28.07.2021
Thrissur	Ms Soumya S	0487-2327860 / 9567763621	soumya@icsi.edu	thrissur@icsi.edu	15.07.2021
Visakhapatnam	Mr P R V Shivaramakrishna	0891-2533516	Prv.sivaramakrishana@icsi.edu	vpatnam@icsi.edu	23.08.2021
Ahmedabad	Ms. Smita Subin	079-26575334	smita.subin@icsi.edu	ahmedabad@icsi.edu	02.08.2021

Dombivli	Ms. Ketki Kedar Joshi	(0251) 2445423	ketki.joshi@icsi.edu	dombivli@icsi.edu	15.07.2021
Goa	Mr. Vasant H Kerkar	(0832) 2435033	vasant.kerkar@icsi.edu	goa@icsi.edu	23.08.2021
Mumbai-WIRO	Dr. Rajesh Agarwal/ Dasari Bannashankar / Anil Tale	022-61307904	rajesh.agrawal@icsi.edu; bannashankar.dasari@icsi.edu; anil.tale@icsi.edu	bannashankar.dasari@icsi.edu; anil.tale@icsi.edu	2nd week of Aug'21
Nashik	Mr. Amit Kumar	0253-2318783	amit.kumar_n@icsi.edu	nashik@icsi.edu	20.08.2021 (tentative)
Navi Mumbai	Mr. P S Emmanuel	(022) 49727816	ps.emmanuel@icsi.edu	navimumbai@icsi.edu	15.09.2021
Pune	Mrs. Garima Mehrotra	020-25393227	garima.mehrotra@icsi.edu	pune@icsi.edu	02.08.2021
Raipur	Mr. Prafulla Kumar Dash	0771-2582618	prafulla.dash@icsi.edu	raipur@icsi.edu	27.07.2021
Rajkot	Mr. Chandranath Kundu	0281-2482489	chandra.kundu@icsi.edu	rajkot@icsi.edu	1st week of Sep.
Surat	Mr. Ratnesh Kumar	(0261) 2463404	ratnesh.kumar@icsi.edu	surat@icsi.edu	08.07.2021
Thane	Ms. Kavita Chavan	022-25891333/ 9004928113	kavita.chavan@icsi.edu	thane@icsi.edu	25.08.2021
Vadodara	Mr Amit Kumar Nagar	0265-2331498	amit.nagar@icsi.edu	vadodara@icsi.edu	05.08.2021

Schedule of ICSI classes at Regional/Chapter offices for DEC-21 examination. Contact Regional/Chapter Offices of ICSI as per details given below to join the classes

