



SIRC MYSURU CHAPTER



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Vision

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

Motto

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IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

(Under the jurisdiction of Ministry of Corporate Affairs)

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From the Desk of Chairman

Dear Professional Colleagues!

"A ship is safest at the harbour, but that is not where it is supposed to be"

- Sri Narayana Murthy N R, Infosys Founder.

Recent Outreach Activities:

Career Guidance Program, Mysuru Akasha Vani (All India Radio)

Mysuru Chapter is proud to announce a significant achievement in our outreach efforts - a dedicated Career Guidance program, Mysuru Akasha Vani (All India Radio), was held on April 16, 2025. This prestigious collaboration represents a milestone in our mission to reach talented students across both rural and urban areas of Mysuru, Mandya, Chamaraja Nagara, Hassan & Madikeri Districts.

Further, the Mysuru Chapter held two successful Career Awareness Programs (CAP) in Bannur Town and Malavalli Town as part of our mission to reach more talented students.

Manthan-2025 Launch

I am excited to announce the official release of the Manthan-2025 flyer. This flagship annual event promises to bring together CS Professionals, Industry leaders, regulators, and other stake holders to discuss emerging trends in Corporate Laws, Governance and Compliances.

I earnestly request all members of the Mysuru Chapter to register for Manthan-2025 at the earliest. This premier event represents an exceptional platform for professional development and networking. I encourage each of you to take maximum advantage of the knowledge sessions, expert interactions, and growth opportunities that Manthan-2025 will offer.

Your active participation will not only benefit your professional journey but also strengthen our chapter's collective presence at this prestigious event.

Successful Conclusion of 2nd Batch Executive Development Program (EDP)

I am delighted to announce the successful conclusion of our 15-day Executive Development Program (EDP) for CS Executive Passed Students, conducted from March 24, 2025, to April 11, 2025. Students from Mysuru, Mangalore & Bangalore Chapters attended the program.

Message of Condolence

Mysuru Chapter expresses profound sorrow and extends heartfelt condolences to the families of the tourists who lost their lives in the tragic terrorist attack in Pahalgam. In this moment of national grief, we stand in solidarity with the bereaved families and pray for the speedy recovery of those injured. Such acts of violence against innocent civilians are deeply condemnable, and we join the nation in mourning this tragic loss of life.

Thank you all.

Jai Hind. Jai ICSI!

CHAPTER ACTIVITIES



Career Awareness Program

Sl No	Date	College/University Name	Speaker/Guest	No Of Students Attended	Place
1	04.04.2025	Govt. First Grade College,	CS Krishne Gowda C, Chairman, CS Janhavi	200	Bannur, Mysore Dist.
2.	04.04.2025	Govt. First Grade College	CS Krishne Gowda C, Chairman	50	Malavalli, Mandya Dist



Akashavani Mysore Program

Chapter conducted a Career Awareness Program in All India Radio, Akasha Vani Mysore on 16th April 2025. Chairman CS Krishne Gowda C, Vice Chairman CS Abhishek Bhardwaj, Immediate Past Chairman CS Padmanabh V, and Past Chairman CS Phani Datta D N participated.



ARTICLES

The Loopholes & Solutions in Sustainability of Start-Ups in India



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India is a country of Innovation that always strives to bring something innovative to their daily livelihood. Innovation is the key requirement to get an organization recognized as a Start-Up.

The nation has rapidly emerged as the world's third-largest startup ecosystem, witnessing exponential growth from approximately 500 startups in 2016 to around 159,157 currently (Source: www.pib.gov.in).

However, a significant challenge persists as not all startups achieve long-term sustainability within the Indian market. While India upholds the rule of law, it mandates strict adherence to numerous legal compliances for continuing business. Many entrepreneurs, despite their proficiency in areas such as innovation, marketing, and technology,

often lack sufficient awareness regarding these legal obligations.

In the initial stages, financial constraints frequently prevent startups from getting expert legal advice, leading to inadvertent non-compliance. This lack of legal understanding and guidance can significantly impact their ability to navigate the regulatory environment and ultimately hinder their survival and growth.

The solution to the challenges posed by non-compliances for start-up sustainability in India involves a multi-directional approach focusing on Proactive measures, education, and a supportive ecosystem

•The following are the Major Non-Compliances for which a Start-Up may get Wound Up:

I. ROC Filings:

- Failure to file the Financial Statements in Form AOC-4 with the ROC within 30 days of AGM for a consecutive period of 2 Financial years.
- Failure to file Annual Returns (MGT-7) with the ROC within 60 days of AGM for a consecutive period of 2 Financial years.

II. Legal and Regulatory Non-Compliances:

- Where the Company has failed to commence its business within one year of its incorporation
- Where a company is not carrying on any business or operations for a period of two immediately preceding financial years and has not made any application within such period for obtaining the status of Dormant Company [under section 455]
- Where the subscribers to the memorandum have not paid the subscription which they had undertaken to pay at the time of Incorporation of the Company, and a declaration to this effect has not been filed within one hundred and eighty days of its Incorporation [under section 10A (1) of the Companies Act, 2013]
- Where the Company is not carrying on any business or operations, as per the terms of the Companies Act.
- **The following are the Major Non-Compliances for which a Start-up may be Highly Penalized:**
 - Non-filing or late filing of Form PAS-3: There is a requirement under the Company Law to mandatorily file Form PAS-3(Return of Allotment) within a period of 15 days from the date of allotment, without this, funds raised cannot be used by the company, otherwise it may lead to a huge financial penalty that may increase up to Rs. 2 Crore.
 - Failure to maintain statutory registers as are required by or under the provisions of law applicable to the Start-Up Company
 - Failure or late filing of Annual Report of the Company within the meaning of section 92 of the Companies Act, 2013
 - Failure to conduct a minimum no. of Board and Shareholder meetings as compulsorily required by the Company
 - Infringement of the intellectual property rights (IPR) related laws
 - Start-ups in certain sectors (e.g., manufacturing) must adhere to environmental protection laws. Failure to obtain necessary clearances or comply with the norms can result in significant penalties and may sometimes lead to a shutdown of the business
 - Violation of Income Tax Law, GST laws, Customs Law, and any other law that is applicable in the Start-Up.
 - Violation of Labour Laws and Industrial Laws (i.e., if it is covered under the Factories Act, or Contract Labour Act, or Minimum Wages Act, or any other law for the time being in force) that apply to the Company.
 - Violation of Rules and Regulations specified by the Regulators (In case of Banking Sectors, RBI; In case of Insurance Business, IRDAI; In case of Food Business, FSSAI, etc.)

Suggested Remedies for Healthy Growth of Start-Ups:

The solution to the challenges posed by non-compliances for start-up sustainability in India

involves a multi-directional approach focusing on Proactive measures, education, and a supportive ecosystem. And here are some key solutions-

1. Early and Continuous Focus on Compliance:

- a) Understanding the Regulatory Frameworks – Founders need to be proactive
- b) Building a Compliance Calendar – The Founders may implement a system to track the deadlines for filings and legal compliance
- c) Seeking Expert's Advice – Seeking Advice from Legal Experts (CS, Adv, etc.) from the very early stages of Incorporation leads to a great kick start for a Start-Up

2. Internal Control System and Documentations:

- a) Maintain accurate records that are compulsorily required under laws that are applicable to the Organization

in understanding the regulatory provisions of the Companies Act, GST Act, Income Tax Act, Labour Laws, Data Privacy Laws, IPR-related laws, etc.

