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# WINS

(WHITESPAN INFORMATION AND NEWS SERVICES)

A GATEWAY TO KNOWLEDGE

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Monthly Newsletter  
OCTOBER 2024



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## MAA FOUNDATION ACTIVITIES



**MAA Foundation organizes regular skill development workshops and training programs to enhance women's professional and vocational skills. During the month of September 2024, MAA Foundation organized various POSH awareness sessions and also imparted vocational skills training to young girls under the "SUI-DHAGA PROJECT"..**

## **MESSAGE FROM THE CHIEF EDITOR**

*“When I let go of what I am, I become what I might be.” – Lao Tzu*

It gives us immense satisfaction to share the 89<sup>th</sup> Edition of “WINS – E-Newsletter” for October 2024, covering legal updates released during the month of September 2024, articles shared by respected professionals, Case Laws and compliance calendar for the month of October 2024.

In this issue, we have covered the following:

1. Corporate Updates from SEBI, RBI, CBIC, CBDT and other miscellaneous Laws
2. Articles on Budget 2024 Highlights, Employers Take Note- SC issue Directives, Net Carbon Zero
3. Case Laws
4. Compliance checklist for the month of October 2024.

Trust, WINS not only helps you to keep yourself updated, but also saves your time with crisp summary, in the form of Editor’s Quick Take.

My sincere gratitude to each one of you for sparing your precious time in reading this newsletter and sharing your valuable feedback. Your suggestions and ideas have been a source of inspiration for us and have motivated and guided us to scout for better contents, every month, in timely manner. We take this opportunity to invite articles on topics of professional interest. Please ensure that the article is original, written in good style and adds value for the readers.

You may reach to us at [vinayshukla@whitespan.in](mailto:vinayshukla@whitespan.in) or [+91 9810 624 262](tel:+919810624262)

With warm regards,

**TEAM WINS (Whitespan Information and News Services)**  
**October, 2024**

### **OUR EDITORIAL BOARD COMPRISES THE FOLLOWING PROFESSIONALS**

- 1. Mr. Vinay Shukla**, a fellow member of The Institute of Company Secretaries of India (ICSI), a graduate in Law, Commerce and Management and the co-founder of WsA having more than thirty years' experience in wide spectrum of corporate functions.
- 2. Ms. Jaya Yadav**, a practicing company secretary based at Gurgaon is a fellow member of The Institute of Company Secretaries of India (ICSI) and a graduate in Law and Commerce from Delhi University.
- 3. Ms. Divya Shukla**, a practicing advocate enrolled in the Bar Council of Delhi and a graduate in Law and Commerce from Christ University, Bengaluru.
- 4. Mr. Pushkar Garg**, Senior Associate at Whitespan Law Offices and member of The Institute of Company Secretaries of India (ICSI) and a graduate in Law and Commerce from MJP Rohilkhand University.
- 5. Mr. Anuj Pathak**, Cleared CS Professional Exam and a graduate in Commerce from Lucknow University.
- 6. Ms. Geetanjali Arya**, CS Professional Student and pursuing LLB from Choudhary Charan Singh University, Meerut and graduated in Commerce from Maharishi Dayanand University, Rohtak.



# Ministry of Corporate Affairs (MCA)

## 1. IEPFA (AATR) Second Amendment Rules, 2024

**Date of Notification:** September 09, 2024

**Effective Date :** Date of publication in official Gazette

**Link:**

<https://www.mca.gov.in/bin/dms/getdocument?mds=U0MUCISSaXRSw6YtZ1D98w%253D%253D&type=open>

MCA vide its notification dated September 09, 2024 amended the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 by notifying the the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2024. Vide the above amendment changes have been made to following Schedules:

Schedule II - Documents to be submitted to the Authority to register transmission of securities

Schedule III - Documents to be submitted to the Authority in case of loss of securities held in physical mode. Schedule III - Procedure to be followed while disposing the claims



## 2. Companies (Indian Accounting Standard) Second Amendment Rules, 2024

**Date of Notification:** September 09, 2024

**Effective Date :** Date of Publication in Official Gazette

**Link:**

<https://www.mca.gov.in/bin/dms/getdocument?mds=G2RyU1%252F3f6giST1Y5Hresw%253D%253D&type=open>

MCA, vide its notification dated September 09, 2024, amended the Companies (Indian Accounting Standards) Rules, 2015 by notifying the Companies (Indian Accounting Standards) Second Amendment Rules, 2024 by inserting a new paragraph

in the 'Annexure', under heading "B. Indian Accounting Standards (Ind AS)", in "Indian Accounting Standard (Ind AS) 116" with respect to Lease Liability in a Sale and Leaseback.

The amendments clarifies how seller-lessees should apply the right-of-use asset and lease liabilities, ensuring that gains or losses related to retained rights are not recognized, except under specific circumstances. Additionally, illustrative examples are provided to demonstrate the application of the revised rules, such as handling sale and leaseback transactions with both fixed and variable payments. These rules aim to streamline accounting processes and ensure compliance with the updated Ind AS requirements.

For Further Detail, kindly refer the above-mentioned link.

### 3. The Companies (Compromises, Arrangements, and Amalgamations) Rules, 2024

**Date of Notification:** September 09, 2024

**Effective Date :** September 17, 2024

**Link:**

<https://www.mca.gov.in/bin/dms/getdocument?mcs=qTyAFp6vBFvAlie1mgFTbg%253D%253D&type=open>

MCA vide its notification dated September 09, 2024 notified the Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2024 by amending the Companies (Compromises, Arrangements, and Amalgamations) Rules, 2016. Key highlight of the amendment is addition of the following sub-rule:

Where the transferor foreign company incorporated outside India being a holding company and the transferee Indian company being a wholly owned subsidiary company incorporated in India, enter into merger or amalgamation, –

- (i) both the companies shall obtain the prior approval of the Reserve Bank of India;
- (ii) the transferee Indian company shall comply with the provisions of section 233;
- (iii) the application shall be made by the transferee Indian company to the Central Government under section 233 of the Act and provisions of rule 25 shall apply to such application; and
- (iv) the declaration referred to in sub-rule (4) shall be made at the stage of making application under section 233 of the Act.

#### 4. Declaration of National Bank for Financing Infrastructure and Development (NaBFID) as Public Financial Institution

**Date of Notification:** September 10, 2024

**Effective Date :** September 10, 2024

**Link:**

<https://www.mca.gov.in/bin/dms/getdocument?mids=jRtIoIzlULI6f7QIxfVsqw%253D%253D&type=open>

MCA vide its Notification dated 10 September 2024 notified in accordance with the Companies Act, 2013. Following consultations with the Reserve Bank of India (RBI), the Central Government has officially designated the "National Bank for Financing Infrastructure and Development" as a public financial institution (PFI) in pursuant with the relevant section of the Act. This designation confers specific privileges and regulatory advantages applicable to PFIs, thereby enabling the institution to play a pivotal role in infrastructure financing initiatives throughout India.