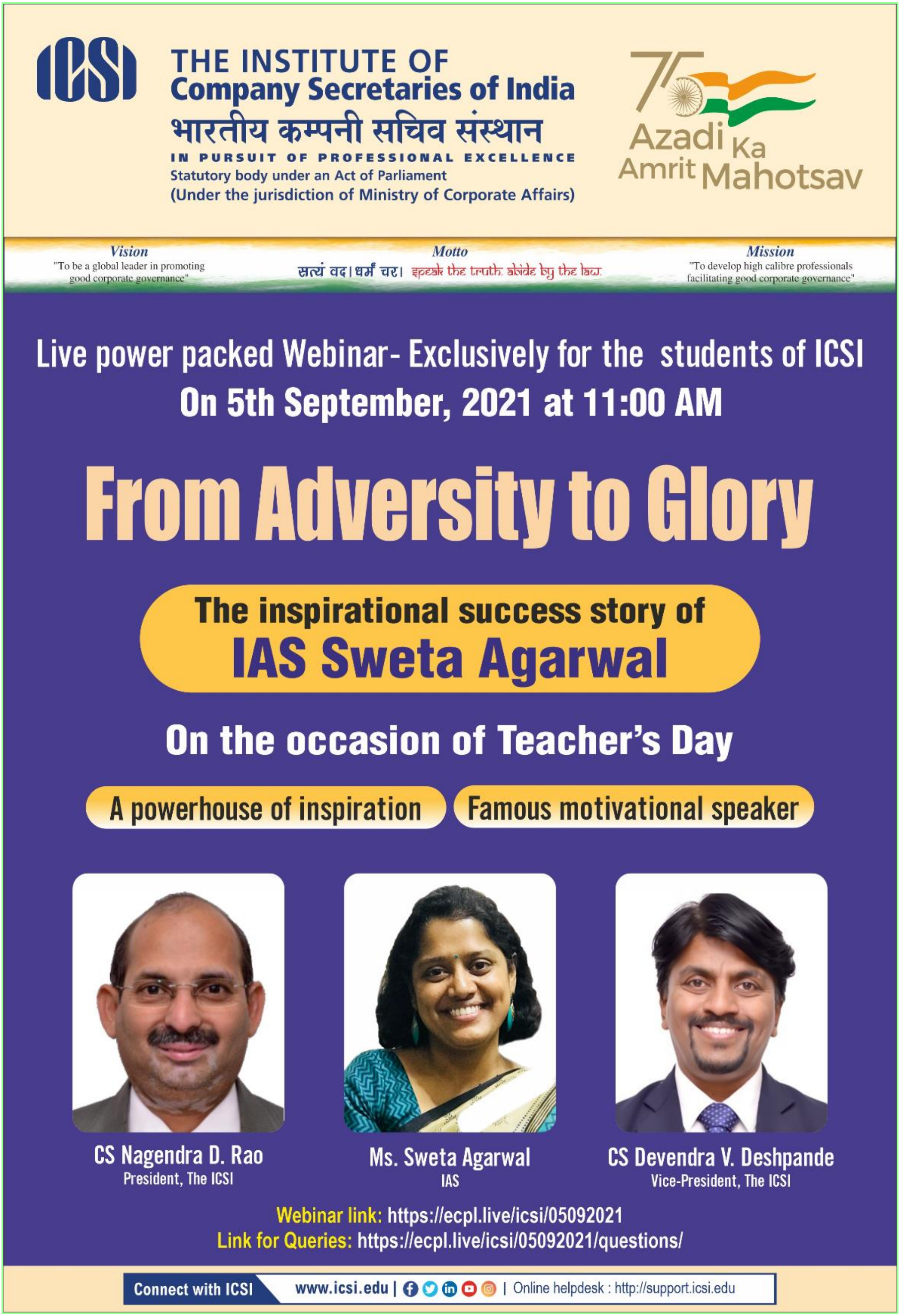
S.No.	*Region/Chapter*	*Name of the coordinator*	*Contact no*	*Email ID of Official*	*Chapter Email*	*Scheduled date to start classes for DEC-21 session*
1	**Bhubaneswar**	Mr. U C Mishra	0674-2552282	uc.mishra@icsi.edu	bhubaneswar@icsi.edu	08.07.2021
2	**Dhanbad**	Mr. Govind Kumar Tiwari	0326-6556005/ 9631149991	govind.tiwari@icsi.edu	dhanbad@icsi.edu	16.06.2021
3	**Hooghly**	Mr Aritra Karmakar	033-26720315	aritra.karmakar@icsi.edu	hooghly@icsi.edu	01.08.2021
4	**Kolkata- EIRO**	Ms. Rukmini Nag	033 - 22832973	rukmani.nag@icsi.edu	eiro@icsi.edu; rukmani.nag@icsi.edu	15.07.2021
5	**Patna**	Mr. Gautam Karmakar	(0612) 2322405	goutam.karmakar@icsi.edu	patna@icsi.edu	18.08.2021
6	**Siliguri**	Sudipta Dutta	9830319395	sudipta.dutta@icsi.edu	siliguri@icsi.edu	20.06.2021
7	**Alwar**	Mr. Anand Kumar Arya	0144-2730446	anand.arya@icsi.edu	alwar@icsi.edu	05.08.2021

8	**Amritsar**	Rani Raizada	0183-5005757	rani.raizada@icsi.edu	amritsar@icsi.edu	10.09.2021
9	**Bikaner**	Mr Mahesh Kr. Swarnkar	0151-2222050	mahesh.swarnkar@icsi.edu	bikaner@icsi.edu	25.08.2021
10	**Delhi-NIRO**	Mr Vinay Kumar; Rajesh Gupta	(011) 49343006/ 011-49343005/ 011-49343002/	vinay.baisoya@icsi.edu; rajesh.gupta@icsi.edu	vinay.baisoya@icsi.edu; rajesh.gupta@icsi.edu	05.08.2021
11	**Faridabad**	Ms Suman Iyer	(0129) 4003761	suman.iyer@icsi.edu	faridabad@icsi.edu	08.07.2021
12	**Ghaziabad**	Mr. Vinay Kumar	0120-4559681	vinay.kumar@icsi.edu	ghaziabad@icsi.edu	09.08.2021
13	**Jaipur**	Raj Kumar Rai, Chandra Meena	0141-2707236	raj.rai@icsi.edu	jaipur@icsi.edu; chandra.meena@icsi.edu	25.08.2021
14	**Jalandhar**	Mr. Manish Kumar	7837210757	manish.kumar@icsi.edu	jalandhar@icsi.edu	01.09.2021
15	**Karnal**	Mr Sanjay Jakhmola	8699468859	sanjay.Jakhmola@icsi.edu	karnal@icsi.edu	01.09.2021 (tentative)
16	**Lucknow**	Ravi Krishna Srivastava	0522-4109382	ravi.srivastava@icsi.edu	lucknow@icsi.edu	Exe. 1st batch - 01.06.2021 Exe. 2nd batch - 09.08.2021
17	**Panipat**	Deepak Kumar Gupta	9335348179	deepak.gupta@icsi.edu	panipat@icsi.edu	05.09.2021
18	**Prayagraj**	Mr. Amitabh Shukla	0532-2260101	amitabh.shukla@icsi.edu	prayagraj@icsi.edu	23.08.2021