- b) Keep thorough records of all the transactions, agreements, employee contracts, etc.
- c) Conduct periodical Internal Audit to identify potential compliance gaps and address them proactively

3. Staying Updated with Regulatory Changes:

- a) Regularly monitor the changes in laws and regulations and notifications that might impact the business
- b) Be engaged with Industry associations and start-up networks to stay informed about compliance requirements and best practices.



Issuance of Preference Shares as Right Issue (Under Section 62(1)(a) Read with Section 55 of the Companies Act, 2013)



CS Divesh Goyal

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Short Summary:

Equity shares represent the predominant category of shares issued by companies. In addition to equity shares, firms are permitted to issue preference shares in accordance with the Firms Act, 2013. The kind of share capital issued by the corporation modifies the rights of shareholders and their preferential standing. Let us elucidate the concept of preference share capital and the process by which corporations can issue preference shares in India.

Introduction

Advantages of preference shares: The main advantage of preference shares over equity shares is that

- They enjoy a preferential right to dividends and

- Repayment of capital in case of winding up of the company.

Disadvantages of Preference Shares:

The main drawback of preference shares is that they carry limited voting rights. Therefore, the control of a company is in the hands of its equity shareholders.

Legal Provisions:

- Section 62(1)(a): Governs Rights Issue to existing Shareholders.
- Section 55: Governs the issue of Preference Shares (only redeemable).
- Rule 9 of Companies (Share Capital and Debentures) Rules, 2014.

I. Can a Company Issue

Preference Shares under a Rights Issue?

Where at any time, a company proposes to increase its subscribed capital by issue of further shares, such shares shall be offered to existing equity shareholders in proportion to the paid-up share capital on those shares.

This provision does not restrict the company to issuing only equity shares — it says "further shares", which includes preference shares (subject to Articles and Section 55).

Yes, preference shares can be issued under Section 62(1)(a) of the Companies Act, 2013, as a rights issue, but subject to compliance with Section 55 as well.

What Section 62(1)(a) Says:

Where at any time, a company proposes to increase its subscribed capital by issue of further shares, such shares shall be offered to existing equity shareholders in proportion to the paid-up share capital on those shares.

This provision does not restrict the company to issuing only equity shares — it says "further shares", which includes preference shares (subject to Articles and Section 55).

II. Whether Existing Preference Shareholders can get the Right Issue of New Preference Shares?

As per Section 62(1)(a), further issue of shares is allowed only to holders of equity shares of the Company.

Thus, Section 62 applies when new equity shares and preference shares are to be issued on a rights basis, but such shares are to be offered only to equity shareholders.

III. Is Private Placement (Section 42) Applicable in case of Rights Issue of Preference Shares?

No. If shares are issued to existing shareholders proportionately, it's a rights issue, not a private placement. Therefore, Section 42 is not applicable.

IV. Who can be Offered Preference Shares on a Rights Basis?

Typically, the offer is made to existing equity shareholders, as they are members holding voting capital. The offer must be proportionate to their existing shareholding, unless renunciation is permitted.

V. Is the valuation Report Required for the Rights Issue of Preference Shares?

Not mandatory, but advisable as a best practice—especially when there are different classes of shares or complex rights attached, to ensure fairness and avoid shareholder disputes.

VI. Are Form PAS-4 and PAS-5 Required for the Rights Issue of Preference Shares?

No. These are required only for private placement under Section 42. The rights issue does not attract Section 42, so PAS-4 and PAS-5 are not applicable.

Legal Interpretation & Practice

- The Act does not prohibit issuing preference shares under rights issue.
- It is well accepted in practice that preference shares can be issued to existing equity shareholders on rights basis under Section 62(1)(a).
- However, they must comply with:
 - Section 55 (Only redeemable preference shares, max tenure 20 years, etc.)
 - Articles of Association should authorize the issue.
 - The offer must be made in proportion to the existing shareholding.

Pre-Issue Checklist

Step	Compliance Item	Reference
✓	Verify that the Articles of Association authorize the issue of preference shares	Sec. 55
✓	Identify the type of preference shares: redeemable /non -convertible/convertible	Sec. 55(1)
✓	Determine the class of shareholders eligible for the rights offer (usually equity shareholders)	Sec. 62(1)(a)
✓	Prepare valuation report (optional but advisable for pricing transparency)	Good practice
✓	Finalize terms of issue: dividend rate, redemption terms, tenure, face value, etc.	Sec. 55(2)

Initial Steps:

- The issue of preference shares should be authorised by the shareholders by passing a special resolution in the general meeting of the company.
- You should ensure that the share capital of the company is bifurcated into equity and preference share capital.
- You shall review whether the articles of association authorize the issue of preference shares.
- The company needs to ensure that there are no subsisting defaults in relation to the payment of dividends due on any existing preference

shares at the time of issue of proposed preference shares.

- The company also needs to ensure that there are no subsisting defaults in relation to the redemption of existing preference shares at the time of issue of proposed preference shares.
- capital, then first increase the authorized share capital of the company.
- To decide the Cut-off date for Eligible Shareholders for the Right Issue of Shares.
- To Draft the Letter of Offer.

Step- I- Holding of Board Meeting

- To pass a resolution for approving the resolution for the issue of preference shares of the company to the existing equity shareholders in the proportionate right.
- Approve the draft offer letter
- To issue Notice for holding of Extra Ordinary General Meeting of Shareholders.

Step- II- Holding of Extraordinary General Meeting:

- The Company shall pass a Special resolution for the issuance of Preference Shares u/s 55 by approval of the offer letter.
 - File e-form MGT-14 within 30 days of passing the Special Resolution with ROC.
 - Issuance of preference shares, Explanatory Statement should mention the following information: (Rule 9 of Companies (Share Capital and Debentures) Rules, 2014)
- Size of the issue and number of preference shares to be issued, and the nominal value of each share;

- Nature of such shares, i.e., cumulative or non-cumulative, participating or non-participating, convertible or non-convertible.
- Objectives of the issue;
- Manner of issue of shares;
- Price at which such shares are proposed to be issued;
- Basis on which the price has been arrived at;
- Terms of issue, including terms and rate of dividend on each share, etc.; Terms of redemption, including the tenure of redemption, redemption of shares at premium, and if the preference shares are convertible, the terms of conversion;
- Manner and modes of redemption;
- Current shareholding pattern of the company;
- Expected dilution in equity share capital upon conversion of preference shares.

(vii) Information in Special Resolution: The special resolution presented in the general meeting of the shareholders shall consist of the following information:

- The rights of the preference shareholders in relation to repayment of capital and payment of dividends as compared to the equity shareholders.
- The share of the preference shareholders in the surplus funds during the course of winding up of the company.
- The conversion of the preference shares to equity shares.
- The payment of dividends, whether on a non-cumulative or cumulative basis.
- The right of the preference shareholders to the surplus profits and assets of the company.
- The redemption of preference shares.

