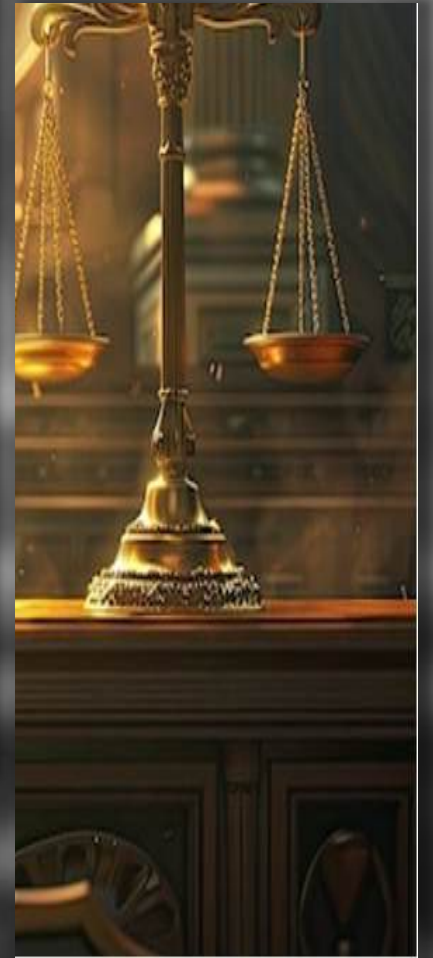




SIRC MYSURU CHAPTER

eMagazine



January, 2025

249th Edition

Vision

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

Motto

सत्यं वद। धर्मं चर। इष्टार्थे तेन त्पुतेः बोधेन तेन क्व।

Mission

"To develop high calibre professionals facilitating good corporate governance"

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IN PURSUIT OF PROFESSIONAL EXCELLENCE

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From the Desk of Chairman

Dear Professional Colleagues!

I am happy to interact with you all again through this eMagazine.

Happy and prosperous new year 2025 and Makara Sankranti to all!

During the month, our Chapter has conducted its 26th Batch of One Day Orientation Program (ODOP) on 20th December, 2024 at chapter premises.

It is with a sense of gratitude that I stand before you today, reflecting on the past year as the Chairperson of the Mysuru Chapter of this esteemed institution. Exactly one year ago, I had the privilege of taking charge and seeking your support to work together towards a common goal. Today, I am honoured to express my heartfelt appreciation to each and every one of you for your unwavering support and cooperation throughout the year.

The past year has been very successful for the chapter and we were able to accomplish many targets set for the year. During the year, chapter has conducted various seminars, Study Circles Meetings, Faculty Development program/ Teacher's conference and conducted Career awareness programmes, participated in Carrier fairs /Education Expo's, and successful in creating awareness about our Company Secretary course. We have started 1st batch of Executive Development Program (EDP) and conducted 7 batches of One Day Orientation Program and commencing Classroom Teaching (Oral Coaching) classes for executive students in January, 2025.

I extend my sincere thanks to the SIRC and the Head Quarters for their support for smooth conduct of various chapter activities and all the managing committee members, Chapter staffs, members and students for their active participations in the activities conducted by the chapter during the year.

It is time for the New Committee to take over the reins of the Chapter Activities. The new, committee is expected to take over the affairs of the Chapter from 19th January 2025 and I extend my best wishes to the new team.

Thanking you,

CS Padmanabha V

Chairman,

Mysore Chapter

One Day Orientation Program

On, 20th December, 2024 One Day Orientation programme held at the Chapter Premise. There were 28 participants have attended the programme and got enhanced their knowledge by the eminent faculties.



02

Articles



Highlights Of The Securities And Exchange Board Of India

(Listing Obligations And Disclosure Requirements) (Third Amendment) Regulations, 2024

CS Akshita Surana

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“The Securities and Exchange Board of India (‘SEBI’) under Section 30 of the Securities and Exchange Board of India Act, 1992, amended the Listing Regulations with effect from 12 December 2024. The changes in Serial No. 7 and 29 are with effect from 31 December 2024; the rest of the changes shall come in force upon publication of the notification in the Official Gazette”

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) set the rules for listed companies in India to ensure transparency, accountability, and uniform disclosure. They cover corporate governance, timely reporting of financial results, disclosure of material events, and related party transactions. Key provisions include board composition rules, compliance officer appointments, and investor protection measures. In essence, the Listing Regulations ensures listed entities maintain high

standards of compliance and governance to safeguard shareholder interests.

The Securities and Exchange Board of India (‘SEBI’) under Section 30 of the Securities and Exchange Board of India Act, 1992, amended the Listing Regulations with effect from 12 December 2024. The changes in Serial No. 7 and 29 are with effect from 31 December 2024; the rest of the changes shall come in force upon publication of the notification in the Official Gazette. The key changes are outlined here as follows:

Sl. No.	Reference	Change / Revision	Rationale
1.	Regulation 2(1)(zc)(b) First Proviso	Deletion of 'by the listed entity' from transactions not considered as an RPT	To ensure clarity and to expand the scope of transactions that do not qualify as RPT
2.	Regulation 2(1)(zc) First Proviso	Insertion of new clause (c) and clause (d) to include acceptance of current account and savings account deposits and retail purchases from listed entity or its subsidiary by directors or its employees, without having a business relationship	To delineate clearly acceptable personal transactions by directors or employees from those with potential conflicts
3.	Regulation 2(1)(zc)	Insertion of new clause (zla) to define SR equity shares as equity shares having superior voting rights compared to all other equity shares issued by that listed entity	To promote clarity on SR equity shares and their role in corporate governance
4.	Regulation 5	Insertion of a new proviso for KMP, directors, promoter and promoter group to disclose relevant information to the listed entity to ensure compliance	To enhance accountability and transparency of KMP and promoters in complying with listing requirements
5.	Regulation 7(3)	Omission of the requirement by listed entity to submit a compliance certificate to the exchange signed by compliance officer and authorised representative of the RTA	To reduce procedural redundancy and simplify compliance requirements
6.	Regulation 10(1)	Insertion of Regulation (1A) to provide for integrated filing of periodic reports, statements, documents or other information	To streamline reporting processes and ensure consistency across periodic disclosures
7.	Regulation 13(3)	Substitution of the timeline of 21 days from end of quarter to timeline to be prescribed by SEBI for submission of redressal of investor grievances (w.e.f. 31 December 2024)	To allow flexibility for SEBI to update timelines based on evolving regulatory requirements
8.	Regulation 15(2)(a) Second Proviso	Substitution of 'above regulations' with the language in Reg. 15(2) to provide more clarity	To avoid ambiguity in the interpretation of the regulation.
9.	Regulation 15(2)(a) Second Proviso	Substitution of "or" with "and" for paid-up capital of ₹10 crores and net worth of ₹25 crores	To provide clarity that both criteria must be met for compliance exemption
10.	Regulation 16(1)(c)	Substitution of "income" with "turnover"	To align with the definition of "turnover" as per Companies Act, 2013 as "income" is not defined
11.	Regulation 16(1)(d)	Substitution of "CS and CFO" with "Persons identified and designated as KMP other than the Board"	To recognize flexibility in KMP designations beyond the traditional roles of CS and CFO
12.	Regulation 17(1A)	Insertion of a new proviso for listed entity to require compliance at the time of appointment or reappointment of non-executive director before attaining 75 years of age	To plug the loophole where the appointee is less than 75 years of age but shall attain 75 years of age during the tenure