19	**Amaravati**	Mr. Dharavathu Ramprasad	0863-2233445	dharavathu.prasad@icsi.edu	amaravati@icsi.edu	02.09.2021
20	**Bengaluru**	Ms Noor Soumya	(080) 23116574	noor.sumayya@icsi.edu	bengaluru@icsi.edu	02.07.2021
21	**Belagavi**	Mr. Sandip Bansi Bhingardive	(0831) 4201716	sandip.bhingardive@icsi.edu	belagavi@icsi.edu	23.08.2021
22	**Chennai-SIRO**	C. Murugan	(044) 28279898	chelliah.murugan@icsi.edu	chelliah.murugan@icsi.edu	1st batch of Exe. - 23.06.2021 2nd batch of Exe. - 16.08.2021 Prof. for Mod I and Mod II - 08.09.2021
23	**Coimbatore**	Mr. Sreejith P, Mr. S.Ashok	(0422) 2237006	sreejith.p@icsi.edu	coimbatore@icsi.edu	08.07.2021
24	**Hyderabad**	Mr. V Srinivas	040-27177721 /24 / 28, 9491989900	srinivas.v@icsi.edu	hyderabad@icsi.edu	08.07.2021
25	**Kochi**	Mr Sree Kumar T S	0484-2375950	sreekumar.ts@icsi.edu	kochi@icsi.edu	09.08.2021
26	**Mysuru**	Mr. N.Dhanabal	0821-2516065	dhanabal.n@icsi.edu	mysuru@icsi.edu	15.07.2021
27	**Palakkad**	Ms. Roby Joshep	0491-2528558	roby.joseph@icsi.edu	palakkad@icsi.edu	18.08.2021
28	**Salem**	Mr. Sunder Swamy S	0427 - 2443600 / 8754340840	sundarswamy.s@icsi.edu	salem@icsi.edu	26.07.2021
29	**Thiruvananthapuram**	Mr. S V Vinod Kumar	0471-2309915	vinod.sreerama@icsi.edu	tvm@icsi.edu	Exe. Mod I - 28.07.2021 Exe. Mod II - 25.08.2021

30	**Thrissur**	Ms Soumya S	0487-2327860 / 9567763621	soumya@icsi.edu	thrissur@icsi.edu	1st batch Exe. - 08.07.2021 2nd batch Exe. - 18.08.2021
31	**Visakhapatnam**	Mr P R V Shivaramakrishna	0891-2533516	Prv.sivaramakrishana@icsi.edu	vpatnam@icsi.edu	08.08.2021
32	**Ahmedabad**	Ms. Smita Subin	079-26575334	smita.subin@icsi.edu	ahmedabad@icsi.edu	05.08.2021
33	**Dombivli**	Ms. Ketki Kedar Joshi	(0251) 2445423	ketki.joshi@icsi.edu	dombivli@icsi.edu	Dec-21 batch not started
34	**Mumbai-WIRO**	Dr. Rajesh Agarwal/ Dasari Bannashankar/ Anil Tale	022-61307904	rajesh.agrawal@icsi.edu; bannashankar.dasari@icsi.edu; anil.tale@icsi.edu	bannashankar.dasari@icsi.edu; anil.tale@icsi.edu	07.06.2021
35	**Nashik**	Mr. Amit Kumar	0253-2318783	amit.kumar_n@icsi.edu	nashik@icsi.edu	15.08.2021 (tentative)
36	**Pune**	Mrs. Garima Mehrotra	020-25393227	garima.mehrotra@icsi.edu	pune@icsi.edu	08.07.2021
37	**Raipur**	Mr. Prafulla Kumar Dash	0771-2582618	prafulla.dash@icsi.edu	raipur@icsi.edu	22.08.2021
38	**Rajkot**	Mr. Chandranath Kundu	0281-2482489	chandra.kundu@icsi.edu	rajkot@icsi.edu	07.06.2021
39	**Thane**	Ms. Kavita Chavan	022-25891333/ 9004928113	kavita.chavan@icsi.edu	thane@icsi.edu	23.08.2021
40	**Vadodara**	Mr Amit Kumar Nagar	0265-2331498	amit.nagar@icsi.edu	vadodara@icsi.edu	01.09.2021

Link to watch webinar :
https://youtu.be/JukPQOip8Rc



Link to watch webinar :

https://www.youtube.com/watch?v=RQ6yAhvUoUA

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

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

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

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

OR

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

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

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

All concerned students may take a note of it.

A K Srivastava
Joint Secretary (Student Services)

Date: 23rd June, 2021

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

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

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

Connect with ICSI

ICSI Noida Office C-36 & 37, Sector-62, NOIDA (U.P.)-201 309
tel 0120- 4522 000 **fax** +91-120-4264 443, 4264 445 **email** info@icsi.edu **website** www.icsi.edu

SOCIAL MEDIA PLATFORMS FOR COMMUNICATING WITH THE INSTITUTE

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

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

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

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

https://twitter.com/icsi_cs

https://www.facebook.com/ICSI

https://www.instagram.com/cs_icsi/

https://www.linkedin.com/in/theicsi/

ATTENTION STUDENTS !!