- The voting rights of the preference shareholders.

STEP- III- Issuance of Offer letter:

- (viii) The Director shall issue offer letters to existing Equity Shareholders.
- (ix) Receive the acceptance/ rejection of the offer from shareholders within the time prescribed in the Letter of Offer.
- (x) Receive the application money from the shareholders accepting the offer within the time prescribed in the Letter of Offer.
- (xi) If the company doesn't receive subscriptions for all offered shares, the company can renounce shares to outsiders after expiry of the offer period.

Step – To Call a Meeting of the Board of Directors

Within 60 days of receipt of the letter of offer company has to allot shares by holding of Board Meeting

- (xii) Issue Notice of Board Meeting to all the directors of the company at least 7 days before the date of the Board Meeting.

- i. Attach a list of people who have subscribed for the shares.

Step – To Hold Meeting of Board of Directors

- (xiii) Present List of Allottees before the Board Members.
- (xiv) Pass Board Resolution for allotment of shares (within 60 days of receipt of money).
- (xv) Pass Board Resolution for Issue of Share Certificates and authorization of directors for signing of Share Certificates

Step- To File Form with ROC:

- (xvi) To file PAS-3 with the concerned Registrar of Companies within 30 days of passing of the Resolution in the Board Meeting for Allotment of Shares.

Step- To Issue of Share Certificates:

- (xvii) Issue Share Certificate in Form- SH-1 (as per Section 56) within 2 (two) months from the date of the Board Meeting in which allotment of shares was made by the Company.

Step- Payment of Stamp Duty on Issue of Share Certificate:

- (xviii) As per the Indian Stamp Act, every company is required to make payment of Stamp Duty on Share Certificates within 30 days of the issue of Share Certificates. Every state has its own process and provision for the payment of stamp duty.

A. Whether Valuation Report Required for the Right Issue of Shares?

There is no requirement for a Valuation Report for the Right issue of shares. The company can issue shares at Face Value in case of a rights issue of Shares.

In case, Company proposes to issue shares on a premium in that case Company should obtain a Valuation Report from a Registered Valuer.

B. Whether the Company can Receive Allotment Money in Cash u/s 62(1)?

Section 62(1) doesn't prescribe the way of receipt of allotment money. By following the guidelines of Income Tax Act company can receive Allotment money in Cash also

C. Whether there is any Restriction on the Use of Money Received from Subscribers of Rights Offer?

Section 62(1) doesn't put any restrictions on the usage of subscription money. The company can use subscription money anytime after receipt of the same. One can opine that the company can use the subscription money of the right issue even before the allotment of shares.

D. What is the Minimum Time Gap between two Right Issue Offers as per the Companies Act, 2013?

Section 62(1) doesn't prescribe provisions for a minimum time gap between two Right Issue offers. One can opine that a company can issue any number of rights issues offer during a financial year without any limit on the time gap.

E. If one Right Issue Offer is going on in the Company. Whether company can open another Rights Issue Offer before the Completion of the First?

Section 62(1) doesn't restrict the issuance of a New Offer letter until the closure of the earlier Right Offer. One can opine that a Company can simultaneously issue two rights issues offers.

Basic About the Right Issue of Shares:

- a) No need to open a Separate Bank Account for the Right issue of Shares.
- b) No need to file any form for the Issuance of a Letter of Offer with ROC by Private Limited Companies.

- c) PAS-3 can be filed within 30 days of the holding of the Board Meeting for allotment of shares.
- d) Shares can be issued on Face Value.
- e) There is no restriction under the Companies Act to receive subscription money in cash also.
- f) Only shares can be issued by a Right Issue of Shares.

Important Notes:

- Tenure of redeemable preference shares must not exceed 20 years, unless infrastructure projects (up to 30 years permitted with 10% redemption annually after 20 years).
- Dividend on preference shares is not mandatory unless declared, but unpaid dividends affect voting rights.
- Convertible preference shares must have conversion terms clearly stated upfront.
- Rights renunciation to others should be permitted only if the AOA allows.

Conclusion

Issuing preference shares through a rights issue under Section 62(1)(a) read with Section 55 of the Companies Act, 2013, offers companies a strategic

means to raise capital while maintaining shareholder equity participation. Though commonly associated with equity shares, rights issue provisions are equally applicable to preference shares, provided the Articles permit such issuance and all prescribed conditions are met.

From a compliance standpoint, it is essential for companies to adhere to the procedural requirements, including clear disclosure of terms, proportionate allotment, proper documentation, and timely statutory filings. This method avoids the complexities of private placement while ensuring transparent and equitable capital restructuring.

Disclaimer: The entire contents of this document have been prepared based on relevant provisions and as per the information existing at the time of the preparation. Although care has been taken to ensure the accuracy, completeness, and reliability of the information provided, I assume no responsibility, therefore. Users of this information are expected to refer to the relevant existing provisions of applicable Laws. The user of the information agrees that the information is not professional advice and is subject to change without notice. I assume no responsibility for the consequences of the use of such information.

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"Corporate Riddle"

1. I issue currency notes and coins in India, and manage the country's foreign exchange. Who am I?
2. I supervise and regulate commercial banks, non-banking financial companies (NBFCs), and other financial institutions in India. Who am I?
3. I use monetary policy tools like repo rate, reverse repo rate, and open market operations to control inflation and manage economic growth. Who am I?

Who am I?

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

Email id: enewsletter.icsimysore@gmail.com

Answered by

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Also Correct Answers were given by

1. Chidghan Hegde
2. CS K Sarina Chouta
3. CS Shivaram Bhatt

Riddler

CS Pavithra P

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Last Month's Corporate Riddle

1. I am a document that outlines the internal rules and regulations of a company.
2. I am responsible for defining the relationship between the company and its shareholders.
3. I am a document that is often referred to as the constitution of a company.

Who am I?

Ans: Articles of Association

COLUMNS





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Help Yourself

Food for thought

Eat that Frog

by

Brian Tracy

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

When was the last time you did something for the first time? Like learning a new instrument, playing a new sport, inculcating a new habit, or the like. If a year or more has passed by and you haven't done something completely outside of your work and responsibilities, then stop and think. Where are you heading? Are you doing all that you dream of doing "one day"? If not, why not?

If your answer to this is that your time is flying away in your mundane activities, then wouldn't you want to bring in some change? So, this book helps you to prioritize your tasks and work on things more efficiently so that you have more time on hand to do the things you dream of!

"What an unusual title!" you might think, just like I did whenever someone suggested or talked about this book to me. Read on to know more.

Brian Tracy, a Canadian motivational speaker and author, has 21 chapters that will help you end procrastination in simple but effective ways. Whether your everyday tasks or those of a bigger time-frame, such as your one-

day-I-will type of dreams, this book is sure to give you nice insights to take on both, effectively. The book is easy to read, so for anyone who is looking to inculcate the habit of reading books, this would be a good pick.