## 5. Clarification on Holding of Annual General Meeting (AGM) and EGM through Video Conference (VC) or Other Audio Visual Means (OAVM) and passing of ordinary or special resolutions by the companies under the Companies Act, 2013 read with rules made thereunder- Extension of timeline-reg

**Date of Notification:** September 19, 2024

**Effective Date:** September 19, 2024

**Link:**

<https://www.mca.gov.in/bin/dms/getdocument?mds=4C8ofg1qraQ0BIj5Bx1IJw%253D%253D&type=open>

MCA vide its circular dated September 19, 2024, issued a circular in accordance with the Companies Act, 2013, which delineates the procedures for conducting Annual General Meetings (AGMs) and Extraordinary General Meetings (EGMs) through Video Conferencing (VC) or Other Audio Visual Means (OAVM). This guidance allows companies scheduled to hold AGMs in 2024 and 2025 to utilize VC or OAVM until September 30, 2025. It is important to note that this extension does not affect the statutory deadlines for conducting AGMs; companies that fail to adhere to these deadlines may incur legal ramifications under the Companies Act, 2013. The circular builds upon prior communications from the MCA, specifically General Circulars 20/2020, 02/2022, and 09/2023, and reinforces the necessity for compliance with the relevant provisions of the Act, particularly Sections 96 stating the Annual General Meeting and Section 100 stating the Calling of extraordinary General Meeting, which regulate the timing and convening of meetings.



## 6. Companies (Prospectus and Allotment of Securities) Amendment Rules, 2024

**Date of Notification:** September 20, 2024

**Effective Date :** September 20, 2024

**Link:**

<https://www.mca.gov.in/bin/dms/getdocument?mids=eeOdH9Aj8ZsTLZB1NZoYkg%253D%253D&type=open>

MCA vide its Circular dated September 20, 2024, has notified the Companies (Prospectus and Allotment of Securities) Rules, 2014 through the Companies (Prospectus and Allotment of Securities) Rules 2024. These amendments, enacted under the Companies Act, 2013, specifically modify sub-rule (2) of Rule 9B by adding a proviso that mandates producer companies to comply with the provisions of this rule within five years following the conclusion of their financial year. It specifies the timeline and compliance obligations for the specific Producer Companies with respect to the prospectus and allotment of securities.

## 7. Companies (Accounts) Amendment Rules, 2024

**Date of Notification:** September 24, 2024

**Effective Date :** Date of publication in official gazette

**Link:**

<https://www.mca.gov.in/bin/dms/getdocument?mds=MlC55PoRWR3PW38BKKsVhQ%253D%253D&type=open>

MCA vide its notification dated September 24, 2024 notified the the Companies (Accounts) Amendment Rules, 2024. Pursuant to the amendment for the financial year 2023-2024, Form CSR-2 shall be filed separately on or before 31st December, 2024 after filing Form No. AOC-4 or Form No. AOC-4-NBFC (Ind AS), as specified in these rules or Form No. AOC-4 XBRL as specified in the Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, 2015 as the case may be.

## 8. Constitution of Grievance Resolution Special Team

**Date of Information:** September 26, 2024

**Link:** <https://www.mca.gov.in/bin/dms/getdocument?mds=Yug81DGsU6nzwTQv7uRGAg%253D%253D&type=open>

Ministry of Corporate Affairs has constituted a special team, which will look into the grievances of stakeholders for efficient disposal, suggest systemic solution, if required, and provide better guidance to the stakeholders for their compliances on MCA-21 Portal. The composition of the team is as follows:

- i. Director (eGov), MCA
- ii. Joint Director (eGov), MCA
- iii. Assistant Director (eGov), MCA
- iv. NISG-PMU Head assisted by team member The Service Provider (LTIM) will extend the required support to the above team

## 8. Companies (Indian Accounting Standards) Third Amendment Rules, 2024.

**Date of Notification:** September 28, 2024

**Effective Date :** Date of publication in official gazette

**Link:**

<https://www.mca.gov.in/bin/dms/getdocument?mds=uACoyuaVbuLEUjj8ds3Erw%253D%253D&type=open>

MCA vide its Notification dated 28 September 2024 notified The Companies (Indian Accounting Standards) Rules, 2015, and a new proviso is added to rule 5, stating that insurers or insurance companies may use Ind AS 104 for their financial statements in consolidated reports until the Insurance Regulatory and Development Authority notifies Ind AS 117. The application of Ind AS 104 will continue as outlined in the accompanying schedule. This schedule details Indian Accounting Standard (Ind AS) 104, which focuses on financial reporting for insurance contracts. The objective of this standard is to improve accounting practices for insurers and ensure clear disclosure of amounts related to insurance contracts, helping users understand future cash flow uncertainties.

Ind AS 104 applies to insurance contracts and reinsurance contracts issued or held by an entity, as well as financial instruments with discretionary participation features. However, it does not cover accounting for financial assets and liabilities held by insurers. The standard explicitly excludes product warranties, employee benefit plan liabilities, contingent contractual rights related to non-financial items, financial guarantee contracts (unless treated as insurance), contingent considerations in business combinations, and direct insurance contracts held by the entity itself. However, insurers must apply this standard to reinsurance contracts they hold.

For further detail, kindly refer the above-mentioned Link.



# **Securities Exchange Board of India (SEBI)**

## 1. Modification in the timeline for submission of status regarding payment obligations to the stock exchanges by entities that have listed commercial paper

**Date of Circular:** September 06, 2024

**Effective date:** September 06, 2024

**Link:**

[https://www.sebi.gov.in/legal/circulars/sep-2024/modification-in-the-timeline-for-submission-of-status-regarding-payment-obligations-to-the-stock-exchanges-by-entities-that-have-listed-commercial-paper\\_86493.html](https://www.sebi.gov.in/legal/circulars/sep-2024/modification-in-the-timeline-for-submission-of-status-regarding-payment-obligations-to-the-stock-exchanges-by-entities-that-have-listed-commercial-paper_86493.html)

SEBI vide its circular dated September 06 2024 implemented a revision to the reporting timeline for entities holding listed Commercial Paper, as stipulated in the revised Chapter XVII of the Master Circular for Non-convertible Securities and related instruments.

Under the previous framework, issuers were obligated to submit a certificate confirming payment obligations within two days following the due date. The updated directive now requires that this confirmation be provided within one working day. This adjustment aligns the reporting timeline for Commercial Paper with that of other listed non-convertible securities.

The primary objective of this revision is to improve the efficiency and uniformity of reporting requirements, thereby ensuring that stock exchanges receive timely updates. The revised guideline is effective immediately and underscores SEBI's dedication to safeguarding investor interests and upholding stringent securities market regulations.

## 2. Allowing securities funded through cash collateral as maintenance margin for Margin Trading Facility (MTF)

**Date of Circular:** September 11, 2024

**Effective date:** October 01, 2024

**Link:**

<https://www.sebi.gov.in/legal/circulars/sep-2024/allowing-securities-funded-through-cash-collateral-as-maintenance-margin-for-margin-trading-facility-mtf-86590.html>

SEBI vide its circular dated September 11, 2024 amended its regulations to permit the utilization of securities funded through cash collateral as maintenance margin for the Margin Trading Facility (MTF). This amendment follows requests from market participants via the Industry Standards Forum (ISF) and subsequent discussions with stock exchanges, brokers, and industry representatives.

The amendment modifies prescribed SEBI's Master Circular on Stock Exchanges and Clearing Corporations, dated October 16, 2023. The updated regulation allows for the separate treatment of securities, specifically stocks or units of Equity Exchange-Traded Funds (ETFs), that are funded via cash collateral for the purposes of MTF funding calculations. It is important to note that the combining of securities is strictly prohibited.

A new clause, via circular has been introduced stipulating that any funded stocks considered for maintenance margin must be classified as Group 1 securities. The applicable margin requirements for these securities will be calculated as Value at Risk (VaR) plus five times the Extreme Loss Margin. Additionally, trading members are required to report MTF exposure by 6:00 PM on the T+1 day, in accordance with the revised clause as specified by SEBI.

