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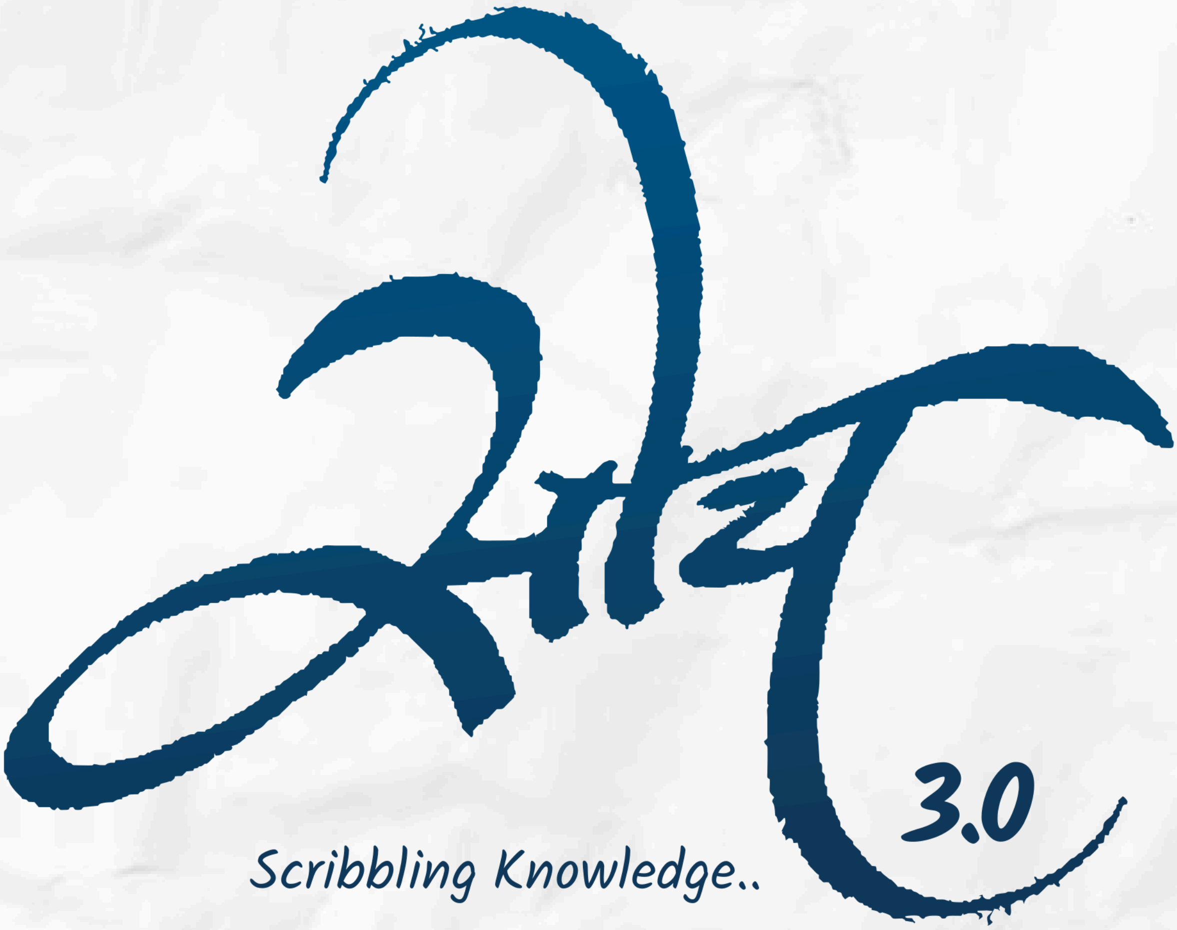

3.0

Scribbling Knowledge..

3rd EDITION

This journal is a collective effort of every single student who has conducted research, gathered information, compiled it, and given their thoughts on topics that are extremely pertinent to the modern world. With every turn of page in this journal, you will encounter an article with remarkable ideas; ideas that have developed from the young and sharp minds of the students of our Academy.

The purpose of curating this journal was to give our students a platform to express their views on topics that required them to think outside and beyond the scope of their course's curriculum. Since it is scarcely a secret that writing an article on a certain subject demands the author to develop an opinion after conducting in-depth research, the concept of this magazine was adopted to help our students develop into unique individuals with their own set of opinions. We, at Yes, sincerely believe that it is crucial for students to have such a platform right from the very beginning of their careers, as it is these young minds that are going to be the leaders of tomorrow.

Yes Academy for CS & Law has always been guided by students' interests and welfare, and we thrive to do everything that is in our reach to further the same. We are positive that this journal is just the beginning of the remarkable contributions that our students are going to make in the legal and corporate world in the future.

We extend our warm regards to all the readers, and best wishes to our students who have shown extraordinary work through their writings.

Best,
Team YES

INDEX

INDEX

INDIA'S CRYPTO DILEMMA: SHOULD IT IDOLISE CHINA OR THE US?

Aarya Katkar

Cryptocurrencies, in the last few years, have rapidly acquired international visibility and acceptance. For long-term devotees, cryptocurrencies are no longer merely a presumably easy market to watch-it has become a fashion statement that, nowadays, catches an investor, consumer, and government interest across the world. Also, a recent new priority at policy agendas has been laid out to regulate cryptocurrencies by varied countries. With continuous development, the government can no longer afford to overlook but also cannot eliminate digital currency for long. It is only a matter of time before India arrives at a law on cryptocurrency. The biggest question remains: Will India clamp down on crypto the way China has or embrace it like the US? India's cryptocurrency markets grow in popularity to reach millions of traders and investors in no time. But regulations are yet to be really built. Investors are to be protected, as well as financial stability salvaged; and prevent issues like money laundering and fraud. Without proper regulations, the ever-increasing cryptocurrency sector is an open front for all vectors of hazards and scams, laying millions of investors open to danger. More so, with a blanket structure, digital assets will connect with the economy more mainstream, invoking innovations and attracting international investors. Should there be a delay in regulations, this would mean uncertainty in the market, pushing businesses and skills to move to destinations with low regulatory interference. India requires its cryptocurrency regulations immediately for the security-growth ratio to be maintained.

The Reserve Bank of India imposed a ban on crypto transactions in 20181, citing worries about financial stability, fraud, money-laundering, and absence of consumer protection. It feared that unregulated digital currencies could be misused and pose risks to the banking setup. Yet, the ban was overturned by the Supreme Court of India in 2020 on grounds that it was excessive for crypto businesses.

The Supreme Court held that lack of substantive evidence showing harm had been done to the proper functioning of the banking system through cryptocurrencies allowed the resumption of trading by the commission in all the exchanges. Since then, the government has been working on a regulatory framework, but the guidelines are still lacking in clarity.

As of February 2025, India imposed a 30% tax on incomes from crypto and set at 1% the tax deducted at source. Crypto playing companies are supposed to report the transactions, and any hidden holdings would result in unreported income. Though these regulations are stringent, an Indian fit will be staring at a tightening law regarding cryptocurrencies in coming years.

CRYPTO REGULTIONS IN THE US The US aims to create a balanced framework by walking a fine line between innovation and regulation to allow for growth without threatening financial security. The regulation surrounding cryptocurrencies in the United States has changed quite a bit over the years. The government and financial authorities have aimed to set up rules regulating the launch of innovation, security, and financial stability in light of the global rise in popularity of various digital assets. Here are few important events throughout the history of U.S. crypto regulation2.

- **In 2009,** some laws were introduced, and for some time, there were no laws about how bitcoin could be used. But as Crypto became more popular, the government started paying attention.
- **By 2013**, Financial Crime Enforcement Network announced that cryptocurrency exchanges had to follow anti-laundering (AML) laws, which essentially required them to verify customer identification to track transactions and help prevent illegal activity.
- **In 2014,** and the IRS declared that cryptocurrency now is not merely digital money but property; consequently, profit from buying and selling ought to be taxed, just as with real estate or stock investments.

•In 2015, NewYork decided to put stricter rules in place for crypto businesses. They introduced something called Bit License which required companies dealing with crypto to follow strict security and financial reporting rules. The goal was to protect consumers, but it also made it much harder for some crypto companies to operate in the state.

•By 2017, several new crypto projects were raising money through Initial Coin Offerings, a way for startups to sell digital tokens to investors. But the SEC stepped in, stating: "Wait a minute. Some of these ICOs are basically selling stocks, only in a different form." They must adhere to the same laws as traditional investments, making it increasingly challenging for companies to launch new crypto projects without regulatory approval. The U.S. government increased its crackdown against crypto scams and fraud, fining companies that misled investors or operated without approval by the SEC or CFTC, trying to bring order to the largely unregulated space.

•In 2019, Facebook revealed plans for its own digital currency, Libra (later called Diem), hoping to revolutionize online payments. But regulators quickly pushed back, fearing it could disrupt the financial system. This pressure ultimately forced Facebook to abandon the project. •It was during this period that Facebook revealed plans for its own digital currency, Libra (later called Diem), with hopes of revolutionizing online payments. But regulators straight away took to opposing this move, fearing it could cause some upheavals in the regular financial system. This pressure forced Facebook to abandon the project.

•In 2020, the Office of the Comptroller of the Currency made a landmark move by permitting banks to hold and manage crypto for customers. This was a major stride toward integrating crypto into traditional banking, making it all the more convenient to store digital assets safely.

•In 2021, the government passed the Infrastructure Investment and Jobs Act, which introduced stricter tax reporting rules for cryptocurrency. This is trying to ensure that the people and business pay their fair share of taxes in respect of crypto transactions.

We're talking about how towards the end of 2023 and the start of 2025 to 2026, the hallmarks of antitrust against crypto came in to get received in the U.S. market--including the prosecutions against Binance Alliance--the country's most popular and heavily traded virtual market.

Check it out: as a result of these punishments, an unprecedented amount of money will most likely roll into crypto exchanges. From 2025 onwards, things will not remain the same. This includes the Financial Innovation & Technology for the 21st Century Act (FIT21). This cleared the confusion for many spine-throbbing age-old discussions of regulation over which government agency should oversee what forms of digital assets, the SEC or CFTC; it finalized that question. That will provide greater structure and certainty to the crypto space.

In 2025, the executive order signed by President Donald Trump ordered the suspension of creating a CBDC, managed by an agency of the U.S. government, and demanded a clear federal framework to regulate cryptocurrencies, building the implication that there is going to be a turn towards a defined and stabilized crypto policy for the nation. At the year 2025, the U.S. has kicked into high gear to smooth crypto regulations. An executive order against a state-controlled digital currency and installation of an evident federal framework in a span of six months should be poised to govern the crypto industry. A working group of allowances made up of industry leaders and federal officials is driving the executive order to have better benchmarks instead of the IRS crackdown on companies. Congress meanwhile ponders the FIT21 Act defining regulator roles; giving the SEC control over digital securities and the CFTC control over digital commodities. Simultaneously, state-growth Bitcoin reserves crop up in almost 20 states trying to mediate securities. Thus, in America, efforts are underway to invent an approach that would be balanced in encouraging innovation and protecting consumers.

CRYPTO REGULATIONS IN CHINA

An extreme opposite of the trajectory that the US regulators are taking, attempting to regulate and incorporate cryptocurrency into their financial environment, China has taken a far more hardline attitude. Rather than imposing regulations for the management of digital currencies, they proceed to control seriously and shut down all private crypto activities while actively pushing for their own government-backed digital yuan.

•December 2013, the People's Bank of China issued a notice declaring that Bitcoin is neither an official currency nor useful for executing transactions. However, the central bank allowed for personal negotiations, thereby intensifying its concern on the velocity of various digital currency risks.

•By the year 2016, however, authorities sharpened scrutiny over transactions in these currencies, citing systems of money laundering or hazards for the macroeconomic prospers.

•The escalating developments began in September 2017, when China outlawed the fundraising practice via Initial Coin Offerings (ICOs). As a result, exchanges like Huobi and OKEx shut down, leading several exchanges to relocate overseas. exchanges and shutting down peer-to-peer trading platforms, trying to lower unauthorized digital asset trades.

•In April 2019, the National Development and Reform Commission proposed classifying cryptocurrency mining as generally undesirable, and therefore worthy of being withdrawn, due to excessive energy consumption.

•By 2018 China further restricted its rules by eliminating overseas crypto containing licenses and came up with environmental guidelines. However, in spite of this increased regulatory pressure, China managed to remain the leading miner of bitcoin throughout 2020 at nearly 65% share of mining activities worldwide

This crackdown displaced many miners, sending them to Kazakhstan and the USA, as far as possible from China. As of September, China yet again took an even more extreme measure—the PBOC declared that all cryptocurrency transactions were illegal, which is to say, it did not even matter that some exchanges were offshore because any exchange of or transaction with anything considered "cryptocurrency" was now criminal.

Nothing did change China in the circumstances of digital currencies by 2025—so crypto trading and mining remain illegal. In spite of that, underground trading continues. Individuals are resorting to VPNs and other decentralized platforms to escape China's restrictions. Concurrently with that, the Chinese government continues pushing forward its digital yuan project, thus ensuring tighter control of transactions while negatively affecting the use of any private digital asset. No matter how severe regulations are, China is and will be quite an important player for blockchain technology that will be developed for the approved uses of the government rather than decentralization. to maintain control over digital financial transactions while discouraging the use of decentralized cryptocurrencies. China has taken one of the strictest approaches to cryptocurrency regulation in the globe. All this time, China passed from cautious supervision to a ban, driven by worries over financial stability, fraud, and energy consumption. The activities in crypto are still being banned; however, projects like the state-backed digital yuan initiative are shaping the future of digital finance and designate China as a leading player in the regulated blockchain space.

CONCLUSION

India is at a crucial point in setting its crypto laws. While China has taken the hard stance of completely prohibiting private cryptocurrencies and pushing for its own digital yuan, the US opted to regulate the industry, aiming to nurture innovation while ensuring consumer protection. A total ban on crypto in India would stall technological advancement and shutter investment and talent going elsewhere. At the same time, failure to give univocal workings could leave the investors hanging under fraud and financial risks. The middle path-one for the protection of investors, deterrence against misuse, and encouragement for innovation-is the panacea. Drawing lessons from China's authoritarian regulatory order and the US's progressive interim regulations, India can set into place a regulatory paradigm that would open up a way for responsible crypto adoption while protecting its financial systems.

LEGAL AND ETHICAL ISSUES IN CORPORATE WHISTLE BLOWING IN INDIA

Akaksha Maheshwari

In today's time where good corporate governance is promoted all over, we think about some of India's biggest corporate scams like the Harshad Mehta scam or the Satyam scandal, where top executives misled investors. A policy or mechanism should be established for reporting such misconduct, fraud, or corruption by internal or external stakeholders. Whistle blowing is an act of exposing unlawful practices within an organization. A whistle blowing policy should be implemented to ensure whistle blower's confidentiality and protect them from retaliation. The act of uncovering unethical, illegal, or immoral activity happening within a private or public organization is called corporate whistle blowing. In simple terms, whistle blowing means making a disclosure in the public interest to report any misconduct or unlawful practices happening within the organization. Corporate whistle blowing plays a vital role in promoting good corporate governance. Historically, during the time of Kautilya, a similar policy was followed, where a person was rewarded if they reported wrongdoing. Although the idea of whistle blowing has ancient roots, better protection is needed today for those who speak up.

The primary purpose of a whistle blowing policy is to establish a mechanism to receive complaints regarding corruption, misuse of power, or discretion, whether actual or suspected, and to provide safeguards against victimization. Whistle blowing can be of different types like

- internal while blowing
- external whistle blowing
- corporate whistle blowing
- open whistle blowing
- alumni whistle blowing
- Government whistle blowing.

Considering the legal point of view, the Indian government has introduced several laws to prevent misconduct and encourage ethical business practices. cases 1. Whistle Blower Protection Act, 2014: The government notified the Act to deal with non corporate and for hearing complaints against public servants. The Act promotes confidentiality, and whistle blower's identities are kept secret. It provides protection against the harm faced by whistle blowers and penalizes those who threaten them.

2. Companies Act, 2013: Section 177 of the Act provides that every listed company having public deposits. Companies with outstanding loans and borrowings in excess of ₹50 crore should have a vigil mechanism. The mechanism should provide adequate safeguards against the victimization of employees and allow direct access to the chairperson of the audit committee in exceptional cases.

3. Securities and Exchange Board of India (LODR) Regulations, 2014: Since fraud in listed companies affects investors at large, SEBI has introduced monetary benefits for whistle blowers who report fraud. As per Regulation 46, a listed company should disclose its vigil mechanism policy on its website. This is similar to "Chanakya's system," where those who reported fraud were rewarded.

Many other Acts provide protection and safeguards for whistle blowers. However, despite these safeguards, people are still afraid to blow the whistle due to the fear of retaliation, which may result in job loss, physical threats, or an ethical dilemma regarding their loyalty to the organization versus doing the right thing. The Whistle Blower Protection Act aims to provide protection, but it does not allow anonymous complaints. It also has a timeline of a maximum of seven years for filing a complaint and is applicable only to public servants. On the other hand, in the United States, the **Sarbanes-Oxley Act** provides for the establishment of confidentiality and the anonymous submission of complaints by employees. Complaints can be made to federal regulatory or law enforcement agencies as well.