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

Visit at :

https://www.icsi.edu/media/webmodules/Announcement%20on%20New%20Regulations.pdf

Cut-Off Dates for Seeking Admission in Executive Programme and Professional Programme

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

ATTENTION STUDENTS!

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

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

IMPORTANT ALERTS FOR STUDENTS

Chartered Secretary Journal

The "Chartered Secretary" Journal is published by the ICSI, with a view to ensure continuous up-gradation of the knowledge of the Members. The Journal is equally important for the students of the Institute. Students who are interested to purchase the journal can subscribe for the same by remitting the nominal subscription fees of Rs. 500/-per annum. Students can either subscribe for the Journal at the time of registration in each stage of CS Course or separately through our Chartered Secretary

CHARTERED SECRETARY
THE JOURNAL FOR CORPORATE PROFESSIONALS

Details Regarding conduct of Class Room Teaching Centres at Regional Councils/ Chapters

Number of Class Room Teaching Centres at Regional Councils/Chapters

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

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

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

"Join CSEET classes at ICSI Regional/Chapter Offices" Visit:

https://www.icsi.edu/media/webmodules/Schedule_of_Classes_for_1st_CSEET_Test_to_be_held_in_the_month_of_May_2020.pdf

Study Centres

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

The details of study centres are available at the link

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

For Study Centre Visit:

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

Announcement for one more attempt of Old Syllabus

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 (2012 OLD SYLLABUS)

One More Attempt under 2012 Old Syllabus

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

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

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

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

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

(A K Srivastava)
Joint Secretary

Date: 10.06.2021

Announcement on Paper-wise Exemption for 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)

!!Attention Students!!

The option for claiming Paper - wise Exemption on the basis of Higher Qualification for Executive & Professional students has been deactivated.

Facility for verifying paper wise exemption already granted to students under the subject Exemption head is also deactivated on SMASH portal (https://smash.icsi.edu) till further notification.

Kindly take note of the same.

Team ICSI

REGISTRATION

1. Renewal of Registration (Registration Denovo / Extension)

Renewal of Registration (Registration Denovo)

Registration of students registered upto and including September, 2016 stands terminated on expiry of five-year period on 31st August, 2021.

As per the guidelines, students are advised to apply for Registration De novo via *https://smash.icsi.edu/Scripts/login.aspx* for seeking Registration Denovo subject to meeting the eligibility conditions.

Students are required to seek Registration Denovo by 9th April and 10th October for appearing in June and December sessions of examinations. Detailed process for seeking Registration Denovo online is given below.

Online Registration De novo Process (for Executive Programme & Professional Programme Students) Kindly visit the following link to check the process of Denovo

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

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

"Continuation of Registration" is being introduced according to which the students will have to keep their registration renewed from time to time even after passing Professional Programme Stage till completion of all the training requirements so as to become entitled to be enrolled as member of the Institute. The prescribed fee for seeking "Continuation of Registration" shall be Rs.1000/- per year.

Guidelines of Continuation of Registration is available at the following url :

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

Process of Continuation of Registration is available at the following url :

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

3. Re-Registration to Professional Programme

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

Please check FAQ & Application Form for Re-Registration at

http://www.icsi.edu/docs/Webmodules/REREGISTRATION.pdf

4. Registration to Professional Programme

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

The prescribed registration fee is Rs. 12,000/- Students are also required to remit Rs. 1000/- towards Pre-exam test at the time of registration. Eligibility of students registered to professional programme for appearing in the Examinations shall be as under: -

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

While registering for Professional Programme, students are required to submit their option for the Elective Subject under Module 3.

Notwithstanding the original option of Elective Subject, students may change their option of Elective Subject at the time of seeking enrolment to the Examinations. There will be no fee for changing their option for elective subject, but the study material if needed will have to be purchased by them against requisite payment. Soft copies of the study materials are available on the website of the Institute.

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

EXEMPTIONS AND SWITCHOVER

1. Clarification Regarding Paper wise Exemption

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

(b) Last date of for submission of requests for exemption, complete in all respects, is 9th April for June Session of examinations and 10th October for December session of Examinations. Requests, if any, received after the said cut-off dates will be considered for the purpose of subsequent sessions of examinations only. For example, if a student requests for exemption(s) after 09th April/10th October even if he/she is eligible for such exemption(s), the same will NOT be considered for the purpose of June/December Session of Examinations.

(c) The paperwise exemption once granted holds good during the validity period of registration or passing/completing the examination, whichever is earlier.

(d) Paper-wise exemptions based on scoring 60% marks in the examinations are being **granted to the students automatically and in case the students are not interested in** availing the exemption they may seek cancellation of the same by sending a formal request through the Online facility available. For the purpose, please submit the Online Request by logging into your account at **https://smash.icsi.edu** 30 days before commencement of examination.

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

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

(f) Exemption once cancelled on request in writing shall not be granted again under any circumstances.