These regulatory modifications are designed to alleviate collateral requirements for investors and enhance overall market efficiency.

### 3. Reporting by Foreign Venture Capital Investors

**Date of Circular:** September 13, 2024

**Effective date:** September 13, 2024

**Link:**

[https://www.sebi.gov.in/legal/circulars/sep-2024/reporting-by-foreign-venture-capital-investors\\_86680.html](https://www.sebi.gov.in/legal/circulars/sep-2024/reporting-by-foreign-venture-capital-investors_86680.html)

SEBI has issued a circular revising the quarterly reporting format for Foreign Venture Capital Investors (FVCIs), effective for the quarter ending September 30, 2024. Under Regulation 13(1) of SEBI (FVCI) Regulations, 2000, FVCIs are required to submit quarterly reports, irrespective of whether any investments were made during the quarter. The new reporting format, enclosed as Annexure-1, covers general information about the FVCI, cumulative funds raised, and industry-wise investment details. Custodians are responsible for ensuring timely submission of the reports, as mandated by Regulation 14(2). The reports for the quarters ending September and December 2024 are required to be submitted in Excel format by November 15, 2024, and January 15, 2025, respectively, via email. From the quarter ending March 2025 onwards, submissions will be made through SEBI's intermediary portal within 15 days after each quarter. This circular, issued under Sections 11(1) and 11A of the SEBI Act, aims to protect investors and promote market transparency.



#### 4. Enabling T+2 trading of Bonus shares where T is the record date

**Date of Circular:** September 16, 2024

**Effective date:** October 01, 2024

**Link:**

<https://www.sebi.gov.in/legal/circulars/sep-2024/enabling-t-2-trading-of-bonus-shares-where-t-is-the-record-date-86714.html>

SEBI vide its Circular dated September 16, 2024, aims to enhance the efficiency of bonus share issuances. Notably, it reduces the timeframe for trading bonus shares from the record date, requiring issuers to apply for approval of the bonus issue within five working days following the board meeting. The circular stipulates that the record date shall be designated as T day, with the deemed date of allotment set for T+1. Stock exchanges are tasked with notifying the record and allotment dates, while issuers must submit the requisite documentation to the depositories by noon on the next working day (T+1). Additionally, bonus shares will become available for trading on T+2.

Significantly, the requirement for temporary International Securities Identification Numbers (ISINs) has been waived, facilitating direct credit into the permanent ISIN. Exchanges and depositories are obliged to amend their regulations to reflect these changes. Non-compliance with the directives specified in this circular will incur penalties as outlined in SEBI's prior communications regarding non-compliance. This initiative is part of SEBI's broader efforts to streamline regulatory processes and safeguard investor interests.

## 5. Issue and Listing of Non-Convertible Securities (Second Amendment) Regulations, 2024

**Date of Notification:** September 17, 2024

**Effective date:** September 17, 2024

**Link:**

[https://www.sebi.gov.in/legal/regulations/sep-2024/securities-and-exchange-board-of-india-issue-and-listing-of-non-convertible-securities-second-amendment-regulations-2024\\_86784.html](https://www.sebi.gov.in/legal/regulations/sep-2024/securities-and-exchange-board-of-india-issue-and-listing-of-non-convertible-securities-second-amendment-regulations-2024_86784.html)

SEBI vide its Notification dated September 17, 2024, has notified the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021. The amendments introduced several significant changes such as:

- The timeframe for issuers to publish draft offer documents has been reduced from seven working days to five.
- The permitted electronic modes of advertisement have been expanded to encompass online platforms.
- Issuers are now required to publish a notice in both national and regional newspapers that includes a QR code linking to the complete advertisement.
- Furthermore, revisions to disclosure requirements include a reduction in the number of working days for certain submissions and the exclusion of personal addresses and Permanent Account Numbers (PAN) from specific documents. The amendments also allow for branch details to be provided through static QR codes, enhancing information accessibility for stakeholders.
- The notification underscores the necessity for compliance with statutory requirements and aims to improve transparency and efficiency in the issuance and listing of non-convertible securities.

## 6. Clarification in respect of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2024

**Date of Notification:** September 10, 2024

**Effective Date :** September 10, 2024

**Link:**

[https://nsearchives.nseindia.com/web/sites/default/files/inline-files/NSE\\_Circular\\_1009202437.pdf](https://nsearchives.nseindia.com/web/sites/default/files/inline-files/NSE_Circular_1009202437.pdf)

SEBI vide its Notification dated July 10, 2024, titled “Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2024,” the following provision has been inserted into Regulation 23, subsequent to sub-regulation (6):

“(7) (a) The issuer shall establish a record date for the purposes of payment of interest, dividend, redemption, repayment amounts, or for any other purposes as specified by the Board.

(b) Such record date shall be fixed no later than fifteen days prior to the due date of payment for interest or dividend, repayment of principal, or any other corporate actions.”

This amendment is applicable to all listed and proposed-to-be-listed non-convertible securities.

Entities with non-convertible securities listed on the Exchange are required to fix a record date in accordance with this amendment. Furthermore, listed entities must make any necessary modifications to their listing documents or disclosures submitted to the Exchange, as required.

All entities with non-convertible securities listed or proposed to be listed on the Exchange are requested to acknowledge the provisions of this amendment and ensure timely compliance

## 7. Disclosure for utilization of issue proceeds for Listed Entities on NSE EMERGE

**Date of Circular:** September 05, 2024

**Effective Date :** September 05, 2024

**Link:**

<https://nsearchives.nseindia.com/web/sites/default/files/inline files/NSE Circular 1009202437.pdf>

NSE vide its Circular dated 05 September, 2024, is applicable to all Listed Entities on NSE EMERGE platform, effective April 1, 2023. Under this directive, these entities are mandated to submit a certificate, duly certified by their statutory auditor and approved by the audit committee, detailing the utilization of proceeds from the issue. The certificate must delineate the object-wise amounts as outlined in the offer document, the actual utilization of funds, and any discrepancies therefrom, in accordance with the prescribed format set forth in Annexure A. This submission is required to accompany the financial results and must continue until such time as the proceeds are fully utilized or the intended purpose has been achieved.

It is important to note that this circular does not extend to entities that have appointed a monitoring agency. The primary objective of this requirement is to enhance transparency regarding the utilization of funds raised by listed entities.



## 8. Modification in the Announcement Module on NSE Electronic Application Processing System (NEAPS) platform

**Date of Circular:** September 19, 2024

**Effective Date :** September 21, 2024

**Link:**

<https://nsearchives.nseindia.com/web/sites/default/files/inlinefiles/Circular%20for%20Annoucement%20module.pdf>

NSE vide its Circular dated September 19, 2024, has issued a circular detailing modifications to the Announcement Module on its NEAPS platform. This update is in alignment with the amended Securities and Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (LODR) regulations and incorporates changes from a prior circular dated July 14, 2023.

After being effected, the existing functionalities shall remain unchanged. Announcements will now be systematically categorized under Regulation 30 into sections for Para A, Para B, REITs/INVITs, and others, thereby enhancing the structural organization of disclosures.

Listed entities are advised to comply with these new requirements when making disclosures to ensure adherence to the updated regulations. The circular underscores the necessity of utilizing the specified subjects for disclosures and emphasizes the importance of exercising caution during the announcement process.