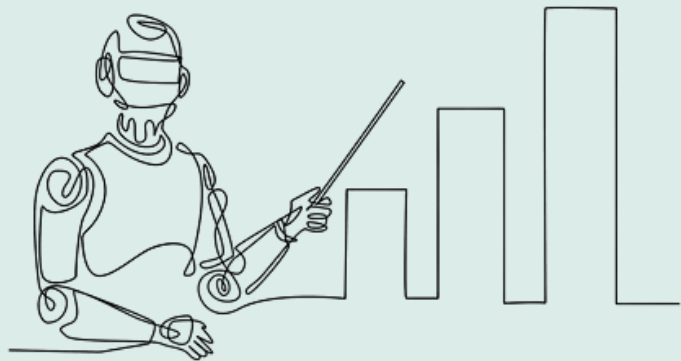
However, novels or storybooks are always better to start with for beginners, as a story would better ensure a beginner's interest, consistency, and completion. There are storybooks in the self-help genre as well- 'The 5 AM Club' by Robin Sharma and 'Life's Amazing Secrets' by Gaur Gopal Das, to name a few, that one can pick up to kick-start one's reading journey.

As always, I'd like to share only one idea from each book, leaving the rest for you to explore and learn firsthand from the author. Towards the end of the book, the author mentions the state of 'flow.' This may not be the first book to talk about it, but it is a great takeaway and a very powerful idea. When you work on your important tasks continuously and actively, you enter a mental state where your productivity and performance are at a higher level than usual. It brings in a tremendous state of calm, and you feel energized and elated. Everyone would have experienced this state at least once. But what sets you apart is when you enter flow state as often as possible so that beyond just completing the tasks, you gain mastery over them.

You might still be wondering why the book is titled this way. 'Eat that Frog' is named after the technique explained in the book that helps you to beat the feeling of being overwhelmed by the tasks you need to complete day in and day out. What technique is it? I'd leave it to you to explore from the book.

As always, this column intends to impart only a bite of ideas and knowledge from self-help books, biographies, autobiographies, and other related genres, relevant specifically to corporate professionals and aspiring professionals. Not every learning that a book enshrines can be fit in here, so writing a summary or a book review is not the aim of this column. The intent is to give you a taste of acquaintance to a book, in every issue of this e-magazine, hoping that it will make you want to grab it and read for yourself.

So, help yourself with food for thought, and this time, by eating that frog!



Tech Corner



Mr. Komal Kumar M

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Reimagining Indian Retail

Imagine walking into a store where the shelves know what's running out, the system already knows your favourite brand, and you never have to wait in a long billing queue. It may sound like science fiction, but it's happening in retail stores across India today.

From predictive inventory systems to smart retail technology, Indian retailers are transforming the shopping experience using cutting-edge tech, and customers are loving it.

Smarter Stocking: Predicting What Customers Want

Until recently, most Indian retailers made stock decisions based on last year's sales or gut feeling. But now, with predictive inventory powered by AI (artificial intelligence), stores can plan better and faster.

These systems analyze customer buying patterns, festivals, weather, and even local events to forecast which products will be in demand.

Example: Reliance Retail

Reliance Retail uses advanced data analytics to track demand patterns across India. For example, during Diwali, their system helps predict which sweets, electronics, or home décor items will sell the most in specific regions. This helps them stock the right products, in the right quantities, at the right time.

Benefits Include:

- Fewer items going out of stock
- Less wastage and unsold inventory
- Smoother shopping experience for customers

Step Inside a Smart Store

Smart stores are physical stores enhanced with digital tools that make shopping easier and more efficient.

What's Happening in a Smart Store?

- Shelves have sensors to alert staff when stock is low.
- CCTV and heat maps help store managers understand customer movement.
- Digital price displays update automatically for sales or promotions.
- RFID technology enables faster billing and tracking.

Example: Shoppers Stop

Shoppers Stop has been investing in RFID-based systems to improve inventory accuracy. Their stores can now check stock in minutes instead of hours. This means better availability of sizes and styles for customers, and less frustration for store staff.

Say Goodbye to Long Queues

One of the most visible benefits of smart retail tech is faster checkouts. Some stores in India are exploring self-checkout kiosks, mobile payment integration, and automated billing.

Example: Big Bazaar (Now Part of Reliance Smart Bazaar)

Before its rebranding, Big Bazaar introduced “Self-Checkout Counters” in select cities like Mumbai and Bangalore. Customers could scan and pay for items on their own, reducing wait times and improving convenience. Reliance is now enhancing these features in its newer stores.

A Personal Touch: Tech That Knows You

Smart retail also means personalized shopping. Retailers now use loyalty cards and mobile apps to understand customer preferences and send tailored offers.

Example: Tata Neu App

Through the Tata Neu platform, customers shopping at brands like Westside, Croma, and BigBasket get personalized recommendations and deals based on their shopping history. If you often buy electronics, the app might show you an exclusive offer on mobile accessories the next time you log in.

This not only improves sales but also makes shopping feel more relevant and rewarding.

Challenges to Consider

Smart retail in India is still growing, and there are some disadvantages as well:

- Tech costs: Setting up smart infrastructure can be expensive, especially for small or local shops.
- Internet dependence: Many systems need strong, stable connectivity, which is not always available in rural areas.
- Privacy concerns: Customers are becoming more aware of how their data is used.
- Unemployment: Usage of advanced technology has significantly reduced employment opportunities.

Retailers must make sure they're transparent, secure, and customer-focused while adopting these new technologies.

Looking Ahead: The Future of Retail in India

The Indian retail market is huge and full of diversity—from big malls in metro cities to small kirana stores in towns. As smart technology becomes more affordable and accessible, we'll likely see more stores blending digital and physical experiences.

In the coming years, you might walk into your neighbourhood store and find:

- Digital shelves with real-time offers
- Personalized suggestions on your phone as you walk in
- Instant mobile checkout with no waiting

Smart stores and predictive inventory aren't just trends—they're the new reality of Indian retail



Verdict Vista

SAT Interprets – One Solitary Phone Call of One Minute Duration is Inadequate to determine ‘Insider’ under SEBI PIT Regulations

Introduction: The SEBI Act was introduced with three primary objects: (i) Protecting the interests of investors in securities, (ii) Promoting the development of the securities market, and (iii) Regulating the securities market. Based on this background, SEBI introduced Regulations for the prohibition of insider trading. The said Regulations were introduced with the objective of putting in place a framework for the prohibition of insider trading in securities and to strengthen the legal framework thereof. In the said Regulations – SEBI (Prohibition of Insider Trading) Regulations, 2015, the definition of ‘insider’ is very important and it means any person who is: (i) a Connected person; or (ii) in possession of or having access to unpublished price sensitive information. Note to the said definition has been amended by SEBI (PIT) (Third Amendment) Regulations, 2024, w.e.f. December 4, 2024.

This article is an analysis of the recent order of the SAT in the case of Lashit Sanghvi vs. SEBI (Appeal No. 257 of 2023, order dated May 2, 2025).

