



SIRC MYSURU CHAPTER

September, 2023  
233<sup>rd</sup> Edition

# e-Magazine

## Vision

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

## Motto

सत्यं वद। धर्मं चर। इष्टकारं कुरु। शोभते इयं तेन। इति।

## Mission

"To develop high calibre professionals facilitating good corporate governance"

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CS Phani Datta D N

CHAIRMAN  
MYSURU CHAPTER

Dear

Professional Colleagues

It gives me immense pleasure to meet you all yet again with this fresh edition of e-magazine!

We stand in the month of September, a very crucial month for all the professionals in their own ways and specially for us Company Secretaries in completing the formalities of Annual General Meetings. While, these things have been routine, September 2023 has been very proud month to all of us Indians having successfully completed the G20 Summit under the presidency of India. It has been a historical summit having completed a milestone of having an outcome for over 120 issues of international importance and many of them having strategic importance to our country. The Delhi declaration outlining the 'Sustainability Development Goals (SDGs)' gives us a brief idea of the direction in which India is headed. I suggest all my fellow professionals to take time out and read the Delhi Declaration for their benefit.

**कर्मण्येवाधिकारस्ते मा फलेषु कदाचन। मा कर्मफलहेतुर्भूर्मा ते सङ्गोऽस्त्वकर्मणि॥**

*You have the right to work only but never to its fruits. Let not the fruits of action be your motive, nor let your attachment be to inaction.*

Life throws a lot of challenges to all of us, may it be in professional lives or in personal lives. I personally believe that these challenges are the ones that makes life interesting. We may face challenges within our capability or at times beyond our capability, knowing how to conquer those challenges or to evade such challenges is the smart decision that we have to make at times. Let's keep working, putting in our best efforts and the best foot ahead without any expectations as is been told to us by lord Sri Krishna and I am confident that success will be ours. We just need to have the patience to continue our efforts even when the results are delayed.

In the same lines, Mysuru Chapter despite of its internal challenges are working towards giving the best to its students and members. We had several study circles to keep up the spirits during August 2023. However, by the end the Chapter was gearing up for an opportunity to present regarding the capacities of Mysuru CS benefitting all its members to the zonal council of CII and also hosting CS B Narasimhan, Vice-President, ICSI for the 100<sup>th</sup> Milestone meeting of ICSI Mysuru RoyalPro Toastmasters Club. The chapter is also gearing up for the grand celebration of **completion of 2 decades of e-magazine**. I can't wait to share more with you regarding these in the next edition. Until then,

Happy Reading!!!

Thank you!



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)

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# Toastmasters



## ICSI Mysuru RoyalPro Toastmasters Club

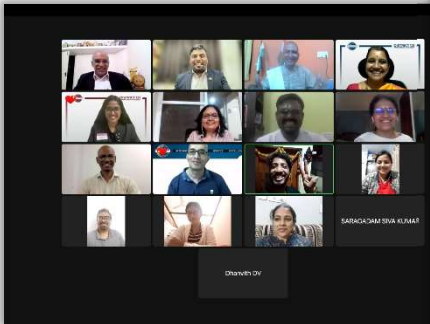
Importance of Communication:





Company Secretary is a profession which requires effective communication. Over the course of a hundred meetings, we've learned that communication is the bedrock of success. It has enabled us to collaborate, innovate, and thrive as a community. Each exchange of ideas, each shared insight, and each interaction has shaped our progress. As we mark this moment, we also celebrate the power of communication in forging connections, fostering understanding, and driving positive change.

100<sup>th</sup> meeting was a grand success with 3 stalwarts who were involved in the panel discussion gave us the important tips to become a great communicator in our CS journey. They also explained how the communication skill is useful while negotiating, convincing the stakeholders etc. Panellists were CS DTM Sharada S C, CS TM Gopalakrishna Hegde, CS DTM Milind Kulabkar. CS TM Phani Datta D N moderated the panel discussion. Vice President, ICSI, CS B Narasimhan had graced the occasion.

If you are interested in joining our Toastmasters club and reaping its benefits, please do get in touch with the club President CS Pracheta M at 98446-88622 or Chapter Chairman CS Phani Datta at 98862-14182 (only through WhatsApp please). We would love to have you as part of our family!

Toastmasters Column



**ICSI Mysuru RoyalPro Toastmasters' Club**  
Welcomes  
  
**CS B. NARASIMHAN**  
VICE PRESIDENT, THE ICSI  
For the **100<sup>th</sup> Meeting of the Club**  
Panel discussion on **Importance of Communication & Leadership Skills for Company Secretaries**  
our eminent panelists:  
 **CS DTM Sharada S C**     **CS DTM Milind Kulabkar**     **CS TM Gopalakrishna Hegde**  
Keynote Speaker  
  
**DTM ARJUN SUNDAR RAJ**  
Join us on Friday, **01<sup>st</sup> September, 2023** from **06:30 p.m.**  
Zoom ID: 874857 37813  
Password: ICSIMYSURU



# Chapter Activities

## Celebration of Independence Day

Chapter celebrated 77<sup>th</sup> Independence Day on 15 August 2023 at 9:00 am at Chapter premises. CS Phani Datta D. N., Chairman hoisted the flag. All the management committee members, other senior members, students, and parents were present during the flag hoist. Everyone paid a floral tribute to the nation and freedom fighters in remembrance of their contribution to the nation.



## Felicitation of Students

On the occasion of Independence Day, The Chapter felicitated the students who had successfully completed the CSEET Stage in the August 2023 attempt. CS Ajay Madhaiah, Past Chairman along with CS Phani Datta, Chairman distributed the mementoes to the students. All the other Managing Committee members were present during the meeting.



## Study Circle Meeting on Convertible Notes

Chapter had organized a joint Study Circle Meeting for Members and Students on ‘Convertible Notes’ on 15 August 2023. CS Krishne Gowda, Secretary welcomed the gathering and CS Abhishek Bharadwaj, Treasurer handled the session giving the detailed insight and practical scenarios surrounding Convertible Notes Issue. The Students and members had a very beneficial discussion. It was attended by 25 participants comprising both of Students and members.

## One Day Orientation Program

Mysuru Chapter had organized one day orientation program on August 19, 2023. 19 Executive stage Students completed their mandatory training. The details of the faculty handling the session are as follows:

S No.	Session Details	Faculty Details
1	ICSI Syllabus, Pre-Examination Test	CS Krishne Gowda Chaluvegowda
2	Training and Classroom Teaching	CS Vijaya Rao
3	How to become a Successful CS	CS Phani Datta D N
3	About Toast Master Club	CS Vijaya Rao with other TM Students



## Study Circle Meeting on Key Managerial Personal

Mysuru Chapter had organized Students Study Circle meeting on Topic “Key managerial Personal”. The students discussed various topics and technical aspects relating to KMPs and also cleared many doubts form the moderating faculty. About 11 students attended the study circle and it was moderated by CS Janhavi A. N., MC Member.

### Corrections in the Chapter Activities part of 232<sup>nd</sup> edition of e-magazine:

Please note the following corrections of dates in the chapter activities part of the e-magazine of the previous issue:

1. The dates of Career Awareness Programs Government First Grade College, K R Nagar and Haranahalli Ramaswamy Institute of Higher Education be read as **11<sup>th</sup> July 2023 instead of 12<sup>th</sup> July 2023**
2. The dates of **Jnanasangama** event held by Bengaluru Chapter be read as **22<sup>nd</sup> and 23<sup>rd</sup> July 2023 instead of 27<sup>th</sup> and 28<sup>th</sup> July 2023.**

# Important Highlights of Digital Personal Data Protection ACT, 2023

## Background

The Journey towards the Data Protection Legislation can be traced back to 2017 when an expert Committee was Constituted by Ministry of Electronics and Information Technology (Meity). Major development came in December 2021, when the draft of the Data Protection Bill, 2021 (DPB, 2021) was released.

Finally, on 3rd August, 2023, The Lok Sabha has introduced the Digital Personal Data Protection Bill, 2023 on 3rd August 2023 to provide for the processing of digital personal data which not only recognizes the right of individuals in protecting their personal data but the need to process such personal data for any lawful purposes. The President of India gave her assent on Digital Personal Data Protection Act 2023 on 11th August 2023.

## Why the Bill is Important?

Data holds utmost importance in present world scenarios but so the protection of data is relevant too. The way, the society is sharing data on various applications and social media platforms, protection of data is grave concern. If you install one application on its mobile, it asks for access to all our information, and we give consent to terms and conditions without having a glance over it.

The primary purpose of the Act is to regulate the processing of digital personal data and respect individuals' right to protect their data while recognising the necessity of processing and using such data for lawful purposes. Data Breaches are becoming regular occurrence.

Some of the major instances of privacy breach occurred when personal data of users given to CoWIN portal were hacked and personal data of vaccinated users were made public on instagram. In order to avoid these types of consequences the Digital Data Protection Bill has been introduced.