13.	Regulation 17(1C)	Substitution of the entire provision	To provide a more structured and comprehensive framework for compliance requirements
14.	Regulation 17(1D)	Insertion of the new proviso to mandate compliance within 3 months if the vacancy results in non-compliance with specific sub-regulations (regulations 18, 19, 20, and 21), and extension of references to these specific sub-regulations in the existing provisos	To ensure timely compliance with critical governance regulations despite vacancies
15.	Regulation 17(2)	Insertion of “financial” and “consecutive” to clarify requirements of holding board meetings	To eliminate ambiguity regarding the nature and frequency of required board meetings
16.	Regulation 17(11)	Insertion of “along with the rationale” in the explanatory statement to be sent to the members	To improve transparency in member communications by explaining the reasoning behind resolutions
17.	Regulation 18(2)(a)	Insertion of “financial” before year and “consecutive” to clarify requirements of holding audit committee meetings	To provide clarity on the periodicity of these committee meetings
18.	Regulation 19(3A)	Insertion of “financial” before year to clarify requirements of holding nomination and remuneration committee meetings	To provide clarity on the periodicity of these committee meetings
19.	Regulation 20(3A)	Insertion of “financial” before year to clarify requirements of holding stakeholders relationship committee meetings	To provide clarity on the periodicity of these committee meetings
20.	Regulation 21(3A)	Insertion of “financial” before year to clarify requirements of holding risk management committee meetings	To provide clarity on the periodicity of these committee meetings
21.	Regulation 23(2)(d) Second Proviso	Insertion of a new clause to dispense with the approval of the audit committee to pay remuneration and sitting fees (to directors and KMP not in except promoter group) if the same is immaterial. Also, insertion of clause on ratification of RPTs within 3 months by the audit committee members	To streamline processes for audit committees and focus on material transactions
22.	Regulation 23(9)	Insertion of a new clause to dispense with the requirement of disclosure of remuneration and sitting fees (to directors and KMP not in except promoter group) paid if the same is immaterial	To reduce unnecessary disclosures while ensuring material items remain transparent
23.	Regulation 24(1)	Substitution of “income” with “turnover”	To align with the definition of “turnover” as per Companies Act, 2013 as “income” is not defined
24.	Regulation 24(6)	Insertion of a non-obstante clause to dispense with applicability of provision for transfer or lease of assets between two WOS of the listed entity	To simplify compliance for intra-group transactions that do not impact external stakeholders
25.	Regulation 24A(1)	Substitution of a new regulation to provide for peer reviewed PCS firms to audit listed entity and materially unlisted subsidiary. Provisions of appointment, tenure and rotation of auditors as per	To ensure high standard of secretarial audits by engaging peer-reviewed PCS firms and protecting the interest of reporting

		Section 139(1) and 139(2) now duplicated for secretarial auditors from 1 April 2025	
26.	Regulation 24A(2)	Insertion of a new clause to provide for peer-reviewed PCS firms to submit annual Secretarial Compliance Report to stock exchanges from 1 April 2025	To ensure high standard of secretarial reports by engaging peer-reviewed PCS firms and protecting the interest of reporting
27.	Regulation 25(6)	Removal of the entire provision to replace a ceasing independent director within 3 months	To allow flexibility in replacing independent directors while ensuring governance stability
28.	Regulation 26(6)	Insertion of a proviso to abstain interested persons involved in agreement from voting in general meeting where approval is sought	To prevent conflicts of interest in shareholder decision-making processes
29.	Regulation 27(2)	Substitution of the timeline of 21 days from end of quarter to timeline to be prescribed by SEBI for submission of corporate governance report. Deletion of requirement to report cyber security incidents or breaches or loss of data [w.e.f. 31 December 2024]	To provide flexibility in governance reporting and focus on material disclosures
30.	Regulation 30(6)	Insertion of a new proviso to allow 3 hours instead of 30 minutes from conclusion of board meeting to file board meeting outcomes if the board meeting closes after normal trading hours but more than 3 hours before starting of normal trading hours of next trading day	To provide practical flexibility for disclosures outside trading hours
31.	Regulation 30(6)	Insertion of a new proviso to provide if relevant information about claims against the listed entity (excluding tax-related disputes) is maintained in an SDD, the disclosure must be made within 72 hours of receiving the notice	To ensure timely disclosure of significant claims while excluding routine tax matters
32.	Regulation 31A(2)	Deletion of the proviso which requires for reclassification of person as a promoter or public, the stock exchanges only permit such reclassification upon receiving an application from the listed entity along with relevant documents, subject to compliance with specific conditions	To simplify the process of promoter reclassification and reduce administrative burden
33.	Regulation 31A(3)	Insertion of regulation to provide for promoters to justify their reclassification request, company to apply for NOC from the stock exchange, presentation of request to the members within 60 days for approval, with voting restrictions on promoters and related persons. After approval, the company must notify the stock exchange within 5 days and proceed with reclassification, subject to any post-no-objection changes requiring exchange approval	To ensure robust governance and transparency in promoter reclassification processes
34.	Regulation 36(1)(b)	Substitution of the clause to provide letter containing web-link of the annual report to all the shareholders whose email ID is not registered with company or depository	To improve accessibility of annual reports for shareholders without registered email IDs