Facts of the case: The appellants are husband and wife and are engaged in investment activities. Appellants knew (Late) Mr. Rakesh Jhunjunwala. In addition, Mr. Jhunjunwala had made an investment in the broking firm (Alchemy Capital Management) of the Appellant.

Mr. Rakesh Jhunjunwala had promoted Aptech (a listed company). Aptech had made a corporate announcement to foray into the pre-school segment. This announcement was made on September 7, 2016. Aptech was engaged in vocational education, and by the non-disclosure agreement (dated March 14, 2016), the company had planned to venture into the pre-school segment. The said announcement materially impacted the stock price as it increased 9.99% (i.e., from INR 159.15/159.50 to INR 175/175.45).

The above-mentioned information was not classified as UPSI by the company. The SEBI observed that under SEBI (PIT) Regulations, 2015, the company failed to close the trading window during the existence of UPSI. On appeal, the SAT order dated January 4, 2023, dismissed the appeal and upheld the finding that the above-mentioned announcement is a UPSI under SEBI (PIT) Regulations, 2015. SAT observed that the UPSI came into existence on March 14, 2016, when the Non-Disclosure Agreement was executed till the date of issue of the press Release (i.e., UPSI period was determined to be from March 14, 2016, to September 7, 2016). SEBI, during the investigation period, noted that Appellant No. 1 had made a phone call of 1 minute duration on August 16, 2016, and subsequently, Appellants Nos. 1 and 2 each purchased 50,000 shares of Aptech on August 19, 2016, and 75,000 shares on September 7, 2016, respectively.

In the show cause notice, SEBI alleged that Appellants were in possession of/having access to UPSI, through the telephone call made by the Appellant no. 1 to the Chairman (Non-Executive) and promoter of the company, just 3 days before they made their first trade in Aptech. Based on this, SEBI considered them as 'insiders' under SEBI (PIT) Regulations. Accordingly, SEBI held the appellants as insiders under SEBI (PIT) Regulations and issued an order with a direction of disgorgement along with an order for debarment.

Two issues before the SAT were as follows:

1. Whether appellants are 'insiders' under the PIT Regulations? And if so, whether they are insiders being 'connected persons' under Regulation 2(1)(g)(i) or being "in possession / having access to UPSI" under Regulation 2(1)(g)(ii)?
2. Whether the trading behaviour of the appellants can be construed to hold that trading by the appellants was guided by the UPSI?

Observations of SAT: The observations of SAT are summarised as follows:

1. SAT observed that one brief phone call was made during the UPSI period, however, it cannot be held that the two persons were in frequent communication with each other in order to hold them as 'connected persons'.
2. SAT observed that the finding that the appellant was a close associate of Mr. Jhunjhunwala also doesn't get proved by the facts of the case. SAT stated that "Mr. Jhunjhunwala's investment basket spread across various companies, but this does not imply that Mr. Jhunjhunwala could be considered to be a close associate of promoters of all such companies, in which he made the investment. so far as Aptech is considered, in which appellant has no stakes or position of a director, he cannot be held as a close associate of Mr. Jhunjhunwala (promoter-shareholders and chairman) with regard to Aptech and hence, in this capacity cannot be held as 'connected person'."
3. SAT held that there is no ground for holding as a 'connected person' as the preponderance of probabilities does not suggest that the appellant made trading while he was in possession of or had access to UPSI, and hence, he cannot be held as an insider under SEBI (PIT) Regulations.
4. For the above observations, SAT relied on the case *SRSR Holdings Pvt. Ltd. & Ors. v. SEBI* (SAT Appeal 463 of 2017 decided on August 11, 2017), wherein the following remarks were made (summarised here):
 - a. It is evident from the definition of 'insider' that two categories of insiders have been created by the aforementioned definition. A person will fall into the first category as an insider if they fulfil both the ingredients of the first category cumulatively.
 - b. For the first category, if a person is a connected person, that itself satisfies half the component of the first category of insiders. However, it is pertinent to note that in order to fall under the first category, the term 'connected person' must be read with the second ingredient, viz., 'reasonably expected to have access to unpublished price-sensitive information'. Therefore, not only does a person need to be a connected person to be an insider, but there must also be some reliable and convincing material to show that such a connected person is reasonably expected to have 'accesses to the UPSI';
 - c. The Scheme of PIT Regulations of 1992 makes it evident that these dual requirements need to be satisfied before a person can be called an 'insider' under the PIT Regulations of 1992. The conjunctive 'And' is, therefore, significant and cannot be ignored.
5. With reference to the present case, SAT noted that the appellant's trades were made in the same time period as the period in which Mr. Jhunjhunwala and his family members made trading in Aptech. However, Mr. Jhunjhunwala and family members preferred to avail the benefit of SEBI's settlement scheme;

6. SAT observed that the facts in the appellants' case are different from Mr. Jhunjhunwala and his family members, as the latter were promoters/ immediate relatives of promoters of Aptech and were held to be in possession of the UPSI. Based on this, SAT stated that "Therefore, since the foundational facts in the matter are different, any similarity in trading behaviour alone cannot be the basis for holding that the trading by appellants was also guided by UPSI."
7. SAT noted that despite having purchased the Aptech scrips during the UPSI period, appellants continued to hold on to the same for a long period of 8 years. Based on this, SAT stated that "The ostensible purpose of PIT regulations is to ensure that uninformed investors do not suffer loss, and insiders with the advantage of knowledge of UPSI, don't make unlawful gains by virtue of insider trading due to information asymmetry. The differential in information asymmetry creates unlawful gains/losses when such UPSI becomes public knowledge.... This substantiates the appellant's explanation that their trading was made in accordance with their long-term investment strategy about this stock, considering certain positive developments. Moreover, if the company is venturing into the education sector, which even in the respondent's view is a new area (as the company has been in 'vocational training'), a long-term investment at an early stage could perhaps be a prudent investment strategy."
8. SAT observed that appellants are right in contending that the onus is on SEBI to prove that they had access to UPSI. SAT remarked that appellants cannot be called upon to prove that their trading was not guided by UPSI. In spite of this fact, appellants attempted to provide reasons for their trading behaviour, their perception of a positive outlook about Aptech, etc.
9. SAT allowed the appeal and set aside the order¹ (Order dated February 28, 2023) passed by SEBI's Whole-time Member.

Brief analysis of the SAT Order: The observations in the said SAT order are quite important and relevant. The SAT is relied on *SRSR Holdings Pvt. Ltd. & Ors. v. SEBI*, wherein it has observed that for the definition of insider, it observed that there shall be some reliable and convincing material to show that the connected person is reasonably expected to have access to the UPSI. Therefore, SAT observed that 'one solitary phone call of one minute duration' is not adequate to establish a link of communication and ultimately determine appellants as 'connected person' and 'insider'.