"If you must sin, sin against God, not against the bureaucracy. God may forgive you, but the bureaucracy never will." — U.S. Admiral Hyman Rickover

One of the best examples of confidentiality issues in whistle blowing is the Satyendra Dubey case. In this case, Dubey discovered that Larsen & Toubro had taken a contract from the Indian government and passed it on to smaller contractors who were incapable of handling the projects. He wrote to senior officials in NHAI but received no response. He then directly wrote to the PMO, requesting confidentiality, but the PMO circulated his letter along with his identity details. A year later, he was murdered in Gaya, Bihar. Although legal protections exist under the Whistle Blower Protection Act, Companies Act, and other laws, ethical concerns such as retaliation, transparency, and loyalty remain major issues. Effective implementation of laws and a cultural shift towards ethical transparency are crucial for better protection of whistle blowers.

Many whistleblowers have faced severe consequences for exposing fraud, including job loss, harassment, battles, and even death, such as : M. Shanmugam Manjunath (1978-2005): An Indian Oil Corporation officer who was urdered for sealing petrol pumps selling adulterated fuel in Uttar Pradesh.

- **Lalit Mehta (1972-2008):** A Right to Information (RTI) activist investigating corruption in the NREGA scheme in Jharkhand, found murdered after exposing financial irregularities.
- **Saseendran Case:** A Kerala-based whistleblower forced to withdraw his complaint after exposing corruption in the state's transport department, facing severe harassment and threats. Other notable examples of whistle blowing cases include:
- The PNB Scam (2018): The Punjab National Bank (PNB) scam, which came to light in 2018, was one of the biggest financial frauds in India. It involved the fraudulent issuance of Letters of Undertaking (LoUs) to Nirav Modi and his uncle Mehul Choksi, both prominent jewelers, to obtain foreign loans. The whistleblower in this case, Hari Prasad, a former employee of PNB, brought the issue to public attention. It was revealed that these fraudulent activities had been ongoing for several years, with billions of rupees siphoned off from the bank. Prasad's actions played a critical role in uncovering the depth of the scam, which led to the arrest of several individuals, including the Modi and Choksi duo. The scam severely impacted the reputation of PNB and resulted in significant financial losses for the bank and its stakeholders. As a result, the case highlighted the need for better internal controls and stricter oversight in financial institutions to prevent such large-scale frauds.
- The Rotomac Scam (2017-2018): The Rotomac scam was exposed between 2017 and 2018, involving the Rotomac Global Pvt. Ltd. company, led by Vikash Kothari. Whistleblowers from Bank of Baroda, a public-sector bank, revealed that the company had defaulted on loans amounting to over Rs. 3,800 crore. The company had taken loans for its business operations but misused the funds, diverting them for personal purposes. These whistleblowers uncovered the irregularities in the loan disbursement process and highlighted how the company had failed to repay the debt. The revelations sparked an investigation by the Enforcement Directorate and the Central Bureau of Investigation (CBI).To promote and encourage ethical behaviour, whistle blowing should be made safe and rewarding: • Anonymous reporting should be encouraged so that fraud can be reported without revealing the identity of the whistle blower. • Providing monetary rewards to whistle blowers, similar to the practice during Kautilya's time. • The government should provide stronger legal protections, similar to the U.S. Whistle blower Protection Enhancement Act. Under this Act, disclosures would not lose protection due to: • The information being previously available. • The passage of time since the event occurred. • The disclosure being made to someone involved in the wrongdoing. Despite legal safeguards, there are ethical concerns that deter individuals from becoming whistle blowers. These concerns include potential career impacts, termination, harassment, and conflicts between organizational loyalty and ethical responsibility.

Currently, whistle blowers in India are protected under limited laws, and even these laws are not fully effective. Furthermore, the families of whistle blowers do not receive any legal protection, which should be addressed in future legislation. Whistle blowing is a double-edged sword, bringing both positive and negative consequences. Whistle blowers are not the enemies of organizations, they are the guardians of ethical business practices. We should foster a culture where whistle blowers are valued, protected, and rewarded, while also maintaining transparency and promoting good corporate governance. In the end, companies and governments must create an environment where honesty is valued and not punished. Organizations must protect those who dare to report fraud and not harass them for their honesty and integrity.

DEEP FAKE TECHNOLOGY – THE DARK SIDE OF AI

Akaksha Patil

Have you ever come across any such image or video content which seemed to have unnatural facial, environmental or behavioral features like blurriness, uneven blinking and body movements or lip movements that doesn't align with video audio? That's nothing but the ever rising deepfake technology! The word deepfake combines "deep learning" and "fake", highlighting its ability to create realistic-looking, synthetic content using artificial intelligence. Deepfakes are a type of digital content that uses artificial intelligence (AI) and machine learning techniques to change or create lifelike images, videos, or audio. Although the content is fake, it looks very real and can imitate the look and feel of real people. AI provides ever-more sophisticated means of convincing people of the veracity of false information that has the potential to lead to greater political tension, false information that appears to come from trusted sources.While deepfakes pose serious threats, they also have legitimate uses, such as video game audio and entertainment, and customer support and caller response applications, such as call forwarding and receptionist services. HOWDOESDEEPFAKESWORK? Deepfakes are not edited or photoshopped images or videos. In fact, they're created using specialized algorithms that blend existing and new footage together. Deepfakes uses two algorithms- a generator and a discriminator to create and refine fake content. The generator builds a training data set based on the desired output, creating the initial fake digital content, while the discriminator analyzes how realistic or fake the initial version of the content is. This process is repeated, enabling the generator to improve at creating realistic content and the discriminator to become more skilled at spotting flaws for the generator to correct. The combination of the generator and discriminator algorithms creates a generative adversarial network (GAN). A GAN uses deep learning to recognize patterns in real images and then uses those patterns to create the fakes.When creating a deepfake video, the GAN views the video from various angles and analyzes behavior, movement and speech patterns.

This information is then run through the discriminator multiple times to fine-tune the realism of the final image or video. Initially,understanding what is a deepfake was simpler as early deepfakes were relatively easy to spot due to their low quality and visible flaws. However, as AI algorithms have become more sophisticated and computing power has increased, deepfakes have become incredibly realistic and harder to detect. parodies of politicians or celebrities and can also be used to create digital clones of actors. They are used to create more realistic visual effects in movies and TV shows.

Education : It can be used to create more engaging and interactive educational videos.

Social media : It helps in meme creation and can also be used to mask a user's identity.

RISKS OF DEEP FAKE TECHNOLOGY

As every positive aspect also has its downsides, deepfake technology too comes along with several risks which inter alia includes: **Disinformation and Political Manipulation :** Deepfakes can be used to create fake news or influence public opinion.

Sexual harassment : The technology has been put to use to create pornographic content about people without their consent.

Financial Fraud : Instances have been recorded wherein voice-based deepfakes were used to impersonate corporate business leaders in committing financial frauds.

Identity Theft and Impersonation: Deepfake technology can create false identities or even impersonate the actual individual for many malicious purposes.

The risks stated above outweighs its benefits because of its grave nature and leaving behind its imprints on human mind.

ARE THERE ANY LEGAL REMEDIES AVAILABLE TO THE AGGRIEVED PARTY WHO HAS FALLEN PREY TO THE DEEP FAKE TECHNOLOGY?

As of date, India does not have a specific law directly addressing deepfake technology, but existing laws like the Information Technology Act, 2000 (IT Act) can be used to tackle issues related to deepfakes, particularly when they infringe on privacy or spread misinformation through defamation laws. The government has also issued advisories to promote responsible AI development and usage of deepfake technology. There have been a number of cases involving financial frauds through impersonification, creating explicit content using AI without consent.Yet there are only few instances which comes in broad daylight.The ratio of "known" deepfakes to "unknown" deepfakes is significantly skewed towards the unknown side, potentially being hundreds or even thousands to one. "Help me, Appa!" Those words echoed in the ears of a retired banker from Madurai as his son's voice pleaded through the phone. He recalls how the call earlier left him shaken. "It wasn't the ransom that scared me; it was the thought of what might be happening to him," he said, asking for anonymity. The ransom demand, just 5,000 rupees seemed oddly low, which made him stop and check on his son. That's when he found out his son was safe. Not everyone is fortunate enough.

In July 2022, Kerala witnessed its first reported deepfake fraud case. A 73-year-old man, Radhakrishnan, fell victim to a sophisticated deepfake scam that resulted in the loss of Rs. 40,000. Radhakrishna received a WhatsApp call from someone who appeared to be his former colleague, Venu Kumar. The caller, using deepfake technology, perfectly mimicked Venu Kumar's voice and appearance. The caller asked Radhakrishnan for a loan of ₹40,000, claiming that he was in urgent need of money. Believing that the caller was indeed his former colleague, Radhakrishnan transferred the money without hesitation. Based on the investigation it was revealed that the deepfake call was made by a fraudster using sophisticated AI software. The fraudster had obtained personal information about Radhakrishnan, including his friendship with Venu Kumar, through social media.

In the case of Anil Kapoor v. Simply Life India and Ors, Anil Kapoor filed a case against multiple defendants who had unlawfully been using his personality rights. The Delhi High Court ruled in his favour and granted an ex-parte injunction to protect his personality rights, including his name, image, voice, and persona. The court found that the defendants had misused these elements for commercial gain without his consent, including creating deepfakes, AI-generated content, and selling merchandise bearing his likeness. The court restrained the defendants from further unauthorized usage, ordered the blocking of infringing links, and directed the transfer of squatted domain names like www.anilkapoor.in to the plaintiff. Thus, it sets a strong precedent for protecting celebrities' rights against modern technological misuse.

Concerning the ongoing menace, senior journalist, Mr.Rajat Sharma has initiated a legal action against the unregulated proliferation of deepfake technology in India by filing a Public Interest Litigation [PIL] in the Hon'ble Delhi High Court. The PIL filed by Mr.Sharma highlighed the urgent need for regulatory measures to address the growing threat posed by deepfake technology.In the plea, he emphasized the detrimental impact of deepfakes on individuals and their fundamental rights guaranteed by the Constitution of India, including the right to freedom of expression, right to privacy and a right to a fair trail. The court took cognizance and said it is a "major problem" and "political parties are complaining about this as well". "India's data protection legislation, the Digital Personal Data Protection Act, 2023 does not protect publicly available data. According to section 3(c)(ii) of the act, it does not apply to personal data that users have intensionally made publicly available" the plea said. **"START WORKING AGAINST DEEP FAKES", Delhi HC tells Centre "**It is goingto be a serious menace in the society", says Bench "You also do some study. It is like what you are seeing and what you are hearing, you can't believe it. That is something which shocks. What I see through my own eyes and what I have heard through my own ears, I don't have to trust that, this is very very shocking," the court said. Considering the growing outbreak of deepfake technology, been used in an improper way to harass the humans, there is the need of the hour to have a specific, comprehensive law regulating the the dark side of deepfake technology. Today, we have widely accepted reacting coolly to this technology and sharing it forward just for the sake of entertainment without even giving a thought regarding anyone's privacy violation, data misappropriation and mental distress which comes along.Today, looking around at the AI generated videos and images being spread widely across the social media platforms there is a rising fear among everyone around before posting anything on these platforms, giving them pause! Apart from individuals deepfakes also poses significant threat to businesses by enabling malicious actors to create convincing fake videos or audio recordings that can be used to impersonate executives, spread false information about a company, damage reputation, facilitate fraud, and manipulate financial markets, potentially leading to significant financial losses and reputational harm. The use of this technology has become so ubiquitous that it's almost taken for granted.This technology is a double-edged sword. It offers significant advancements in entertainment, education while presenting serious risks by creating realistic digital content. On the other hand, it poses serious problems. Deepfakes can produce fake but convincing images or videos of people, leading to privacy violations, spreading false information, and even threatening democracy by undermining trust in the media. India's current legal framework is not fully equipped to address these challenges. There is a need for specific legislation to define and criminalize harmful deepfakes clearly. By identifying what malicious deepfakes are and making their creation and sharing illegal, the law can provide a solid foundation for tackling this issue. Additionally, it is important to protect victims by setting up quick ways to remove harmful content and provide legal help to those affected. Enhancing law enforcement capabilities is also crucial. Police and agencies need the tools and training to investigate and stop deepfake crimes effectively. Laws should allow deepfakes for legitimate purposes like satire, parody, or art. Encouraging watermarks or labels can help people recognize synthetic content without limiting creativity. Educating everyone about deepfakes can improve media literacy, helping people think critically about the content they see. Online platforms should have policies to find and remove harmful deepfakes while respecting users' rights. By thoughtfully addressing these issues, India can protect its citizens from the dangers of deepfakes while encouraging innovation and freedom of expression

BEYOND POLICIES : MAKING WORKPLACE EQUALITY WITH LEGAL REALITY

Akaksha Patil

INTRODUCTION

Corporate Compliances with Anti-Discrimimation laws refers to adherence by business organisations of rules and regulations to prevent discrimination at the workplace.It ensures that employees are treated equally without discrimination based on religion,race,caste gender. Anti-discrimination refers to the practice, policies, or stance aimed at preventing discrimination against individuals or groups based on characteristics such as race, gender, age, sexual orientation, disability, religion, or other personal attributes. The goal of anti discrimination efforts is to promote equality, fairness, and inclusion, ensuring that people are not treated unfairly or unjustly due to these traits. Anti-discrimination laws and policies are often put in place to protect individuals' rights and to create more equitable societies or workplaces. Workplace has taken as a broader view it means place visited by employees in the course of employment including work from home as well as the transportation. Just imagine two equally qualified candidates apply for the same job and one is hired while the other is rejected not because of skills, but because of gender, caste or religion isn't this unfair? Absolutely unfair but unfortunately workplace discrimination is still reality in many companies.Hence India is trying hard for implementation of anti discrimination laws in indianand several reforms are made by India to promote equality between citizens. India is world's most populated country having different diversity, cultures, customs and languages at the same time it lacks in comprehensive anti discrimination laws that can tackle all forms of discrimination. Compliance with anti discrimination laws in india is crucial for businesses in India Discrimimation in workplace not only affects employees wellbeing but also exposes companies to legal and reputational risk. Discrimination leads to degrade one’s dignity, decreases his/her confidence and affects his right and liberty to live to an extent. Article 21 Protects the right to life and personal liberty. Company complies with such different anti discriminatory laws in order to promote an healthy work environment that leads to efficiency in the work and orderly development of corporates as well as society. If company fails to comply with then it attracts strict liabilities.

Insight into concept of discrimination from historical perspective: Indians have undergone with several discriminatory practices since ages on the basis of race,religion,caste,sex,place of birth. Foreign invaders like Mughals, Portuguese, British, Dutch were one of the many reason for such discriminatory practices.As they looted India implemented policies like divide and rule and treat Indians like slaves held themselves superior. And our Indian society was also responsible for the same as they interpret the religious scriptures in a wrong way and continued such discriminatory practices. Here I am making relevance of bhagwad geeta that such old scriptures didn’t discriminate between people but that was us who discriminated. As per verse 4.13 of Bhagvad Gita "Chātur varṇyaṁ mayā sṛṣṭaṁ guṇa-karma-vibhāgaśaḥ It states that four varnas i.e brahman,kshatriya, vaishyas and shudras created by God on the basis of qualities and actions and not by birth. This verse clarifies that caste is determined by one's abilities and actions and not by birth. Acharya Valmiki is best example for this.Valmiki was belonging to the lower caste but became a greatest scholar. Hence interpreting it in a wrong way was us society.Both 4.13 verse of Bhagwad Gita and Article 14 of Constitution of India rejects discrimination. Gita speaks from moral and spiritual prospective while constitution speaks from enforces reality through legal provisions. Framework as per The Constitution of India relating to anti discrimination: Article 14: Guarantees equality before the law and equal protection of the laws to all individuals. Article 15: Prohibits discrimination on grounds of religion, race, caste, sex, or place of birth. Article 21: Protects the right to life and personal liberty, which includes the right to live with dignity, free from gender-based violence. Article 39(a): Directs the State to secure equal justice and free legal aid. Article 39(d): Directs the State to ensure equal pay for equal work. OLLOWING ARE THE FEW LAWS IN INDIA WHICH PROMOTE GENDER BASED EQUALITY: Equal Remuneration Act, 1976:

According to constitution of india Article 39(d): Directs the State to ensure equal pay for equal work. This law mandates that men and women be paid equal wages for equal work, aiming to reduce gender-based wage discrimination in the workplace. The Transgender Persons (Protection of Rights) Act, 2019: This law provides protections against discrimination for transgender people in education, employment, healthcare, and social security. It also recognizes the right of a transgender person to self-identify their gender. The Scheduled Castes and Scheduled Tribes (Prevention of Atrocities) Act, 1989 This law is primarily aimed at preventing atrocities against Dalits and Adivasis, which also includes gender-based violence and discrimination According to me, discrimination is more serious legal and ethical issue. India had made several anti-discrimination laws in order to promote equality between citizens. Further I would like to mention several judgements passed by supreme court in order to promote gender equality, safeguarding dignity of women and prohibiting discrimination.In order to promote healty workplace environment. Case 1 : Air India vs Nargesh Mirza (1981) 4 SCC 335 : which is landmark judgement by supreme court. Air India had made several rules for air hostesses that were unconstitutional. Rules of Air India ; 1) If women reached age of 35 or married within 4 years or in case of pregnancy then such air hostess shall be terminated from employment. Zahir nargesh Mirza challenge this rules and supreme court declare that such rules are unconstitutional and are against the dignity of women.This is the exceptional case based upon the gender equality and prohibition of discrimination on the basis of gender. Case 2 : Vishakha vs State of Rajasthan AIR 1997 SC 3011:The Guidelines on prevention of Sexual Harassment were first given in Vishakha Vs. State of Rajasthan popularly known as Bhawari Devi Case. In which women named Bhawari Devi was gang rape because of her efforts in trying to stop a child marriage. This case raised a serious concerned about the workplace safety of women wherein the supreme court stated that workplace sexual harrasment is a violation of many fundamental rights of women which includes Article 14,15,19,21 After this court put following responsibility upon employer for the prevention of Sexual Harassment at workplace. 1) Formation of Committee at workplace i.e Internal complaint committee 2) Such committee shall be headed by women officer along with a women from NGO working for the cause of women atleast half of the committee must comprise of women. Committee shall listen to the grievances and complaints of women employees and shall redress it.In July 2022, Kerala witnessed its first reported deepfake fraud case. A 73-year-old man, Radhakrishnan, fell victim to a sophisticated deepfake scam that resulted in the loss of Rs. 40,000. Radhakrishna received a WhatsApp call from someone who appeared to be his former colleague, Venu Kumar. The caller, using deepfake technology, perfectly mimicked Venu Kumar's voice and appearance. The caller asked Radhakrishnan for a loan of ₹40,000, claiming that he was in urgent need of money. Believing that the caller was indeed his former colleague, Radhakrishnan transferred the money without hesitation. Based on the investigation it was revealed that the deepfake call was made by a fraudster using sophisticated AI software. The fraudster had obtained personal information about Radhakrishnan, including his friendship with Venu Kumar, through social media.