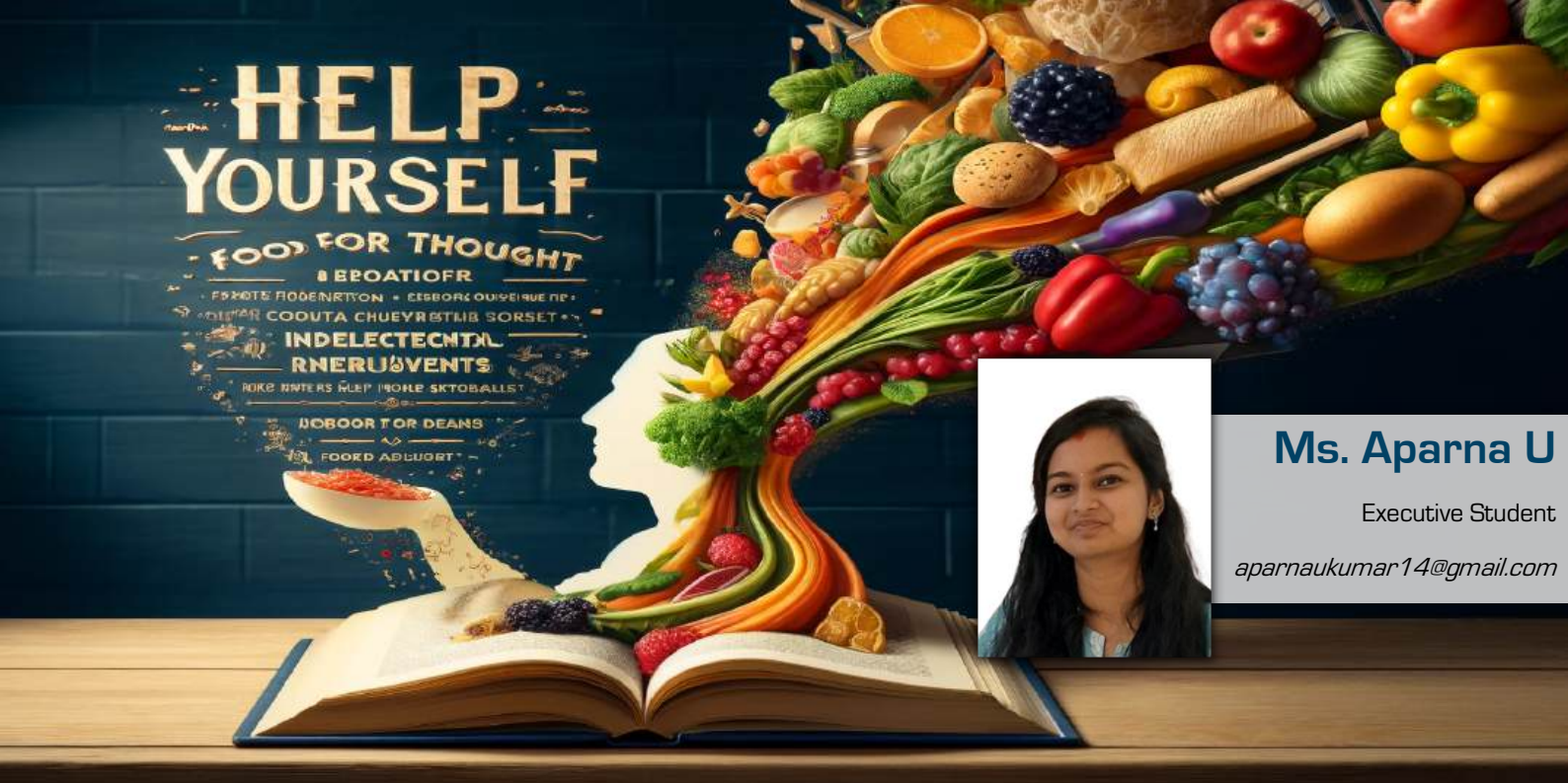
35.	Regulation 36(2)	Omission of the clause to dispense with the requirement of sending the annual report to the shareholders at least 21 days before the annual general meeting	To align with digital communication practices and reduce administrative burden
36.	Regulation 36(5)	Amendment of words “or secretarial auditor” to provide for disclosures in proposed fee payable with basis for recommendation for appointment	To improve transparency in fee structures and auditor appointment processes
37.	Regulation 42(2)	Substitution of “three” for “seven” days to provide for shorter time to notify the stock exchange for record date and its purpose	To enable quicker updates to stock exchanges and reduce timeline delays
38.	Regulation 42(3)	Omission of the provision to dispense with recommendation or declaration of dividend and / or cash bonuses of at least 5 working days before the record date	To simplify dividend and cash bonus declaration processes
39.	Regulation 42(4)	Substitution for “five working days” for “thirty” days for the minimum time gap between two record dates	To allow more flexibility in scheduling record dates for corporate actions
40.	Regulation 42(5)	Omission of provision to dispense with intimation of date of closure of transfer books for physical shares	To align with dematerialization practices and reduce redundant processes
41.	Regulation 44(4)	Insertion of a proviso to dispense with the requirement of sending proxy forms for general meetings held entirely virtually	To adapt to virtual meeting formats and reduce unnecessary formalities
41.	Regulation 46(2)	Insertion of clause to require the listed entity to publish MOA and AOA along with directors’ profile on the website	To enhance transparency and accessibility of key corporate documents and governance information
42.	Regulation 47(1)	Substitution of the provision to include a QR code and details of the webpage where the complete financial results along with any auditor’s modified opinion(s) or reservation(s), are accessible to investors.	To improve accessibility of financial information for investors using digital tools
43.	Regulation 47(2)	Omission of the provision to dispense with providing reference in the newspaper the link of website of listed entity	To reduce reliance on physical publications and save cost on newspaper advertisements
44.	Regulation 47(3)	Omission of the provision to dispense with the publication of financial results on the newspapers	To reduce reliance on physical publications and save cost on newspaper advertisements

Disclaimer: This document includes only select, significant amendments to the Listing Regulations, as interpreted by us. These interpretations are provided for informational purposes only and should not be construed as professional

legal or financial advice. The author shall not be liable for any damages arising from the use or misinterpretation of this document.