## Key Definitions

“**Board**” means the Data Protection Board of India established by the Central Government under section 18;

“**Data Principal**” means the individual to whom the personal data relates and where such individual is—

- (i) a child, includes the parents or lawful guardian of such a child;
- (ii) a person with disability, includes her lawful guardian, acting on her behalf

“

A data fiduciary plays

a vital role in processing of personal data and onus of protection of those data lies with him. In simple terms data fiduciary may be your telephone operator, Myntra, Amazon, Matrimony website or any other person or organisation with whom you have shared your personal data.”

CS Khusbu Agrawal  
FCS, RV, SA, Mcom, LLB, MJMC  
PCS and Registered Valuer

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“**Data**” means a representation of information, facts, concepts, opinions or instructions in a manner suitable for communication, interpretation or processing by human beings or by automated means;

“**Data Fiduciary**” means any person who alone or in conjunction with other persons determines the purpose and means of processing of personal data;

“**Personal data breach**” means any unauthorised processing of personal data or accidental disclosure, acquisition, sharing, use, alteration, destruction or loss of access to personal data, that compromises the confidentiality, integrity or availability of personal data;

### **Applicability of the Act**

The Act applies to

(a) the processing of digital personal data within India’s territory,

- i. whether collected in digital or
- ii. non-digital form and digitized subsequently.

(b) the processing of digital personal data outside India, if such processing is related to offering goods or services to Data Principals within India.

### **The Act is not applicable to**

- a) personal data processed by an individual for any personal or domestic purpose
- b) personal data which is made publicly available by Data Principal

### **Obligation of data fiduciary**

A data fiduciary plays a vital role in processing of personal data and onus of protection of those data lies with him. In simple terms data fiduciary may be your telephone operator, Myntra, Amazon, Matrimony website or any other person or organisation with whom you have shared your personal data.

A data fiduciary may process personal data of an individual in accordance with the provisions of the Act and for a lawful purpose for which the consent is given or certain legitimate use.

While asking for consent from a data principal, a data fiduciary shall also give notice beforehand or at the moment informing the purpose of data processing, rights of data principal and manner in which the data principal may make a complaint to the Board.

Under Section 8(5) of the Act, A data Fiduciary is duty bound to protect personal data in its possession or under its control, including in respect of any processing undertaken by it or on its behalf by a Data Processor, by taking reasonable security safeguards to prevent personal data breach.

Section 8(6) of the Act states that in the event of a personal data breach, the Data Fiduciary shall give the Board and each affected Data Principal, intimation of such breach in such form and manner as may be prescribed.

## Penalty

- (i) Breach in observing the obligation of Data Fiduciary to take reasonable security safeguards to prevent personal data breach under sub-section (5) of section 8- 250 crore rupees
- (ii) Breach in observing the obligation to give the Board or affected Data Principal notice of a personal data breach under sub-section (6) of section 8 -200 crore rupees

Once the consent is given, the data principal is free to withdraw the same at any point of time.

## Rights And Duties of Data Principal

### Rights

- 1) Right to access information about personal data
- 2) Right to correct, complete, update and erasure of the personal data provided
- 3) Right to nominate any other individual, who shall, in the event of death or incapacity of the Data Principal, exercise the rights of the Data.
- 4) Right to have readily available means of grievance redressal provided by a Data Fiduciary or Consent Manager

### Duties

- 1) comply with the provisions of all applicable laws for the time being in force while exercising rights under the provisions of this Act.
- 2) to ensure not to register a false or frivolous grievance or complaint.
- 3) to ensure not to suppress any material information while providing personal data for any document.
- 4) to ensure not to impersonate another person while providing personal data for a specified purpose.

## Data Protection Board

- The Data Protection Board of India is established by the Central Government.
- The Board is a body corporate with perpetual succession, a common seal, and powers to acquire, hold, dispose of property, contract, sue, and be sued.
- The headquarters of the Board is determined by the Central Government.

### Key functions of the Board includes

- Monitoring compliances and imposing penalties
- Directing data fiduciaries to take necessary measures in the Event of data breach.
- Hearing grievances made by affected persons.

### Authority of Data Protection Board

- Inspect documents of Companies handling personal data
- Summon and examine individuals under oath.
- Recommend blocking access to intermediaries the repeatedly breach the bills provisions.

### Tenure of the Board

- The Chairperson and other Members shall hold office for a term of two years

And

shall be eligible for re-appointment

- Appeal against the decisions of the Board will lie with TDSAT (Telecommunications Dispute Settlement and Appellate Tribunal)

### Major criticism of the Bill

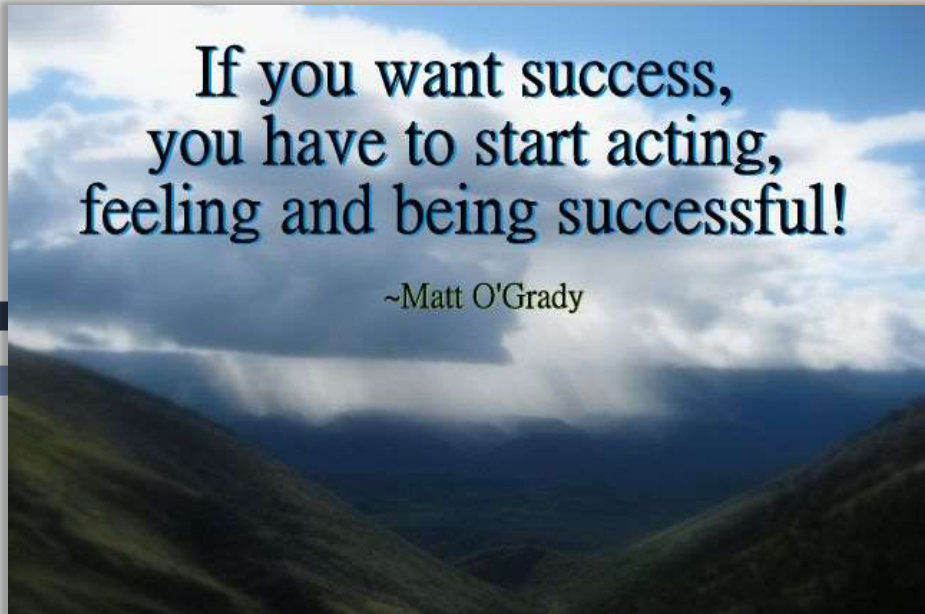
- It is supposed to be the key enforcer of the law.
- Centre's power to appoint members of the Data Protection Board could influence the board.

### Exemptions to Central agencies

- Provisions allow Central Government to bypass norms seeking Citizens consent.
- Exemption to “to any instrumentality of the State” from adverse consequences

### Any instrumentality of the State means

- security of the State
- friendly relations with foreign States
- maintenance of public order



If you want success,  
you have to start acting,  
feeling and being successful!

~Matt O'Grady

# Mutual Fund Basics & Taxation of Mutual Funds!

## Part 1

The below discussion explains mutual fund basics and provide an overview of the taxation of mutual funds.

### Mutual Fund Basics

A mutual fund is a type of investment vehicle that pools money from multiple investors to invest in a diversified portfolio of stocks, bonds, or other securities. Here's a breakdown of key mutual fund concepts:

- 1) **Investment Objective:** Mutual funds have specific investment objectives, such as growth, income, or a combination of both. They are managed by professional fund managers who make investment decisions based on the fund's objective.
- 2) **Net Asset Value (NAV):** NAV represents the value of one share in a mutual fund. It is calculated by dividing the total value of the fund's assets by the number of outstanding shares. NAV is calculated at the end of each trading day.
- 3) **Diversification:** One of the main advantages of mutual funds is diversification. By investing in a variety of securities, mutual funds spread risk and aim to reduce the impact of poor performance by any single investment.
- 4) **Liquidity:** Mutual fund shares can usually be bought or sold on any business day. The liquidity makes it relatively easy for investors to enter or exit their positions.
- 5) **Fees and Expenses:** Mutual funds may charge fees, including management fees, sales loads (fees when buying or selling shares), and other expenses. These costs can impact your overall returns.
- 6) **Types of Mutual Funds:** There are various types of mutual funds, including equity funds (investing in stocks), bond funds (investing in bonds), money market funds (short-term investments), index funds (tracking a specific market index), and more.

### Taxation of Mutual Funds:

Taxation of mutual funds depends on the type of income generated and the holding period of the investment. Here's an overview of how mutual funds are taxed:

- 1) **Capital Gains:** When a mutual fund sells a security at a profit, it realizes a capital gain. Capital gains can be classified as short-term (held for one year or less) or long-term (held for more than one year). Long-term capital gains are usually taxed at a lower rate than short-term capital gains.

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It's important to

consult with a qualified tax professional or financial advisor to understand how mutual fund investments will be taxed based on your individual circumstances and the tax laws in your country.”