At this stage, it is important to note that the definition of 'insider' and 'connected persons' has been amended by SEBI (PIT) (Third Amendment) Regulations, 2024, w.e.f. December 4, 2024. The scope of the definition of

¹ https://www.sebi.gov.in/enforcement/orders/feb-2023/order-in-the-matter-of-aptech-limited_68548.html

‘connected person’ has widened, which has ultimately widened the scope of the definition of ‘insider’. However, in spite of said amendment, this order of SAT and observations in SRSR Holdings Pvt. Ltd. & Ors. v. SEBI are relevant from the perspective of compliances and disclosures under SEBI (PIT) Regulations, 2015.


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(Under the jurisdiction of Ministry of Corporate Affairs)

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This Workshop is intended to be an interactive discussion on the preselected queries, and would involve comprehensive, intense discussion on the issues and counter-issues, based on principles of interpretation & judicial precedents.



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Reg. Link: <https://forms.gle/Eqf5qr9XAn6U3ejE9>

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 Metagalli, Mysuru – 570016
 ☎ 0821-2516065, 7795296969
 ✉ mysuru@icai.edu

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ROC Adjudication Order



CS Keerthana Gopal

Company secretary and legal officer,
Mysore Steels Ltd.

keerthana92.gopal@gmail.com

Order for Violation of Section 134 of the Companies Act, 2013

Legal Provision

118. Minutes of Proceedings of General Meeting, Meeting of and Other Meetings and Resolutions Passed by Postal Ballot

(10) Every company shall observe secretarial standards with respect to general and Board meetings specified by the Institute of Company Secretaries of India constituted under section 3 of the Company Secretaries Act, 1980 (56 of 1980), and approved as such by the Central Government.

134. Financial Statement, Board's Report, ETC.

(3) There shall be attached to statements laid before a company in a general meeting, a report by its Board of Directors, which shall include—

7[(a) the web address, if any, where the annual return referred to in sub-section (3) of section 92 has been placed]

(b) number of meetings of the Board;

(c) Directors' Responsibility Statement;

1[(ca) details in respect of frauds reported by auditors under sub-section (12) of section 143 , other than those which are reportable to the Central Government;]

(d) a statement on declaration given by independent Directors under sub-section (6) of section 149;

2(e) in case of a company covered under sub-section (1) of section 178, the company's policy on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director, and other matters provided under sub-section (3) of section 178;

(f) explanations or comments by the Board on every qualification, reservation or adverse remark, or disclaimer made—

(i) by the auditor in his report; and

(ii) by the company secretary in practice in his secretarial audit report;

(g) particulars of loans, guarantees or investments under section 186;

(h) particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the prescribed form;

(i) The state of the company's affairs;

(j) The amounts, if any, which it proposes to carry to any reserves;

(k) The amount, if any, which it recommends should be paid by way of dividend;

(l) material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report;

(m) the conservation of energy, technology absorption, foreign exchange earnings, and outgo, in such manner as may be prescribed;

(n) a statement indicating development and implementation of a risk management policy for the company , including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company;

(o) The details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the year;

3(p) in case of a listed company and every other public company having such paid-up share capital as may be prescribed, a statement indicating the manner in which formal 8[annual evaluation of the performance of the Board, its Committees and of individual Directors has been made;]

(q) such other matters as may be prescribed.

Facts:

The Company Nandi Infrastructure Corridor Limited, having CIN: U85110KA1996PLC019619 was incorporated on 19/01/1996, having its registered office at Bangalore, Karnataka.

During the course of enquiry under Section 206(4) of the Companies Act, 2013, it was reported that the Company's Board Report for the year 2016-17, it was observed that the company had convened 5 Board meetings in that year. However, details of the Board meeting, such as the date, have not been mentioned in the Board's Report dated 18.08.2017. Hence, the Company and its Directors have violated the provisions of Section 118 read with Section 134 of the Companies Act, 2013 for the financial years 2015-16 and 2016-17.

A reasonable opportunity was given to the Company and its Directors to provide the necessary explanation vide letter number No. ROCB/206/19619/2018 dated 26.05.2018 and ROCB/TS/2018 dated 19.07/2018. The company furnished its reply vide No. NICE/CS/2018-19 dated 25.07.2018. The inquiry has identified the violation, and the competent authority has directed ROC to initiate penal action against the Company and its Directors, who are officers in default.

Consequently, a show cause notice vide No.ROCB/S.206/S.118/AROC(BB)/100073514/

2023/270 to 273 dated 18.04.2023 was issued to the Company and its Directors. In response to the notice, the company submitted a reply vide NICE/ROC/CS/S.118/04/2023-24 dated 03.05.2023 in which it was stated that the company has held 5 Board meetings in the year 2016-17 as required under Section 134(3) of the Act. The Secretarial Standard on Report of the Board of Directors (SS-4) has been notified by the ICSI, which came into effect on 01.10.2018, and the SS-4 suggests voluntary disclosure of the number and dates of the Board meetings held during the year in the Board's Report. However, adherence to SS-4 is recommended but not mandatory.

The Company further submitted that the Board's Report for the year 2016-17 contains mandatory details of the number of Board meetings held as per Section 134(3) of the Companies Act, 2013. Hence, the Company has complied with the mandatory requirements and there has been no violation of Section 118(10) of the Companies Act, 2013.

Subsequently, an adjudication hearing notice was issued to the Company and its Directors on 24.02.2025, and a physical hearing was conducted on 06.03.2025. Mr. Venkat Subba Rao Kalva, PCS, appeared on behalf of the Company and its Directors. He admitted the violation on behalf of the Company and its Directors and pleaded for a lesser penalty.

Decision and Analysis

Since the Company is a public limited Company, the option of imposing a lesser penalty in case of a small company cannot be invoked as provided under Section 446B of the Act. Having considered the facts and that it was a one-time default, the following penalty was imposed:

On the Company: Rs. 25,000/- and on each of the three Directors Rs. 5,000/- each, totaling to Rs. 15,000/- on the officers in default.

Order for Violation of Section 42(6) of the Companies Act, 2013

Legal Provision

Section 42. Offer or Invitation for Subscription of Securities on Private Placement.

(6) A company making an offer or invitation under this section shall allot its securities within sixty days from the date of receipt of the application money for such securities and if the company is not able to allot the securities within that period, it shall repay the application money to the subscribers within fifteen days from the expiry of sixty days and if the company fails to repay the application money within the aforesaid period, it shall be liable to repay that money with interest at the rate of twelve per cent. per annum from the expiry of the sixtieth day:

Section 450. Punishment where no specific penalty or punishment is provided.

If a company or any officer of a company or any other person contravenes any of the provisions of this Act or the rules made thereunder, or any condition, limitation or restriction subject to which any approval, sanction, consent, confirmation, recognition, direction or exemption in relation to any matter has been accorded, given or granted, and for which no penalty or punishment is provided elsewhere in this Act, the company and every officer of the company who is in default or such other person shall be 1[liable to a penalty of ten thousand rupees, and in case of continuing contravention, with a further penalty of one thousand rupees for each day after the first during which the contravention continues, subject to a maximum of two lakh rupees in case of a company and fifty thousand rupees in case of an officer who is in default or any other person]

Facts

The Company VEEDA CLINICAL RESEARCH LIMITED, having CIN: U73100GJ2004044023 was incorporated in the year 2004 and has its registered office at Ahmedabad, Gujarat.