03 Columns





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It's the year 2025!

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.

As another new year approaches, we are brimming with new goals, new resolutions, new habits to form and a renewed sense of hope.

However, as it often turns out, we do not achieve 100% of our goals. Why does this happen? We tend to get back to our old ways of living and doing things.

For instance, you set a goal not to consume sugar this year. But we tend to break this resolution when the hype of the new year dies down. It could also be with goals like walking one thousand steps every day; going to the gym everyday; reading a hundred pages each day and so on.

For a lot of us, such goals die down as we get caught up in all the other routine things to do. For instance, you skip your habit of exercising only for one day. Before you know it, a week has passed by and you have now completely stopped the habit. If this happens to you, you are not alone.

In such cases, what is the problem? Are the goals you set very unrealistic for you? Do you get caught up in your professional and personal work and often end up in a time crisis?

Well, if you are looking for the cause all around, allow this book to tell you otherwise- 'The Mountain is You.' Doesn't that make a lot of things clearer? The real mountain you have to conquer is not your habit, your time or your approach. It is you!

'The Mountain is You' by Brianna Wiest is the book we are discussing in this issue of our E-Magazine.

So now, how do you think we can bring about progressive change?

First, be conscious that the locus is in you, meaning, being conscious that it is in your hands. And it is through this consciousness that we can bring about change and take the right action. Our excellent companions to bring about change in us are books! Books help us to see things differently, widen our perspective which ultimately lead us to think and act differently.

How will this book we discuss today help you? The book identifies various habits that hinder us in achieving what we set our heart on. They are followed by 'How to Resolve This' which enumerates simple and actionable steps that we can take to bring about changes in us.

Let me share one idea from the book as always, hoping it will interest you to grab and read the book by yourself.

One common problem that I have seen which our generation faces is perfectionism. Though this word does not sound very negative, thanks to social media and the toxic competition around us for almost everything, perfectionism which could be a boon, sometimes turns into a curse.

Perfectionism holds us back from showing up and trying. It leads us to set unrealistic goals for ourselves, failing to achieve which, we choose to give up.

The book shows how this can be resolved. It guides us that we must not worry about doing it well, we must focus on just doing it. For example, if you want to write a book, don't worry about whether or not it will be a bestseller. Just focus on writing. Just open your sheets, physical or digital and start writing. That's how you will get to where you want. Keep your focus on progress and not perfection.

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

The book 'The Mountain is You' is full of identifying hindrances, learning their pattern, unlearning our old way of responding to them and acting upon them with new and conscious approaches. This book is simple and very easy to read which makes it a beginner level self-help book. It does not go into the neuroscience of why and how we respond to problems like we discussed in our previous issues which you can check out. If you are looking to start the habit of reading, this would be a good pick. So, help yourself with this food for thought!





CS Keerthana Gopal

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Order for violation of Section 184 of Companies Act, 2013

Legal provision: Section 184: Disclosure of Interest by Director

Section 184(1)- Every director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals which shall include the shareholding, in such manner as may be prescribed.

Section 184(4)- If a director of the company contravenes the provisions of sub-section (1) or sub-section (2), such director shall be [liable to a penalty of one lakh rupees]

Section 446 B- Notwithstanding anything contained in this Act, if penalty is payable for non-compliance of any of the provisions of this Act by a One Person Company, small company, start-up company or Producer Company, or by any of its officer in default, or any other person in respect of such company, then such company, its officer in default or any other person, as the case may be, shall be liable to a penalty which shall not be more than one-half of the penalty specified in such provisions subject to a maximum of two lakh

rupees in case of a company and one lakh rupees in case of an officer who is in default or any other person, as the case may be.

Facts of the case:

WHEREAS the company viz WATAI ELECTRONICS PRIVATE LIMITED [CIN: U31909UP2018PTC109513] (herein after known as 'Company') is a registered company with this office under the provisions of the Companies Act, 1956 having its registered office at Noida, Uttar Pradesh and Paid-up share capital of Rs. 2,00,00,000/-.

During the inquiry it was observed that the Director named Mr. Mohammad Usman (DIN: 07585431) had provided incomplete disclosure of his interest in the Companies to the Board of the Company as per Section 184 (1) of the Companies Act, 2013 i.e., he had disclosed his interest in two companies i.e., SZB Machines Private Limited and Chindi Medi43 Consultants Private Limited as on 12.11.2018 however at that time he was also Director in YTL Manufacturing Private Limited w.e.f 09.10.2018. Hence the Director has violated the provision of Section 184(1) of Companies Act, 2013, and is liable for penalty under Section 184 (4) of Companies Act, 2013 for the Financial Year 2018-19

Reply was received from Mr. Usman vide letter dated 13.07.2024, stating that due to oversight he forgot to

mention the name YTL Manufacturing Private Limited in the disclosure of interest given to the Company under Section 184(1) on 12.11.2018 as at that time the terms and conditions of his appointment as Director in YTL was not yet settled/finalised. On finalization of terms, he was appointed retrospectively from 09.10.2018. But he did not receive any notice for Board Meeting or Annual General Meeting from YTL and thereafter he resigned from the management of YTL on 07.10.2020.

Decision and Analysis:

The Adjudicating Authority held that after considering the factors and circumstances mentioned above, a penalty of Rs. 1,00,000/- is being imposed on Mr. Mohammad Usman, director of the Company for failure to comply with Section 184(1) of the Companies Act, 2013

Although the Director may have been appointed in YTL for a short span of time, the fact of appointment is true. Therefore, it is the responsibility of the Director to disclose correct facts in the disclosure of interest provided to the Company. Hence, by not disclosing the same, it amounts to non-compliance of Section 184(1) and in turn liable for penalty under the same.

Order for violation of Section 184 of Companies Act, 2013

Legal provision: Section 155: Allotment of Director Identification Number

No individual, who has already been allotted a Director identification Number under section 154, shall apply for, obtain or possess another Director identification Number.

'Notified Date of Section: 01.04.2014

Section 159 - Penalty for Default of Certain Provisions.