CA Chandrasekaran Ramadurai

FCMA, ACS  
Sole Proprietor C Ramadurai & Co,  
Chartered Accountants, Bangalore  
Email ID: Crd27220@icai.org



- 2) **Dividend Income:** Mutual funds often distribute dividend income from the securities they hold. Dividend income can be taxed at different rates depending on whether it is classified as qualified dividends or ordinary dividends.
- 3) **Capital Gains Distributions:** Mutual funds may distribute capital gains to shareholders, which are taxable even if you reinvest them in the fund. These distributions are usually made annually.
- 4) **Tax-Efficient Funds:** Some mutual funds are designed to be tax-efficient by minimizing taxable events and optimizing portfolio turnover to reduce capital gains.
- 5) **Taxation of Redemption/Sale:** When you sell mutual fund shares, any gains or losses are realized, and you may be subject to capital gains tax.
- 6) **Tax-Deferred Accounts:** Investing in mutual funds within tax-advantaged accounts like IRAs or 401(k) s can provide tax benefits, as capital gains and dividends are generally not taxed until you withdraw the funds in retirement.

It's important to consult with a qualified tax professional or financial advisor to understand how mutual fund investments will be taxed based on your individual circumstances and the tax laws in your country.

Investing in mutual funds can offer a range of benefits, but there are also some complexities and considerations that investors should be aware of:

- 1) **Choice Overload:** The wide variety of mutual funds available can be overwhelming. Each fund has its own investment strategy, risk profile, and performance history. Choosing the right funds that align with your goals and risk tolerance can be challenging.
- 2) **Fees and Expenses:** Mutual funds come with various fees, including management fees, sales loads, and other expenses. These costs can eat into your returns over time, so it's important to understand and compare the fee structures of different funds.
- 3) **Performance Not Guaranteed:** While mutual funds are managed by professionals, there is no guarantee of positive returns. Past performance is not necessarily indicative of future results, and even well-managed funds can experience periods of underperformance.
- 4) **Market Risk:** Mutual funds invest in securities such as stocks and bonds, which are subject to market fluctuations. The value of your investment can go up or down based on the performance of these underlying assets.
- 5) **Liquidity and Timing:** While mutual funds provide daily liquidity, the prices at which you buy or sell shares are determined at the end of the trading day. This means you might not get the exact price you expected if market conditions change during the day.
- 6) **Tax Complexity:** As mentioned earlier, mutual fund taxation can be complex, especially when dealing with capital gains distributions, dividend income, and potential tax implications of buying and selling shares.
- 7) **Conflicts of Interest:** Some mutual funds may have conflicts of interest, such as when the fund's management benefits more from high fees than from delivering superior performance. It's important to research and understand the fund's management practices.
- 8) **Diversification Challenges:** While mutual funds aim to provide diversification, some funds may have concentrated holdings that expose investors to specific risks associated with those holdings.
- 9) **Performance Attribution:** Analysing the performance of a mutual fund can be complicated, especially when trying to understand how much of the return is due to the fund manager's skill versus market movements.
- 10) **Complex Fund Strategies:** Some mutual funds use complex investment strategies, derivatives, or alternative investments. These strategies can introduce additional risk and require a deeper level of understanding.

- 11) **Selling at a Loss:** If you sell your mutual fund shares at a loss, you may be subject to wash-sale rules, which could disallow the tax benefits of the loss if you repurchase substantially identical securities within a certain period.
- 12) **Changing Fund Objectives:** Fund managers might change the investment strategy or objective of a fund over time. This could lead to your investment no longer aligning with your goals.

To navigate these complexities, it's important to educate yourself about mutual funds, conduct thorough research, and consider seeking advice from financial professionals or advisors who can help you make informed investment decisions based on your individual circumstances and goals.

Mutual funds are subject to various regulatory requirements to ensure investor protection, transparency, and proper functioning of the financial markets. These requirements may vary depending on the jurisdiction and the specific regulatory framework in place. Here are some common regulatory requirements that mutual funds often need to adhere to:

1. **Registration and Oversight:** Mutual funds are typically required to register with the relevant regulatory authority in their jurisdiction. In the United States, for example, mutual funds are regulated by the U.S. Securities and Exchange Commission (SEC). Registration involves providing detailed information about the fund's investment objectives, management, fees, and other relevant details.
2. **Disclosure and Transparency:** Mutual funds are required to provide clear and comprehensive disclosure to investors about their investment objectives, strategies, risks, fees, historical performance, and other relevant information. This helps investors make informed decisions.
3. **Investment Restrictions and Limits:** Regulatory authorities often impose certain investment restrictions and limits on mutual funds to manage risk and protect investors. For example, there may be restrictions on the types of securities the fund can invest in, concentration limits to prevent overexposure to a single security, and limitations on the use of leverage.
4. **Valuation and Pricing:** Mutual funds must establish and follow consistent valuation practices for their portfolio securities. The valuation of securities affects the fund's net asset value (NAV) and, consequently, the value of investor holdings.
5. **Custody and Safekeeping:** Mutual funds are required to have proper custody and safekeeping procedures for their portfolio assets. This helps prevent fraud, mismanagement, or unauthorized use of fund assets.
6. **Portfolio Disclosure:** Mutual funds are typically required to disclose their portfolio holdings on a periodic basis. This provides transparency to investors about the securities the fund holds and their relative weights.
7. **Independent Boards:** Many regulatory frameworks require mutual funds to have independent boards of directors or trustees that oversee the fund's operations and protect the interests of investors.
8. **Anti-Money Laundering (AML) and Know Your Customer (KYC) Regulations:** Mutual funds are subject to AML and KYC regulations to prevent money laundering and ensure that the identities of investors are verified.
9. **Sales Practices and Marketing:** Regulations often govern how mutual funds are marketed and sold to investors. Sales practices should be fair, transparent, and avoid misleading information.
10. **Reporting and Record-Keeping:** Mutual funds are required to maintain accurate records of their operations, transactions, and investor information. Regular reporting to regulatory authorities is also mandated.
11. **Taxation and Reporting:** Regulatory requirements related to taxation and tax reporting can vary depending on the jurisdiction. Mutual funds may need to provide tax-related information to investors and tax authorities.

12. **Annual Audits:** Many regulatory authorities mandate that mutual funds undergo annual audits by independent auditors to ensure compliance with regulations and accurate financial reporting.

It's important to note that these regulatory requirements can differ significantly from one jurisdiction to another. If you're considering investing in mutual funds, it's advisable to understand the regulatory framework in your specific location and seek guidance from financial professionals who are knowledgeable about the relevant regulations.

The Net Asset Value (NAV) of a mutual fund is a key metric that represents the per-share value of the fund's assets after deducting its liabilities. It is calculated daily and gives investors an indication of the value of their investment in the fund. The NAV is used to determine the price at which investors can buy or sell shares of the mutual fund.

**Here's how the NAV is calculated:**

- 1) **Calculate the Total Value of Assets:** The first step is to calculate the total value of all the assets held by the mutual fund. This includes the market value of the securities (stocks, bonds, etc.) held in the fund's portfolio, as well as any cash and other assets.
- 2) **Subtract Liabilities:** Next, the mutual fund subtracts its liabilities from the total value of assets. Liabilities can include expenses that have been accrued but not yet paid, such as management fees and other operational costs.
- 3) **Calculate the Net Asset Value:** Once the liabilities are subtracted from the total assets, the mutual fund arrives at its net asset value. This value is then divided by the total number of outstanding shares to determine the NAV per share.

**Mathematically, the formula for calculating the NAV per share is:**

$$\text{NAV per Share} = (\text{Total Assets} - \text{Total Liabilities}) / \text{Number of Outstanding Shares}$$

It's important to note that the NAV is calculated at the end of each trading day, typically after the close of the financial markets. This daily calculation ensures that investors have an accurate and up-to-date valuation of their investment in the mutual fund.

Investors who want to buy shares in the mutual fund will typically purchase them at the current NAV per share. Likewise, investors who want to sell their shares will receive the NAV per share as the redemption price. The difference between buying and selling prices (known as the "spread") may include sales charges or other fees.

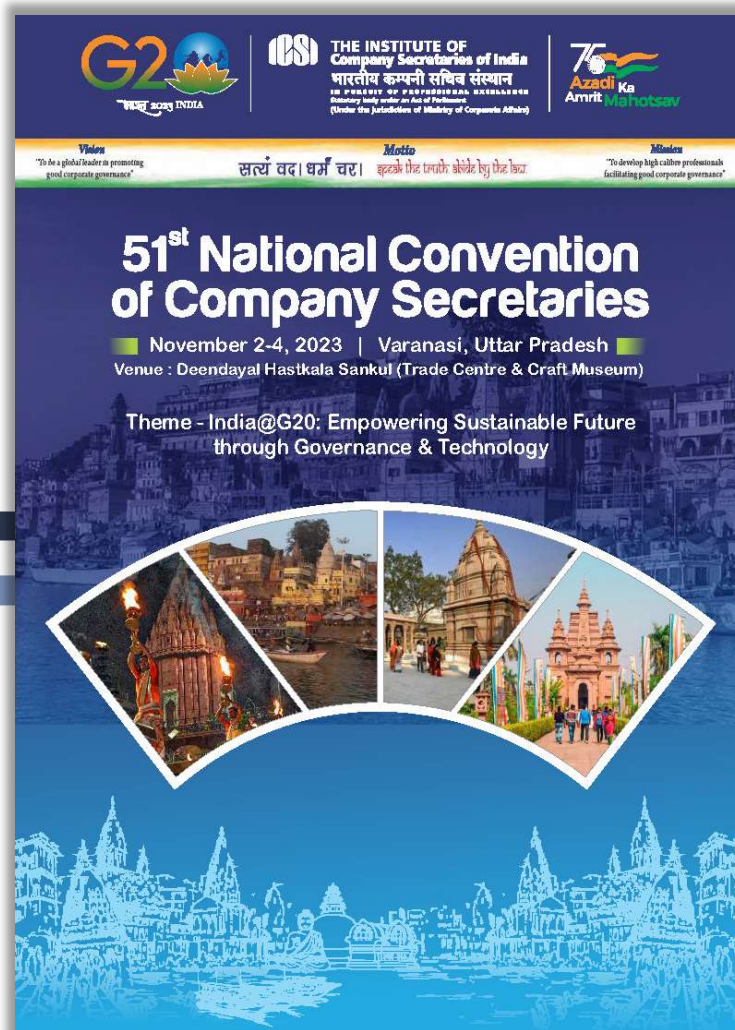
Keep in mind that the NAV reflects the value of the mutual fund's underlying assets and liabilities, and it may fluctuate based on changes in the market value of the securities held in the fund's portfolio.