## 9. Master Circular on Surveillance of Securities Market

**Date of Circular:** September 23, 2024

**Effective Date :** September 23, 2024

**Link:**

<https://www.sebi.gov.in/legal/circulars/sep-2024/master-circular-on-surveillance-of-securities-market-86929.html>

SEBI vide its master circular dated September 23, 2024 is being systematically categorized by subject matter under distinct headings, including, but not limited to, trading rules and shareholding in dematerialized mode; monitoring of unauthenticated news disseminated by SEBI-registered market intermediaries through various communication channels; and disclosure reporting in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. This Master Circular shall be effective immediately upon its issuance and encompasses all circulars previously issued by the Integrated Surveillance Department (ISD) of SEBI that are in force as of the date of this Circular's release.

For Further detail, kindly refer the above-mentioned link.

## 10. Modification in framework for valuation of investment portfolio of AIFs

**Date of Circular:** September 19, 2024

**Effective Date :** September 19, 2024

**Link:**

[https://www.sebi.gov.in/legal/circulars/sep-2024/modification-in-framework-for-valuation-of-investment-portfolio-of-aifs\\_86803.html](https://www.sebi.gov.in/legal/circulars/sep-2024/modification-in-framework-for-valuation-of-investment-portfolio-of-aifs_86803.html)

SEBI vide its circular dated September 19, 2024 has amended the valuation framework of SEBI (Alternative Investment Funds) Regulations, 2012.

With effect from the amendment, the valuation of securities not governed by specific provisions shall adhere to guidelines that have been endorsed by an AIF industry association representing a minimum of 33% of registered AIFs. These endorsed guidelines are predicated on the recommendations provided by SEBI's Alternative Investment Policy Advisory Committee (AIPAC).

Further, SEBI has extended the reporting timeline for AIFs to disclose valuation data based on the audited accounts of investee companies from six months to seven months. Additionally, a requirement has been established to harmonize valuation norms for thinly traded and non-traded securities, with a compliance deadline set for March 31, 2025.

The circular clarifies that any modifications to the valuation methodology or approach shall not be categorized as a "Material Change"; however, it mandates that transparency be upheld through requisite investor disclosures. Furthermore, enhanced guidelines have been introduced for independent valuers, stipulating that valuations must be conducted by individuals who possess appropriate credentials and are authorized for such purposes.

## 11. Flexibility in Participation of Mutual Funds in Credit Default Swaps (CDS)

**Date of Circular:** September 20, 2024

**Effective Date :** September 20, 2024

**Link:**

<https://www.sebi.gov.in/legal/circulars/sep-2024/flexibility-in-participation-of-mutual-funds-in-credit-default-swaps-cds-86871.html>

SEBI vide its circular dated 20 September, 2024, grants mutual funds increased flexibility in their engagement with Credit Default Swaps (CDS). Previously, mutual funds were restricted to using CDS solely for hedging against credit risks associated with corporate bonds. The updated regulations now permit mutual funds to engage in both the purchase and sale of CDS as an additional investment instrument, thereby aiming to enhance liquidity in the corporate bond market.

The amendment various conditions, including exposure limits, criteria for investment-grade ratings, and established risk management protocols. Mutual fund schemes are authorized to acquire CDS for the purpose of hedging their debt securities; however, such CDS exposure must not exceed the exposure related to the corresponding debt securities. Moreover, mutual funds are permitted to sell CDS only when such transactions are fully backed by cash or government securities.

## 12. Ease of doing Business in the context of Standard Operating Procedure for payment of “Financial Disincentives” by Market Infrastructure Institutions (MIIs) as a result of Technical Glitch

**Date of Circular:** September 20, 2024

**Effective Date :** September 20, 2024

**Link:**

[https://www.sebi.gov.in/legal/circulars/sep-2024/ease-of-doing-business-in-the-context-of-standard-operating-procedure-for-payment-of-financial-disincentives-by-market-infrastructure-institutions-miis-as-a-result-of-technical-glitch\\_86878.html](https://www.sebi.gov.in/legal/circulars/sep-2024/ease-of-doing-business-in-the-context-of-standard-operating-procedure-for-payment-of-financial-disincentives-by-market-infrastructure-institutions-miis-as-a-result-of-technical-glitch_86878.html)

SEBI vide its Circular dated September 20, 2024, has revised the Standard Operating Procedure (SOP) concerning financial disincentives imposed on Market Infrastructure Institutions (MIIs) due to technical glitches. The earlier policy permitted the imposition of penalties on individual officers, including the Managing Director (MD) and Chief Technology Officer (CTO). However, in response to recommendations from various committees, SEBI has restructured this approach to confine these disincentives to the MIIs themselves.

Under the revised guidelines, MIIs are mandated to monitor their systems and incur disincentives for operational downtime that exceeds a designated threshold. Furthermore, MIIs shall be afforded the opportunity to present their case prior to the enforcement of any penalties.

Additionally, MIIs are required to submit compliance reports and disclose any financial disincentives on their official websites and within their annual reports.



### 13. Usage of UPI by individual investors for making an application in public issue of securities through intermediaries

**Date of Circular:** September 24, 2024

**Effective Date :** November 01, 2024

**Link:**

[https://www.sebi.gov.in/legal/circulars/sep-2024/usage-of-upi-by-individual-investors-for-making-an-application-in-public-issue-of-securities-through-intermediaries\\_86972.html](https://www.sebi.gov.in/legal/circulars/sep-2024/usage-of-upi-by-individual-investors-for-making-an-application-in-public-issue-of-securities-through-intermediaries_86972.html)

SEBI vide its circular dated September 24, 2024 has mandated the utilization of the Unified Payments Interface (UPI) by individual investors for applications in public issues of debt securities, non-convertible redeemable preference shares, municipal debt securities, and securitized debt instruments. This mandate applies specifically to applications submitted through intermediaries, including syndicate members, stock brokers, registrars, and depository participants, where the application amount does not exceed ₹5 lakh.

Investors are required to provide a UPI ID that is linked to their bank accounts within the bid-cum-application form. The Amendment aims to streamline the application process for the aforementioned securities, aligning it with the existing procedures for equity shares and convertible instruments. Notably, alternative modes of application, including the use of Self Certified Syndicate Banks (SCSBs) and stock exchange platforms, will remain available.

## 14. Parameters for Performance Evaluation of Market Infrastructure Institutions

**Date of Circular:** September 24, 2024

**Effective Date :** September 24 , 2024

**Link:**

[https://www.sebi.gov.in/legal/circulars/sep-2024/parameters-for-performance-evaluation-of-market-infrastructure-institutions\\_86974.html](https://www.sebi.gov.in/legal/circulars/sep-2024/parameters-for-performance-evaluation-of-market-infrastructure-institutions_86974.html)

SEBI vide its Circular dated September 24, 2024, the framework for the performance evaluation of Market Infrastructure Institutions (MIIs), which encompasses stock exchanges, clearing corporations, and depositories. In accordance with the Securities Contracts (Regulation) Act, 1956, and the Depositories and Participants Regulations, 2018, SEBI mandates that MIIs appoint independent external agencies to conduct performance evaluations every three years, commencing with the financial year 2024-25.

The evaluation criteria are delineated as follows: resilience in technology (40% weightage), investor protection (17% weightage), regulatory compliance (15% weightage), and governance practices (8% weightage). To ensure consistency and transparency in the evaluation process across MIIs, SEBI has introduced a comprehensive rating framework. Furthermore, guidelines regarding the appointment of independent external agencies have been established, stipulating the necessity for the absence of any conflict of interest and the requirement for domain expertise. The roles and responsibilities of Key Management Personnel (KMPs), including managing directors, must be explicitly defined and evaluated, with a minimum of 50% weightage allocated to regulatory and risk management outcomes.