If any individual or director of a company makes any default in complying with any of the provisions of Section 152, Section 155 and Section 156, such individual or director of the company shall be liable to a penalty which may extend to fifty thousand rupees and where the default is a continuing one, with a further penalty which may extend to five hundred rupees for each day after the first during which such default continues.

Facts of the case:

Whereas, Mrs. Anubama hereinafter referred as the Director having Director Identification Number (DIN)- 01918570 and having Permanent address at Flat No. D, Kceesagarika Apartment, Old No.2, New No.3, Dr'Gurusamy Road, Chetpet' Chennai- 600031. Mrs. Anubama has submitted an Adjudication application in GNL-I vide SRN:F9TS20997 dated 28.08.2024 for violation of Section 155 of the companies Act, 2013 and also submitted a physical application. The applicant submitted that she has obtained her first DIN - 01918570 on 09.01.2008. After that She was appointed as a director in multiple Companies using this first DIN but later resigned from all the companies as director and hence not a director in any of the companies as of now. The applicant has further obtained inadvertently the second DIN-060564762 on 23.04.2013, The applicant was also appointed as Director in some of the companies using this second DIN and later resigned from all such positions. Further, the applicant was appointed as designated partner in two LLPs and continuing till date. The applicant has applied in form No DIR-5 to surrender the second DIN -06564762 vide SRN: AAB29B879 dated,

16.07.2024. However, the form was returned for resubmission with remarks stating that " the DIN holder has taken second DIN in violation of Section 155 of the companies Act,2013 and required to be adjudicated the provisions of the Companies Act,2013. Hence, submitted the adjudication application as the aforesaid contravention was not committed with any malafide intent and no prejudice is caused to any stake holders.

On basis of the Adjudication Application, this Adjudicating Authority had issued Adjudication Hearing Notice to the Company and its officers in default on 04.09.2024 fixing the hearing date as 10.09.2024 at 12.20 P.M. Pursuant to hearing notice issued on 04.09.2024. Mr. A. Kumar Reddy - CS , authorized representative for applicant appeared before the Adjudicating Authority and made submissions that, "the said violation may be adjudicated as per section 159 of the Companies Act, 2013."

Decision and Analysis:

It is noticed that the applicant, Mrs. Anubama obtained her first DIN -01918570 on 09.01.2008 and she was appointed as a director in multiple companies using this first DIN Further, on 23.04.2013, the applicant has further inadvertently obtained a second

DIN -06564762, the applicant was also appointed as Director in some of the companies using this second DIN, although the applicant continues to serve as a designated partner in two LLPs. The applicant was holding 2 DINs from 23.04.2013 onwards. Further, Mrs. Anubama has filed e-form DIR-5 On 16.07 .2024 to surrender the DIN which was obtained on 23.04.2013. The form was returned with remarks to adjudicate the violation. After that filed the Adjudication application in e-form GNL-1 vide SRN: F97820997 dated 28.08.2024. Hence, there a violation of Section 155 of the Companies Act, 2013 till 27 .08.2024. The applicant is liable for penalty under Section 159 of Companies Act, 2013. Further, the application in GNL-1 was received prior to 16th day of September 2024, effective date of the Companies (Adjudication of Penalties) Amendment Rules, 2014.

Having considered the facts and circumstances of the case and after taking into account the factors above, it is concluded that Mrs. Anubama has violated Section 155 Of the Companies Act, 2013. Therefore, in view of the above said violation, a penalty of Rs.19,51,000/- (Rupees Nineteen lakhs fifty one thousand) is imposed on Mrs. Anubama as penalty amount for violation of Section 155 of the Companies Act, 2013.

Brainy Bits



CS Phani Datta D N

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Practicing Company Secretary

phanidatta.dn@gmail.com

WORD SEARCH - 4

(Based on Chapter 4 of Companies Act, 2013)

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

Question

1. The securities or other interests of any member in a public company shall be free transferable provided that such an agreement in respect of transfer shall be enforceable as _____ (8)
2. Notwithstanding anything contained in any other law or testamentary in respect of securities, in case of death of the holder of securities, _____ shall be entitled to all rights in the securities of the holder _____ (7)
3. Provisions of Section 67 shall not affect the rights of company for _____ of preference shares (10)
4. Any person who tries to deceitfully _____ as owner of any security or interests on order to obtain such security or interests or receive any money due to such owner shall be punishable with imprisonment for a term of 1 to 3 years and fine of Rs. 1-5 lakhs (9)
5. Tribunal on hearing an appeal for refusal of transfer by the company, may after hearing the parties, by order direct _____ of the register and direct the company to pay damages (13)
6. The decision of the Tribunal on any application made by shareholders holding not less than 10% of the issued shares for cancellation of variation of rights shall be binding on the _____ (12)
7. For making calls of further share capital, the company shall ensure shall be made on _____ basis on all shares falling under the same class (7)
8. The Numbering of shares shall not be applicable to the shares held by the person whose name is entered as holder of beneficial interests in such share in the records of _____ (10)
9. A company may issue shares at a discount to its creditors when its debt is converted into shares in pursuance of any statutory resolution plan or debt restructuring scheme in accordance with any guidelines or directions or regulations by the _____ (7,4,2,5)
10. A limited company may if authorised by articles convert all or any of its fully paid up shares into _____ and reconvert the same in to fully paid-up shares of any denomination (5)

Answer for this month brainy bits may be sent to

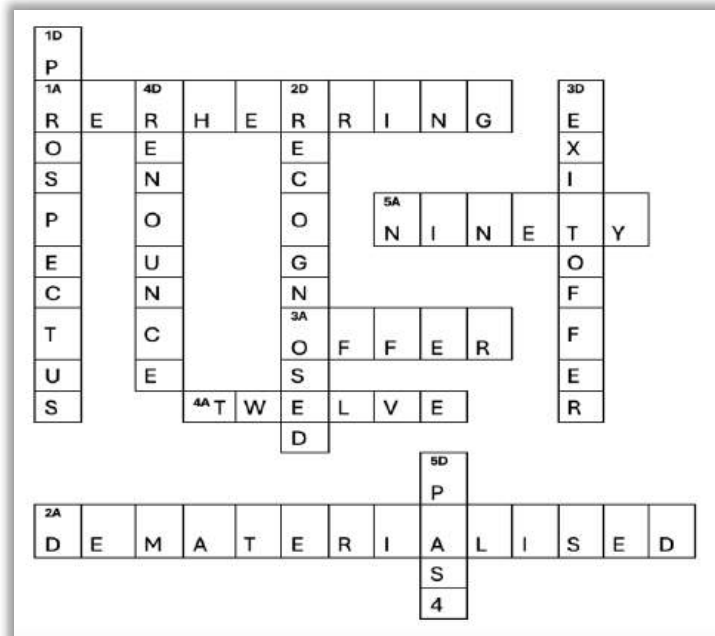
Enewsletter.icsimysore@gmail.com

**Winner's names and the answer shall be published in
the next edition**

Answers for Previous Crossword

CROSS WORD - 4

[Based on Chapter 3 of Companies Act, 2013]