(g) Candidates who have passed either module of the Executive/Professional examination under the old syllabus shall be granted the paper wise exemption in the corresponding subject(s) on switchover to the new/latest syllabus.

(h) No exemption fee is payable for availing paper wise exemption on the basis of switchover or on the basis of securing 60% or more marks in previous sessions of examinations.

2. Attention Students!!!

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

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

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

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

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

ATTENTION STUDENTS!

PAPERWISE EXEMPTION ON THE BASIS OF HIGHER QUALIFICATIONS

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

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

IMPORTANT INSTRUCTIONS FOR STUDENTS FOR CLAIMING PAPER-WISE EXEMPTION:

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

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

2. Fee for paper wise exemption is Rs.1000/- (per subject) and is to be paid through 'Online Smash Portal https://smash.icsi.edu' using Credit/Debit card or Net banking.
3. Students who have been granted exemption in Executive Programme Stage on the basis of having passed Final Course of The Institute of Cost Accountants of India are required to submit their request for exemptions afresh for papers covered under the Professional Programme Stage & the same are not granted automatically.
4. Students need to upload scanned attested copies of mark sheets of all parts/semesters of LL.B. degree or scanned attested copies of final pass certificate of the Institute of Cost Accountants of India.
5. Last date of applying for exemption is 9th April for June Session of Examinations and 10th October for December session of Examinations.

Switchover to New Syllabus 2017

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

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

Please Note:-

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

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

2. New syllabus Study material is not issued free of cost to the switchover students. Therefore, the student need to obtain study material, at a requisite cost.
3. Revert Switchover is not Permissible.
4. Applicability of New Syllabus for the Executive & Professional Programme Candidates From and including June 2022, Executive & Professional Programme Examination shall be held under the new syllabus only.
5. FAQs on Switchover to New Syllabus is available at URL:

   (*https://www.icsi.edu/media/webmodules/FAQ_ProfProg_ switchoverscheme.pdf*)

Other details regarding Exemptions and Switchover are available at the student page at the website of the Institute. Students can click on the following important links to get access to the information.

Paper wise Exemption

1. Paper wise Exemption on the basis of higher qualification (Syllabus 2017):

   https://www.icsi.edu/media/webmodules/Paperwise_exemption_syllabus1 7.pdf

2. Paper wise Exemption on the basis of higher qualification (Syllabus 2012):

   https://www.icsi.edu/media/website/Paperwise%20Exemption_forHighQual.pdf

3. Online Process of claiming Exemptions:

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

4. User manual for cancellation of Exemption

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

Switchover

1. User manual on switchover Process

   https://www.icsi.edu/media/webmodules/User%20Manual%20forSwitchOver.pdf

2. Switchover from Foundation & Executive Programme 2012 Syllabus to 2017 Syllabus

   https://www.icsi.edu/media/webmodules/Correspondingexemptionafterswitchover%20-Fnd_ExePrg.pdf

3. Important Announcement on Switchover from Professional Programme 2007 Syllabus to 2012 Syllabus & 2012 to 2017 syllabus:

   https://www.icsi.edu/media/webmodules/Switchover_17092016.pdf

Enrollment to Executive & Professional Programme Examination (Regulation 35)

(i) The examinations for the Executive & Professional Programme Stage of CS Course are conducted in June and December every year.

(ii) The schedule for submission of online application along with the prescribed examination fee for enrolment to June and December Sessions of Examinations are as under :

Session	*Period during which the students can submit examination form and fee*	*Period during which the students can submit examination form and fee (with prescribed fee)*	*Validity of Registration*
June	The online examination enrollment window is opened tentatively on 26th February and the students may submit the forms upto 25th March	Students may submit the examination form during 26th March to 9th April with Late Fee.	The registration of a student seeking enrollment to examination should be valid as on the date of submission of examination application
December	The online examination enrollment window is opened tentatively on 26th August and the students may submit the forms upto 25th September	Students may submit the examination form during 26th September to 9th October with Late Fee.	The registration of a student seeking enrollment to examination should be valid as on the date of submission of examination application.

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

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

(iii) Students who have registered in Foundation Programme on or after 1st June, 2019 are required to complete a One Day Orientation Programme in order to become eligible for enrollment to June/December Examinations.

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

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

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

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

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

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

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

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

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

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

***


Membership

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)

ICSI SECRETARIAL EXECUTIVE CERTIFICATE

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

ELIGIBILITY

A student who has:-

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

VALIDITY OF CERTIFICATE

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

BENEFITS

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

Procedure to apply shall be available at **http://bit.do/secicsi**

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

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

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)

LAUNCHING OF ONLINE LICENTIATE ENROLLMENT

ELIGIBILITY

A student who has:-

(i) A person who has completed the Final examination or Professional Programme examination of the Institute may, within six months from the date of declaration of results in which he has passed the Final examination or Professional Programme examination can apply for enrolment as a licentiate.