MIIs are required to implement these systems by amending their internal rules and regulations and informing market participants accordingly.

## 15. Operational Guidelines for Foreign Venture Capital Investors (FVCIs) and Designated Depository Participants (DDPs)

**Date of Circular:** September 26, 2024

**Effective Date :** January 01, 2024

**Link:**

<https://www.sebi.gov.in/legal/circulars/sep-2024/operational-guidelines-for-foreign-venture-capital-investors-fvcis-and-designated-depository-participants-ddps-87032.html>

SEBI, vide its circular dated September 26, 2024, has amended the SEBI (Foreign Venture Capital Investors) Regulations, 2000 (“FVCI Regulations”) as per the The amendment outlines provisions related to the registration of Foreign Venture Capital Investors (FVCIs) through Designated Depository Participants, eligibility conditions, and renewal of registration, among other aspects.

To facilitate a smooth transition to the amended FVCI regime and to operationalize the revised provisions of the FVCI Regulations, SEBI has decided to issue operational guidelines (Annexure-1).

This circular is issued under the authority granted by Section 11(1) of the Securities and Exchange Board of India Act, 1992, in conjunction with prescribed Regulations of the FVCI Regulations.



**RESERVE BANK  
OF INDIA (RBI)**

## **1.Liberalized Remittance Scheme (LRS) for Resident Individuals- Discontinuation of Reporting of monthly return**

**Date of Notification:** September 06, 2024

**Effective date:** September 06, 2024

**Link:**

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12732&Mode=0>

RBI vide its notification dated September 06, 2024 announced the cessation of monthly reporting obligation pertaining to the Liberalized Remittance Scheme (LRS) for Authorised Dealer Category-I (AD Category-I) banks.

Formerly, AD Category-I banks were obligated to submit monthly returns detailing the number of LRS applications and the total amount remitted, as mandated by earlier circulars. Going Ahead, these banks will only be required to report transaction-wise data on a daily basis through the Centralized Information Management System (CIMS), with a 'NIL' report to be submitted in instances where no transactions occur.





# **Central Board of Direct Taxes (CBDT)**

## **1. Extension of time lines for' filing of various reports of audit for the Assessment Year 2024-25- reg.**

**Date of Circular:** September 29, 2024

**Link:** <https://www.incometax.gov.in/iec/foportal/sites/default/files/2024-09/circular-10-2024.pdf>

CBDT, vide its Circular dated 29<sup>th</sup> September 2024 via Circular No. 10/2024, has extended the deadline for the submission of various audit reports under the Income-tax Act, 1961 for the Assessment Year 2024-25.

The original due date of 30<sup>th</sup> September 2024 has now been revised to 7<sup>th</sup> October 2024. This extension specifically pertains to assessee outlined in section 139 of the Income-tax Act, who have encountered challenges in electronically filing the requisite reports.

This extension has been granted under the authority vested in the CBDT by Section 119 of the Income-tax Act, in recognition of the difficulties faced by taxpayers and other stakeholders in adhering to the original deadline. The intention of this measure is to facilitate compliance for taxpayers during the current assessment period for the Previous Year 2023-24.

## 2. Direct Tax Vivad se Vishwas Rules, 2024

**Date of Notification:** September 20, 2024

**Effective Date:** September 20, 2024

**Link:** <https://incometaxindia.gov.in/communications/notification/notification-104-2024.pdf>

CBDT vide its Notification dated 20<sup>th</sup> September, 2024, has notified the rules and forms for the Direct Tax Vivad Se Vishwas (DTVSV) Scheme, 2024,. This scheme, as announced in the Union Budget for 2024-25, is designed to facilitate the resolution of income tax disputes by providing appellants with the option of lower settlement amounts. It is significant to note that ‘new appellants’ and taxpayers who submit declarations on or before December 31, 2024, will be entitled to reduced settlement costs, in contrast to ‘old appellants’ or those who file after this date. The notification introduces four specific forms:

- a) Form-1 for declarations,
- b) Form-2 for certificates issued by the Designated Authority,
- c) Form-3 for payment intimation, and
- d) Form-4 for full settlement orders.

Each tax dispute requires a separate submission of Form-1, except in instances where both the taxpayer and tax authority have lodged appeals concerning the same issue. Form-3 mandates the submission of proof of payment along with a withdrawal of any pending legal proceedings. All forms will be accessible electronically through the Income Tax Department’s e-filing portal.

# CENTRAL BOARD OF INDIRECT TAXES & CUSTOMS (CBIC)

## 1. Advisory on Invoice Management System

**Date of Notification:** September 03, 2024

**Effective date:** October 06, 2024

**Link:** <https://services.gst.gov.in/services/advisoryandreleases/read/517>

The GST Department introduces a system to manage invoices between suppliers and recipients. It allows recipients to accept, reject, or keep invoices pending, impacting Input Tax Credit (ITC) eligibility. The IMS dashboard reflects invoices once suppliers save them in GSTR-1/IFF. Accepted invoices contribute to ITC in GSTR-2B, while rejections or pending actions must be addressed before GSTR-3B is filed. The system aims to streamline the reconciliation process without adding compliance burdens.

## 2. Advisory on Re-opening of Reporting ITC Reversal Opening Balance

**Date of Notification:** September 17, 2024

**Link:** <https://services.gst.gov.in/services/advisoryandreleases/read/520>

The GST department provides an extension for taxpayers to report their cumulative ITC reversals in the Electronic Credit Reversal and Re-claimed Statement. This statement allows accurate tracking of reversed ITC and reclaimable amounts. Key points include:

- a) Reporting of opening balances is open from September 15 to October 31, 2024.
- b) Amendments are allowed until November 30, 2024.
- c) Monthly filers must report ITC reversals till July 2023; quarterly filers till Q1 FY 2023-24.
- d) Reclaims exceeding reversed amounts will soon be restricted.



### 3. Advisory on Archival of GST Returns data on GST portal

**Date of Notification:** September 24, 2024

**Link:** <https://services.gst.gov.in/services/advisoryandreleases/read/523>

GST department informs taxpayers that, per the GST data policy, return data will only be viewable on the GST portal for seven years. Returns older than this period will be archived monthly. For instance, on August 1, 2024, data for July 2017 was archived, and subsequent months will follow. Taxpayers are advised to download any relevant data for future reference before it is removed from the portal.

### 4. Advisory on Restoration of GST Returns data on Portal

**Date of Notification:** September 29, 2024

**Link:** <https://services.gst.gov.in/services/advisoryandreleases/read/526>

The GST department announces the temporary restoration of archived return data for July 2017 and August 2017. This decision follows requests from taxpayers who faced difficulties due to the archival. The archival policy will be re-implemented after giving prior notice. Taxpayers are advised to download and save their data from the portal while it is available.