In the case of Anil Kapoor v. Simply Life India and Ors, Anil Kapoor filed a case against multiple defendants who had unlawfully been using his personality rights. The Delhi High Court ruled in his favour and granted an ex-parte injunction to protect his personality rights, including his name, image, voice, and persona. The court found that the defendants had misused these elements for commercial gain without his consent, including creating deepfakes, AI-generated content, and selling merchandise bearing his likeness. The court restrained the defendants from further unauthorized usage, ordered the blocking of infringing links,

Case 3 :Further I am mentioning case relating to a company who needs to change its brand name due to reason of discrimination on the basis of race Article 15 applies only on state and private companies are not directly bound by article 15 but their influence,product branding 3 shall not promote discrimination. We can relate this with recent case of "fair and lovely" fairness cream who changed their name into "glow and lovely" by Hindustan Unilever the brand faced backlash for promoting colourism and the idea that fairness is linked to beauty and success. Hence promoting fairness as superior can lead to discrimination based on skin colour which indirectly violating the principle of equality i.e Article 14. Challenges in Enforcement and Implementation of Anti Discrimination Laws in India* Despite the presence of a robust legal framework aimed at preventing workplace discrimination, the enforcement and implementation of these laws in India face multiple challenges. These obstacles hinder the effectiveness of such regulations and continue to allow discriminatory practices to persist in professional environments 1. Lack of Awareness One of the primary challenges in enforcing anti-discrimination laws is the lack of awareness among both employees and employers. Many individuals are unaware of the legal provisions that protect them against discrimination at the workplace. Employers, particularly in small and medium enterprises (SMEs), often do not have adequate knowledge of their responsibilities under these laws. Employees, on the other hand, may not be fully aware of their rights, the process of filing complaints, or the recourse available to them in case of workplace discrimination. This gap in awareness results in widespread non-compliance, as violations may go unnoticed or unreported. 2. Cultural and Societal Norms India's diverse socio-cultural landscape significantly influences workplace dynamics. Deep rooted traditional beliefs and biases often manifest in professional settings, making it difficult to eradicate discriminatory practices. Gender biases, caste-based prejudices, and stereotypes related to certain communities continue to thrive in many workplaces, despite legal prohibitions. Cultural resistance to change further exacerbates the problem, as individuals may hesitate to challenge discriminatory behaviours due to social pressures, fear of retaliation, or a lack of confidence in the redressal mechanisms. 3. Inadequate Redressal Mechanisms Although laws such as the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 mandate the establishment of Internal Complaints Committees (ICCs) in organizations, the effectiveness of these redressal mechanisms remains questionable. Many organizations either fail to constitute such committees or staff them with biased members, leading to partial or unfair proceedings. Additionally, marginalized groups, such as transgender persons and individuals with disabilities, often find it even more challenging to seek justice due to the lack of inclusive policies within organizations. The fear of retaliation or career repercussions further discourages victims from reporting discrimination. 4. Slow Judicial Process The Indian judicial system is notorious for its slow processing of cases, and workplace discrimination complaints are no exception. Court proceedings often take years, if not decades, to reach a conclusion, thereby discouraging victims from seeking legal recourse. Many discrimination cases require extensive evidence, witness testimonies, and legal representation, all of which demand substantial time and financial resources. The prolonged legal battle not only affects the morale of the complainant but also discourages others from filing complaints, thereby allowing discriminatory practices to persist unchallenged. 5. Lack of hinders the effective enforcement of anti-discrimination laws. Women, transgender persons, individuals from lower castes, and persons with disabilities often face systemic barriers to career advancement, limiting their presence in leadership roles. This lack of representation results in policies and workplace cultures that do not adequately address the needs and concerns of marginalized employees. Additionally, the absence of diverse leadership perpetuates a cycle of inequality where discriminatory practices remain unchallenged due to a lack of advocacy from within the system.

Current scenarios in promoting gender equality and non discrimination. 1)Kochi metro's revolutionary move Kochi metro became the 1st Government organization in India to hire transgender individuals. 2)Lemon tree hotels has made a benchmark for inclusive employment in their full integration into workforce. Their success story demonstrates that compliance with anti-discrimimation laws not only meets legal requirements but 3)Following companies got penalised for non-compliance of anti discrimination 1A)Tata Consultancy Services (TCS) Issue: Gender discrimination in pay and promotion. Year: TCS has faced multiple allegations over the years. One significant case related to gender pay disparity was brought to light in 2019 when female employees raised concerns. Reference: "TCS Gender Discrimination Complaint" (2019). B) Bharat Heavy Electricals Limited (BHEL) Issue: Sexual harassment and failure to act on employee complaints. Year: The case gained prominence in 2019 when female employees raised concerns over harassment at the workplace. Reference: "BHEL Sexual Harassment Case" (2019).

Conclusion Ensuring compliance with anti-discrimination laws is essential for companies to foster a fair and inclusive work environment. By adhering to these laws, businesses not only avoid legal risks but also build a culture of respect and equality. Non-compliance can result in legal penalties, loss of reputation, and low employee morale. Therefore, companies must prioritize diversity, implement strong anti-discrimination policies, and actively promote equality to maintain a healthy and productive workplace.

THE ROLE OF RESERVE BANK OF INDIA IN REGULATING CORPORATE FINANCIAL PRACTICES

Bhumi Mehta

Flipping through the pages of the revered ancient epic, Mahabharata, one cannot help but correlate the dramatis personae of an erudite father of the saga, Bhishma Pitamah, the one entrusted with safeguarding the interest and well-being of Hastinapur (centre stage of abovementioned folklore), to the present-day temperament of the monetary authority, the Reserve Bank. Just as the tale of Bhishma Pitamah's birth is intertwined across different dimensions of time, so is the inception of the Apex Regulator. It was established on April 1, 1935, in the pre-independence setting, in accordance with the provisions of the Reserve Bank of India Act, 1934, based on the recommendations of the Royal Commission on Indian Currency and Finance (Hilton Young Commission) in 1926. The Central Office of the RBI, which was then located in Calcutta, was permanently moved to Mumbai in 1937. Today, it houses 33 locations, mostly in State capitals. During its inception, the RBI was privately owned with a paid-up capital of five crores. On strengthening its foundations, the RBI was handed over the function of issuing currency by the Government of India and the power of credit control by the then Imperial Bank of India. However, post-nationalisation in 1949, the RBI is now fully owned by the Government of India. The binary reasons behind the nationalization of the RBI were: first, to control inflation in India which existed since 1939, and second, to utilise it as a tool for economic change in India at a point of time when India was prepared to set out on its trajectory of economic growth and development. Eventually, the perception of Bhishma Pitamah changed from an aggressive prince to a cherished advisor, in a similar light the aura around Central Bank has shifted. Earlier, it was a common perception that the roles of RBI are confined to credit control by tweaking different policy rates depending on the macro-economic environment. However, bearing in mind that the global banking practices faced numerous jugglery and malpractices such as window dressing, over and undervaluation of mortgage and collateral, overpricing the default risk and under-pricing the credit risk by the commercial sector, the Regulator took on the confrontational avatar with Basel III, a recently developed area of the banking sector where major impetus was provided towards the liquidity risk.

The infamous Reserve Bank of India Act of 1934 stipulates the functions of the central bank quite succinctly. The object clause of empowering legislation sets forth the authority's role "To issue Bank notes and the keeping of reserves with a view to securing monetary stability in India and generally to operate the currency and credit system of the country to its advantage; to have a modern monetary policy framework to meet the challenge of an increasingly complex economy; maintaining price stability while keeping in mind the objective of growth; to operate the monetary policy framework in India." The Act is fractionated into five expansive chapters, Chapter III is where it gets interesting for the corporate sector. The alluded chapter amplifies the Central Banking function of the regulator, authorizing it to supply different forms of currency as stated in Section 39, and pronouncing the cash reserves of scheduled banks to be kept with the Bank as per Section 42 of the enactment. The role of RBI in regulating the corporate sphere are enshrined hereunder: Business Expansion: A foreign entity that considers setting foot into an emerging market like India, first conducts a thorough assessment of the business environment, evaluates available market opportunities, determines the acceptability of its products, and analyzes the social and economic influences within the target country. In India, a foreign company can enter the market through several methods:

1. Liaison Office 2. Branch Office
3. Project Office 4. Joint Venture

Liaison Office (LO) and Branch Office (BO) provide a window to foreign investors to have an initial understanding of the business prospects in India. The activities that can be undertaken by BO and LO are specified and they cannot undertake any other activity which is not specified. Project office (PO) is opened for the limited purpose of execution of the project and life of project office is limited to the tenure of project.

How does RBI accentuate the process of bringing foreign establishments to India's corporate world? Provisions under the Companies Act, 2013: Chapter XXII was introduced in Companies Act, 2013 with additional sections and requirements read with the Companies (Registration of Foreign Companies) Rules, 2014, which provide a panoramic gist on registration of the abovementioned offices. A foreign company (through LO/BO or PO) shall, within 30 days of the establishment of its place of business in India, file with the registrar Form FC-1 with such fee as provided in Companies (Registration Offices and Fees) Rules, 2014 and with the documents required to be delivered for registration by a foreign company in accordance with the provisions of sub-section (1) of section 380. Application for registration to be supported by approval from RBI: The above application shall be supported with an attested copy of approval from the Reserve Bank of India under Foreign Exchange Management Act or Regulations, and also from other regulators, if any, approval is required by such foreign company to establish a place of business in India or a declaration from the authorized representative of such foreign company that no such approval is required.

Facilitating Leverage: On 7th February, 2024, India Inc. welcomed the Super Regulator's move to slash the benchmark interest rate for the first time in nearly five years and asserted that it will complement the consumption-boosting measures announced in Budget 2025, providing much-needed support to the economy. Industry bodies were of the view that the Reserve Banks basis points cut to 6.25%, which comes after the last rate reduction in May 2020, sets the stage for further easing of interest rates over the near term. How does Repo Rate affect the corporates and their fiscal strategies? First things first, let's demystify the term "repo rate." Repo is short for repurchase agreement, and the repo rate is the interest rate at which commercial banks can borrow money from the central bank, often called the lender of last resort. In many countries, the central bank is responsible for controlling the money supply and ensuring the stability of the financial system.

The repo rate has a ripple effect on interest rates throughout the ecosystem. When the central bank raises the repo rate, commercial banks often raise their own interest rates for loans to consumers and businesses. This, in turn, makes borrowing more expensive for everyone, leading to reduced spending on things like homes, cars, and investments. Businesses often rely on loans to fund expansion and investments. RBI plunges the Cash Reserve Ratio, along with the Statutory Liquidity Ratio, in specified cases,when the spell of stagflation is persistent in the economy, ensuring the flow of liquidity, benefitting the corporate bodies. When the repo rate is high, borrowing becomes expensive, and companies may delay or scale down their investments. Conversely, a lower repo rate can encourage businesses to borrow and invest in growth, potentially boosting economic activity. Hence, with the slash in the Repo rate, the regulator envisions increased investment, higher consumer spending, and enhanced production encompassing accelerated overall economic growth. International Financing: The RBI has the primary responsibility of collection, compilation, and dissemination of data relating to foreign exchange reserves. Whether through equity or debt, Foreign Direct Investment, Overseas Direct Investment, or External Commercial Borrowing, the Apex body streamlines the approvals through an Empowered Committee consisting of internal and external members in case of overseas debt funding. Mergers and Acquisitions: It is quite unconventional to highlight the role of the RBI in the inorganic growth strategy realm since the first authority that comes to mind, as a Company Secretary Aspirant, when talking about the M&A landscape is the National Company Law Tribunal. Nevertheless, the RBI plays a monumental role in sanctioning it. Sub-section 5 of Section 230 of the Companies Act, 2013 states, A notice under sub-section (3) along with all the documents in such form as may be prescribed shall also be sent to the Central Government, the income-tax authorities, the Reserve Bank of India,...,and such other sectoral regulators or authorities which are likely to be affected by the compromise or arrangement and shall require that representations, if any, to be made by them shall be made within a period of thirty days from the date of receipt of such notice, failing which, it shall be presumed that they have no representations to make on the proposals. Sub-rule 1 of Rule 25A of the Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2016 states, A foreign company incorporated outside India may merge with an Indian company after obtaining prior approval of Reserve Bank of India and after complying with the provisions of sections 230 to 232 of the Act and these rules. The Financial Watchdog: “The most clued-in observer of the macroeconomy (within the government system), RBI will be best placed to identify and warn of signs of trouble. A grand bargain with RBI can, therefore, potentially solve the biggest existing conflicts of interest in the financial system while giving an appropriate structure to a new Super Regulator.” (Dhiraj Nayyar, Reform RBI - make it apex regulator, Financial Express, 4th March, 2010) Uniform and Universal dissemination of information: In the case of Reserve Bank of India v. Jayantilal Mistry (2021) AIRONLINE SC 229, the court of last resort emphasized that the RBI is obligated to disclose information requested under the RTI Act, 2005, thereby enhancing the public’s ability to scrutinize governmental actions and decisions affecting financial institutions. This reinforces the principle that citizens including corporate citizens have the right to access information crucial for understanding governance and accountability. This Supreme Court’s ruling represents a landmark decision that reinforces the values of transparency and accountability within the Indian banking topography. Payment and Settlement Mechanism: The Payment and Settlement Systems Act, 2007 is an Act to provide for the regulation and supervision of payment systems in India and to designate the Reserve Bank of India as the authority for that purpose and for matters connected therewith or incidental thereto. For corporations, payment and settlement are crucial as they directly impact cash flow management, financial stability, customer satisfaction, and operational efficiency by ensuring timely and secure transfer of funds, minimizing risk exposure to fluctuating exchange rates, and allowing for accurate financial forecasting, ultimately enabling better decision-making and business growth. The Act also provides the legal basis for “netting” and “settlement finality”, which is of great importance, as in India, other than the Real Time Gross Settlement (RTGS) system all other payment systems function on a net settlement basis. As India is the global front runner towards UPI first, cash later, RBI’s robust operations regulate and aid in leveraging Indian corporates to stay ahead of the curve. Conclusion: Bhishma Pitamah, bound by his vow, remained a guardian of Hastinapur’s throne, providing wisdom and guidance while maintaining a delicate balance between duty and righteousness. Similarly, the RBI acts as the guardian of India's financial system, ensuring economic stability, enforcing compliance, and supplementing the corporate panorama. Just as Bhishma did not directly rule but influenced policies and decisions for the greater good, the RBI does not engage in business operations but regulates financial institutions to maintain transparency, curb malpractices, and foster economic discipline. Despite challenges and external pressures, both Bhishma and the RBI adhere to their principles—Bhishma to his vow of celibacy and loyalty, and the RBI to its commitment to monetary policy and financial integrity. Fundamentally, the RBI embodies Bhishma’s unwavering dedication to duty, acting as a pillar of strength in India's corporate and financial landscape with prudential norms and enforcement actions, wherever necessary, amplifying corporate governance. Its regulatory oversight ensures that businesses operate ethically, much like Bhishma’s guidance aimed to uphold righteousness in governance, reinforcing trust and long-term economic sustainability.