Yes, mutual funds typically maintain their assets in a fund-specific manner. This means that the assets of each mutual fund are kept separate and distinct from the assets of other funds managed by the same investment company. Maintaining assets fund-wise has several important implications:

- 1) **Investment Objective and Strategy:** Each mutual fund has a specific investment objective and strategy. By maintaining assets fund-wise, the fund manager can ensure that the fund's assets are invested according to its stated objectives. For example, an equity fund will primarily hold stocks, while a bond fund will primarily hold bonds.
- 2) **Risk Management:** Keeping assets separate by fund helps manage risks associated with individual funds. For instance, if one fund experiences losses due to poor performance of its holdings, it won't directly impact the assets of other funds.

- 3) **Transparency and Accountability:** Maintaining assets fund-wise allows for greater transparency and accountability to investors. Investors can clearly see the holdings, performance, and expenses of each fund, helping them make informed investment decisions.
- 4) **NAV Calculation:** The Net Asset Value (NAV) is calculated separately for each fund based on its specific assets and liabilities. This ensures accurate valuation of each fund's shares.
- 5) **Investor Allocations:** Investors allocate their money to specific funds based on their investment goals and risk tolerance. By maintaining assets fund-wise, investors can align their investments with their individual preferences.
- 6) **Regulatory Compliance:** Regulatory authorities often require mutual funds to maintain the separation of assets by fund to ensure proper record-keeping, compliance with investment restrictions, and accurate reporting.
- 7) **Tax Efficiency:** Keeping assets separate by fund helps maintain tax efficiency. Capital gains and losses generated within one fund do not directly impact the tax liability of another fund.
- 8) **Ease of Management:** Managing assets fund-wise allows fund managers to implement specific strategies tailored to each fund's objectives. This approach can lead to more effective portfolio management.

*To be Continued...*





# GST on Online Gaming and the Way Forward...!!!

## Introduction

Our Parliament has approved the necessary legislative modifications for implementing the Goods and Services Tax (GST) Council's proposal to levy a 28% tax on the full value of deposits made by individuals to Online Gaming Platforms, Casinos, and Horse Racing Clubs.

As per the notification through the Press Release Dt. 03-08-2023, the legislation will be effective from 1st October 2023. Both the Houses of Parliament have endorsed the CGST (Amendment) Bill, 2023 and the IGST (Amendment) Bill, 2023. The proposed amendments will come force with effect from 01-10-2023.

It's important to note that the 28% GST applies solely to instances involving wagering on gaming sites. GST will not be imposed on casual gaming services offered by the platforms.



Image courtesy: Goods and Services Tax Council | GST (gstcouncil.gov.in)

The Meaning of Online Gaming, Casino Gaming & Horse Racing

“

The Council

suggested including the definition of virtual digital assets in the CGST law. Therefore, if virtual digital assets are used as payment consideration for purchasing online games, they will attract GST, and their definition will be the same as the income tax law.”

CS KRISHNE GOWDA C  
Practicing Company Secretary  
Email ID: cskrishnegowdac@gmail.com



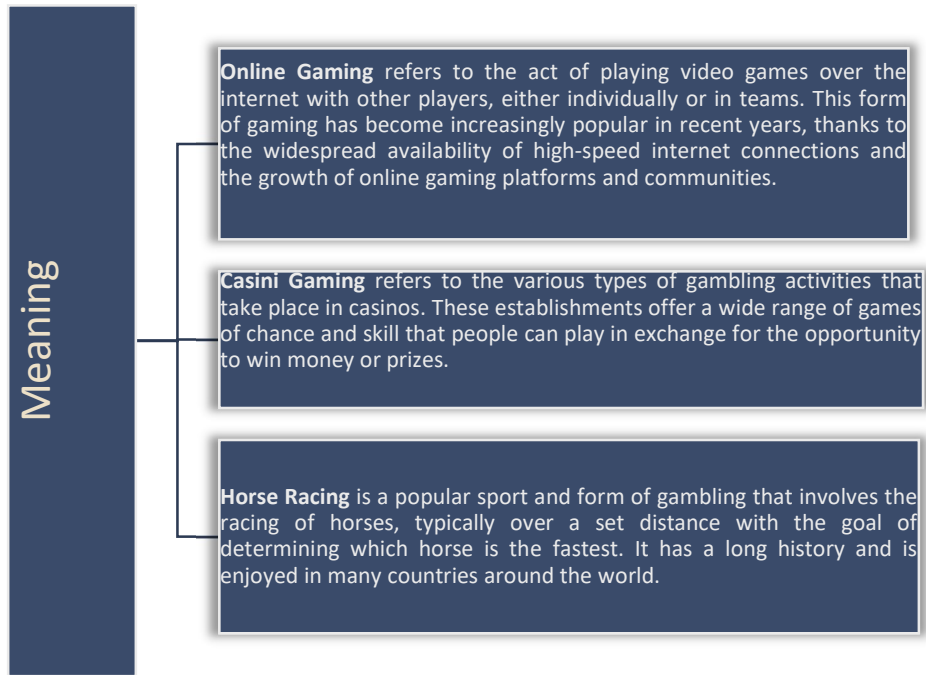


Image: Self-created & presenting.

In the above referred games, one must keep in mind that there must be either;

- Game of Chance; or
- Game of Skill.

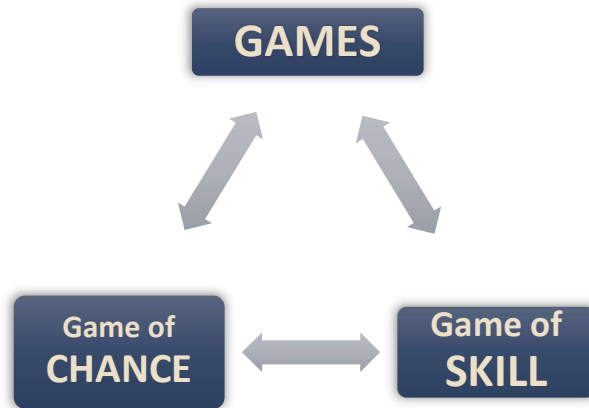


Image: Self-created & presenting.

### Game of Chance

A Game of Chance is a type of game where the outcome is primarily determined by random or unpredictable factors rather than skill or strategy. These games often involve betting or wagering (i.e. gambling) money, and players have little control over the outcome. For quick glance I am herewith presenting different kinds of Game of Chance, in a flow chart style:

Games of chance are typically associated with gambling, and they are subject to various regulations and laws in different jurisdictions. While they can be entertaining and offer the potential for winning money, they also carry a risk of financial loss, as the outcome is not under the player's control. Therefore, it's important for individuals to gamble responsibly and within their means.

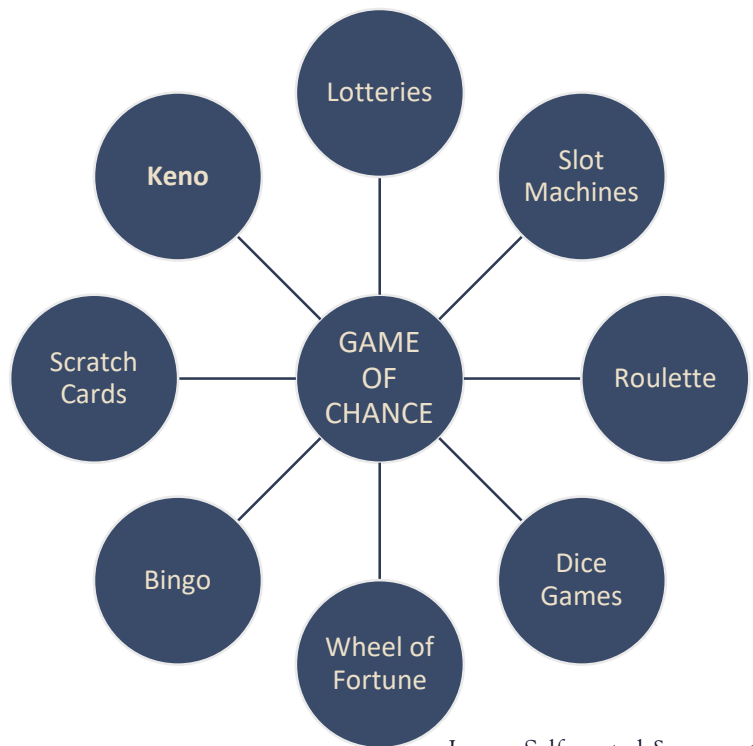


Image: Self-created & presenting.