# Miscellaneous Laws

# IP

**Compliance with Para. 68 of WP(C)-IPD 9/2023 Order dated 4th July 2024 – Constitution of an ad-hoc committee to deal with the complaints, if any, filed against Patent or Trademark Agents until a ‘Code of Conduct’ to regulate the conduct of Patents and Trademarks Agents is notified.**

**Date of Notice- September 13, 2024**

**Link:**

[https://www.ipindia.gov.in/writereaddata/Portal/News/1008\\_1\\_PUBLIC\\_NOTICE\\_Constitution\\_of\\_an\\_Adhoc\\_Committee\\_to\\_deal\\_with\\_compliants\\_on\\_Patent\\_TM\\_Agents.pdf](https://www.ipindia.gov.in/writereaddata/Portal/News/1008_1_PUBLIC_NOTICE_Constitution_of_an_Adhoc_Committee_to_deal_with_compliants_on_Patent_TM_Agents.pdf)

In response to a court order, the Office of the Controller General of Patents, Designs, and Trademarks (CGPDTM) has set up a special committee to address any complaints about Patent and Trademark Agents. This committee includes various experts, such as Prof. Unnat P. Pandit, senior officials from the CGPDTM, and experienced IP practitioners like Shri Subhatosh Majumdar and Ms. Rajeshwari Hariharan. If you have any complaints regarding these agents, you can send them to CGPDTM via email at [llc-ipo@gov.in](mailto:llc-ipo@gov.in). This notice is to keep the public and interested parties informed about the new committee.

# Article 1

## **Budget 2024 Highlights: A Focus on Employment, skilling MSME, and the Middle class**

The Union Budget for 2024 has been unveiled, showcasing a robust vision for economic growth that emphasizes employment generation, skill development, and support for micro, small, and medium enterprises (MSMEs). With significant revisions to the tax structure under the new regime, the budget aims to provide relief to the middle class while fostering an environment conducive to investment and innovation.

### **Key Highlights:**

#### **1. Employment Generation Initiatives**

A central theme of Budget 2024 is the commitment to job creation. The government has announced several measures designed to stimulate employment across various sectors:

- **Infrastructure Development:** Increased allocations for infrastructure projects are expected to create numerous job opportunities. Investments in roads, railways, and digital infrastructure are prioritized to spur growth in construction and allied sectors
- **Employment Schemes:** Existing schemes like the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) will see expanded funding, ensuring that rural employment remains a priority
- **Public-Private Partnerships (PPP):** The government encourages PPP models to attract private investment in key sectors, further enhancing job creation.

#### **2. Skill Development Programs**

Recognizing the need for a skilled workforce in an evolving economy, the budget introduces several initiatives focused on skilling:



- **Skill India Mission:** Enhanced funding for the Skill India Mission aims to upskill youth in emerging sectors such as technology, renewable energy, and healthcare.
- **Collaboration with Industry:** Partnerships with industries to design skill development programs ensure that training is relevant and aligned with market needs.

**Online Learning Platforms:** The budget allocates resources for the development of online skill training platforms, making education accessible to a broader audience.

### **3. Support for MSMEs**

MSMEs play a vital role in the Indian economy, and Budget 2024 introduces measures to bolster this sector:

- **Access to Credit:** The budget proposes easier access to credit for MSMEs through government-backed schemes, including lower interest rates and simplified loan application processes.
- **Tax Benefits:** Tax incentives for MSMEs are extended, providing relief to small business owners and encouraging them to reinvest in their operations.
- **Digital Transformation:** Initiatives promoting digital adoption among MSMEs are highlighted, facilitating their integration into the digital economy.

### **4. Relief for the Middle Class**

The middle class, a significant driver of economic growth, is a focal point of this budget:

- **Revised Tax Structure:** The new tax regime has been revised to offer greater benefits. Key changes include higher income tax slabs, reduced rates for specific income brackets, and increased exemptions, thereby providing more disposable income.

- **Housing and Education:** Subsidies for housing loans and education are enhanced, making it easier for families to invest in their future.
- **Healthcare Initiatives:** Increased funding for public healthcare schemes aims to reduce the financial burden on families, ensuring access to quality healthcare services.

## **5. Tax Structure Under the New Regime**

The revised tax structure under the new regime emphasizes simplicity and transparency:

- **Streamlined Tax Slabs:** The introduction of fewer tax slabs with lower rates aims to simplify compliance and enhance tax collections.
- **Reduction of Corporate Tax Rates:** The budget also proposes a reduction in corporate tax rates for small enterprises, encouraging reinvestment and growth.
- **Incentives for Compliance:** Taxpayers adhering to compliance norms will receive additional benefits, promoting a culture of tax discipline.

## **Conclusion**

Budget 2024 reflects the government's commitment to fostering an inclusive and sustainable economic environment. By prioritizing employment, skill development, support for MSMEs, and relief for the middle class, the budget lays a strong foundation for future growth. The revised tax structure simplifies the tax landscape, making it easier for individuals and businesses to thrive. As the nation moves forward, these initiatives are poised to drive innovation, create jobs, and enhance the quality of life for millions of Indians.

## **Conclusion**

Budget 2024 reflects the government's commitment to fostering an inclusive and sustainable economic environment. By prioritizing employment, skill development, support for MSMEs, and relief for the middle class, the budget lays a strong foundation for future growth. The revised tax structure simplifies the tax landscape, making it easier for individuals and businesses to thrive. As the nation moves forward, these initiatives are poised to drive innovation, create jobs, and enhance the quality of life for millions of Indians

### **AUTHOR:**

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# Article 2

## **Employers Take Note: SC issues Directives to Enhance POSH Act Compliance**

This article discusses the recent directives issued by the Supreme Court of India in the landmark judgment in Aureliano Fernandes vs. State of Goa and Others (Civil Appeal No. 2482 of 2014) aimed at enhancing compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (hereinafter referred to as “POSH Act”). It examines the implications of these directives for employers, highlighting the necessity for robust policies and training programs to prevent harassment and ensure a safe work environment. The article also reviews the legal framework surrounding the POSH Act, the responsibilities of employers in addressing complaints, and the importance of establishing an effective Internal Committee (IC). By analyzing case law and best practices, this piece serves as a critical resource for organizations striving to meet their legal obligations and foster a culture of respect and safety. Ultimately, it emphasizes that proactive compliance not only mitigates legal risks but also contributes to employee morale and organizational integrity.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (hereinafter referred to as “**POSH Act**”), is a landmark legislation in India aimed at providing a safe and secure working environment for women. It mandates the establishment of Internal Committee (IC) in workplaces with more than ten employees, empowering women to report incidents of sexual harassment without fear of retaliation. The Act defines sexual harassment and outlines the procedures for filing complaints, conducting inquiries in a fast-track manner, and imposing penalties on offenders. It emphasizes the responsibility of employers to prevent and address harassment by creating awareness and inculcating a culture of respect and dignity at the workplace through regular trainings and workshops. An effective implementation of the POSH Act is an important step forward in the larger architecture of women’s rights, to ensure safe working spaces for women and to build enabling work environments that respect women’s right to equality of status and opportunity.



However, in a significant ruling in the case of *Aureliano Fernandes vs. State of Goa and Others (Civil Appeal No. 2482 of 2014)*, the Supreme Court noted several lapses and gaps in the implementation of the POSH Act. Despite the introduction of this crucial legislation aimed at creating safer workplaces, its effectiveness has remained limited, with many organizations failing to utilize the provisions adequately.

The epitome of such inconsistency is the current case, wherein Mr. Aureliano Fernandes ("Appellant") was terminated from his position at Goa University and barred from future employment following a report from the Internal Committee. The Committee found the Appellant guilty of sexual harassment based on multiple complaints, constituting grave misconduct. Despite delays due to the Appellant's health issues, the decision was made *ex parte* after following prescribed procedures "as far as practicable." However, the Committee's discretion was exercised inappropriately, violating principles of natural justice that require both sides to be heard. The SC noted that such lapses undermine the purpose of the POSH Act, which is to protect women in the workplace. The POSH Act's success is hindered by factors such as a lack of confidence in the process, limited awareness of complaint and redressal procedures, inconsistent enforcement, and other practical challenges.