CORPORATE FRAUD AND FINANCIAL SCANDALS : LEGAL MEASURES TO PREVENT AND ADDRESS THEM

Darshita Jogani

Introduction

In today's world, the emerging corporate sector has become a backbone of global economy. History shows how businesses have played a crucial role in transforming developing nations into economic powerhouses. However, they also come with some drawbacks, one of them being the growing corporate frauds and financial scandals from Enron Scam to Satyam Scandal and the recent PNB Scam. The Federal Bureau of Investigation defines corporate fraud as "illegal acts characterized by deceit, concealment or violation of trust, which are not dependent upon the application or threat of physical force or violence." Corporate fraud falls under three primary categories: Asset Misappropriation, Corruption and Financial Statement.

The Satyam Scam, often referred to as India's Enron, was exposed in 2009 shortly after the 2008 great recession, this scam was one in top stories wherein the founder of Satyam Computers announced that they have been overstating their revenues and presenting a very wrong picture of their company by inflating profits around one billion dollars. There was a very grave fraud committed by them on account of their financial performance. They were doing so only to keep the business in existence but resulted in the biggest corporate fraud of all time. This not only led to massive losses to investors but also shook foreign investors' confidence in the Indian business sector. As a result, many employees lost their jobs. The Satyam Scandal was an eye opener for Indian regulators highlighting the urgent need for greater transparency and ethical business practices, which led to introduction of more stringent penal measures for fraud and changes in corporate governance and accounting practices, including amendments to Companies Act, 2013 and enhanced SEBI regulations.

Legal Measures Introduced to Prevent Fraud 1. Under Companies Act, 2013 ` 1.1 Recommendations of J.J Irani Committee In response to global business scenarios, Government of India formed a committee under the chairmanship of Mr. J.J Irani, for simplifying the corporate laws while strengthening fraud prevention mechanism. Key aspects of committee's approach included enhancing corporate governance, segregation of substantive and procedural laws, implementing stringent legal provisions to prevent recurrence of 1990s stock market scams and vanishing companies' phenomenon, protection of small investors against corporate fraud and promoting self-regulation 1.2 Section for Fraud & Introduction of Fraud Investigation Authority The major corporate scandals of 2007-08 led the Parliamentary Standing Committee to recommend two legislative changes: a) A separate definition of fraud under sec 447 of Companies Act, 20133 b) Formation of Serious Fraud Investigation Office under sec 212 Companies Act, 20134 Sec 447 defines fraud as any act or omission, or concealment or abuse of authority committed with intent to deceive or to gain undue advantage or to injure the interest of the company or its stakeholders. This act provides for stringent punishment if the amount involved in fraud is 10lac rupees or 1% of turnover of the company whichever is lower i.e. imprisonment of minimum 6months which may extend up to 10yrs and fine cannot be less than the amount involved in fraud and may extend up to three times the amount of fraud. In case if public interest is involved then the imprisonment shall be not less than 3yrs. Sec 211 and 212 deals with the establishment and powers of Serious Fraud Investigation Office, a specialized multi-disciplinary organization to deal with cases of corporate fraud involving substantial public interest. In addition to investigation SFIO also took up prosecution of concerned corporate and officers-in-default SFIO shall conduct investigation upon receipt of report from registrar or in public interest or on request from Government departments. On completion of the investigation, SFIO shall submit a report thereon to the Central Government.5 All the offences covered under sec 447 are cognizable offences and no person accused under this provision shall not be released on bail or his bond unless Public Prosecutor release and the court is satisfied that there are no reasonable grounds to believe that he has committed the offence and he is not likely to commit any offence while on bail.

Offences under sec 447 of Companies Act, 2013 have also been recognized as scheduled offences under PMLA, 2002 In the case of Vikas Agarwal v. Serious Fraud Investigation Office, the petitioner was summoned for the charge of criminal conspiracy and Section 447 of the Companies Act 2013. It was alleged that the mining activity carried out by the firm was illegal. An unsecured loan was also advanced by it to a trust. The court allowed this petition for further trial and investigation. 1.3 Class Action Suit On the recommendation of J.J. Irani Committee the provisions of class action suit were introduced under the Companies Act, 2013 to give small shareholders the right to file a suit against the company and its directors, if they are of the opinion that the affairs of the company are conducted in a manner, prejudicial to the interest of the company and its shareholders or which is ultra vires the article or memorandum of the company or in violations of applicable law, rules and regulation. Then in such cases, such number of members, at least 5% of the total number of members or 100 members, whichever is lower, may file an application to tribunal seeking an order to restrain the company and its directors from committing such act.6 In case of fraud, the provision of a class action suit provides assurance to the minority shareholders of being protected against the wrong doings of the persons who are in control of the management of the fraudulent company.

1.4 Reporting Fraud Under Companies Act, 2013 sec 143 mandates statutory, secretarial and cost auditor who while conducting audit of the company, detects any fraud or has suspicion that fraud has been committed shall report the same to Central Government if the amount involving in fraud is more than INR 1crore. In case if the amount involved in fraud is less than INR 1crore, then the fraud shall be reported to the audit committee or board of directors. The motive of this provision is to create a sense of accountability in the auditors and ensure early detection of fraud to minimize the loss and damage that such fraud could cause.

2. Under SEBI Regulation 2.1 Scams and Reforms Harshad Metha, the mastermind of 1992 Scam was also called as the 'Big Bull' of the Dalal Street, who shook India' stock market to its core. He was known as Big Bull for his aggressive trading strategies and his capacity to earn high returns from low performing stock or flop companies' stock. What was seen as his intelligence about shares and investment, turned out to be a farce. Harshad Metha Scam was overly complex and involved layers of transactions that exploited loopholes in the banking system, he used the funds of banks to inflate the stock prices of certain shares through aggressive buying. By plunging money into certain stocks, he used to create hoax demand in the shares, driving up prices. And used those shares as collateral to borrow more money, creating a cycle. When this scam came out in 1992, the stock market saw a severe crash when the Sensex fell from 4500 points to 2500 points in months, wiping out huge amounts of investor wealth. The scale of the scam was massive. Estimates suggest that Mehta and his associates siphoned off around ₹4000 crore from the banking system (worth over ₹24,000 crore in today's money). The following stock market crash wiped out wealth worth ₹1 lakh crore. Also, investors lost faith in the securities market The impact of the scam was the establishment of the Securities Exchange Board of India, for regulating securities market and RBI also introduced new rules for banking sector and tightened inter-bank transaction norms.

2.2 Prohibition of Insider Trading Regulation One of the major causes of market manipulation was discovered to be trading in the securities of the company when in possession of such information, which, if it comes out, could impact on the price of shares. Thus, to regulate such transactions SEBI (Prohibition of Insider Trading) Regulation, 2015 was introduced, which clearly defined who are insiders and connected person and gave definition for UPSI. Also, mandated certain disclosure requirements and preparation of trading plan.8 2.3 Prohibition of Fraud and Unfair Trade Practices In 2003 SEBI introduced this regulation to prohibit the market participants from engaging in any act or practice, while dealing with listed securities, which would operate as fraud or deceit upon any other person. The objective of this regulation is to prohibit fraudulent, manipulative and unfair trade practices in the securities market. It primarily focuses on price rigging, artificially inflating the price of securities, false information and misstatements in financial statements.9 All such regulations aim to promote transparency in the management of affairs of the listed entities through additional and timely disclosures, conducting audit not only of the financial statement but also of non-financial aspects of the listed entities. The preliminary goal of Sebi is to protect the interests of investors and safeguard their rights, ensuring no public investor suffers due to the wrongdoing of any securities market fraudsters. Addressing Corporate Fraud Fraud poses a significant threat to businesses, government, financial institutions leading to financial losses, reputational damage and legal consequences. In a rapidly growing digital and globalized economy, organizations are constantly exposed to the risk which has compelled them to adopt initiative-taking measures to prevent, detect, and respond to fraudulent activities. According to the ACFE Report 2024, around 3.1 billion USD of loss is caused to economies worldwide due to corporate fraud and organizations worldwide also suffer a loss of around 5% of revenue each year due to fraud.10 To address the fraud risk, it is necessary to know the three primary categories of fraud i.e. 1) Asset Misappropriation: means misappropriation of cash, raising fake invoices, payment to non-existing suppliers, inventory theft and such other. 2) Corruption: Bribery, extortion, embezzlement, and unethical business practices. 3) Financial Statement Fraud: Misstatement in financial statements and reports. Fraud occurs when three conditions known as fraud triangles are present: a) Pressure means motive. b) Opportunity means ability to commit fraud. c) Rationalization means justification for the action. After understanding the concept of fraud, lets discuss some of the most common anti-fraud control measures adopted by southern Asian countries one of them being India according to ACFE Report 2024, are: External audit of financial statements Code of conduct Internal audit department Management certification of financial statements External audit of internal controls over financial reporting Independent audit committee Anti-fraud policy Fraud training for employees and managers/executives Dedicated fraud department, function, or team Surprise audits Job rotation/mandatory vacation Rewards for whistleblowers Now forensic audit has also been conducted by organizations working on large scale for early detection of fraud and for effective management of fraud.

Conclusion Fraud risk management is not just about compliance, it is a strategic necessity for safeguarding an organization’s financial health and reputation. The reason behind the surge in corporate fraud cases is due to the intense competition in the market creating an environment for unethical practices. These kinds of fraud impact the economy of the country, and it takes economies years to recover from such an impact. Thus, by fostering a culture of transparency, implementing robust controls and leveraging technology businesses can effectively mitigate fraud risk.

INVESTOR PROTECTION LAWS IN INDIA : CURRENT GAPS AND REFPRMS

Devam Upadhyay

Before we go ahead, I thought I should share an incident first, so let's start with that. A man bought a mobile phone worth rs.50,000, went to his home and showed it to his mom with so much excitement that he couldn't properly handover it to his mom and oops !!! yes you guessed it right, he accidentally dropped his phone to the floor. the phone screen cracked immediately because it did not have any protection glass, We all felt that damage even though it was just a phone, right? Now just think, that what if the markets and companies ask us to invest our investible surplus and gain some profit? we all are doing it already...but how many of us will take an immediate exit if we get to know that there is no protection for the investors(us)? the answer is "almost everyone"! Hence, We have investor protection laws of our own country. We, the investors, may it be an individual or an entity, are the ones who provide capital to the market and ventures by investing in them. Now many will think that why do we need any protection when we already have invested a certain amount and have received many rights in exchange, but do we really have the rights to control the ventures or companies we invest in? the answer is NO, when it comes to having any role to play in the day-to-day management of the business or it's control except under certain conditions recognized by law. So the management is not in our hands, hence, we have investor protection laws in our favour.

Current laws regarding investor's protection : There are mainly four regulations to regulate the investor's protection. They are- (1) The companies act, 2013 (2) The securities exchange board of India (SEBI) Act, 1992 (3) The Depositories act, 1996 (4) The consumer protection act, 2019 (1) The companies act,2013 : one of the main provisions for investor's protection under the companies act,2013 is the protection of minority shareholders' rights. The requirement of protecting minority shareholders' rights has been fulfilled due to the majority shareholders of the entity, who had the substantial amount of control in the decision-making under the companies act,1956. Apart from this, the act has provisions regarding disclosure requirements for the companies, to make the functions more transparent and investment decisions easy for the investors.

The companies act,2013 has investor education and protection fund (IEPF) authority too, which manages the unclaimed dividends or lost shares of the investors. Before this act, The regulations of the companies act, 1956 were unable to assure the interest and protection of investors. It was 2008, when "satyam scam" incident took place, which is said to be the biggest failure of the companies act, 1956. This incident increased the debates about reforming the corporate structure. (2) The securities exchange board of India (SEBI) act, 1992 : When it comes to supervising the securities market of India, the securities exchange board comes to the picture to protect the interest of the market investors. The board not only protects the interest of the investors but also regulates the functioning. The SEBI act has several regulations under it, which ultimately aims to regulate the market fairly and protect the investors. The SEBI (prohibition of fraudulent and unfair trade practices) regulations, 2003, ensures that there is no insider trading or mal-practices being done by any connected person or person having access to any unpublished price sensitive information of the securities. The SEBI (listing obligations and disclosure requirements) regulations, 2015, ensures that all the listed entities disclose the important informations to the investors. Just like satyam scam sparked the debates about need of changes in the companies act, The harshad mehta scam(1992) was the one which transformed and empowered SEBI to bring reforms that aimed to introduce greater accountability and transparency within the companies. (3) The depositories act, 1996 : this act contains the regulations regarding the dematerialisation of the securities. The dematerialisation ensures that the securities have been held electronically, which ultimately makes investment safer. (4) The consumer protection act, 2019 : As the name of the act suggested, it focuses on consumer lot, but there are regulations regarding the protection of the investors during fraud or unfair practices. But no matter how strict and wide these regulations are, there are few gaps in the investor protection laws. Current gaps in the investor protection laws : (1) Lack of education : a huge gap in the investor protection law is the lack of education and awareness regarding the investor's protection in people. The main purpose of providing education regarding this is to make the investors, specially retail investors aware about their rights. The SEBI board always tries to educate and aware the investors about investments. The recent example is that I read somewhere that the board had issued a warning about unregistered online platforms, which operate outside the regulatory framework of the board, offering unlisted debt securities. In recent times, the access to investment platforms is easy and due to which, there is a worrying trend called 'gamification of investment', which simply says that investment is a game,a statement which is far from reality. In this, the unregulated platforms provide rewards, badges, leaderboards and frequent notifications, which ultimately will encourage frequent investments and high-risk investments without disclosures.2 (2) Fraudulent investment schemes : Lack of education and fraudulent investment schemes go hand-to-hand. Where there is education and awareness about the investor's protection, the chances of fraudulent schemes getting success are low, and the scenario is totally different if there is a lack of awareness. A recent example of this, a 59 year old bank manager was out of 42 lacs by the cyber crooks in the name of investment through a Demat account. The victim was asked to open a Demat account through some website and deposit funds in it, by the promise of high returns and he was never able to redeem that fund after that. According to an FIR, the victim received a link on telegram promising good returns on stock investment and was added in a whatsapp group, where he was instructed to open the account on the website which misused the name of a Japanese bank. The victim then called the cybercrime helpline and filed a complaint (3) Insider Trading : Although a special separate regulation for insider trading has been made under the stock exchange board, The insider trading can be arguably one of the major gap in the investor's protection law. Recently in 2024, the country witnessed several cases of insider trading here and there. (4) Inadequate penalties : Another big gap in the investor's protection law is the inadequate penalties. If the penalties under the law do not make the offenders think twice before doing any sort of mal-practice, then those penalties are just a formality for them. The recent examples are the best in a case of insider trading, which involved two individuals out of which, one was a former employee of Deloitte India, settled the case with SEBI by paying Rs.74 lakh as the settlement fee.4 Another example of the same gap is that the CEO of Infosys, who was held accountable for failing to control insider trading during a contract, settled the case by paying 2.5 million rupees as a settlement fee.5 (5) Weak dispute resolution : The lengthy redressal procedures and lack of fast-track courts for financial disputes can be the major reasons behind the weak dispute resolution mechanism. The cases of fraud or misrepresentation may take years to resolve. High profile cases often drag on for years, causing damage to investors and market. So, we saw some major gaps, which are there under the law. But on the other hand, the lawmakers are working towards solving these gaps too. Recent reforms under the law : There are few noticeable reforms brought under the law, which ultimately aims to tighten the security of the investors and reduce the risk and gaps. (1) Measures to curb speculative trading : one of the best and major reforms currently brought under the law is aiming to protect the investors and enhance market stability by measuring the speculative trading(F&O). This includes the upfront collection of margin. (2) Balance between investment and autonomy : Recently India and UAE have signed a treaty for digital infrastructure projects and investments in it. The agreement prohibits denial of justice or abuse and also reduces the local remedies exhaustion requirement from five years to three, before initiating arbitration.6 (3) Reform in dispute resolution : this reform has been brought in the favour of domestic investors as well as for foreign investors too. India has recently reformed it's alternative dispute resolution regime which has amplified the positive effects. The willingness of the courts and companies have made foreign companies now wanting to invest more. (4) Enhanced investors' education programs : the programs regarding investors' education have been enhanced by the investors education and protection authority (IEPF). I would like to conclude by saying that although there may be gaps in the law, currently the investor protection laws of India are stronger and better than it used to be, but it can be strengthened by the co-operation of the investors, as Nelson Mandela has said, "Safety and security don't just happen, they are the result of collective consensus."

LEGAL CHALLENGES IN ENFORCEABILITY OF SHAREHOLDER'S AGREEMENT

Gayatri Lad

When it comes to running a business, shareholders' agreements (SHAs) are like the rule book everyone agrees to follow. But, enforcing these rules isn't always smooth sailing. Here's a more laid-back look at some of the hurdles that can pop up:) The Basics of SHAs First, let's agree on what SHAs are. Essentially, these agreements spell out the rights and responsibilities of shareholders within a company. Think of them as the ultimate guide to who does what, who gets what, and how everyone should behave. However, endorsing such agreements comes with its own set of legal challenges that can impact a business's governance and operation. Understanding these challenges is crucial for both existing and prospective shareholders, as well as for legal practitioners who advise on corporate matters. Let's dive into some of the common legal challenges that come up when endorsing these agreements.