The Company did not receive any show cause notice from the office of the ROC and has filed a Suo motu application under Section 450 of the Companies Act, 2013 for adjudication for violation of Section 42(6) of the Companies Act, 2013. The Company was in receipt of application money on 09.05.2023, and the allotment of shares should have been made within 60 days from that date, that is on or before 07.07.2023. However, due to technical reasons, allotment was made on 18.07.2023. Accordingly, there was a delay of 11 days, and hence the company is in violation of Section 42(6) of the Companies Act, 2013.

The Company submitted that the delay in allotment was purely procedural and was due to oversight.

The presenting officer submitted that the Company received application money on 09.05.2023 but did not make the allotment within 60 days from that date. Instead, the allotment was made on the 71st day, i.e., 18.07.2023. However, the delay in allotment, although in violation of Section 42(6) of the Companies Act, 2013, was made on the specific request of the investors themselves. It was also presented that the Company has filed PAS-3 on 29.07.2023 vide SRN AA3841671 with the necessary attachment.

Decision and Analysis

In view of the submissions made, the Adjudicating Officer concluded that although the delay in allotment was made at the specific request of the investors, there has been a delay of 11 days nonetheless, which is in violation of Section 42(6) of the Companies Act. But due regard has been given to the fact that no disproportionate gain or unfair advantage was made as a result of the default, and no loss to the investors on account of this delay has been recorded. Since the Company does not fall within the ambit of the definition of a “small company”, the following penalty was imposed on the Company and its officers in default:

Rs. 10,0000/- being basic penalty applicable along with Rs. 1,000/- was every day of delay, being Rs. 11,000/- totalling to Rs. 21,000/- each on the Company and its two officers in default. The AO has proceeded to impose the minimum penalty and not the maximum penalty stated in the section.



Ms. Aparna U

CS Executive Student

aparna.u5625@gmail.com



Students Corner

Concise Points to Remember

under

Compromise and Arrangement

- Compromise and Arrangement are inorganic business strategies used to reconstruct or redesign a business.
- It serves different purposes for different companies at different times and may take up various forms.
- 'Compromise' is an amicable agreement. On the other hand, 'arrangement' is the process by which the share capital of the company is reorganized.
- The word 'compromise' is nowhere defined in the Companies Act, 2013.
- In the case of compromise, there has to be some form of conflict. The following are the situations under which a company may call for a scheme of compromise:
 - a) If a company faces a challenge to pay all the creditors in full, in the normal course of business;
 - b) Subsidiaries/units incurring losses, etc.
- On the other hand, the word 'arrangement' has been defined under section 230(1) of the Companies Act, 2013. The arrangement has a wider connotation than compromise.
- The arrangement means reorganization of rights and liabilities of the shareholders without the existence of a dispute.

Provisions of the Companies Act, 2013

- Power to Compromise or make Arrangements with Members or Creditors Section 230(1) states that when a compromise or arrangement is proposed between creditors or the members or class of members, as the case may be, to be called, held and conducted in such manner as the Tribunal directs.
- For this subsection, arrangement includes a reorganization of the company's share capital by the consolidation of shares of different classes, or by the division of shares into shares of different classes, or by both these methods.
- Affidavit by the applicant to disclose certain material facts. Section 230(2) states that the company or any other person, by whom an application is made under sub-section (1), shall disclose to the Tribunal by affidavit:
 - a) all material facts relating to the company,
 - b) reduction of share capital of the company, if any, included in the compromise or arrangement;
 - c) any scheme of corporate debt restructuring consented to by not less than seventy-five per cent of the
 - d) secured creditors in value, including—
 - (i) The Creditors' Responsibility Statement in Form CAA-1 shall be included in the scheme of corporate debt restructuring.
 - (ii) safeguards for the protection of other secured and unsecured creditors;
 - (iii) report by the auditor that the fund requirements of the company after the corporate debt restructuring, as approved, shall conform to the liquidity test based upon the estimates provided to them by the Board;
 - (iv) where the company proposes to adopt the corporate debt restructuring guidelines specified by the Reserve Bank of India, a statement to that effect; and
 - (v) A valuation report in respect of the shares and the property and all assets, tangible and intangible, movable and immovable, of the company by a registered valuer.

Notice of the Meeting

Section 230(3) states that a notice shall be sent to all the

- Creditors or a class of creditors and
- Members or a class of members and
- The debenture-holders of the company,

Individually at the address registered with the company, which shall be accompanied by:

- a) a statement disclosing the details of the compromise or arrangement,
- b) a copy of the valuation report, if any, and
- c) the effect of the compromise or arrangement on any material interests of the directors of the company or the debenture trustees, and
- d) such other matters as may be prescribed.

The notice of the meeting pursuant to the order of the Tribunal shall be in **Form No. CAA.2** and shall be

- Sent individually to each of the creditors or members.
- Sent by the chairperson appointed for the meeting by the company by any mode as directed by the Tribunal at least one month before the date fixed for the meeting.
- Sent to the creditors and members along with a copy of the scheme of compromise or arrangement.
- Placed on the website of the company, if any, and in case of a listed company, these documents shall be sent to the SEBI, for placing on their website and shall also be published in newspapers in such manner as may be prescribed.
- Notice for the meeting is also issued by way of an advertisement mentioning the time within which copies of the compromise or arrangement shall be made available to the concerned persons free of charge from the registered office of the company.
- The notice of the meeting shall be advertised in Form No. CAA - 2 in at least one English newspaper and in at least one vernacular newspaper, not less than thirty days before the date fixed for the meeting, on the website of the company, of the SEBI, and the recognized stock exchange where the securities of the company are listed.
- Notice to provide for voting by themselves or through proxy or postal ballot to the adoption of the compromise or arrangement within one month from the date of receipt of such notice.

Objection to the Scheme

Any objection to the compromise or arrangement shall be made only by persons holding not less than ten percent of the shareholding or having outstanding debt amounting to not less than five percent of the total outstanding debt as per the latest audited financial statement.

Notice to be sent to the regulators seeking their representations along with all the documents in Form CAA- 3, as may be prescribed, shall also be sent to

- the Central Government, the Registrar of Companies, the Income-tax authorities, in all cases;
- the Reserve Bank of India, the Securities and Exchange Board, the respective stock exchanges, the Official Liquidator, the Competition Commission of India established under sub-section (1) of section 7 of the Competition Act, 2002, if necessary; and
- such other sectoral regulators or authorities which are likely to be affected by the compromise or

arrangement; and shall require that representations, if any, to be made by them shall be made within a period of thirty days from the date of receipt of such notice, failing which, it shall be presumed that they have no representations to make on the proposals.

Affidavit of Service

The chairperson appointed for the meeting of the company or other person directed to issue the advertisement and the notices of the meeting shall file an affidavit before the Tribunal not less than seven days before the date fixed for meeting or date of the first of the meetings, as the case may be, stating that the directions regarding the issue of notices and the advertisement have been duly complied with.