**Game of Skill**

A "Game of Skill" refers to a type of game where the outcome is primarily determined by the player's skill, knowledge, and strategy rather than by chance or luck. In contrast to games of chance, where the outcome relies heavily on luck or random events, games of skill require players to use their expertise, decision-making abilities, and practiced techniques to succeed.

For quick glance I am herewith presenting different kinds of Game of Chance, in a flow chart style:



In these games, practice, strategy, and expertise are crucial factors in determining success, and luck plays a minimal role. Games of skill often involve competition and can be enjoyable for individuals who enjoy challenging themselves and improving their abilities.

**Recommendation by the GST Council in its 51st Council meeting held on 02-08-2023 at New Delhi. (Press Release Dt. 03-08-2023)**

The Council has recommended to levy 28% GST on “Online Gaming” activities. In its Press Release, the Council also recommended to make suitable amendments in the CGST Act, 2017, and IGST Act, 2017, including an amendment in Schedule III, entry 6 of the CGST Law where 'online money gaming', 'casinos, and 'horse racing' would be cited as actionable claims that attract tax levy. The amendments also seek to define online gaming (which includes online money gaming) and make no distinction between games of skill and games of chance, as agreed upon in the 50th GST Council meeting.

"The Council recommended that the CGST Rules, 2017, may be amended to insert specific provisions for the valuation of the supply of online gaming and the supply of actionable claims in casinos accordingly," a release on the subject said.

The Council suggested including the definition of virtual digital assets in the CGST law. Therefore, if virtual digital assets are used as payment consideration for purchasing online games, they will attract GST, and their definition will be the same as the income tax law. Rules for determining the place of supply for online gaming will be separately clarified.

Additionally, if an individual chooses to withdraw the deposit amount (on which tax has already been paid) at any point, no refund can be availed of on the GST that has already been paid.

The decision was met with strong apprehension regarding the viability and survival of the Indian online gaming industry.

**The Way Forward.....!!!!**


**Things to do by the Union Government & State Governments.**

- DEFINITION OF ONLINE GAMING: The government(s) must come out with clear, proper & suitable definitions for the words;
  - a) “Online Gaming” & its different versions/kinds;
  - b) “Online Money gaming” & its different versions/kinds;
  - c) “Horse Racing” & parties involved;
  - d) “Casino Gaming” & its different versions/kinds;
  - e) “Foreign Platforms” / “Foreign Exchanges”;
  - f) “Parties involved” in such gaming activities; and
  - g) Inter-state & Intra-State supply, also supply from Outside Indian Territory, in such gaming services.
- Law Support Proper & suitable amendments to CGST, IGST, UGST & SGST Acts to enable levy and Collection of GST @ 28% (including Schedule III, Entry 6).
- Valuation of Supply Proper & suitable valuation RULES of the supply of online gaming and supply of actionable claims in Casinos shall be made and provided to stakeholders. A detailed rules shall also be provided by the CBIC on applicability of GST on the full Face Value of the chips purchased in the case of casinos, the full value of the bets placed with the bookmaker/totalisator in the case of horse racing, and the full value of the bets placed in online gaming. Otherwise, this will be a big area of huge number of disputes.

- Input Tax Credit Availability One of the main concerns of the Online Gaming Companies is Input Tax Credit availability. Definitely it should not be under blocked credit.
- Payment through Virtual Digital Assets The government must also bring out clear guidelines on payment to Online Gaming activities via Virtual Digital Assets (VDA) like Crypto currency.
- Crypto / VDA IS Goods or Services The CBIC, also needs to explain whether supply of “Crypto” or “VDA” is supply of Goods or Services? A big question as of now. (Readers may apply the tests given by the Hon’ble Supreme Court in the case of TCS limited while deciding whether “Software” is Goods or Services).
- Registration of Foreign Platform/Exchanges The CBIC must thoroughly identify the “Foreign Platform/Exchange”, for the purposes of Registration, levy and collections of GST.

### Conclusion

The GST Council, in its 51st Council meeting, has made its stance clear with recommending GST at 28% on “Online Gaming”. I believe, the government will shortly bring the amended GST Acts, with all new definitions, Valuation rules, ITC availability, Crypto payments and Regulation of Foreign Platforms/ exchanges. Whether, any violation in payment through Crypto will attract provisions under the Prevention of Money Laundering Act’ 2002? Once again a big question.



**The biggest  
adventure you  
can ever take is to  
live the life of  
your dreams.**



**OPRAH WINFREY**



# Students Corner

## Change in Procedure of the Incorporation of the Company under the Companies ACT, 2013

### Introduction

The company is an artificial judicial person created by the statute of law and distinct from its members.

The company is formed by the promoters, who are either individuals or non-individuals.

A non-individual also becomes a promoter of the company.

Promoters may appoint another person who is a director of the company and run the company as per the object specified under the object clause of the MOA and as per the articles of association of the company.

The definition of promoter provided under Section 2(69) of the Companies Act, 2013, i.e., a person.

- a. Who has been named as such in a prospectus or is identified by the company in the annual return referred to in Section 92 or
- b. Who has control over the affairs of the company, directly or indirectly, whether as a shareholder, director, or otherwise; or
- c. In accordance with whose advice, directions, or instructions the Board of Directors of the company is accustomed to acting,

Provided that nothing in sub-clause (c) applies to a person who is acting merely in a professional capacity. Hence, the promoter is a person who has done the procedural part of establishing the company and preparing preliminary contracts and agreements.

It is not necessary that the promoters be the directors of the company. Generally, in small companies or private companies, the promoters, directors, and shareholders are the same people.

## Classification of the Companies

### (1) On the Basis of Incorporation

- **Statutory company:** These are constituted under a special act of parliament or state legislature, i.e., RBI, LIC of India, etc.
- **Registered Company:** These are incorporated under the Companies Act, 2013, with ROC.

### (2) On the Basis of Liability

- **Unlimited Liability Companies:** In these types of companies, the members are liable for the company's debts in proportion to their respective interests in the company, and their liability is unlimited. Such companies may or may not have share capital. They may be either a public company or a private company.
- **Companies Limited by Guarantee:** A company that has the liability of its members limited to such amount as the members may respectively undertake, by the memorandum, to contribute to the assets of the company in the event of its being wound up is known as a company limited by guarantee.
- **Companies Limited by Shares:** A company that has the liability of its members limited by the memorandum to the amount, if any, unpaid on the shares respectively held by them is termed a company limited by shares.

### (3) Other forms of Companies

- Government companies
- Foreign Companies
- Holding and Subsidiary Companies
- Producer Companies
- Nidhi Companies
- Dormant Companies
- Investment Companies
- Associate or Joint venture companies
- Association not for profit having license under section 8 of the companies act, 2013.

## The Procedure for Incorporation of Small Private Limited Company

As per Section 2 (20) of the Companies Act, 2013 company means a company incorporated under the Companies Act, 2013 (the Act) or under any of the previous company laws.

As per Section 3(1) of the Companies Act, 2013, a company may be formed for any lawful purpose by: (a) seven or more persons, where the company to be formed is to be a public company; (b) two or more persons, where the company to be formed is to be a private company; or (c) one person, where the company to be formed is to be a one-person company, that is to say, a private company, by subscribing their names or his name to a memorandum and complying with the requirements of this Act in respect of registration.

The Registrar of Companies (ROC), appointed under Section 396 of the Companies Act, 2013 by the Ministry of Corporate Affairs (MCA), is vested with the primary duty of registering companies and ensuring that such companies comply with the statutory requirements of the Act. A company shall be registered with the ROC of the state under whose jurisdiction the proposed company's registered office will be situated.

### Following are the steps for Incorporation

- Check the applicability and availability of the names of the company for name reservations.
- Apply for a name through SPICe+ Part-A.
- Identify the person who will become the promoter, first directors as per the Articles of Association, and shareholders and subscribers to the Memorandum of Association.
- Collect the Documents of the connected persons Like Pan, Aadhar, Address Proof, Phone Number, E-Mail Id, Occupation, Nationality, Education Qualification, Place of Birth, Passport Size Photos, Etc.
- Collect the details of authorized, subscribed, and paid-up capital, nominal value per share, classes of shares, and the state in which the registered office of the proposed company is situated.
- Details of Word Numbers for PAN and TAN
- Draft the Main and Furtherance Object Clauses of the MOA.
- DSC of Subscribers to MOA
- If DIN is not available, Apply DIN with the incorporation for SPICe+ PART+B.
- Apply for incorporation through SPICe+ Part-B forms.

For the incorporation of the company, the first step is to decide the classes of companies; the classification is done on the basis of the liabilities of the company. After that, apply the name of the company and start the procedure for incorporation and preparation of the documents of the same.