1. Validity Issues Imagine you and your friends decide to start a club, but your rule book isn't clear on some important details. Similarly, if an SHA misses key elements like clear terms, proper acceptance, or doesn't have any consideration (legal speak for something of value exchanged), it can be considered invalid. No one wants their agreement falling apart due to a technicality.

2. Which Court to Call? Disputes are bound to happen. When they do, figuring out which court should handle the case can be a headache, especially if shareholders are spread across different regions or countries. The SHA might specify a forum, but not everyone will be happy with the choice, leading to more complications.

3. Law vs. Agreement Sometimes, what's written in the SHA might clash with the law of the land. Statutory provisions, like certain parts of the Companies Act, can override the agreement. It's like making house rules that contradict the country's laws—guess which one wins?

4. Dispute Resolution Drama SHAs often include ways to resolve conflicts, like arbitration or mediation. But if these processes aren't clearly spelled out or seem biased, enforcing the agreement can be a nightmare. It's like having a referee who can't make up their mind or seems to Favor one team. 5. Ambiguities and Interpretations If an SHA has vague or unclear terms, shareholders might interpret them differently, leading to disputes.It's like playing a game without clear ruleschaos ensues, and no one knows what's right or wrong.

6. Protecting the Little Guys Minority shareholders often look to SHAs for protection against the majority's whims. But enforcing these protections can be tough, especially if the big guys decide to throw their weight around. It's the classic "David vs. Goliath" scenario in the corporate world.

7. Changes in Shareholding The entry of new shareholders or transfer of shares can shake things up. The SHA needs to stay relevant despite these changes, or it might become obsolete. It's like updating club rules every time a new member joins. Hence due to these challenges, enforceability behaves like that one friend who always bails on plans. You think you can count on it, but it often depends on whether everyone involved is on the same page. If your agreement is as vague as your buddy's excuses for not showing up, good luck trying to enforce it! Courts love clarity, so if your shareholder's agreement reads like a bad breakup text, don't be surprised if it gets tossed out like last week's leftovers. Then there's the issue of fairness. If one shareholder gets a way better deal than the others, you might as well be handing out free pizza to some while charging others double. Courts might take a look at that and say, "Nah, we're not enforcing this mess." So, remember, a well-crafted shareholders agreement isn't just about the legalese; it's about keeping everyone happy and ensuring that no one feels like they got the short end of the stick. Let's talk about what happens when things go south. If shareholders start to disagree, enforcing the agreement can be a real challenge. Legal battles can drag on forever and cost a ton of money, which is why many people prefer to go for arbitration or mediation. But even those options can have their issues, like getting awards enforced. A recent case that illustrates this is K. K. Verma v. Union of India, where the court had to step in to enforce arbitration awards related to shareholder disputes. It's a bit of a minefield, and it can make potential investors think twice about jumping in. The first noteworthy case where the court didn't follow the law laid down in VB Rangaraj was Premier Hockey Development Private Limited v. Indian Hockey Federation. In this case, the court opinedthat, as the SHA was not in contravention to the Companies Act, 1956 and did not violate the AoA, these clauses would be binding on the partiesdespite their non-inclusion in the AoA. The radical development in the erstwhile regime of the Companies Act, 1956 was finally refurbished by the proviso to Section 58(2) of the CA, 2013 which recognizes that "any contract or arrangement between two or more persons in respect to transfer of securities shall be enforceable as a contract". Therefore, this proviso clarifies that the SHA is a legally recognized document under CA, 2013. The immediate supposition of this deduction is that the SHA can very well be executed with respect to matters on which Article of Association is silent. However, this position, which upholds the provisions of the SHA in the event the Article of Association is silent in the matter, is applicable only to public companies, not private companies. This flexible position was recognized by the Supreme Court in Vodafone International Holdings BV v. Union of India. The court stated that the SHA is a private document that binds parties thereof, but not the other remaining shareholders or the company, giving greater flexibility to make provisions for the resolution of any dispute among the shareholders and also the modus operandi of future capital contributions. The future position of Vodafone judgment, therefore, depends on whether a larger bench of the Supreme Court overrules the position adopted by V.B. Rangaraj's judgment. For the time being, it can be deduced from the aforesaid discussion that for public companies, the clauses of SHA shall be treated as valid and enforceable as per Section 58(2), so long as the clauses are in compliance with the laws and are not contrary to the AoA. However, for the private companies, Section 58(2) is not applicable. Further, in the event, the company is not a party to the agreement, the same shall not be enforceable against the company and the clauses of the AoA shall prevail. In the event, that the company is a party to the SHA, and the clauses in the SHA are not conflicting with the AOA, then SHA will prevail. Additionally, the SHAs shall not be contrary to the provisions of CA, 2013, otherwise, they will rendered void as per Section 6 of the CA, 2013. Section 6(b) of the CA, 2013 reads: "any provision contained in the memorandum, articles, agreement or resolution shall,

to the extent to which it is repugnant to the provisions of this Act, become or be void, as the case may be." But ultimately, it should be kept in mind that, AoA is a charter document and is considered as a bible of the company and shall prevail over any agreement. Therefore, it is advisable in the wake of Delhi High Court's judgement in World Phone India and HTA Ltd. and Ors.,

that in order to enforce SHAs, an endeavor should be made to simultaneously incorporate all the changes in the AoA of company which are made in SHA. Here is a clear and composite case giving clarity on the issues that arise and how they are addressed in the court of law: Ramesh Chandra v. Rajesh Chandra (2013) Background: In this case, approved by the other shareholders. Legal Issue: The main issue was whether the SHA's restrictions on share transfer were enforceable, even though they were not included in the Articles of Association (AoA) of the company. Court's Decision: The Delhi High Court ruled that the restrictions on share transferability outlined in the SHA were enforceable, as long as they did not contravene any statutory provisions or the AoA. The court emphasized that while the SHA is a private agreement, it must align with the company's constitutional documents to be enforceable. Significance: This case highlighted the importance of ensuring that the provisions of an SHA are consistent with the AoA and statutory requirements. It also underscored the enforceability of private agreements among shareholders, provided they do not conflict with public documents or laws. CONCLUSION In a nutshell, while shareholder agreements are crucial for smooth sailing in a business, they come with their fair share of legal bumps. The key is to draft these agreements carefully, ensure they follow the law, and be prepared for any disputes that might arise. From validity concerns to jurisdictional disputes, and from statutory overrides to protecting minority shareholders, the legal landscape is riddled with obstacles. Navigating these challenges requires more than just a good understanding of the law. It calls for precise drafting, clear terms, and a fair approach to dispute resolution.

PONZI SCHEME AND CORPORATE FRAUD : REGULATORY CHALLENGES IN INDIA

Ishi Gupta

Multi million dollar frauds involving Rs 7800 crores in Satyam Scam, Rs 14000 crores in Neerav Modi and Mehul Choksi (PNB Scam) , Rs 9000 crores in Vijay Mallya(Kingfisher Airlines) fraud case, Rs 31000 crores in DHFL Case, Rs 3000 crores in Amrapali group fraud case, Rs 2460 crores in Saradha chit fund Scam and others are the prominent fraud which leaves the investors shattered and pool them into economic depression. Corporate fraud - a cause of concern towards economic growth at each level from an individual level to the corporate and to the country`s growth even leads to recession the affected investors and challenges the regulatory framework of India. Ponzi scheme or we should say Ponzi scam is one of the cause of frauds its not a new scheme but a malpractice since the ancient time before it named as Ponzi scheme after bosten conman Mr Charles ponji`s investment collapsed in 1920. Many prominent cases were seen not even by developing countries but also by developed countries which includes Bernie Madoff investment scandal (2008), Spitzdersche Private Bank case Germany (1872), San Diego case Califfornia (1980) Saradha Group case, india (2013) and many more. **Charles Ponzi Scam** Attracting new investors by giving higher return with less or no risk and repay the former investors by accepting money from new investors without having no or minimal profit from legitimate business is the scheme administered and managed by the famous businessman both nationally and internationally Charles Ponji. The scam grabbed the limelight in 1920 as huge amount was involved in it and even his name was given to the scheme. Charles Ponzi was an Italian businessman having legitimate business of arbitrage of international reply coupons for postage stamps. He launched the scheme of 50% return with lessor risk which was an unregistered investment still both small and large investors run to invest and later once got trapped in the scheme when new investors were not there to be a part of this and scheme got collapse.

SARADHA CHIT FUND SCAM A fraud of US$ 280 million affected 1.7 million depositors due to collapse of Ponzi scheme is a corporate fraud as well as a political fraud as Saradha group, a consortium of 200 companies, was administered by the prominent personalities Mr. Kunal Ghosh (member of parliament and TMC leader) the director of the Group , Satabdi roy (TMC leader) Sirinjoy Bose (TMC leader) Rajat Majumda (DGP of West Bengal), Madan Mitra (Transport minister of west Bengal), Sumandu Adikari and others. The Saradha group was spread over Tripura West Bengal, Odisha, Assam and Jharkhand. The Public interest litigation was appealed to The Supreme Court of India followed by The PIL filed to Guwahati High Court by RTI activist Akhil Ghosh and various PIL filed by advocates in Calcutta High Court including Adv. Ravi Shankar Chattopadhyay, Adv.Bikas Ranjan for seeking CBI Investigation for which Calcutta High Court Bench, Chief Justice Arun kumar Mishra and Justice Joymaly Bagchi, state that the scam includes other states also so the central agency would do justice (2013) In 2009 SEBI suspects non-compliance and warns when M/S Saradha Realty India Ltd introduced a collective investment scheme to more than 50 members in fraudulent manner and not complied with The Companies Act 1956(amended to The Companies Act, 2013) and applicable SEBI Regulations which requires to issue a formal prospectus and compulsary listing of securities on a recognized stock exchange and permission from SEBI . Saradha Group ignored the SEBI warnings completely In late 2012, RBI governer Duvvari Subbarao said West Bengal should initiate suo moto actions against the companies as the governing body of chit fund matters is the State Government. In 2013 The Ponzi Scheme collapsed as cash inflow was lesser than cash out flow and SEBI ordered the company to wind up the CIS and refund the collected money to the investors within three months of the date of order and restrain the access to capital market and security market. In 2018, NCLT ordered to wind up of 13 defunct companies of Saradha Group.

Bitcoin Ponzi Case Variable Tech Pte Ltd swindeled 6600 crores from investors by promising high returns is a case of Ponzi scam. The company promised to pay 10% per month return for which they failed to sustain. A known personality Raj Kundra the husband of Shilpa Shetty, was one among the owners of the company. PNB SCAM A Scam of rupees 11000 crores through issue of false bank guarantee in favour of Nirav Modi who was involved in business of diamonds alongwith his uncle Mehul Choksi. He used to import diamonds from the foreign countries. Punjab national bank manager issued LOU (letter of undertaking) without any collateral securities for taking credit from the Indian banks situated outside India, for the purpose of importing diamonds on credit. The process of providing LOU without any coolateral continued until 2018 when the officer of the bank changed. When the new officer get to know that Nirav Modi taking collateral free loan since past 6 years a thorough verification was done but no evidence were there that LOU were provided to Nirav Modi company and the fraud was detected. Case was filed in 2018 by Punjab National Bank against Nirav Modi, Mehul Chowksey and others. CBI investigated the matter and arrested the involved officials. Nirav Modi who fleed to US was detained from there with the help of their officials. Enforcement directorate registered a case of money laundering against Nirav Modi and others and moved to special court for extradition proceeding. Reforms – Fungitive Economic Offenders Bill was passed in 2018 covering wide range of economic offenders including benami assets of absconding loan defaulters RBI scrapped Letter of Understanding and Letter of Comfort in 2018 INDIAN REGULATORY FRAMEWORK India has pretty stricter regulatory framework to control Corporate fraud. The companies Act, 2013 The amended act works on mal- intention also as fraud is defined under section 447 as 'fraud in relation to affairs of a company or any body corporate of any act or abuse of position committed by any person or any other person with the connivance in any manner, with intent to deceive, to gain undue advantage from or to injure the interests of, the company or its shareholders or its creditors or any other person, whether or not there is any wrongful gain or wrongful loss. Section 448,449,451 452, introduction of SFIO (Serious fraud investigation office), Board independence ,stricter version of independent director and related party transactions, focus on corporate governance, audit and empowering ROC, NCLT, NCLAT And RD. Updated and strict version of SEBI Regulations. Introduction of Whistle Blower Act Stricter RBI Regulations Anti-Money Laundering Act Prevention Of Corruption Act REGULATORY CHALLENGES IN INDIA India has learnt the lesson from its mistakes. Laws were amended after the scam was uncovered and harmed the public at large. PREVENTION IS BTTTER THAN CURE approach is required to stop frauds in INDIA. corporates take undue advantages with them. So no place sould be there which can lead to financial fraud 2-Adapting to change Proper policies are not there to adapt and work upon for the fast changing era. Proper laws must be there before it`s too late as its not much appreciated if done before a multi-million dollar fraud already taken place 3-lack of interconnection among regulators In many of the cases it was seen that a particular Regulatory agency has suspected the non compliance and unwelcoming activities earlier but unable to take required action itself or by other authorities because there was no inter connection among other Regulatory Authorities 4-digital era The era of AI has attracted the present generation, Corporates even Regulatory Bodies, are leveraging with for its operations as a whole. As every opportunity comes with some restrictions one of them is not to have faith blindly over the technology, 5- Implication of law due to improper guidance The corporates are facing issues to comply with many rules and regulations like ESG Reporting Sustainability Reporting, Risk mitigation strategies, compliance with Financial Action Task Force (FATF) guidelines, compliance with Counter Terrorist Financing and Anti Money Laundering Auditors are at high risk as they can`t check each and every entry to check the possibilities of fraud until everything looks good prima facie Regulators need to be proactive and act quickly and decisively in case of any suspicion over the acts of corporates stricter action leads to minimize the wrong and paralyze the wrongdoer. Only the independent authorities who have expertise and are responsible for the matters should work upon reviewing above all case it is fairly clear that wherever the law and its implications measures are not fulfilling ill intended people have taken proper undue gain. While having a wide regulatory framework, Saradha Scam would not affect widely if SEBI suspicion could have taken seriously by other authorities and required action could be taken immediately. Currently India is in high risk of AI and other related technologies. Threat here is about data privacy, data protection wrong use of data e-currency related frauds etc so it needs to make highly effective and efficient laws and guiding rules to bar the tech related scams.

COMPLIANCE 2.0 – TECH AND CHECK

Jigar M Godhania

'Transformation is the need of the hour'. As we evolve with time, technology continues to reshape our world. Commencement of technology has brought impactful changes in our lives. But have you ever given a thought on how digitalization would impact our economy as a whole? In my terms, "Digitalization is the technique of shifting from manual processes to tech-based processes". Back in 2015, the government of India launched "The Digital India Program" with the vision of breaking through the barriers and stepping into an era where technology and business seamlessly collide. Digitalization first began infiltrating our lives through modes like online payment, infrastructure advancements and tech based changes in the corporate world. In today's world, technology and digitalization plays a very impactful role in corporate compliance by using automated tools and software in their routine work. Before we look into how digitalization plays in role in company compliance, lets understand what exactly id company compliance. Compliance is complete when the company abide by the rules and regulations applicable on it. Compliance is necessary for the corporates to avoid facing legal liabilities or consequences. Companies in this digital world have started adopting new technological infrastructure for its transformation from manual to computer -based labor for its everyday activities. According to an article in "The Economic Times", India's digital workplace transformation maturity—score of 64.6%-- is ahead of developed nations and the global average of 62.3%, showed the findings of the 'Workplace Digital Transformation Survey 2025' study by Zoho Workplace, the company's enterprise email and collaboration suite. Around 5,000 employees were reviewed globally to examine factors affecting their daily lives and the rate of digital adoption in their organization.1 Digitalization is updating every day. There are technologies which are in place for improving the efficiency of the corporates in managing the regulatory compliances. The various tools I am going to discuss about are: • ARTIFICIAL INTELLIGENCE • REGULATORY TECHNOLOGY • BLOCKCHAIN