Recognizing these shortcomings, the Hon'ble Supreme Court has issued a series of directions to ensure the effective implementation of the POSH Act, emphasizing the need for a proactive approach to safeguard the rights of employees and foster a more inclusive work environment.

While the SC's directions in this case primarily address governmental entities, they are relevant for private organizations as well. The Court's stance emphasizes the obligation of all organizations to strictly adhere to and implement the POSH Act's provisions, creating a safe and secure work environment for women in India.

### **SC's Directions**

The SC has, *inter-alia*, directed as under:

**Verification of Committees:** The union government, state governments, and union territories must verify that all government departments, organizations, and bodies have constituted ICs/LCs.

**Public Information:** All necessary information regarding the constitution, composition, contact details, and relevant rules and policies must be made available on the organization's website. Statutory professional bodies at both the union and state levels are also required to undertake this exercise.

**Familiarization of Members:** Authorities/employers must take immediate steps to familiarize members of ICs/LCs with their duties and inquiry procedures.

**Regular Training:** Authorities/management/employers should regularly conduct orientation programmes, workshops, seminars, and awareness programmes to upskill members of the ICs/LCs, and to educate women employees and women's groups about relevant rules and regulations.

**Awareness Programs:** National Legal Services Authorities and State Legal Services Authorities are to conduct workshops and awareness programs to educate both authorities/employers and employees about the POSH Act.

**Capacity Building for Judiciary:** The National Judicial Academy and State Judicial Academies should organize orientations and workshops for the capacity building of ICC/RC/IC members established in High Courts and District Courts.

In view of the above directions, the Additional Deputy Commissioner cum District Officer of Gurugram issued a Notification dated 03.09.2024 emphasizing the mandatory requirement for forming an Internal Committee within organizations and called upon all private organizations in Gurugram to submit details regarding the compliance of the POSH Act.

As the year draws to a close, it's crucial to ensure your organization is in full compliance with the POSH Act for the calendar year 2024. Adherence to these mandatory requirements is essential to avoid regulatory scrutiny and consequent financial penalties.

More importantly, creating a safe and inclusive workplace has become a paramount priority for organizations seeking long-term success. Recognizing the pivotal role of diversity and inclusion in sustainable growth, companies are investing in robust systems to protect women and foster a positive work environment. Such initiatives not only enhance employee morale and productivity but also contribute to building a strong corporate reputation, fostering trust, and attracting top talent.

We provide complete assistance with compliances under the POSH Act such as policy formulation, formation and training of the Internal Committee, inquiries into complaints of sexual harassment from women, and conduct of programs to increase awareness of employee on the subject matter and their legal rights. The compliance is a statutory requirement under the Act and it is also mandatory for annual returns of the compliance to be filed.

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# Article 3

## Net Carbon Zero: A Corporate Imperative for ESG Success

In today's business landscape, achieving net carbon zero has emerged as a critical objective for companies striving to enhance their Environmental, Social, and Governance (ESG) performance. As stakeholders increasingly demand accountability and sustainability, organizations that proactively address carbon emissions not only mitigate risks but also unlock opportunities for growth and innovation. A commitment to net carbon zero is no longer optional; it is a fundamental aspect of corporate responsibility.

Corporations are facing mounting pressure from various fronts—investors, consumers, and regulators alike—to prioritize sustainability. This demand reflects a growing recognition that environmental stewardship is essential for long-term viability. Companies that embrace net carbon zero commitments can enhance their brand reputation, attract investment, and cultivate customer loyalty. Conversely, those that fail to adapt may find themselves grappling with financial and operational challenges as climate-related regulations tighten and public scrutiny intensifies.

Achieving net carbon zero requires a comprehensive strategy that encompasses multiple tactics tailored to a company's unique context. The first step in this journey is a thorough carbon footprint assessment. Understanding the full scope of emissions is vital for setting meaningful reduction targets. Companies should conduct detailed analyses that encompass direct emissions (Scope 1), indirect emissions from purchased electricity (Scope 2), and value chain emissions (Scope 3). This holistic approach not only identifies key areas for improvement but also establishes a clear baseline for measuring progress.

Once a thorough understanding of emissions is in place, corporations should set science-based targets aligned with the latest climate science. This involves defining specific, measurable goals for emissions reductions over time. By adopting frameworks such as the Science Based Targets initiative (SBTi), companies can ensure that their targets are both ambitious and feasible, providing a credible roadmap for sustainability efforts.



Investing in renewable energy represents one of the most impactful strategies for reducing carbon emissions. Corporations can explore various options, including on-site renewable energy installations such as solar panels or purchasing renewable energy certificates (RECs) to offset their electricity consumption. Collaborating with energy providers to secure long-term contracts for clean energy not only contributes to sustainability but can also lead to cost savings over time.

Enhancing energy efficiency is another crucial tactic in the pursuit of net carbon zero. By conducting energy audits, companies can identify inefficiencies within their operations and invest in energy-saving technologies, such as LED lighting, smart HVAC systems, and energy management software. Training employees on energy-efficient practices further embeds a culture of sustainability within the organization, encouraging everyone to contribute to emissions reduction efforts.

A significant portion of corporate emissions stems from supply chain activities, making sustainable supply chain management essential. Engaging suppliers in sustainability initiatives is crucial for reducing overall emissions. Companies can collaborate with suppliers to implement best practices, set emissions reduction targets, and encourage the adoption of sustainable materials. By establishing criteria for sustainable sourcing, organizations can ensure that their entire supply chain aligns with net carbon zero goals.

Incorporating circular economy principles can further minimize waste and optimize resource use. Companies should focus on product design that allows for reuse, recycling, and refurbishment. Reducing reliance on virgin materials and implementing take-back programs can lower carbon footprints while also driving innovation and creating new revenue streams. The shift toward a circular economy not only benefits the environment but also positions companies as forward-thinking leaders in sustainability.

While the ultimate goal should be to minimize emissions, some may be unavoidable. In such cases, carbon offsetting can serve as a viable tactic. Corporations can invest in projects that sequester carbon, such as reforestation or renewable energy initiatives, to compensate for their remaining emissions. However, it is important to view offsets as a supplementary strategy rather than a primary solution; genuine emissions reduction should always be the focus.

Transparency is key to building trust with stakeholders. Corporations should regularly report on their emissions, progress toward targets, and sustainability initiatives. Engaging stakeholders—including employees, customers, and investors—in sustainability efforts fosters a sense of shared responsibility and drives collective action. By being open about their sustainability journeys, companies can cultivate stronger relationships with stakeholders and enhance their credibility.

Creating a culture of sustainability is essential for long-term success. Corporate leaders must champion sustainability initiatives and encourage employees at all levels to contribute ideas and actions. Providing training and resources empowers staff to make environmentally conscious decisions in their daily work, reinforcing the company's commitment to net carbon zero.

As corporations navigate an increasingly complex landscape, the pressure to demonstrate commitment to ESG principles has never been greater. Achieving net carbon zero is not just a moral imperative; it is a strategic necessity. By adopting these tactics, businesses can significantly reduce their carbon footprints while enhancing their overall sustainability profiles. In doing so, they will not only comply with evolving regulations and expectations but also position themselves as leaders in the transition to a more sustainable economy.

The time to act is now. A net carbon zero future is within reach for those willing to embrace the challenge. By implementing these strategies, corporations can not only safeguard their interests but also contribute to a healthier planet for future generations. As stakeholders increasingly prioritize sustainability, those who lead the way in achieving net carbon zero will stand out in the marketplace and inspire others to follow suit. The journey may be complex, but the rewards—both for the company and the planet—are well worth the effort.