As part of the Government of India's Ease of Doing Business (EODB) initiatives, the Ministry of Corporate Affairs will be shortly notifying and deploying a new web form christened 'SPICe+' (pronounced 'SPICe Plus'), replacing the existing SPICe form.

SPICe+ would offer 13 services by 3 central government ministries and departments (Ministry of Corporate Affairs, Ministry of Labour, and Department of Revenue in the Ministry of Finance) and one state government (Maharashtra, Delhi, Karnataka, West Bengal), thereby saving as many procedures, time, and costs as possible for starting a business in India. It would be applicable for all new company incorporations w.e.f. February 23, 2020.

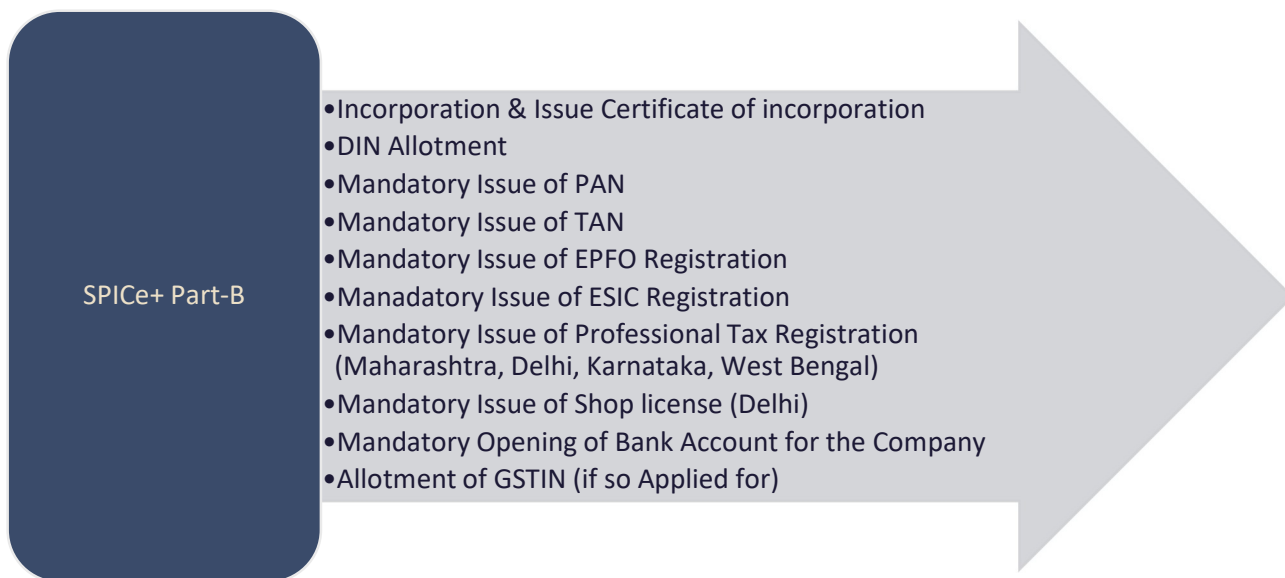
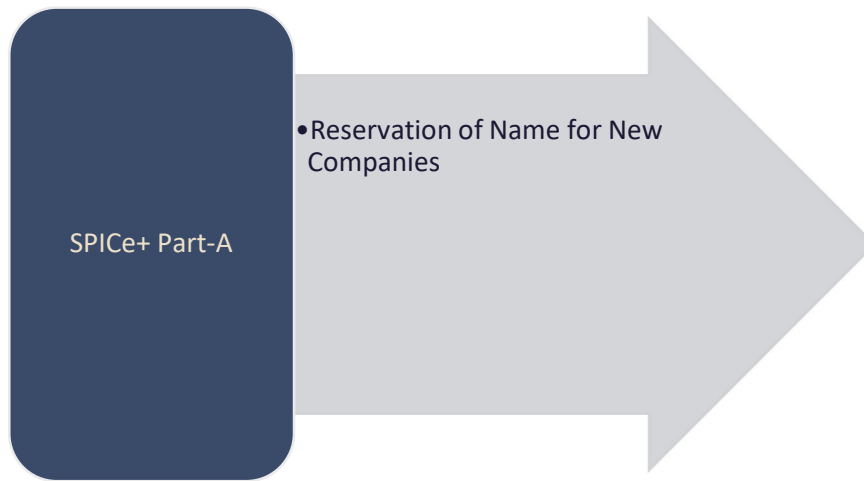
With effect from January 23, 2023, all the incorporation forms required to file in Version 3 on MCA portal.

### Key Features

- **SPICe+ would be an integrated Web Form.**
- **SPICe+ would have two parts viz.:**
- **Part A-for Name reservation for new companies and**
  - NIC code 2008 introduced with option of selecting 3 business activities with 5-digit code.
  - Several checks/business rules/Trademark validations are put in place at FO level to check compliance with The Companies (Incorporation) Rules, 2014
- **Part B offering a bouquet of services viz.**
  - Introduction of E-MOA and E-AOA for Section 8 Companies
  - INC-3 made e-form and DSC of nominee would be required.
  - Bifurcation of capital into different classes to be provided.



- A box to be displayed adjacent to the data entry in the form at FO level, for those fields where it is required to upload attachment such as Identity proof, residential proof etc. to ensure enhancement in BO processing
- The requirement to provide INC-14 as an attachment to be done away with by adding it in the 'Declaration by Professional'.
- The requirement to provide INC-15 as an attachment to be done away with by adding it in the 'Declaration by all subscribers and directors'
- The requirement of providing attachment 'Resolution of unregistered companies in case of Chapter XXI (Part I) companies' in SPICe+ Part B is to be moved to the attachment section of URC1.
- The requirement to provide attachment 'Attachment - Part A' in case SPICe+ Part A is approved separately to be done away with.
- Attachments removed and information captured in machine readable format.
- **URC-1**
  - The requirement of providing attachment 'Resolution of unregistered companies in case of Chapter XXI (Part I) companies' in SPICe+ Part B is to be moved to the attachment section of URC1.
  - Attachments 'Consent of majority of members', 'Consent of at least three-fourth of members agreeing for registration under this part', 'Declaration from all the members regarding compliance as per section 8(1)(b) and section 8(1)(c) of the Act and detailed objects of the company' have been removed and added as declarations in INC-9 form.
  - Attachments 'Declaration of two or more directors verifying the particulars of all members/partners', 'Undertaking by the proposed directors for compliance with requirements of Indian Stamp Act, 1899' have been removed and added as declarations in URC-1 form.
  - Attachment 'Certificate from a CA/CS/CWA certifying the compliance with all the provisions of Stamp Act, to the extent applicable' has been removed and added as declaration under 'Declaration professional' in URC-1.
  - Inclusion of additional fields for capturing the publication of advertisement as per Rule 4 of Companies (Authorized to register) Rules, 2014, objection details along with an attachment 'Copy of objection(s) received from companies along with details of resolution(s) provided, if applicable' added
- **INC-9**
  - The requirement to provide INC-15 as an attachment to be done away with by adding it in the 'Declaration by all subscribers and directors'.
  - Attachments 'Consent of majority of members', 'Consent of at least three-fourth of members agreeing for registration under this part', 'Declaration from all the members regarding compliance as per section 8(1)(b) and section 8(1)(c) of the Act and detailed objects of the company' have been removed and added as declarations in INC-9 form.
- **E-MoA and E-AoA**
  - Introduction of e-MOA and e-AOA for section 8 companies also
  - Auto-population of object clause, subscriber, and share capital details from SPICe+ Part A and Part B.



- Users may either choose to submit Part-A for reserving a name first and thereafter submit Part-B for incorporation and other services, or file Parts A and B together at one go for incorporating a new company and availing of the bouquet of services as above.
- A new and user-friendly dashboard on the front office is being created for the company incorporation application (SPICe+ and linked forms as applicable).
- Incorporation applications (Part B) after name reservations (Part A) can be submitted as a seamless process in continuation of Part A of SPICe+. Stakeholders will not be required to even enter the SRN of the approved name, as the approved name will be prominently displayed on the dashboard, and a click on the same will take the user to the continuation of the application through a hyperlink that will be available on the SRN or application number in the new dashboard.
- Resubmission of applications for company name reservation and/or incorporation shall also be handled through the application number/name applied for link on the new dashboard. A hyperlink will be available for the SRN or application number, so as to enable easy resubmission wherever required.
- The new web form would facilitate on-screen filing and real-time data validation for seamless incorporation of companies.