(ii) An Online application for enrolment as a Licentiate is to be made along with annual subscription of **Rs. 1180/-** (Rs. 1000/- Licentiate subscription + Rs. 180/- towards GST @18% applicable w.e.f. 1st July, 2017)

VALIDITY OF CERTIFICATE

(i) A licentiate shall not ordinarily be allowed to renew his enrolment for more than five years after passing the Final examination or Professional Programme examination.

(ii) The annual subscription of a licentiate shall become due and payable on the first date of April every year

(iii) Non-payment of annual subscription on or before the thirtieth of June of a year shall disentitle the person to use the descriptive letters Licentiate ICSI &; from 1st July of that year, until his annual subscription for the year is received by the Institute. The name of the person so disentitled shall be published in the Journal

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

BENEFITS

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

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

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

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

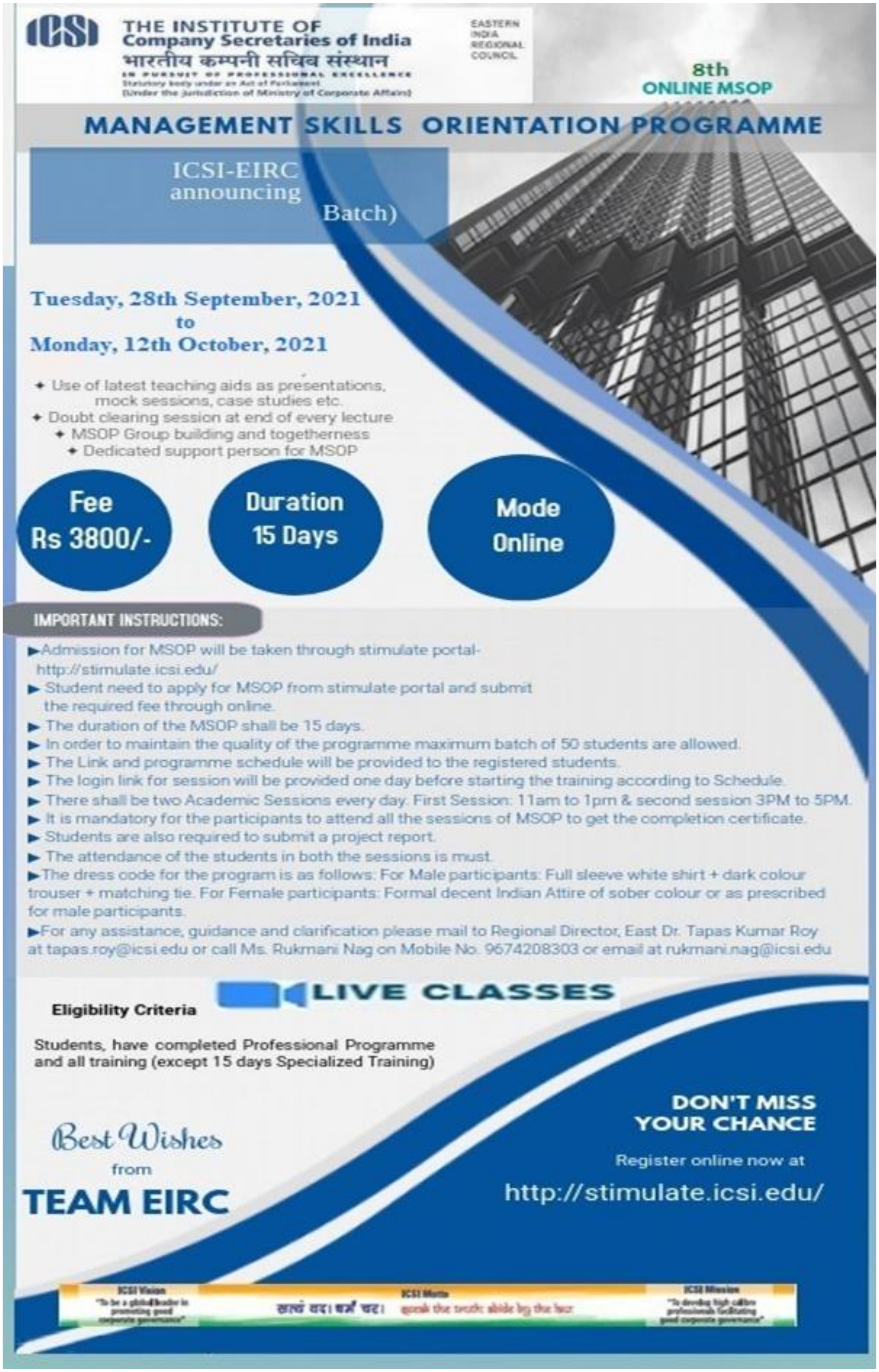
***

News From Regions

EIRC


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)
EASTERN INDIA REGIONAL COUNCIL
ANNOUNCES
CSEET
COMPANY SECRETARY EXECUTIVE ENTRANCE TEST
6th BATCH
STARTING FROM
10TH SEPTEMBER 2021
Fees: ₹ 2,000/-
REGISTRATION OPEN
KEY TAKEWAYS:
✓ Experienced Faculties
✓ Complete Subject Coverage
✓ Tips and Guidance for Exam
✓ Completion of syllabus well in advance of exam
✓ Mock test
Mode of Payment: Online
Link for online payment:
https://paytm.com/education?src=1&q=fees
Students are required to send their details with Payment Transaction Id at sumanta.dutta@icsi.edu after payment of fees.
Registered students will be provided the log in ID & password for online classes separately by email.
For further details, please contact:
Mr. Bipin Kumar Choudhary / Mr. Sumanta Dutta
ICSI- EIRC HOUSE 3A, Ahiripukur 1st Lane, Kolkata- 700019
Ph: (033) 22902179 / 22901065 / 7631465769
Email Id: bipin.choudhary@icsi.edu; sumanta.dutta@icsi.edu
ICSI Vision
"To be a global leader in promoting good corporate governance"
ICSI Motto
सत्यं वद। धर्मं चर। speak the truth. abide by the law
ICSI Mission
"To develop high calibre professionals facilitating good corporate governance"


REGISTRATION OPEN
THE INSTITUTE OF
Company Secretaries of India
भारतीय कम्पनी सचिव संस्थान
EASTERN INDIA REGIONAL COUNCIL
ONLINE CLASSES FOR DECEMBER 2021 EXAM EXCLUSIVELY FOR CS EXECUTIVE PROGRAMME STUDENTS
ICSI Vision
"To be a global leader in promoting good corporate governance"
ICSI Motto
सत्यं वद। धर्मं चर।
speak the truth. abide by the law.
ICSI Mission
"To develop high calibre professionals facilitating good corporate governance"
Batch for Module-I will commence from 24.08.2021
Fees for entire Mod. I: ₹ 8,000/-
Students can join classes of individual paper as listed below by paying @ ₹ 3,500/-
✓ Company Law (Mod.I)
✓ Setting up of Business Entities and Closure (Mod.I)
✓ Tax Laws (Mod.I)
✓ Jurisprudence, Interpretation & General Laws(Mod.I)
✓ Corporate & Management Accounting (Mod. II)