Questions

Across:

1. A Company proposing to make an offer of securities _____ may _____ issue _____ [3+7] Prospectus prior to the issue of a Prospectus.
2. Every company making public offer should issue the securities only in _____ [14] Form.
3. A company making a private placement issues _____ [5] letter instead of a prospectus
4. The cooling-off period for using a shelf prospectus is _____ [6] Months.
5. Section 39 requires minimum subscription, However SEBI (ICDR) regulations mandates _____ [6] percentage of the minimum subscription amount before allotment.

Down:

1. Any document by which the offer for sale to the public is made shall, for all purposes, be deemed to be a _____ [10]
2. Every company making a public offer shall, before making such an offer, make an application to one or more _____ [10] stock exchange or exchanges and obtain permission for the securities to be dealt with in such stock exchange or exchanges.
3. The dissenting shareholders being those shareholders who have not agreed to the proposal to vary the terms of contracts or objects referred to in the prospectus, shall be given an _____ [4+5] by promoters or controlling shareholders
4. Like rights issue, the private placement offer, and application shall not carry any right to _____ [7]
5. Private placement offer letter should be given in _____ [4] form.



Mr. Komal Kumar M

CS Professional Student

komalkumar677@gmail.com

Recently we all are hearing the caller tone by the cyber cell warning about the scams and cybercrime. Let's understand how this happens and what preventive measures we can take in order to be safe from falling into these scams

These scams are also called as Impersonation Scam: Fraudsters Posing as Police officers, Court officials or even judge, or Hospital Representatives

A recent wave of scams has been making headlines, targeting unsuspecting individuals by exploiting their fears and trust in institutions such as the police, courts, and hospitals. These scams, often referred to as impersonation scams, involve fraudsters calling people and falsely claiming to represent these organizations.

Their goal? To manipulate victims into sending money or sharing sensitive information.

How the Scam Works

The Initial Call: The scam begins with a phone call. The caller may claim to be a police officer, a court official, or a hospital staff member. Using high-pressure tactics,

they create a sense of urgency, leaving no or little time for the victim to think rationally.

The Pretext: The fraudsters present a fabricated scenario to justify their call. For instance:

Police Impersonation: The victims get a call or video call in some cases, claims that the victim is under investigation or a complaint has been lodged in sensitive matters like sexual harassment, Stalking which prevents the victims to speak regarding these things with others. They threaten immediate arrest unless payment is made.

Court Impersonation: The caller alleges that the victim missed a court date or has a pending legal matter suggesting the settlements, bribe or immediate payment of the fees.

Hospital Impersonation: The caller states that a loved one has been hospitalized and immediate payment is needed for treatment, they can easily get the details of the friends or family members from Social Media, or any other platform.

The Demand for Payment: Once the victim is sufficiently alarmed and took the bait, the scammer instructs them to transfer money, often via wire transfer, prepaid gift cards, or shares the QR code or number to make the payment – all methods that are difficult to trace, or even if its traced the account belongs to some person who don't even know that they have an account in the said bank.

Isolation Tactics: Fraudsters often advise victims not to inform anyone, claiming confidentiality or urgency, to prevent them from seeking advice or verifying the claims.

Red Flags to Watch Out For

Unsolicited Calls: Be cautious of unexpected calls from anyone claiming to be from the police, courts, or hospitals.

Demand for Immediate Payment: Legitimate institutions do not demand immediate payment over the phone, especially via untraceable methods.

Threatening Language: Scammers often use intimidation tactics to pressure victims.

Requests for Confidentiality: Being told not to share information about the call is a major warning sign.

How to Protect Yourself

Verify the Caller: If you receive such a call, hang up and contact the institution directly using verified contact information. Do not rely on phone numbers provided by the caller and do not search for the contact number in the google.

Stay Calm: Scammers rely on fear and urgency to cloud your judgment. Take a moment to and think critically about the situation.

Educate Yourself and Others: Spread awareness about this kind of scams to family, friends, and colleagues, especially those who may be more vulnerable, such as elderly individuals.

Report the Incident: If you suspect you have been targeted, report the scam to your local police cyber cell and relevant fraud reporting agencies.

Conclusion

Although impersonation scams are becoming more and more common, being vigilant and alert can help prevent them. Never make rushed payments or disclose personal information, and always confirm the source of any call claiming to be from an official organisation. You may prevent yourself and others from becoming victims of these fraudulent schemes by remaining vigilant and aware.

**BEST FRIENDS
MAKE THE GOOD
TIMES BETTER
AND THE HARD
TIMES EASIER**

"Corporate Riddle"

RIDDLE

ME

THIS

1. I am a grant by company
2. I am typically made available to senior executives of the company
3. I help staff to feel more appreciated and better compensated for the work they do.

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

CS Pavithra P

Founder & Director

Accrescent Managed Services Pvt Ltd.

pavithra@acms.pro



Last Month's Corporate Riddle

1. We are a bunch of standard operating procedures
2. We help ensure that companies comply with regulations and provide shareholders and directors with timely information
3. We are very important for the board committee and general meeting

Answer: Secretarial Standards



Manthan 2024

Compiled by:

Mr. Prajwal Rangaraju

Management Trainee

Mr. Akash Taki

Senior Assistant

Accrescent Managed Services Private Limited



MANTHAN 2024"

A unique 2 days Seminar/workshop on "Critical Issues in Corporate Laws"

We thank CS Ullas Bhat and CS Anusha Mantri for sharing their notes. Prajwal, and Aakash students of ICSI are compiling the posers. It has been guided and reviewed by CS Pavitra.