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# Case Laws

## **1. Case Title: OPG Power Generation Private Limited vs. Enexio Power Cooling Solutions India Private Limited (2024 INSC 711)**

### **Case Number: C.A. No.-003981-003982 – 2024**

In a landmark decision, the Supreme Court of India has clarified critical aspects of limitation periods and public policy in arbitration, affecting commercial contracts and disputes.

#### **Case Overview**

Enexio filed claims for unpaid amounts under purchase orders while challenging debit notes for liquidated damages and customs duties. The arbitration tribunal found Enexio's claims valid due to ongoing negotiations, but ruled that requests for declaratory relief concerning debit notes were beyond the limitation period set by the Limitation Act, 1963. The tribunal highlighted significant negotiations, including an April 19, 2018 meeting and a subsequent offer from OPG, which reset the limitation period for Enexio's claims.

#### **Core Issues**

The Supreme Court examined whether the arbitral award conflicted with Indian public policy or was affected by patent illegality, specifically:

- The separation of limitation periods for claims and counterclaims.
- The timeliness of counterclaims related to repair costs.

## **Court's Analysis**

The Court affirmed that:

- Claims and counterclaims can have distinct limitations.
- Acknowledgments must be documented to effectively reset limitation timelines. It concluded that the limitation for Enxio's claims was extended, while the counterclaims for repair costs were deemed time-barred due to insufficient documentation.

## **Decision**

The Supreme Court upheld the arbitral award, determining it was not patently illegal or contrary to public policy. It reaffirmed the limitation date as March 31, 2014, and mandated adherence to the arbitral decision, dismissing the appeals from OPG and Gita Power.



## **2. Case Title: *Vaibhav Jain vs. Hindustan Motors Pvt. Ltd. (2024 INSC 652)***

**Case Number: C.A. No.-010192-010192 – 2024**

### **Supreme Court Ruling: Ownership Liability in Vehicle Compensation Case**

In a significant ruling, the Supreme Court of India has clarified ownership liability in a vehicle compensation dispute involving Hindustan Motors and Vaibhav Motors, shedding light on the Motor Vehicles Act and vehicle owner responsibilities.

### **Case Overview**

Legal heirs of a deceased employee, who was driving a vehicle sold by Vaibhav Motors (a dealer for Hindustan Motors), filed a compensation claim. The High Court enhanced the compensation and held Vaibhav Motors jointly liable, prompting the appellant to contest the decision, asserting that Hindustan Motors was the actual owner at the time of the accident.

### **Core Issues**

The Supreme Court addressed:

- Whether Vaibhav Motors could be deemed the vehicle's owner and held liable for compensation.
- Whether clauses in the Dealership Agreement absolved Hindustan Motors from ownership liability.
- If Hindustan Motors had sold the vehicle to Vaibhav Motors prior to the accident.

### **Court's Analysis**

The Court emphasized:

- Ownership as defined by the Motor Vehicles Act determines compensation liability.
- Control and possession of the vehicle at the time of the accident are vital for liability assessment.
- The Dealership Agreement's clauses pertain to defects, not tortious liability from accidents.

### **Decision**

The Supreme Court dismissed the Special Leave Petition (SLP) from Vaibhav Motors on October 23, 2018. It ruled that compensation could be recovered from Hindustan Motors, Vaibhav Motors, and the driver, either jointly or severally. Vaibhav Motors was permitted to recover any amounts paid at 6% per annum until recovery.

### **3. Case Title: Cox & Kings Ltd. Vs. SAP India Pvt. Ltd. & Anr. [Arbitration Petition No. 38 of 2020]**

#### **Supreme Court Clarifies "Group Companies Doctrine" in Arbitration Law**

The Constitution Bench of the Supreme Court of India has delivered an important judgment on the applicability of the "Group Companies Doctrine" within Indian arbitration law, represented by JSA for SAP India Private Limited and SAP SE GmbH.

While the full judgment is forthcoming, the Court clarified that the group of companies doctrine is not universally applicable and set specific parameters for its use. Key points include:

- **Definition of Parties:** Both signatories and non-signatories to the arbitration agreement fall under the term "parties" as per the Arbitration Act, 1996.
- **Consent Indicators:** The conduct of non-signatory parties can suggest their consent to the arbitration agreement.
- **Written Agreement:** A written arbitration agreement is not a barrier to binding non-signatory parties.
- **Distinct Legal Concepts:** "Parties" and "persons claiming through or under a party" are treated as separate under the Act.
- **Corporate Separateness:** The doctrine maintains corporate separateness while assessing the intention to bind non-signatories.
- **Limitations on the Doctrine:** Alter ego principles cannot be used to justify the doctrine's application.
- **Cumulative Evaluation:** Courts should consider multiple factors from past judgments, rather than relying solely on the principle of a single economic unit.

- **Derivative Claims:** Claims made “through or under” a party are in a derivative capacity only.
- **Relevance of the Doctrine:** The doctrine remains significant for complex transactions involving multiple parties.
- **Tribunal Authority:** It is up to the arbitral tribunal to decide if a non-signatory is bound by the agreement at the referral stage.
- **Broader Interpretations:** Authoritative interpretations should not exclude other doctrines for binding non-signatories.

The Supreme Court Registry will direct individual matters to respective benches for further action. This ruling reinforces the group of companies’ doctrine's role in Indian arbitration, aiding in determining party intentions in complex legal scenarios.

# Compliance Checklist



## COMPLIANCE CALENDAR FOR OCTOBER 2024

SUN	MON	TUE	WED	THU	FRI	SAT
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

## TAX COMPLIANCE

7th	Due date for deposit of TDS for the period July 2024 to September 2024 when Assessing Officer has permitted quarterly deposit of TDS under section 192, 194A, 194D or 194H.
10th	GSTR-7 (GST-TDS) GSTR-8 (GST-TCS)
11th	GSTR-1-Other than QRMP scheme
13th	GSTR-5-Non-Resident Taxable Person GSTR-6-Input Service Distributor
15th	Due date for issue of TDS Certificate for tax deducted under section 194-IB, 194-IA, 194M, in the month of August, 2024 Quarterly statement of TCS deposited for the quarter ending September 30, 2024
18th	GST-CMP-08 (Composition Scheme Dealers)
20th	GSTR-3B-Other than QRMP scheme GSTR-5A-OIDAR Services
30th	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, 194-IB, 194-M, 194 S in the month of September, 2024 Quarterly TCS certificate (in respect of tax collected by any person) for the quarter ending September 30, 2024
31th	Quarterly statement of TDS deposited for the quarter ending September, 2024 Audit report under section 44AB for the assessment year 2024-25 in the case of an assessee who is also required to submit a report pertaining to international or specified domestic transactions under section 92E

**MCA COMPLIANCE**

29 <sup>th</sup>	AOC-4/AOC-4-CFS/AOC-4 (XBRL) - Filing of annual accounts MSME-Form MSME 1 for the period Apr-24 to Sep-24 for companies having outstanding balances to MSME's exceeding 45 days LLP-Form 8-Statement of account & solvency
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**FEMA COMPLIANCE**

07 <sup>th</sup>	FEMA ECB (ECB-2)
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**MISCELLANEOUS**

15 <sup>th</sup>	ESIC payment EPF payment
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## **FOR FURTHER INFORMATION PLEASE CONTACT:**

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