In case of default, the application, along with a copy of the last order issued, shall be posted to the Tribunal for such orders as it may think fit to make.

Voting

The person who receives the notice may, within one month from the date of receipt of the notice, vote in the meeting either in person or through electronic means for the adoption of the scheme of compromise and arrangement.

Copy of compromise or arrangement to be furnished by the company: -

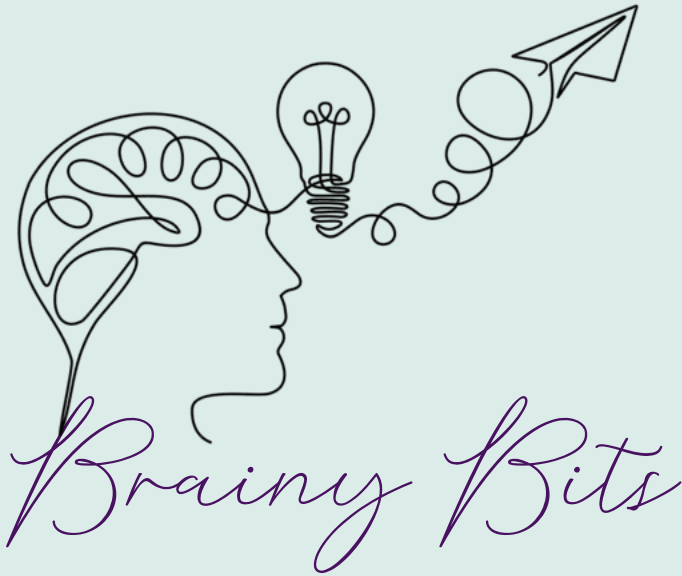
Every creditor or member entitled to attend the meeting shall be furnished by the company, free of charge, within one day on a requisition being made for the same, with a copy of the scheme of the proposed compromise or arrangement together with a copy of the statement required to be furnished under section 230 of the Act.

In next month's issue, let us study approval and sanction of the scheme and the various provisions other than those in the Companies Act that govern 'Compromise and Arrangement.'

“

If you **don't**
like the road
you're walking,
start paving
another one.

—Dolly Parton



CS Phani Datta D N

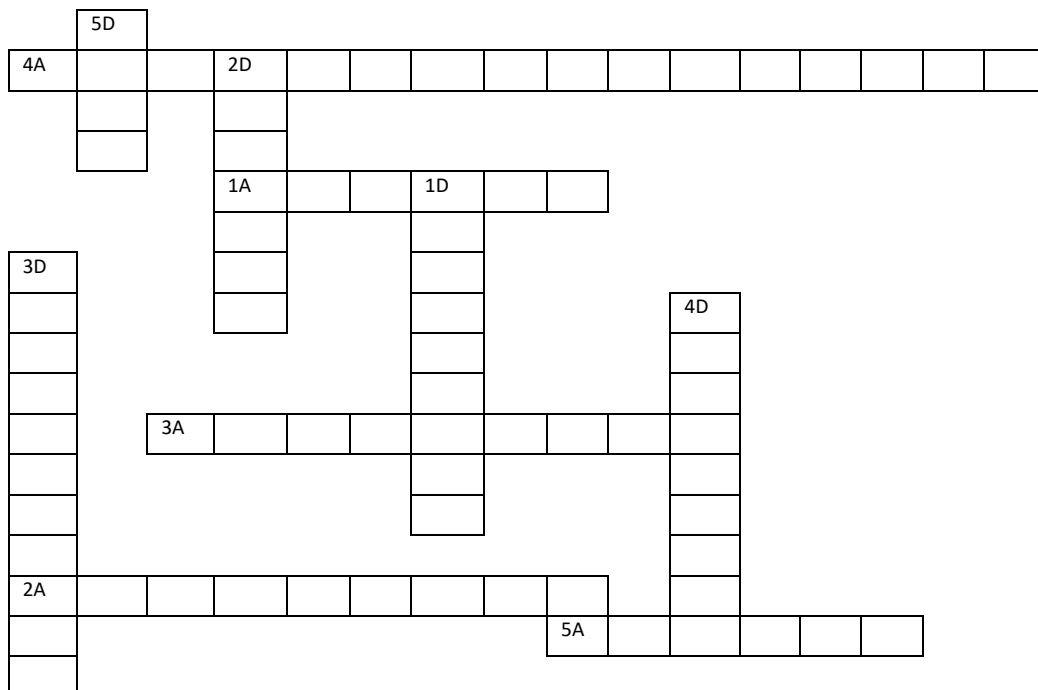
B.com, FCS

Practicing Company Secretary

phanidatta.dn@gmail.com

CROSSWORD – 6

(Based on Chapter VII of The Companies Act, 2013)



Across:

1. The person responsible for keeping records in electronic format shall ensure that at least one backup shall be taken at a periodicity of not less than _____. (3+3)
2. The minutes of Board or a committee shall be signed by Chairman of the said meeting or the chairman of the _____ meeting. (9)
3. Intention to move the resolution requiring special notice shall be moved by members not holding less than 1% of total voting power or holding shares on which such aggregate sum shall not exceed rupees _____. (4+5)
4. The advertisement provided under Section 110, shall have a statement to the effect that members who have not received _____ may apply to the company and obtain a duplicate thereof. (6+6+5)
5. A company unless any call monies are pending, cannot prohibit any member from exercising his _____ right. (6)

Down:

1. The records maintained in electronic form once dated and signed _____ should not allow any edits or alterations. (9)
2. The inspection by member of any books and minutes at the Registered office or such other place shall be allowed with restrictions such that, not less than _____ in each day is allowed for inspection. (2+5)
3. Filing of resolution under section 117 also includes the resolution passed _____ which is mandated by the act to be passed so for the prescribed matters. (11)
4. _____ of India on being a member of the Company, may appoint such person as he thinks fit to act as his representative (9)
5. The demand for a _____ may be withdrawn at any time by the persons who made the demand. (4)

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



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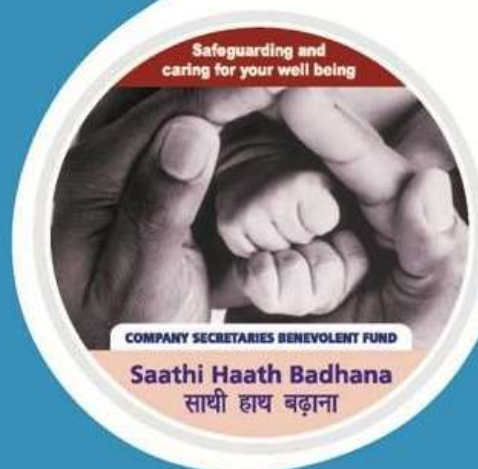
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Statutory body under an Act of Parliament

(Under the jurisdiction of Ministry of Corporate Affairs)

CSBF

COMPANY SECRETARIES
BENEVOLENT FUND



What exactly is CSBF?

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

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

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

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

Is it the right time to enrol in CSBF?

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

Is it a requirement?

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

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

Advantages of enrolling into CSBF

1

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

2

To finance your children's education and other needs

3

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

4

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

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

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