Disclaimer: This may not be the final answer but when you come across with such situations this could be one angle to think of and these are some of the sections to look at.

B1. ABC Limited acquired 51% equity shares of PQR Private Limited on April 01, 2023, however PQR Private Limited continues its business & operations with two directors and two shareholders and makes fresh borrowings from banks. In June 2024, the Company defaulted in repayment of debt. Lender is exploring a possibility of filing recovery suit from directors/members in terms of the provisions of Section 3A of the Companies Act, 2013. What is your advice to the Lenders?

Questions in Hand:

Are a company's officers liable if the number of members falls below the required limit and, despite being aware of this, they borrow loans from a bank?

View of the manthanites

A general interpretation of Section 3A was considered, rather than focusing on the specific cases of ABC Ltd and PQR Private Limited, due to the ambiguity in the law and the numerous interpretations regarding the minimum number of members required in a deemed public company.

If, at any time, the number of members of a company is reduced below seven in the case of a public company, or below two in the case of a private company, and the company continues to operate for more than six months with the reduced number of members, every person who is a member of the company during that period and is aware of the reduced membership shall be individually liable for the payment of the company's debts incurred

during that time, and may be individually sued for those debts.

It is crucial to establish that the members were aware of this fact; thus, Section 3A will be applicable only if the members' cognizance is proven. However, rather than pursuing legal action against the members of the defaulting company, the Insolvency and Bankruptcy Code (IBC) would be a more effective option for lenders to recover their money from the company.

B2. Whether a Company can be registered under section 8 of the Companies Act, 2013 with the last words as "Private Limited" or "Limited"?

View of the manthanites

A Company registered under section 8 cannot use the words "limited" or "Private Limited" in its name, as per proviso to section 8(1)(c). However, under Section 25 of the old Companies Act, 1956, The Central Government could give license to limited companies with charitable objects but the words "Private limited" or "Limited" cannot be used and upon revocation of the said license, the registrar would enter the words "limited" or "private Limited" at the end of its name upon its register, and the company would cease to enjoy the exemption granted by section 25.

B3 - ABC Limited was incorporated under the provisions of the Companies Act, 1956 and accordingly the objects clause of the memorandum of Association is divided in to three parts – Main objects, Objects incidental and ancillary to the attainment of the main objects and other objects.

Section 4 of the Companies Act, 2013 provides that MOA of the Company shall inter-alia provide the objects for which the company is proposed to be incorporated and any matter considered necessary in furtherance thereof. Further, the memorandum of a company shall

be in respective forms specified in Tables A, B, C, D and E in Schedule I as may be applicable to such company.

ABC Limited has amended the objects clause of MOA several time after April 01, 2014, however has continued with form provided under Table B of Schedule I of the Companies Act, 1956.

The Adjudicating Authority has issued a show cause notice for violation to the provision of section 4 of the Companies Act, 2013. Please advise regarding the legal position to ABC Limited.

CORE QUESTIONS

- **Whether a company registered under Companies Act 1956, amends it MOA after 01st April 2014, is it mandatorily required to align the MOA as per Companies Act 2013 specified Formats?**

VIEWS

As per section 13(1)(d) of the Companies Act 1956, states that when a company is registered under the said act requires to have –

- "(i) the main objects of the company to be pursued by the company on its incorporation and objects incidental or ancillary to the attainment of the main objects;
- (ii) other objects of the company not included in sub-clause (i)."

Whereas the section 4(1)(c) of the Companies Act 2013 states that "the objects for which the company is proposed to be incorporated and any matter considered necessary in furtherance thereof."

As per section 4 (6) of the Companies Act 2013 states that "The memorandum of a company shall be in respective forms specified in Tables A, B, C, D and E in Schedule I as may be applicable to such company."

The Companies Act 2013 does not mandatorily require the companies to register or amend the MOA of the company registered under previous act to amend its MOA as per the current act.

The formats specified in Schedule I of the Act is mandatory for the companies which are registered under the Companies Act 2013 only.

Therefore, when a company registered under previous act amend its MOA after 01st April 2014, does not required it to change or remove the other Objects from the MOA, and under the current Act you can not give effect to the other object.

B4 - Whether the Objects clause of MOA is required to have a specific mention of the objects such as borrowings, investment, guarantee, security etc. to enable the Company to undertake any such activity in an ordinary course of the business. If there is any difference in scope of the Objects clause in view of change in language from "Objects incidental and ancillary to the attainment of the main objects" to the "Objects considered necessary in furtherance of the main objects".

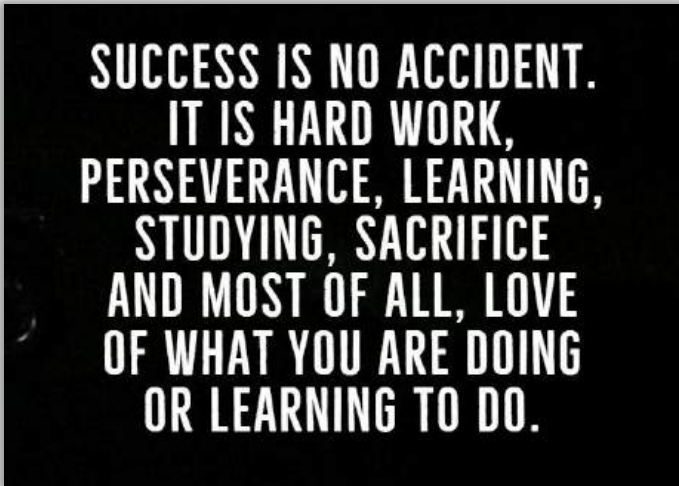
CORE QUESTION

- Does the Objects clause in a Memorandum of Association (MOA) need to specifically list activities like borrowings, investments, etc. for a company to legally undertake these actions in its ordinary course of business?
- What is the impact of changing the language in the Objects clause from "incidental and ancillary to the attainment of the main objects" to "necessary in furtherance of the main objects"?

VIEWS

In the ordinary course of business, powers such as borrowing, investment, and providing guarantees do not necessarily need to be specified in the Memorandum of Association (MOA). However, in practice, a lender may require the borrower to explicitly include such powers in the MOA. Legally, there is no obligation to include these powers for such activities to occur.