ARTIFICAL INTELLIGENCE Artificial intelligence is a product of science which uses various technologies, algorithms and data for completing given task on its own. It is way faster and more accurate than a human being, it can learn on its own and act exactly like humans. recently when I was listening to Sandeep Maheshwari's interview, he claimed that artificial intelligence (AI) was so efficient and powerful that it could function just like humans, for a matter of fact even better than humans. For instance, we can see that it can function like a fashion designer with much more efficiency and perfection than a human or even design an entire mansion without human assistance, and all this in a few minutes. He emphasized that artificial intelligence (AI) could single handedly perform work with much more efficiency than the work being performed by well -skilled human beings. Artificial intelligence has spread its root to each sector in today's fast pacing world. From solving the silliest problems of school students to giving accurate information on various topics which are of importance to people across the globe, we see that AI has no bounds. It has deepened it roots into all the sectors like customer services, quality control, data analysis, energy, retail, social media and many to list out. Corporate giants in various sectors like healthcare, manufacturing, finance have adopted artificial intelligence in their routine work to accomplish the operations of the organization more effective and efficient. But the question that arises here is, how is AI used in corporate sectors? and how can it be used more efficiently and effectively? The beginning of AI can be witnessed in early 20s when corporates started adopting AI tools and techniques to ease their work. There are approximately 1536 laws that govern business activities in India, the number says it all. When the corporates have to comply with the applicable laws, they might lose a grip over 2 or 3 compliances and that might lead to huge penalties which can bring a damage to the goodwill (reputation) of the firm. AI can identify, analyze, monitor and address the key issues. This helps a company to follow all rules, regulations and laws for efficiently. Let's now have a deeper look into the same. Here, I have listed out some of the key applications: • AUTOMATED REPORTING AND DOCUMENTATION- AI tools can assist companies in generating, managing and storing compliance reports while ensuring that the required documentations are up to date and compliant with the regulation standards. • RISK MANAGEMENT- AI is capable of analyzing vast amounts of data which enables it to identify potential risks or noncompliance such as identifying unusual transactions or detecting fraud. • DATA PRIVACY AND SECURITY- with AI, companies can improve their abilities to safeguard sensitive data and ensure that it complies with data privacy regulations such as GDPR [General Data Protection Regulation] or CCPA [Central consumer protection authority] by automating data audits, identifying vulnerabilities and implementing necessary policies. Just like a coin has two sides, using AI in companies has its own merits and demerits. There are various challenges associated with AI in compliance. A few of them are listed here: • DATA QUAITY – AI models rely on high quality data to generate accurate result hence; data cleansing and preparations are crucial. • REGULATORY UNCERTAINITY- the legal framework surrounding AI usage is still evolving, this requires the companies to stay updated on regulations and best practices. firm. AI can identify, analyze, monitor and address the key issues. This helps a company to follow all rules, regulations and laws for efficiently. Let's now have a deeper look into the same. Here, I have listed out some of the key applications: • AUTOMATED REPORTING AND DOCUMENTATION- AI tools can assist companies in generating, managing and storing compliance reports while ensuring that the required documentations are up to date and compliant with the regulation standards. • RISK MANAGEMENT- AI is capable of analyzing vast amounts of data which enables it to identify potential risks or noncompliance such as identifying unusual transactions or detecting fraud. • DATA PRIVACY AND SECURITY- with AI, companies can improve their abilities to safeguard sensitive data and ensure that it complies with data privacy regulations such as GDPR [General Data Protection Regulation] or CCPA [Central consumer protection authority] by automating data audits, identifying vulnerabilities and implementing necessary policies. Just like a coin has two sides, using AI in companies has its own merits and demerits. There are various challenges associated with AI in compliance. A few of them are listed here: • DATA QUAITY – AI models rely on high quality data to

generate accurate result hence; data cleansing and preparations are crucial. • REGULATORY UNCERTAINITY- the legal framework surrounding AI usage is still evolving, this requires the companies to stay updated on regulations and best practices.

REGULATORY TECHNOLOGY Compliance complexity is one of the biggest challenge an organization faces. There are various regulatory compliances,

to focus of every such aspect is a tedious task. To tackle this problem, it is necessary for organizations to bring automated and self-driven technology or platform like regulatory technology [REGTECH] which with understand the compliances and give an early sign for the updates coming and also gives ways to the organization to battle with it. The question that lingers in our brains is what is REGTECH? REGTECH is the use of information technology [IT] to enhance regulatory and compliance processes. It is most usefully applied to heavily regulated industries and activities such as financial services, gaming, healthcare, pharmaceuticals, energy and aviation. The growth of digital platforms has increased the threats of money laundering, data breaches, cyber security threats and non-compliance. Regtech with be a solution to tackle most of these problems, if placed correctly in an organization. RegTech is a data driven technology which uses tons of data to manage the automated compliances, this means that once the data is processed there is no manual work to be done, RegTech can automatically do the job. Money laundering is increasing with passing day with the improvement in technology, cyber- crimes are at peak. To tackle these situations, digitalization is important to move in the same parlance as the money launder or cyber- criminal. The United Nations office on drugs and crime estimates that the annual amount of money laundered globally in 2024 were between $2.22 trillion and $5.54 trillion. This is equivalent to 2 to 5% of the global GDP (gross domestic product)2 Organizations which are using RegTech in their routine work will help them perform their operations more efficiently and accurately in terms of complying with their regulations and also help companies save cost on manual labor. Even though many people might lose their jobs, but with proper training and advance them with the technology, this might change the point of view of every organiza tion and help them move towards a growing economy. Many of us might be stuck up on a thought of how regtech helps a company perform better than a company that has not adopted regtech. We will now dive into one comparative study which will help you understand this difference in a better and easier way. One company that has used RegTech [regulatory technology] is HSBC. They have leveraged RegTech solutions to enhance their compliance and regulatory processes,at the same time WELLS FARGO, a major bank has been slower to adopt regtech in certain areas. Both banks are large institutions with strict regulatory obligations, but their approaches to compliance and regulatory technology differ. 1. HSBC has implemented RegTech to automate key compliance functions, such as Anti-Money Laundering (AML) and Know Your Customer (KYC) using which it has improved efficiency, reduced manual labor, and helped in better detection of suspicious activities in real-time, enabling them to respond quickly to compliance issues, while the regtech solutions adopted by WELLS FARGO are more conservative and slower in integrating new regulatory technologies into their operations. It may rely more on traditional methods like manual audits and human intervention for compliance management, which leads to slower response times and higher operational costs. 2. With RegTech tools, HSBC can identify and respond to compliance risks faster. Automated systems that use advanced algorithms can identify risk in no time, giving HSBC a stronger capacity to manage regulatory issues. Wells Fargo's on the other hand is more traditional, manual compliance processes results in slower identification and response times to regulatory risks. This slower pace can leave the bank vulnerable to non-compliance issues and identifying regulatory violations. Hence, we can conclude that regtech allows a company to stay ahead to time and enables growth and development.

BLOCKCHAIN

Now let's us look into a current hot topic, any guesses? Yes, many of you might have guessed it right. It's Blockchain technology. Every morning as we scroll through our phones or read 6 newspapers, we get the news of cryptocurrency. Our next topic is closely related to it. The topic is BLOCKCHAIN, a technology that enables the existence of cryptocurrency. In a layman's term we can simply say that it's a system of storing and transferring data or information in a decentralized way. We can call it a record book where inputs are given by participants and not by a single authority. This information stored is grouped which are called blocks and each block is linked with the previous one called Hash function. Blockchain is transparent, immutable and secured. Blockchain is slowly introduced in various lines of business such as compliance, audit etc. It is an integrated form of technology. Once the transaction is entered into Blockchain it cannot be altered by a single user, if any alterations to be done it should be done by approval of all the participants Taking about company compliance, Blockchain technology is increasingly being used by companies to ensure compliance with various regulatory requirements. Its transparency, immutability, and security features help businesses maintain accurate and auditable records, making it easier to comply with regulations like anti-money laundering (AML), tax reporting, and data privacy laws (e.g. GDPR). Blockchain also streamlines supply chain management, ensures environmental and sustainability compliance, protects intellectual property, and improves financial reporting. Additionally, it enhances healthcare compliance by securely managing patient data and facilitates cross-border compliance by providing a standardized, transparent method for data exchange. Therefore, blockchain simplifies and automates compliance processes, reducing risks and costs.

In conclusion, I believe that technology can be of great use to companies aiming to grow and develop. But at the same time, the company needs to ensure to update itself according to changes in technology. Using technological tools and techniques can help companies reach great heights but it also requires the employees to develop new skills and gain knowledge related to the same. I believe, in the coming years technological tools will completely takeover work that requires high level intellectual and thinking. This has its own merits and demerits. The jobs of lakhs of people are in danger. Hence, these tools must be used in a manner that it does not posses a threat on employee’s jobs and lives.

EMPLOYEE RIGHT VS EMPLOYER RIGHT : STRIKING THE BALANCE

Khushi Goel

What makes a workplace work for both employees and employers? Imagine a workplace where employees feel valued and motivated, and employers see their business succeed. Employees want fair pay, job security, and respect, while employers prioritize productivity, efficiency, and growth. But when one side weighs heavier, misunderstandings and challenges are bound to happen. Striking the right balance is not always easy, but when it happens, it creates an environment where everyone can work better and grow together. Zig Ziglar stated in his quote: "When management and labor (employer and employee) both understand they are all on the same side, then each will prosper more. "Before diving deeper, it is important to define what we mean by 'employer' and 'employee' and explore key judgments by the Supreme Court of India. Employers are business owners or managers who hire people to perform tasks for their organization. Employees, on the other hand, are individuals hired under agreed terms to contribute their skills and time in exchange for pay and benefits. A landmark judgment that shaped this relationship was the Supreme Court's ruling in Hussain bhai vs. Alath Factory Tezhilali Union (AIR 1978). The court emphasized that when workers manufacture goods or provide services directly contributing to the business operations of an individual, that individual takes on the role of an employer. To determine this employer employee relationship, the court highlighted two key factors: whether the employer exercises economic control over the workers and whether a sustained bond of employment exists. This ruling serves as a crucial reminder of the responsibilities employers have toward their workers and the importance of acknowledging their role in business success. On the other hand, In Royal Western India Turf Club Ltd. vs. E.S.I. Corporation & Ors.: The Court emphasized that the definition of "employee" under the Employees' State Insurance Act, 1948, is expansive, covering individuals employed for wages in any work connected with the establishment, whether directly or indirectly. Now, Let Us move forward to our next question: What are the statutory and fundamental rights conferred upon employees under the Industrial
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Disputes Act? The Industrial Disputes Act, 1947, bestows various statutory and fundamental rights upon employees, aimed at protecting their interests and upholding equitable labor practices. These entitlements encompass1. Right to fair wages This right ensures that employees receive reasonable pay for the work they do. Employers are required to compensate workers fairly, considering factors like the nature of the job, industry standards, and legal minimum wage requirements set by the government. It also includes timely payment and extra compensation for overtime when applicable. By ensuring fair wages, this right promotes a sense of dignity, motivation, and financial stability among employees. In light of the aforementioned provisions, the case law supporting this principle is Randhir Singh v. Union of India, wherein the Supreme Court of India held that the right to fair wages is not explicitly enshrined in the Constitution and, therefore, does not hold the status of a fundamental right. However, Article 39(d) of the Constitution, which mandates equal pay for equal work for both men and women, is recognized as a Directive Principle of State Policy, guiding legislative and executive actions in the pursuit of social justice. 2. Right to collective bargaining Employees have the right to form unions and negotiate better wages and working conditions. Instead of raising concerns individually, workers can present their demands as a united group, which gives them a stronger voice. The process encourages dialogue and cooperation, helping both sides reach agreements that promote a healthy and productive work environment. In Karol Leather Karam Chari Sangathan v. Liberty Footwear Company (1989), the Supreme Court of India underscored the significance of voluntary arbitration as a crucial mechanism for resolving industrial disputes. The Court observed that the Industrial Disputes Act, 1947, is designed to promote social justice through collective bargaining, with voluntary arbitration

serving as an integral part of this legal framework. Furthermore, the Court held that once an arbitration award is published, it attains a binding nature, and any non-compliance with its provisions constitutes a breach of the agreed terms, thereby undermining the dispute resolution process. 3. Right to Strike The right to strike allows employees to exercise their voice and seek resolutions to work related issues by ceasingtheir labor temporarily. This fundamental labor right plays a critical role in fostering a balance of interests between employees and employers. It enables workers to express their concerns and strive for improvements in their working conditions, compensation, and overall employment terms, thereby promoting a more harmonious labor relationship. While the right to strike may not be classified as a fundamental right in and of itself, it is considered a statutory right, subject to reasonable restrictions. This was demonstrated in the Supreme Court case of All India Bank Employees' Association v. National Industrial Tribunal the Supreme Court of India ruled that the right to form associations, guaranteed by Article 19(1)(c) of the Indian Constitution, does not implicitly include the right to strike or engage in collective bargaining. The Court held that the right to strike is not a fundamental right under the Constitution, but rather a statutory right regulated by specific laws, such as the Industrial Disputes Act, 1947." In the discourse surrounding employment and work environments, much emphasis is placed on the rights of employees, which is only fair and just. However, it is equally essential to understand and acknowledge the rights provided exclusively to employers under various employment laws, such as the Industrial Disputes Act and other labor-related legislation. In this piece, we will delve into the specific rights granted to employers and analyses their significance in shaping the dynamics of the workplace. A question that often arises is - while employees receive various protections and entitlements under labor laws, what about the rights of the employers? Let us delve into the rights conferred upon employers under labor laws. 1. Right to hire and manage employees "Employers possess the right to hire and manage employees within the confines of applicable labor laws and regulations. This includes the authority to set job requirements, interview and select applicants, determine work schedules and workloads, and implement disciplinary measures when necessary. This right is subject to legal restrictions, such as non discrimination and protection of workers' rights, to ensure fairness and maintain a safe and equitable workplace The aforementioned statement is reinforced by the landmark judgment in M/S. Divgi Metal Wares Ltd. v. M/S. Divgi Metal Wares Employees Association, wherein the Supreme Court of India upheld the employer's authority to transfer employees, provided such actions adhere to the terms of appointment and certified standing orders. The Court determined that the employment contracts explicitly sanctioned transfers and, citing the precedent set in Cipla Ltd. v. Jayakumar R. (1999), reaffirmed that managerial decisions regarding transfers should not be subject to judicial interference unless tainted with mala fide intent. The ruling underscored that employee transfers constitute a legitimate exercise of managerial discretion, and as long as they comply with statutory and contractual obligations, they remain legally valid. 2. Right to Terminate Employment An employer has the right to terminate an employee's employment for various reasons, including job performance issues, misconduct, or changes in the company's operational requirements. This can occur through formal processes such as layoffs, where jobs are eliminated due to financial constraints or organizational restructuring, or retrenchment, which may , the Bombay High Court examined the distinction between 'discharge' and 'dismissal' in employment law. The Court clarified that if an employee's termination is based on should be classified The High Court upheld the Labor Appellate Tribunal's decision, stressing the significance of accurately identifying the nature of termination, as it affects the surrounding employer rights vs employee rights, it is essential to strike a balance in order to create a harmonious workplace. Both parties have rights and responsibilities that must be acknowledged and respected, and finding a balance between them is crucial for the success and wellbeing of both the organization and its employees. Employers have the right to manage their business and make decisions that will benefit the company, while employees have the right to fair compensation, safe working conditions, and job security. Balancing these rights requires compromise and cooperation from both parties, as well as clear communication and fair policies.

THE ENFORCEMENT OF NON COMPETE CLAUSES IN INDIAN CONTRACT

Muskan Mourya

In today's wide and dynamic job market, employees are more mobile than ever. This increasing mobility has put non-compete clauses which raises question on their fairness and effectiveness. Are this is necessary tool for protecting business interests or this hold back the innovation and hinder career progression of employees? This article digs into the evolving landscape of non-compete clauses in India, examining recent legal developments, judgment and exploring ongoing debate on it. NON-COMPETE CLAUSE is inserted in an employment contract to protect employee's legitimate business interest. It prevents employee, who leaves a company from working for another company involved in same activity for a particular period. On the contrary, Section 27 of Indian Contract Act, 1872 states that every agreement by which any one is restrained from exercising a lawful profession, trade or business of any kind, is to that extent void. As there are certain exceptions of Section 27 where non-compete clauses may be considered as valid: Sale of Business Partnership Agreement Confidentiality Going in to the history of the non-compete clauses, it was first heard during the Medieval Apprenticeship where Master craftsmen makes an agreement with their apprentice that they will not compete with the master after completing their apprenticeship. Afterwards the earliest ever recorded case involving non-compete was Dyer's Case in England (1414) where court refused to enforce restriction, reflecting the early common law's aversion to restraints on trade. Later in landmark English case of Mitchel v. Reynolds (1711), the modern framework for analyzing non-compete clauses has been established. It introduced the concept of "reasonableness" which states that partial restriction on trade or limits on scope and duration. Whereas in India it was firstly highly criticize on putting a negative clause in the employment contract as the enforceability of non-compete clause is limited. India approaches the concept more restrictive compare to other countries like U.S.A.Whereas in India some pre-employment restrictions or valid but post-employment restriction is consider as invalid or inconsistence with the section 27 of contract act. But after some of below landmark judgments, it became bit clear to the corporate society.