✓ Securities Laws & Capital Markets (Mod. II)
Students who will attend entire module would be exempted from appearing Pre-exam test*
Mode of Payment: Paytm
Link for online payment:
https://paytm.com/education?src=1&q=fees
Students are required to send their details with Transaction Id at sumanta.dutta@icsi.edu after payment of fees.
Registered students will be provided the log in ID & password for online classes separately by email.
For further detail, please contact:
Mr. Sumanta Dutta
ICSI-EIRC House, 3A, Ahiripukur 1st Lane, Kolkata-700019
Ph: (033) 22902179/22901065
E-mail: sumanta.dutta@icsi.edu
* Students have to appear and clear the class test conducted by ICSI-EIRC


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)
EASTERN INDIA REGIONAL COUNCIL
8th
ONLINE MSOP
MANAGEMENT SKILLS ORIENTATION PROGRAMME
ICSI-EIRC
announcing
Batch)
Tuesday, 28th September, 2021
to
Monday, 12th October, 2021
✦ Use of latest teaching aids as presentations, mock sessions, case studies etc.
✦ Doubt clearing session at end of every lecture
✦ MSOP Group building and togetherness
✦ Dedicated support person for MSOP
Fee
Rs 3800/-
Duration
15 Days
Mode
Online
IMPORTANT INSTRUCTIONS:
►Admission for MSOP will be taken through stimulate portal- http://stimulate.icsi.edu/
► Student need to apply for MSOP from stimulate portal and submit the required fee through online.
► The duration of the MSOP shall be 15 days.
► In order to maintain the quality of the programme maximum batch of 50 students are allowed.
► The Link and programme schedule will be provided to the registered students.
► The login link for session will be provided one day before starting the training according to Schedule.
► There shall be two Academic Sessions every day. First Session: 11am to 1pm & second session 3PM to 5PM.
► It is mandatory for the participants to attend all the sessions of MSOP to get the completion certificate.
► Students are also required to submit a project report.
► The attendance of the students in both the sessions is must.
►The dress code for the program is as follows: For Male participants: Full sleeve white shirt + dark colour trouser + matching tie. For Female participants: Formal decent Indian Attire of sober colour or as prescribed for male participants.
►For any assistance, guidance and clarification please mail to Regional Director, East Dr. Tapas Kumar Roy at tapas.roy@icsi.edu or call Ms. Rukmani Nag on Mobile No. 9674208303 or email at rukmani.nag@icsi.edu
LIVE CLASSES
Eligibility Criteria
Students, have completed Professional Programme and all training (except 15 days Specialized Training)
DON'T MISS YOUR CHANCE
Register online now at
http://stimulate.icsi.edu/
Best Wishes
from
TEAM EIRC

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)

EASTERN INDIA REGIONAL COUNCIL

EXECUTIVE DEVELOPMENT PROGRAMME

5th Online Batch

Tuesday, 28th September, 2021 to Monday, 11th October, 2021

Eastern India Regional Council of The Institute of Company Secretaries of India (ICSI-EIRC), is organizing 5th batch of online 15 Days Executive Development Programme (EDP) in Class Room Mode, from Tuesday, 28th September, 2021 to Monday, 11th October, 2021 through videoconferencing mode.