The revision in the language of the Objects clause, changing from "incidental and ancillary to the attainment of the main objects" to "necessary in furtherance of the main objects," was introduced under the Companies Act 2013 to broaden the scope of a company's objectives. As a result, this change does not significantly alter the scope of activities a company can undertake.



**SUCCESS IS NO ACCIDENT.
IT IS HARD WORK,
PERSEVERANCE, LEARNING,
STUDYING, SACRIFICE
AND MOST OF ALL, LOVE
OF WHAT YOU ARE DOING
OR LEARNING TO DO.**

CS Mathruka B M

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Limited

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Companies Act, 2013

Updates on Notifications:

MCA has amended Companies (Accounts) Rules, 2014 which shall be known as

Companies (Accounts) Second Amendment Rules, 2024.

In rule 12, in sub-rule (1B), in the fourth proviso of the principal rules for the words, figures and letters “on or before 31st December, 2024”, the words, figures and letters “on or before 31st March, 2025” shall be substituted SEBI Act, 1992.

G.S.R. 794(E)

SEBI Act, 1992

Updates on Circulars

Prior approval for change in control: Transfer of shareholdings among

immediate relatives and transmission of shareholdings and their effect on change in control

SEBI has clarified with respect to transfer of shareholding among immediate relatives and transmission of shareholding in respect of investment advisers (IAs), research analysts (RAs) and KYC (Know Your Client) registration agencies (KRAs):

Transfer /transmission of shareholding in case of unlisted body corporate Intermediary

Transfer /transmission of shareholding in case of a proprietary firm type intermediary:

Transfer /transmission of ownership interest in case of partnership firm type Intermediary

The provisions of this circular shall be applicable from immediate effect.

Circular is available at SEBI | Prior approval for change in control: Transfer of shareholdings among immediate relatives and transmission of shareholdings and their effect on change in control

***SEBI/HO/MIRSD/ MIRSD-PoD-
1/P/CIR/2024/164***

Implementation of recommendations of the Expert Committee for facilitating ease of doing business for listed entities

To facilitate ease of doing business for listed entities, the recommendations of the expert committee were approved by the Board and amendments to the LODR Regulations have been published in the Gazette of India on December 13, 2024.

In line of the same another circular was issued by the Board, to give effect to

certain recommendations of the Expert Committee and carry out consequential changes to the provisions of SEBI Master Circular dated November 11, 2024, on compliance with the LODR Regulations by listed entities ("Master Circular"). It covers the following;

Integrated Filing

Secretarial Auditor

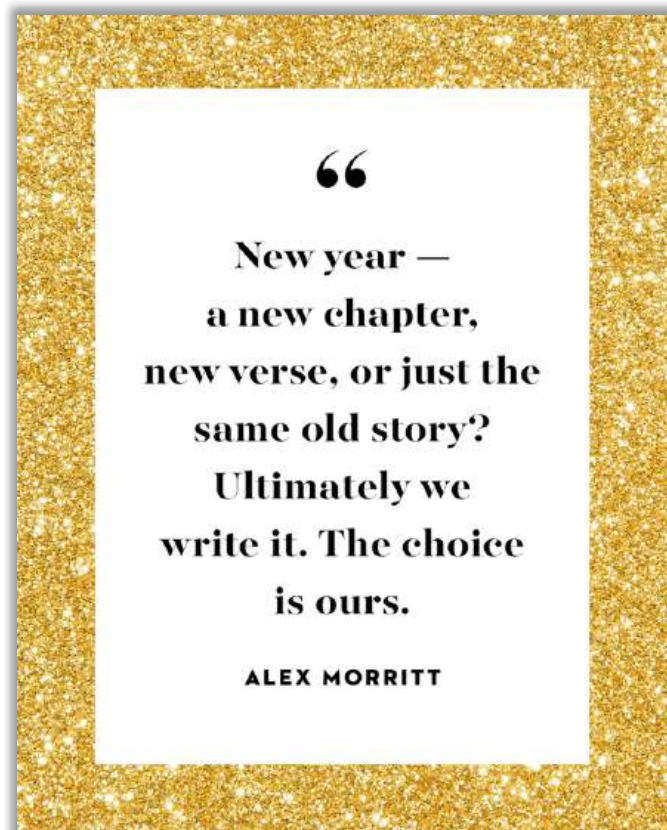
Guidelines for disclosures of Employee Benefit Scheme related documents

Single filing system

System driven disclosure of certain filings

The circular is available at SEBI | Circular for implementation of recommendations of the Expert Committee for facilitating ease of doing business for listed entities

SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185





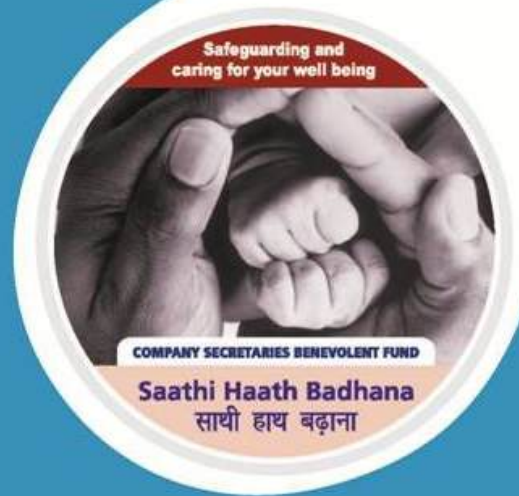
**THE INSTITUTE OF
Company Secretaries of India**

भारतीय कम्पनी सचिव संस्थान

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

CSBF

**COMPANY SECRETARIES
BENEVOLENT FUND**



Saathi Haath Badhana
साथी हाथ बढ़ाना

What exactly is CSBF?

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

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

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

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

Is it the right time to enrol in CSBF?

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

Is it a requirement?

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

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

Advantages of enrolling into CSBF

- 1 To ensure that your immediate family has some financial support in the event of your unfortunate demise
- 2 To finance your children's education and other needs
- 3 To ensure that you have extra resource during serious illness or accident
- 4 Subscription/Contribution to CSBF qualifies for deduction under Section 80G of the Income Tax Act, 1961

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

Decide Now! Decide Wise!

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