- The approved name and related incorporation details as submitted in Part A would be automatically pre-filled in all linked forms, viz., AGILE-PRO, eMoA, eAoA, URC1, INC-9 (as applicable). Information once entered can be saved and modified.
- All check form and pre-scrutiny validations (except DSC validation) will happen on the web form itself.
- Once the SPICe+ is filled completely with all relevant details, the same would then have to be converted into pdf format, with just a click of the mouse button, for affixing DSCs.
- All digitally signed applications can then be uploaded along with the linked forms as per the existing process.
- Changes or modifications to SPICe+ (even after generating pdfs and affixing DSCs) can also be done by editing the same web form application that has been saved, generating the updated pdfs, affixing DSCs, and uploading the same.
- DSC validation and other validations will happen at the upload level.
- Registration for EPFO and ESIC shall be mandatory for all new companies incorporated, and no EPFO or ESIC registration numbers shall be separately issued by the respective agencies.
- Registration for Profession Tax shall also be mandatory for all new companies incorporated in the State of Maharashtra, Karnataka, Delhi, and West Bengal.
- All new companies incorporated through SPICe+ would also be mandatorily required to apply for opening the company's bank account through the AGILE-PRO-linked web form.
- The declaration by all subscribers and first directors in INC-9 shall be auto-generated in pdf format and would have to be submitted only in electronic form in all cases, except where:
  - The total number of subscribers and/or directors is greater than 20 and/or
  - Any such subscribers and/or directors have neither a DIN nor a PAN.

## Detail Procedure for Incorporation

### (1) Reservation of Name of the Company

- Promoters of the company apply for the name of the proposed company through the new system of SPICe+ Part-A after checking the availability of the name through Trade Mark Search (on <http://ipindiaonline.gov.in/tmrpublicsearch/frmmain.aspx>) and through the Ministry of Corporate Affairs (MCA), i.e., [www.mca.gov.in/MCA21](http://www.mca.gov.in/MCA21), and comply with the provisions of the Emblems and Names (Prevention of Improper Use) Act, 1950, and Companies (Incorporation) Rules, 2014, as amended from time. If any approval is required from the authority, like IRDA, RBI, etc., then apply for the same after receiving approval of the same. If the name is an emblem with other companies' names, then the approval of the said person is required. At the time of reservation of the name of the company through this system, the main object clause may be defined.
- For the reservation of the name of the company, it is clarified that the application was made through this system only once. Their

The screenshot shows the 'SPICe+ Part A' interface for 'Name Reservation'. The form contains the following elements:

- Name Reservation** (Section Header)
- Type of Company \***: Dropdown menu
- Class of Company \***: Dropdown menu
- Category of Company \***: Dropdown menu
- Sub-Category of Company \***: Dropdown menu
- Main division of industrial activity of the Company \***: Text input field
- Description of the main division**: Text area
- Summary of the objects to be pursued by the company on its incorporation \***: Text area with a note: "Please make sure to mention the objects of the proposed company and relevant comments". Below this is a note: "You may include a document that supports your name reservation below."
- Particulars of the proposed or approved name \***: Two text input fields labeled 'i.' and 'ii.'
- Choose File**: Button for uploading a document.
- Auto-Check**, **Save**, and **Submit**: Action buttons at the bottom.

resubmission option is not available. If the applicant wants to extend the period of reservation, the applicant extends the same for 30 days or 60 days. This application is being processed by the Central Registration Center (CRC) under the non-STP mode.

## (2) Drafting Main Object Clause and Furtherance Object Clause of Memorandum of Association of the Proposed Company

Draft the Main and Furtherance object clause of the proposed company, which is defined under SPICe+ PART-B form-33 and submitted along with SPICe+ PART-B form-32. The stamp duty of MOA is paid electronically as per the provisions of the Indian Stamp Act, 1899. The form is on a cloud basis.

## (3) Prepare the Article of Association of the Proposed Company

As per the new procedure for the incorporation of the company, promoters prepare SPICe+ PART-B form-34 with the necessary alterations made in this form and file it along with SPICe+ PART-B form-32. The stamp duty of AOA is paid electronically as per the provisions of the Indian Stamp Act, 1899. The form is on a cloud basis.

## (4) Self-Verification of the SPICe Forms

Prepare the documents like the Declaration of Directors as per the format specified in Form INC-9 (which is available online in the case of no foreign subscribers and only affix the DSC of the subscribers), Consent of First Directors in Form DIR-2, Declaration of Subscribers to MOA, and other documents related to incorporation and stamp these documents as per the stamp act of the particular state, attach these documents in the SPICs forms, self-verify these documents, and field them with linked forms as an option mentioned in the MCA portal. The form is on a cloud basis.

The screenshot displays the SPICe+ web portal. At the top, there are two buttons: "New Application" and "Existing Applications". Below these is a table with the following columns: Form, SRN, Status, Fill, and Download. The table lists several forms: SPICe+ Part A, SPICe+ Part B, AGILE-PRO-S, SPICe+ AoA, SPICe+ MoA, and INC-9. At the bottom of the screenshot, there is a note: "Once you have submitted the name reservation request it will then be checked and, if found feasible, approved by the Central Registration Centre (CRC). You will receive an email from the CRC advising the outcome of the name reservation request."

## (5) Download the FORMS and File with MCA

The forms SPICe+, Part-A, MOA, AOA, and INC-9 were prepared on a cloud basis. After preparation of the forms, all forms are downloaded to the place on the computer system and the digital signature of the person is attached. After all the forms are filed in consolidated mode.

## (6) Documents and Filing Fees

As per the Companies (Registration Offices and Fees) Amendment Rules, 2018, Inter Alia provides for a zero fee for the incorporation of all companies with authorized capital up to Rs. 10 lakhs. It is to be noted that stamp duty is applicable as per the provisions of the Indian Stamp Act, 1899.

### (7) Scrutiny of Documents and Forms by the Registrar

On receipt of the documents, the office of the Registrar of Companies will scrutinize them, and if they are found complete in all respects, the Registrar will register the company and generate a CIN. If the registrar finds any defect or deficiency in any of the documents or forms, the registrar will send an electronic communication pointing out the defects, and after the deficiencies are removed, the registrar will register the company.

### Conclusion

The procedure related to incorporation is simplified from the earlier procedure stated. Nowadays, the registrar issues a Certificate of Incorporation within a few days if all the documents are correctly attached to the SPICe+ forms. This is going into the new era of ease of doing business in India through digitalization and reducing corruption in government and other proceedings.

### References:

- [www.mca.gov.in](http://www.mca.gov.in) & FAQ issued by MCA
- <http://ipindiaonline.gov.in>

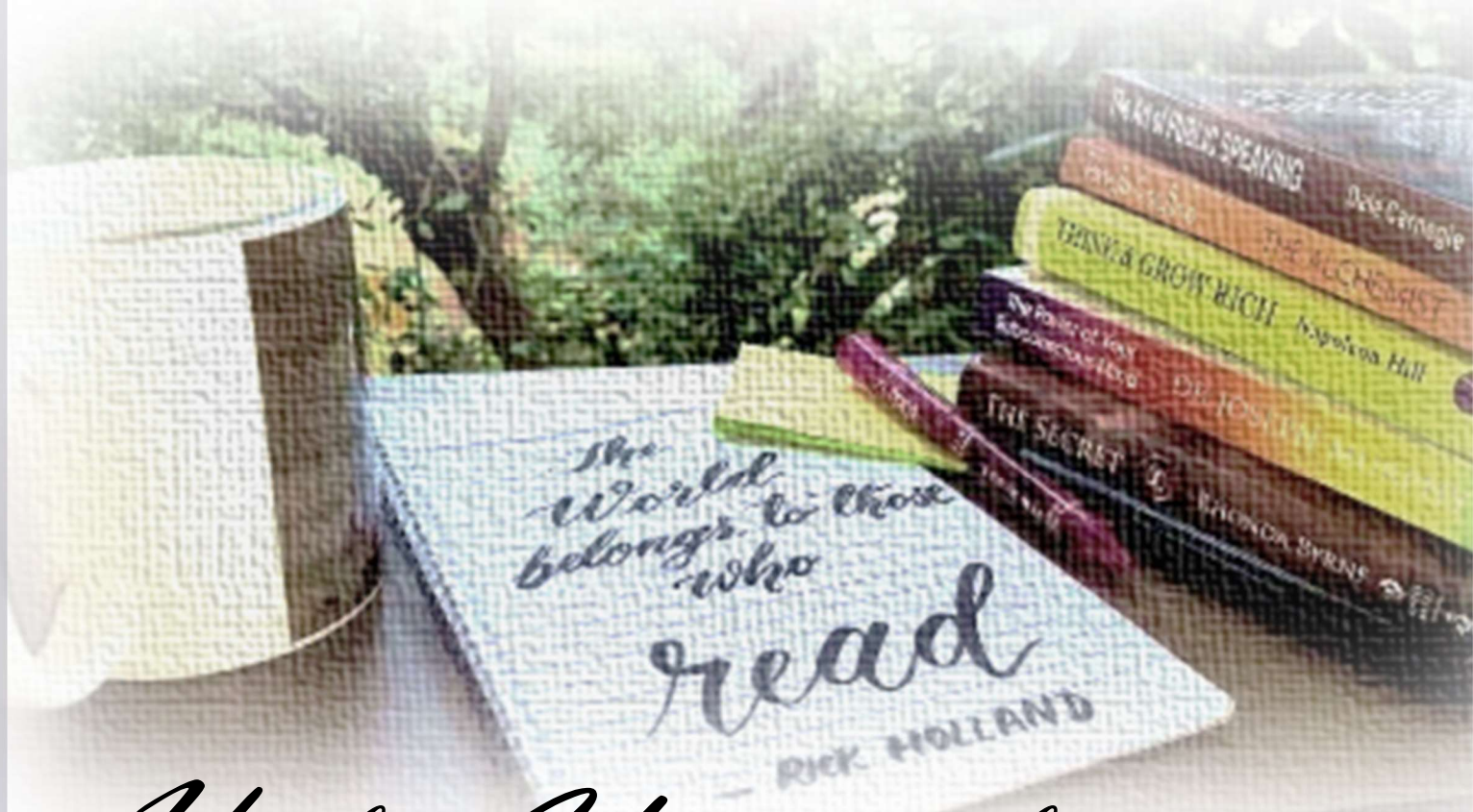
*Columnist:*

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“Every sunset is an opportunity to  
reset. Every sunrise begins with  
new eyes.”