To provide clarity on the enforceability of non-compete clauses some of the landmark judgment are as follows: Niranjan Shankar Golikari v. Century Spinning and Manufacturing Co. Ltd(1967) In this cases, Supreme Court upheld that enforcement of reasonable restriction during the employment is valid and employers can protect their legitimate business information and investments without infringing employee's right to work. This decision has set as a precedent in Indian Legal System, guiding future cases regarding the validity restrictive clauses within employment contract. Gujarat Bottling Co. Ltd. v. Coca Cola Co.(1995) The Supreme Court of India upheld the validity of restrictive covenant in this case. It states that such a restriction, during the maintenance of the contract, was not in restraint of trade and was therefore not barred by Section 27 of the Indian Contract Act. Percept D'Mark(India) Pvt. Ltd. v. Zaheer Khan & Anr (2006) In this Bombay High Court held that a non-compete clause that prevent a cricketer from endorsing any competing brands of the company for three years after the expiry of the contract is valid and enforceable, as it was reasonable and necessary to protect the company's interest. Apart from all above discussion it is still a question that "Is it legal to enforce a non compete clauses pre and post-employment" Or "Is enforcement of non-compete clauses hinder the rights of employees to do trade or business" This non-compete clauses is still debatable after the precedent landmark judgment as its put a negative term in the employment contract which also known as "Restrive Convenant". As some of the cases shows the positive aspect of having non-compete clauses where some of them shows how it restricts one person from doing trade or business. Many corporates follow different terms for non-compete clauses according to their nature of businesses, size of business, shareholding, etc. Many Companies impose non-compete clauses according to the Geographical areas, Timeframe

, Reasonableness, and Scope of restriction Infosys is an Indian multinational Technology Company which offers IT Services, business consulting, and outsourcing. It was founded in 1981 and is headquartered in Bengaluru. In respect of non-compete clause, Infosys has its own policies which is to be followed by its employees after the termination their employment. Infosys Non-compete agreement prevents former workers from working for a competitor for at least six months after leaving Infosys.

Wipro Limited is an Indian multinational technology company that provides IT services, consulting, and business process services. It is known for its use of emerging AIs, robotics, and cloud computing. It's headquarter is in Bengaluru. Wipro's Non-compete clause generally prevents senior executives who leave the company from joining any of a listed set of rival firms for a period of 12 months after their last day at wipro. The rival firms include TCS, Cognizant, IBM, etc.

Reddy's Laboratories is a pharmaceutical company that manufactures and sells medicines in India. The company is based in Hyderabad. As like other companies, Dr. Reddy's Laboratories also includes Non-compete clause in its agreement. In case, Dr. Reddy's Laboratories v. Deepak P. Gupta (2010), it was states that the company need to pay proportional and adequate compensation to its senior R&D scientist for enforcing such clauses on them.

Nestle is the world's largest food and beverage company. The company's mission is to improve quality of life and contribute to a healthier future. Some of nestle's brand includes Nescafe, KitKat, 4Gerber, etc. Nestle's non-compete prohibits an employee from working for a direct competitor of nestle or starting business that directly compete with nestle, for specific period of time. Essentially for preventing them from utilizing confidential information of the company

However, we came to known that Non-compete clause differs from company to company for 5protecting its confidential information and utilization of such information by its ex-employees or any third party which impacts the financial as well as non-financial aspect of the company. According to today's scenario in the corporate society, every company must protect their confidential information and Non-compete clauses is best way to protect it from malafide use. Non-compete clause also helps in maintaining the trade secrets and business plans which somewhere makes impact on company's goodwill. Employer can provide training to employees regarding maintaining the confidentiality and protecting the business's information. Apart from all the measures taken by employer to educate his employees regarding protection of information. The company should also focus on the draft of the Non-compete clause in the agreement which provides a clear picture of their responsibilities relating to the company's information. However, company can compensate to the senior executives or employees for following the non-compete clause given by the company. As its somewhere restricts their rights to trade and do business and it effects their livelihood as well. Both employer and employee should seek legal counsel while drafting or reviewing the non-compete clause for better clarity between them.Companies can also consider the alternatives of Non-compete clauses in the agreement like NDA, Garden leave, Non solicitation agreement, etc. Non-Disclosure Agreement is a legal contract that prevents the disclosure of sensitive 6information. It's also known as Confidentiality Agreement. Non-Disclosure Agreement is also made by employer and employee for creating confidential relationship between them throughout and after the employment. Employee is legally bounded not to disclose company's trade secrets, customer lists or strategies with any other third party during the employment or even after the termination of his employment. Failing in comply with the Non-disclosure agreement then the same shall attract the civil charges against the either of the party of the agreement. There is an another alternative of Non-compete clause that is "Garden Leave" which simply means the employee who leaving the company is instructed not to work but continues to receive pay. Many companies follows this alternative for protecting the sensitive information. They use to pay to their employees in future even after the termination of employment for certain period of time. In case of Dr. Reddy's Laboratories vs. Deepak P. Gupta, it was stated that the senior executive should be paid further as he was following the instruction of not working in any other competing company. Another alternative of the Non-compete clause is Non-Solicitation Agreement. It is a legal binding contract that prevent the former employee from soliciting a .

business's client customers after leaving the company/business. Companies in India can follow the alternatives way of the Non-compete clause as it considered a negative clause and is against section 27 of contract act. As India has not yet adopt the Non compete clause as a legal one which however attracts civil offences. Using alternative also creates clarity between the parties about maintaining the confidentiality of informationNON-COMPETE CLAUSE IN CASE OF M&A Non-compete clause is also primarily use during merger and amalgamation of the companies. It helps in protecting the interest of buyers. Usually it prevents the seller from starting and competing in business of same nature that of target company (buyer). However it varies from company to company as per their jurisdiction. In case of Affle Holdings Pte Limited vs. Saurabh Singh and others, the Delhi High Court had passed an interim order in which it states that non-compete clause in a share purchase agreement restrict promoters from engaging in the business that is similar in nature that of the target company for a period 36 months is valid and the same further upheld and confirmed by the court in its judgment. Later in case of Arvind singh and others vs. Lal Pathlabs private Limited and others in which the court held that such clause was enforceable and passed an injunction order from restraining the appellate from practicing as radiologist or pathologists in Indian for a period of 5 year. The decision of the court has been reversed subsequently on the subject matter that the activity of profession is not akin to that of the business of Lal Pathlabs Private Limited and which doesn't fall under the section 27 of the Indian Contract Act. Later on in year 2017, Competition Commission of India has issued a guideline on non compete clause for the parties to combination to grant clarity about the drafting of non-compete clauses in such transaction. The CCI also suggested a maximum period of 3 years as a duration for non-compete restriction in the case of transaction involved the transfer of goodwill and 7know-how and period of 2 year in case of transferring only goodwill. Longer duration could be justified under the limited circumstances. The concept of non-compete clauses in case of M&A as evolved and the approached of CCI for the same has been changed gradually. The legality of non-compete clause has been upheld if such restriction is necessary to implement the proposed combination if it qualified the ancillary restraint and complies with the guideline of CCI. In the Power and Energy International (Mauritius) Ltd. case the CCI states that restriction imposed shall be void when its went beyond what is necessary for the implementation of the proposed combination. Concluding this article here by suggesting my view on the concept of Non-compete clause is that as though many landmark judgment has been made and still it is a debatable topic and generally unenforceable in most of the jurisdiction due its potential to restrict the right of individual to work. Either a company draft a non-compete clause in a contract with clarity or use alternative of Non-compete clause which is equally reliable as non-compete clauses. Being in a separate contract for maintaining the confidentiality is much better than having an ambiguous contract. Non-compete plays a vital role in contracts and agreement either it be employment contract or in case of M&A of the entity. It always being a complex legal issue which varies case to case but A well-drafted non-compete clauses will make the contract more easy and clear.

WHISTLEBLOWER PROTECTION IN INDIA : IS THE LEGAL FRAMEWORK STRONG ENOUGH

Nimit Shah

For starters, Whistleblowers are the unsung heroes of our times, risking their careers, reputation, and even personal safety to expose the truth about corruption, fraud, and other forms of wrongdoing. In India, where corruption and maladministration are endemic, whistleblowers play a crucial role in promoting transparency, accountability, and good governance. However, despite their critical contributions, whistleblowers in India often face severe retaliation, harassment, and even physical harm. This raises a critical question: does India's legal framework provide adequate protection to whistleblowers, or are they left to fend for themselves in a hostile environment? In India, the Whistle Blowers Protection Act, 2014, is the primary legislation governing whistleblower protection. This article examines the legal framework for whistleblower protection in India, its strengths and weaknesses, and recommends measures to strengthen it. I would like to give a brief background on whistleblower protection: Whistleblower protection has its roots in ancient Greece and Rome, where laws protected individuals who reported wrongdoing. In modern times, the concept gained momentum in the 1960s and 1970s in the United States, with the passage of laws such as the False Claims Act (1863) and the Whistleblower Protection Act (1989). Globally, whistleblower protection laws and regulations have evolved significantly over the past two decades. The United Nations Convention against Corruption (2003) and the G20 Anti Corruption Action Plan (2010) have encouraged countries to establish robust whistleblower protection frameworks. For starters, Whistleblowers are the unsung heroes of our times, risking their careers, reputation, and even personal safety to expose the truth about corruption, fraud, and other forms of wrongdoing. In India, where corruption and maladministration are endemic, whistleblowers play a crucial role in promoting transparency, accountability, and good governance. However, despite their critical contributions, whistleblowers in India often face severe retaliation, harassment, and even physical harm. This raises a critical question: does India's legal framework provide adequate protection to whistleblowers, or are they left to fend for themselves in a hostile environment? In India, the Whistle Blowers Protection Act, 2014, is the primary legislation governing whistleblower protection. This article examines the legal framework for whistleblower protection in India, its strengths and weaknesses, and recommends measures to strengthen it. I would like to give a brief background on whistleblower protection: Whistleblower protection has its roots in ancient Greece and Rome, where laws protected individuals who reported wrongdoing. In modern times, the concept gained momentum in the 1960s and 1970s in the United States, with the passage of laws such as the False Claims Act (1863) and the Whistleblower Protection Act (1989). Globally, whistleblower protection laws and regulations have evolved significantly over the past two decades. The United Nations Convention against Corruption (2003) and the G20 Anti Corruption Action Plan (2010) have encouraged countries to establish robust whistleblower protection frameworks. Whistleblowers play a vital role in exposing corruption, fraud, and other forms of wrongdoing in various sectors, including government, corporate, and non-profit organisations. By disclosing information about unethical or illegal activities, whistleblowers help to promote transparency, accountability, and good governance. However, whistleblowers often face severe retaliation, including job loss, harassment, and even physical harm. To protect these brave individuals, many countries have enacted whistleblower protection laws. In India, the legal framework for whistleblower protection has evolved over the years, but the question remains: is it strong enough? In this article, we will examine the current state of whistleblower protection in India, including the existing laws, policies, and weaknesses of the framework, highlighting the challenges faced by whistleblowers and the areas that require improvement. As we navigate the complexities of corruption, fraud, and maladministration in India, one question echoes through the corridors of power: Are our whistleblowers adequately protected? The answer, unfortunately, is a resounding "no". Despite the enactment of the Whistle Blowers Protection Act in 2014, India's whistleblower protection framework remains woefully inadequate. The law, while well-intentioned, is riddled with loopholes and ambiguities that leave whistleblowers vulnerable to retaliation and harassment. One of the primary concerns is the limited scope of the Act, which only applies to government organisations. This leaves whistleblowers in the private sector, where corruption and malfeasance are equally prevalent, without adequate protection. The Companies Act, 2013, requires companies to establish a vigil mechanism, but this provision is often honoured in the breach.1 Furthermore, the Act's definition of "disclosure" is overly narrow, requiring whistleblowers to provide specific, detailed information about wrongdoing. This can be a daunting task, especially for those without access to critical information or resources. The Act also fails to provide adequate protection against retaliation, leaving whistleblowers exposed to reprisals from powerful vested interests. The culture of secrecy and impunity that pervades India's bureaucracy and corporate world only exacerbates the problem. Whistleblowers are often viewed as troublemakers or traitors, rather than heroes who risk everything to expose the truth. This mindset must change if we are to create a culture of transparency and accountability. So, what can be done to strengthen India's whistleblower protection framework? First, the Whistle Blowers Protection Act must be amended to expand its scope to cover the private sector and provide more robust protection against retaliation. Second, companies must be mandated to establish effective vigil mechanisms, with clear procedures for reporting and investigating wrongdoing. Third, a culture of transparency and accountability must be fostered, with whistleblowers celebrated as heroes rather than vilified as troublemakers Ultimately, protecting whistleblowers is not just a moral imperative; it is essential for promoting good governance, transparency, and accountability. As a nation, we must recognise the critical role that whistleblowers play in exposing wrongdoing and fighting corruption. Only then can we create a legal framework that truly protects these brave individuals and promotes a culture of integrity and transparency. Pointers for India's whistleblower protection framework: Constitutional and Statutory Provisions 1. Article 19(1)(a) of the Constitution: Guarantees freedom of speech and expression, which includes the right to disclose information about wrongdoing.

2. The Whistle Blowers Protection Act, 2014: Provides protection to whistleblowers who disclose information about corruption, misuse of power, or other wrongdoing in government organisations. Sector-Specific Laws 1. The Companies Act, 2013: Requires companies to establish a vigil mechanism (whistleblower policy) to report unethical behaviour. 2. The Securities and Exchange Board of India (SEBI) Regulations: Mandate listed companies to establish a whistleblower mechanism to report fraudulent activities. 3. The Reserve Bank of India (RBI) Guidelines: Require banks and financial institutions to establish a whistleblower policy to report irregularities. Anti-Corruption Laws 1. The Lokpal and Lokayukta’s Act, 2013: Establishes an anti-corruption ombudsman (Lokpal) to investigate complaints of corruption. 2. The Prevention of Corruption Act, 1988: Prohibits corruption and provides penalties for corrupt practices. Other Policies and Guidelines 1. The Central Vigilance Commission (CVC) Guidelines: Provide guidance on whistleblower protection and vigilance administration. 2. The Ministry of Corporate Affairs' Guidelines: Offer guidance on implementing the Companies Act's whistleblower provisions. India's whistleblower protection framework consists of several laws and policies, including: 1. The Whistle Blowers Protection Act, 2014: This Act provides protection to whistleblowers who disclose information about corruption, misuse of power, or other wrongdoing in government organisations. 2. The Right to Information Act, 2005: This Act enables citizens to access information from government organisations, which can help whistleblowers expose wrongdoing. 3. The Companies Act, 2013: This Act requires companies to establish a vigil mechanism (whistleblower policy) to report unethical behaviour. 4. The Lokpal and Lokayukta’s Act, 2013: This Act establishes an anti-corruption ombudsman (Lokpal) to investigate complaints of corruption. Despite these laws, India's whistleblower protection framework has several weaknesses: 1. Limited scope: The Whistle Blowers Protection Act only applies to government organisations, leaving whistleblowers in the private sector vulnerable. 2. Lack of implementation: Many organisations, including government departments and companies, have failed to establish effective whistleblower policies and mechanisms. 3. Insufficient protection: Whistleblowers often face retaliation, and the laws do not provide

adequate protection or remedies. 4. Culture of secrecy: India's bureaucratic culture often priorities secrecy over transparency, making it difficult for whistleblowers to come forward. Challenges Faced by Whistleblowers Whistleblowers in India face numerous challenges, including: 1. Retaliation: Whistleblowers often face severe retaliation, including job loss, harassment, and even physical harm. 2. Lack of anonymity: Whistleblowers may not be able to remain anonymous, which can put them at risk of retaliation. 3. Limited access to information: Whistleblowers may not have access to the information they need to expose wrongdoing. 4. Corruption: Whistleblowers may face corruption and bribery, which can make it difficult to expose wrongdoing. Areas for Improvement To strengthen whistleblower protection in India, several areas require improvement: 1. Expand the scope of the Whistle Blowers Protection Act to cover the private sector. 2. Establish effective whistleblower policies and mechanisms in all organizations. 3. Provide adequate protection and remedies for whistleblowers, including anonymity and confidentiality. 4. Promote a culture of transparency and accountability, and encourage whistleblowers to come forward.

Here is a famous case study regarding whistleblower law in India: 2Satyendra Dubey Case (2003) Satyendra Dubey was an Indian Engineering Service officer who worked on the National Highways Authority of India (NHAI) project. In 2002, Dubey wrote to the Prime Minister's Office, alleging corruption and irregularities in the project. He specifically mentioned the awarding of contracts to ineligible companies and the siphoning off of funds. Aftermath After Dubey's letter, he was transferred to a different location, and his security was withdrawn. On November 27, 2003, Dubey was murdered in Gaya, Bihar. Investigation and Outcome The investigation into Dubey's murder revealed that it was linked to his whistleblowing. The Central Bureau of Investigation (CBI) arrested several people, including some NHAI officials and contractors. Impact on Whistleblower Law in India The Satyendra Dubey case highlighted the need for stronger whistleblower protection laws in India. In response, the government enacted the Whistle Blowers Protection Act in 2014, which aims to protect whistleblowers from victimization and provide a mechanism for investigating their complaints. Key Takeaways 1. Whistleblower protection: The case emphasizes the importance of protecting whistleblowers from retaliation and victimization. 2. Corruption: The case highlights the prevalence of corruption in government projects and the need for stronger laws to prevent it. 3. Accountability: The case demonstrates the need for accountability in government and public institutions. This case study serves as a reminder of the importance of whistleblower protection and the need for stronger laws to prevent corruption and promote accountability in India. Conclusion Whistleblower protection is essential for promoting transparency and accountability in both the public and private sectors. While the Whistle Blowers Protection Act, 2014, is a step in the right direction, the legal framework for whistleblower protection in India still requires strengthening. By addressing the limitations and implementing recommendations, India can create a more robust and effective framework for protecting whistleblowers and promoting transparency and accountability. As I reflect on the state of whistleblower protection in India, I am reminded of the countless individuals who have risked everything to expose the truth. Their bravery and selflessness are an inspiration, but also a stark reminder of the immense challenges they face. It is our collective responsibility to ensure that these courageous individuals are protected and empowered, not persecuted and silenced. We must recognise the critical role that whistleblowers play in promoting transparency, accountability, and good governance. To achieve this, we need a robust and comprehensive whistleblower protection framework that provides adequate safeguards against retaliation, harassment, and intimidation. We need to foster a culture of transparency, accountability, and zero tolerance for corruption. Let us join hands to create an environment where whistleblowers are celebrated as heroes, not villainized as troublemakers. Let us work together to build a stronger, more resilient whistleblower protection framework that inspires confidence and trust. Together, we can make a difference. Together, we can create a brighter future for India's whistleblowers – and for our nation as a whole.