As per Regulation **46BA and 46BB under The Company Secretaries (Amendment) Regulations, 2020**, all students of the Institute who have passed Executive examination are compulsorily required to undergo Executive Development Programme for a period 30 days, out of which 15 days EDP needs to be completed in classroom mode to start their Practical Training in the industry / Practicing Company Secretary by developing their communication skills, personality, legal acumen and fundamentals of IT skills.

The duration of the programme may be altered / extended / changed depending upon current situation and other programme of ICSI-EIRC and the participants have to adhere with such modifications. Attendance on all the days is compulsory.

The Participation **Fee is Rs.5,000/-**

For registration, please go through: https://stimulate.icsi.edu/

for further detail you can write to:
Ms. Rukmani Nag, Sr. Executive Assistant at rukmani.nag@icsi.edu; with copy to **Dr. Tapas Kumar Roy,** Regional Director & Programme Coordinator ICSI-EIRO at tapas.roy@icsi.edu; or can call at (033) 22901065 / 22832973

A maximum of 40 candidates will only be admitted on first come first served basis

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

ICSI Motto
सत्यं वद। धर्मं चर। speak the truth abide by the law

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

P.S. Please adhere to the Guidelines and National Directives for COVID-19 management issued by the Government.

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)

EASTERN INDIA REGIONAL COUNCIL

Attention Students

1. Those students who have registered with EIRC but not attended SIP/EDP are requested to submit an application for the refund of SIP/EDP fee along with original SIP/EDP acknowledgement receipt at ICSI-EIRC, House, 3A, Ahiripukur, 1st Lane, Kolkata-700019.

2. Outstation students who are unable to come personally to collect the refund, may opt for electronic transfer to their bank account after sending the duly filled-up undertaking form duly signed by them.

3. The application for refund will be accepted till 15th November, 2021. After that no application will be entertained.

For further details contact
Ms. Rukmani Nag, Sr. Executive Assistant, ICSI-EIRO
ICSI-EIRC House, 3A, Ahiripukur 1st Lane, Kolkata –700 019,
Visit : https://www.icsi.edu/eiro/Home.aspx
Ph: 033-22901065 /2290 2179 / 22832973(Telefax) or **Email:** rukmani.nag@icsi.edu

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)

EASTERN INDIA REGIONAL COUNCIL

E-Library Facility Available

ICSI-EIRC LIBRARY

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

Library facilities is open from 10:30am to 6:30pm 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/-	
OTC 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:
Ms. Rukmani Nag, ICSI-EIRC Library
Phone: 033-2290 1065 / 2283 2973 or mail at rukmani.nag@icsi.edu

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

ICSI Motto
सत्यं वद। धर्मं चर। speak the truth abide by the law

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

SIRC


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)
SOUTHERN INDIA REGIONAL COUNCIL
Azadi Ka Amrit Mahotsav
Announces
Experienced Faculties
ICSI-SIRC is conducting Online Classes for CSEET November, 2021 Examination. Students who have registered for CSEET may join the Online Classes. So for 10 Batches completed successfully with 736 Students.
11th Batch of Online Classes
for
CSEET
(Company Secretary Executive Entrance Test
for November 2021 Examination)
Date of Commencement
Tuesday, 5th October, 2021
(Classes may end by 9th November, 2021)
Fees: Rs. 3,000/-
(Fees once paid, will not be refunded)
Timing of Classes
7.00 A.M. to 9.00 A.M.
&
05.00 P.M. to 07.00 P.M.
All Days (Including Sundays)
2 Online Mock Tests
will be conducted through online.
Interactive Session:
Monday, 4th October, 2021
Mode of Payment (Online Transfer)
HDFC Bank:Poonamallee High Road Branch
Account Name:SIRC of the ICSI
SB Account No:04921110000013
IFSC Code : HDFC0000492
Above registered students will be provided the log in ID & Password for online classes separately by email.
Students are required to enter the details in the link after making the payment.
Google Form Link: https://forms.gle/NJeYmz9jzaJUHJM68
For further details contact :
Mr. C Murugan, Executive (Admin), Southern India Regional Office, The Institute of Company Secretaries of India
ICSI-SIRC House, No.9, Wheat Crofts Road, Nungambakkam, Chennai – 600034.
Phone: 044-28268685/28222212 / Email ID : siro@icsi.edu; chelliah.murugan@icsi.edu
Vision
Motto
सत्यं वद। धर्मं चर।
Mission
Connect with ICSI

Motto

सत्यं वद। धर्मं चर।

speak the truth. abide by the law.

Vision

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

Mission

"To develop high calibre professionals facilitating good corporate governance"

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

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