RICHIE NORTON



# Help Yourself

Food for Thought

## The Obstacle is the Way

- Ryan Holiday

*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.

"Obstacles do not block the path, they are the path."

Haven't we all cheered M.S. Dhoni for being Captain Cool? Haven't we all wanted to know how he remains calm and composed in the most adverse situations while playing cricket, a game of high-pressure from a humongous fan-following and above all, while representing our country?

There are many more people we would have come across whom we don't seem to find in a state of panic at all! So how do they handle adverse situations? How do they not get overwhelmed?

If you want to develop yourself or improve your skill of dealing with unfavourable situations, crisis Look no further and pick up this book!

This book has plenty of instances from extraordinary performers from the contemporary world and the ancient past as well. It gives a glimpse of their character, their state of mind, their choices and their level of control that led them to stay powerful in what others would have seen as hopeless situations. They achieved these by bringing down the difference between obstacles and opportunities to a near zero.

It is common that people turn frightful in adverse situations or in crisis and we are all aware that panic is only going to make things worse. But panic is what ends up happening, so we all want to know ways not to lose our mind but keep doing our best, don't we? This book, through examples of top performers and their extraordinary stories, tells us how we can do it too. Of course, it is not a trait to pick up overnight but by constant trials and errors, triumph is attainable.

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.

Amongst the most inspiring examples in this book, we are discussing in today's issue and its unwavering teachings, here is one of my favourite stories plus takeaways from this book.

Rueben Hurricane Carter, a boxer who was at the peak of his career was wrongly sentenced to three years in prison for triple homicide-offences that he had not committed. It is only natural that such a situation would have broken down anyone, but Carter chose not to. He had to lose his freedom in the prison, but he refused to lose his mind and to lose himself. These were conscious choices he made for himself. Even in prison, he spent all his time studying law books, history, philosophy, and the like to upskill himself. He walked out of prison and resumed his life as though nothing had happened because it hadn't. He even refused an apology from the Court because it would mean that they had taken something away from him. That hadn't happened as Carter was fully in control of what was his. Such was the level of his commitment to his perspective of seeing an adversity as it is and remaining in full control of himself. "The bigger the obstacle, the more glory there is in overcoming it." Truly, Carter's strongest self-shone bright in what everyone would call a hopeless situation.

This incident of Carter's is truly eye-opening as to how we see something hardly as intimidating as what Carter faced and conclude that we have messed up everything and there is no way out.

This book, with more such fascinating examples, shows how we can develop a steadfast attitude and belief system that prepares us to see daunting obstacles as nothing less than transformational opportunities. Wait no more, help yourself with this amazing food for thought.

*Columnist:*

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# Regulatory Updates

## Companies Act, 2013

### Updates on Circulars

The MCA, in exercise of its power under section 67 of the Limited Liability Partnership Act, 2008, has decided to grant one time relaxation in additional fees to those LLPs who could not file the Form-3, Form-4 and Form-11 within due date and provide an opportunity to update their filings and details in Master data for future compliances.

These forms shall be available for filing from 01.09.2023 till 30.11.2023 (Both dates inclusive).

*General Circular No.08/2023 dated 23.08.2023*

## SEBI Act, 1992

### Updates on Circulars

Guidelines for MIIs regarding Cyber security and Cyber resilience

Market Infrastructure Institutions (i.e. Stock Exchanges, Clearing Corporations and Depositories) are systemically important institutions. The cyber risk of any given MII is no longer limited to the MII's owned or controlled systems, networks and assets.

It has been decided to issue guidelines for strengthening the existing cyber security and cyber resilience framework of MIIs

The detailed guideline is available at [https://www.sebi.gov.in/legal/circulars/aug-2023/guidelines-for-miis-regarding-cyber-security-and-cyber-resilience\\_76056.html](https://www.sebi.gov.in/legal/circulars/aug-2023/guidelines-for-miis-regarding-cyber-security-and-cyber-resilience_76056.html)

*SEBI/HO/MRD/TPD/P/CIR/2023/146*

**New format of Abridged Prospectus for public issues of Non-Convertible Debt Securities and/or Non-convertible Redeemable Preference Shares'**

In order to simplify, provide greater clarity and consistency in the disclosures across various documents and to provide additional but critical information in the abridged Prospectus, the format for disclosures in the abridged Prospectus has been revised.



This Circular shall be applicable for all public issues opening on or after October 1, 2023. A copy of the Abridged Prospectus shall be made available on the website of issuer, merchant bankers, registrar to an issuer and a link for downloading Abridged Prospectus shall be provided in issue advertisement for the public issue.

The relevant details and new format of Abridged prospectus can be found at [https://www.sebi.gov.in/legal/circulars/sep-2023/new-format-of-abridged-prospectus-for-public-issues-of-non-convertible-debt-securities-and-or-non-convertible-redeemable-preference-shares\\_76430.html](https://www.sebi.gov.in/legal/circulars/sep-2023/new-format-of-abridged-prospectus-for-public-issues-of-non-convertible-debt-securities-and-or-non-convertible-redeemable-preference-shares_76430.html)

***SEBI/HO/DDHS/PoD1/CIR/P/2023/150***

#### **Mechanism for Sharing of Information by Credit Rating Agencies (CRAs) to Debenture Trustees (DTs)**

The large quantum of information submitted daily by CRAs to DTs, as well as short timelines mandated for disclosure of information by DTs, necessitates the data shared by CRAs be structured and submitted in a specified format for easier accessibility and analysis of the submitted data.

Based on discussion with CRAs and DTs, an excel template has been introduced. CRAs shall use the same template for their daily submissions of rating revisions to DTs.

The circular shall be applicable with effect from October 01, 2023.

The template is available at [https://www.sebi.gov.in/legal/circulars/sep-2023/mechanism-for-sharing-of-information-by-credit-rating-agencies-crast-to-debenture-trustees-dts\\_76476.html](https://www.sebi.gov.in/legal/circulars/sep-2023/mechanism-for-sharing-of-information-by-credit-rating-agencies-crast-to-debenture-trustees-dts_76476.html)

***SEBI/HO/DDHS/DDHS - POD2/P/CIR/2023/151***

#### **Board nomination rights to unit holders of Real Estate Investment Trusts (REITs)**

Regulation 4(2)(g) of SEBI (Real Estate Investment Trusts) Regulations, 2014 (“REIT Regulations”) inter-Alia provides that unitholder(s) holding not less than ten percent of the total outstanding units of the REIT, either individually or collectively, shall be entitled to nominate one director on the board of directors of the Manager, in the manner as may be specified by the Board.

A framework to exercise board nomination rights by the Eligible Unit holder(s) has been issued.

The complete framework for nomination is available at [https://www.sebi.gov.in/legal/circulars/sep-2023/board-nomination-rights-to-unitholders-of-real-estate-investment-trusts-reits\\_76709.html](https://www.sebi.gov.in/legal/circulars/sep-2023/board-nomination-rights-to-unitholders-of-real-estate-investment-trusts-reits_76709.html)

***SEBI/HO/DDHS-PoD-2/P/CIR/2023/154***

#### **Change in Mode of Payment w.r.t. SEBI Investor Protection and Education Fund Bank A/C**

In the Circular no. SEBI/HO/ISD/ISD/CIR/P/2020/135 dated July 23, 2020 SEBI had prescribed that the amounts shall be credited to the SEBI Investor Protection and Education Fund through online mode or by way of a demand draft (DD) in favour of the Board (i.e. SEBI IPEF).

SEBI has opened a new bank account to facilitate market participants to make payment to SEBI Investor Protection and Education Fund (SEBI IPEF). In this regard, a link has been provided in the Homepage of SEBI website ([www.sebi.gov.in](http://www.sebi.gov.in)) under the head “Click here to make payment to SEBI IPEF”. The link enables the remitter to make payment in any of the following manner.

- Net Banking
- NEFT/RTGS
- Debit Cards
- UPI

*SEBI/HO/GSD/TAD/P/CIR/2023/149*

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**SUCCESS IS  
NOTHING MORE  
THAN A FEW  
SIMPLE  
DISCIPLINES,  
PRACTICED  
EVERY DAY.**



**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**



## 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](http://www.icsi.edu)) along with Form 'A' available at link <https://www.icsi.edu/csbf/home> duly filled and signed.

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