THE LEGAL IMPLICATIONS OF CROSS CORPORATE TRASACTIONS IN INDIA

Om Tonpe

INTRODUCTION : As a reader the first thought we get When we hear about any international matter is, Does it matters to me ? Why should I be concerned about those international legal point of views and all? But believe me the topic we are about to encounter, that is legal implications on cross-border transaction is actually an immense fun to learn about. We're actually not going for any laws or regulations but this article is read for everyone. Just simply understand that cross-border transaction is basically any form of business or service transaction done with the involvement of two or more countries and this definition is enough for us to go through its various aspects. CONTEXT : So, if I want to make you understand why cross-border transactions are attractive for companies, in a layman language, I will say, strong profit to corporates and an ocean for growth to companies pulls this concept of cross-border transactions even more closer to any country and the companies within it. The most popular form of cross-border corporate transactions in current days is the Mergers and Acquisitions.

THESIS : Without over-expounding, let us keep our article sticked to the gist that is The legal perspective in the matters of cross-border transactions. What are the roadblocks in such transactions? What laws India have with respect to the same? Is it really needed? And why not local collaborations? ARGUMENT 1 : ARE THE LEGAL IMPLICATIONS FAIR OR THEY ARE ROADBLOCKS FOR COMPANIES? After some research, one thing I found is legal implications in different countries is actually dis courageous thing for any corporate entity as they have to look after a number of laws which may even come in conflict with each other, which may restrict the activities of the company, which may put a bar on the operations of company and thus turning out as a roadblock for the companies. DATA PROTECTION : So to take a real life example data nowadays worth its weight in gold but at the same time also became splitting Headache as well as It is a cardinal thing for any company. so the countries itself have made a very strict regulations for the protection of data so for example if you're working with the company from European Union (EU) you may need to deal with General Data Protection Regulation (GDPR). Also, China for that matter requires the data concerning their citizens to be stored and processed within their national borders only. Now if we consider this, it actually blocks various deals as the companies will need to undergo a lot to give effect to the transaction. PERMISSIONS : Many jurisdictions requires licencing or permissions for certain businesses an obtaining the same may be time consuming and may also involve a good amount of cost. Determining which countries courts or panels have authority In the event of dispute can be a task. For example, goods like pan masala Which is mixture containing betel leaf, areca nut are commonly consumed in India but they are restricted in many foreign countries due to the health concerns. CONTRACTUAL OBSTACLES : Difficulties in enforcing contracts Do to different laws regulating enforcement of contracts, complex taxation structures, restrictions on dealing in certain businesses becomes some other issues. Again, stringency and conflict of laws also stands as a roadblock. Hence this regulatory compliances are becoming reason for collapse of cross-border deals. So it cannot be said as they are only roadblocks but we should also think, that in the flow of being fair we shouldn't be compromising with the sovereignty and security of the state. ARGUMENT 2 : DO THESE LAWS NEED TO BE STRICT OR CAN THEY BE LENIENT? The legal surveillance we have on cross-border transaction must be there. It was trade, for which britishers came to India and then ruled us for hundreds of years. Though India Today is unbeatable an comes in the list of most powerful nations in the world we cannot afford any kind of harm to Indian citizens do any of cross-border transactions. As of India, we have Foreign Exchange Management Act, 1999 (FEMA) that keeps watch like a hawk on transactions involving currency exchange, investments in and from India By having stringent regulations for undertaking cross-border transactions. On the other hand, we have Companies Act,2023 which provides number of regulations and compliances to be looked after while undertaking any cross-border merger and acquisition. Cross-border transactions are very Vulnerable and can be easily used for various criminal activities such as laundering of illicit funds, terror financing, manipulating large financial transactions, etc. Cyber crimes these days add a major point of concern while undertaking transactions involving hefty amounts. We will throw light on our this argument by referring to some cases which went wrong while undertaking cross-border transactions. • WIRECARD SCANDAL (Germany & Global, 2020) : Wirecard was original because it combined accounting fraud with money laundering on an epic scale, meaning it simultaneously hid revenue and elements. Enron was a major fraud because in some of its accounting treatments it acted as if it was a bank. Wirecard took this to the next level. It was a bank. This transaction highlighted how shell companie and undertake illicit financial activities. It also marked the need of holistic legislation for cross-border transactions. • 1 MDB SCANDAL (MALAYSIA, US & GLOBAL, 2009-2015) : This fund that is investments in Malaysia but later on in investigation it was found that the money was utilised on lavish lifestyle of perpetrators, purchasing properties in Hollywood and $40M apartments in New York. The scandal brought in light the vacuums in regulations dealing with such vulnerable transactions. • THE LIBOR SCANDAL (Global, 2003–2012) : In this scam The London interbank offered rate Was manipulated By major banks including UBS, Barclays, Deutsche Bank. The scam led affected trillions of dollars in US, Asia. The scandal highlighted vacuums in Financial institutions itself which led to reforms in banking systems too but the scandal took a toll on huge chunk of finance. From the above scams we shouldn't be in doubt, weather legal implications are necessary in cross-border transactions or not, rather we should focus more on making them more New York. The scandal brought in light the vacuums in regulations dealing with such vulnerable transactions. • THE LIBOR SCANDAL (Global, 2003–2012) : In this scam The London interbank offered rate Was manipulated By major banks including UBS, Barclays, nstitutions itself which led to reforms in banking systems too but the scandal took a toll on huge c weather legal implications are necessary in cross-border transactions or not, rather we should focus more on more stringent and at the same time just and feasible as well as trying to make it a bit of flexible from corporate's point of view. ARGUMENT 3 : WHY CROSS BORDER TRANSACTIONS AND WHY NOT LOCAL COLLABORATIONS ? It's not like local collaborations aren't good or something like that but cross-border transaction itself have a very good amount of advantagesthough they are pretty complex to carry out, they provide equal benefits to the entities. the the major and most attractive feature why corporates go for cross-border transaction is exposure to global market an expansion of business and ultimately it's growth. It's not necessary in all the cases that the business will grow but the vision is always to move in a positive direction. No country is fulfilled with all the resources. everyone has to be dependent on others on various things such as technology, finance, workforce, etc. Diversification of business activities and entering into new markets is also an approach of there are a lot of factors which it remains whether the company is going to be successful in its transaction with foreign country which includes factors like relation with the foreign state, culture of such country and their approach towards outsiders. Of course the corporates have no enmity with the local entities but after a point of time and growth of business it becomes nearly impossible to grow further with only domestic partners and hence the companies look for opportunities beyond the boundaries. CONCLUSION : If we summarise our all the findings, we will get to know that there is no straightforward conclusion as to whether these Legal Implications are just or they are becoming a barrier for Companies to grow further. But, if we have to make a statement we should consider a bigger picture. Though growth of Corporates is necessary these laws are there to protect the integrity and security of the states, information about it's citizens and various other crucial matters which seems to be more important than anything. As referred above any kind of mishandle in such transactions leads to severe criminal activities and loss of billions of funds. It not only attacks the monetary aspects but also kills the organisation from inside. Also, the repercussions of such Frauds have to be faced by if any dispute arises they would easily find the path for it's resolution otherwise cross border transactions also has the problem of jurisdictions to be followed. So, from my point of view having legal implications on cross border transactions in India is actually fair and just by considering the scope of these transactions, the amounts they involve and the impact they can create. Hence, this was a short effort to understand the concept of legal implications on cross border transactions in India.

THE ROLE OF NATIONAL COMPANY LAW TRIBUNAL IN CORPORATE DISPUTES

Omkareshwari Patil

INTRODUCTION: In current times, finding a particular court to subsume with the corporate cases turns to be the need of public authority. With this philosophy, Central Government set up National Company Law Tribunal (NCLT) on 1st of June 2016. Since its starting NCLT is working inside the positive bearing. This is how the law offers incredible help to corporate field presently, judges who have aptitude in this field only will pass judgement on the cases and give equity. In the Indian corporate law history with the extensive impacts a similar act will be considered as a Welcome step. National Company law Tribunal is a quasi-judicial body which takes care of the disputes arising out of the company. It is the most important jurisdiction of the company as the integral part lies towards maintaining the peacefulness of the company by settling the corporate disputes and is also estimated to be less expensive compared to others. NCLT is a semi legal game plan to resolve common corporate questions. While, NCLAT is the appellate tribunal where requests from the tribunal are managed. Article 245 of the Indian Constitution engages to build up NCLT and NCLAT. The council is the result of Eradi committee under the Constitution and notices authority and power similar to court. NCLT STRUCTURE: NCLT was setup as a result of Justice V. Balakrishna Eradi Committee. NCLT bench has judicial and technical members President of NCLT: should have been a judge of a High Court for atleast five years Judicial member: should have been 1. A judge of a High Court at present or in past 2. District judge for atleast five years at present or in past 3. Advocate of a court for atleast ten years Technical member: a person of special knowledge in law, industrial finance, economics FUNCTIONS OF NCLT: The National Company Law Tribunal (NCLT) performs numerous functions to streamline corporate governance and speedy disposal of cases. Being a quasi-judicial body, NCLT is to ensure convergence with the Companies Act, 2013, and plays an important role in enforcing corporate laws, mergers, insolvency resolutions, and safeguarding the rights of the stakeholders. Under this are the core functions of NCLT: 1. Adjudications of company law tribunals NCLT decides cases on corporate governance, shareholder disputes, and directorial misconduct. It applies the Companies Act, 2013 provisions in its judgments on companies. 2. Approvals for mergers, demergers, and Restructuring NCLT approvesmerger/demerger plans/restructuring schemes and enquires whether such arrangements are per the law and whether the interests of stakeholders are adequately protected. It tests the fairness of such arrangements and safeguards the interests of minority shareholders also in M&A deals. 3. Insolvency and Bankruptcy Laws NCLT is the primary adjudicating authority for corporate insolvency proceedings under the IBC, 2016. It either revives a company or liquidates it to settle creditors' claims. 4. Prevention of Oppression and Mismanagement NCLT intervenes where minority shareholders or members are oppressed or mismanaged by the majority. It protects the interests of shareholders by having measures like the removal of existing management or reorganisation of a company. 5. Winding up of companies NCLT regulates proceedings for winding up companies: voluntary and on a decree of a court. Liquidation of companies and distribution of assets among all stakeholders with regard to settling debts and liabilities is carried out with perfection. 6. Reduction of share capital Requests relating to reductions in share capital are dealt with by NCLT to ascertain whether the process fulfills legal requirements. It examines whether the reduction affects the rights of the creditors and protects the interests of the stakeholders. 7. Depositor and Creditor Grievance Redress NCLT hears grievances from the depositors and creditors and renders fair treatment and speedy action against the defaulting companies. It redresses grievances on a non-payment or fraudulent basis. 8. Revival of Dormant Companies NCLT has the authority to revive companies that have been lodged for strike-off from the register of companies by the Registrar of Companies. It enables dead companies to start working when their essential needs are met. 9. Enquiry of Company

Affairs NCLT can conduct an inquiry about the company's matters if there is a suggestion of fraud or malpractice. It becomes an order to the regulatory authorities, like the Serious Fraud Investigation Office (SFIO), for instance, to carry out an investigation.10. Share Transfer Disputes The tribunal is responsible for deciding disputes between shareholders and company concerning transfer or ownership of shares. Shareholder can approach NCLT for such matter. EMERGENCE OF NCLT: Currently, arrangements with respect to examination of partnership`s records, freezing of organisation`s property, class activity suits, transformation of a public organisation into a private venture will be ruled through the NCLT and charm subsequently would be before NCLAT instead of High Court. With the constitution of NCLT, powers of High Court under the Companies Act 2013 connecting with decrease of extent capital, twisting up and think twice about plan could get moved to NCLT underneath explicit headings gave by utilizing the MCA (Ministry of Corporate Affairs). As per the notice on the webpage of the Department of Personnel and Training on March 30, 2016, previous adjudicator (Retd.) of the Supreme Court of India, Hon'ble Mr. Justice S.J. Mukhopadhya, became designated on the grounds that the director of the NCLAT, and the Appointments Committee of the Cabinet acknowledged the arrangement of Justice (Retd.) M.M. Kumar, who go about as the President of National Company Law Tribunal (NCLT). EMERGING ROLE OF NCLT: "At the present time, just a portion of the large cases are being attempted, however there are a few examples inside the SME (little and medium association) and mid-cap region in which we have completed the process of rebuilding and it has fizzled. The significant instrument to manage defaulters is rejecting all obligation rebuilding plans by RBI and made goal of horrendous advances time bound with the Insolvency and Bankruptcy Code. "NCLT is as of now underneath stress because of the reality they don't have as numerous people and that they were battling to manage the strain. Around 5000 cases had been alluded up to now to NCLT, which was establishment in June 2016, and extra than 500 cases are at various levels of hearing in which bankruptcy choice has been started. Presently, India has one NCLAT and eleven NCLT seats. NCLT has 22 individuals – sixteen legal givers and 6 specialized individuals. The new seats are relied upon to return up in Bhubaneswar, Jaipur and Kochi. At present, NCLT has one most significant seat in Delhi and 10 seats in Delhi, Ahmadabad, Allahabad, Bengaluru, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata and Mumbai. The Ministry of not really settled to set up Special courts underneath the National Company Law Tribunal (NCLT) to manage a developing reach indebtedness cases. For Special Courts to be comprised 30 adjudicators is most likely enlisted. The special courts might go with not many specialized people anyway they can't work without legal people. Courts to be establishment 3 in Mumbai, in New Delhi and one each in Chennai, Kolkata and Hyderabad. CASE STUDY 1 TRANSSTROY(INDIA) LIMITED CASE STUDY AFTER NCLT: Later the foundation of NCLT, The National Company Law Tribunal, Hyderabad Bench has conceded a request for bankruptcy against Transstroy (India) Limited started with the guide of Canara Bank, pronounced a ban and designated indebtedness choice master. While attesting ban with impact from October 10, until the of aggregate of the Corporate Insolvency Resolution Process or till the Bench endorses the Resolution Plan, or takes up liquidation of the corporate debt holder, the Judicial Member Ratakonda Murali, delegated Govindrajulu Venkata Narasimha Rao, as interval choice expert to complete the abilities underneath the Insolvency and Bankruptcy Code, 2016. The applicant monetary organization said that it had endorsed Rs 125 crore beneath Fund base running capital cutoff points and Rs 600 crore underneath non-a giggle based working capital cutoff points, which include monetary foundation certifications of Rs 500 crore and letter of credits of Rs 100 crore, totaling Rs 725 crore. The candidate fought that Transstroy defaulted its bills to the monetary organization and that the appeal became documented looking for course of the Tribunal to incite CIRP against Transstroy and observe a choice arrangement. The business venture is occupied with execution of water system and road drives and finished a few BOT street errands and the fifth one changed into underneath creation. The enterprise is similarly executing a settlement of Rs 5788 crore inside the mega Indira Sagar Polavaram Project in Andhra Pradesh through a joint mission firm. The Petitioner bank additionally said that two of the properties of Transstroy in Hyderabad have been gotten by involving Special Deputy Collector by means of land obtaining for metro projects and a repayment of Rs one hundred fifty crore became forthcoming. The account holder has benefited term advances and working capital cutoff points from 14 nationalized monetary foundations and under more than one financial arrangement to the music of Rs 2687 crore. Transstroy had also entered squarely into a notice with China CNE Limited of Beijing for a reasonableness cum obligation arrangement of $ 400 million. The borrower manager hostile the appeal for indebtedness proclaiming that the case suggest was currently not viable. Subsequent to looking that the applicant bank battled that it had a total case of Rs 686 crore, in addition to premium, the NCLT expressed that it changed into to take in indebtedness legal disputes as the debt holder had defaulted. CASE STUDY 2 TATA -MISTRY CASE: The verdict of NCLT on the Tata-Mistry case changed into within the favour of the Tata Group whilst NCLAT set aside the judgment and ruled in favour of Mistry and Shapoorji Pallonji Group. The same has been appealed to the Supreme Court through Tata Sons. The Apex Court set apart the order of the NCLAT, brushed off the expenses of oppression and mismanagement towards Tata Sons Ltd and ruled towards Mr. Cyrus Mistry. The Hon'ble Supreme Court stated the questionable conduct of Mr. Mistry and made a sweeping observation that Sri Cyrus Mistry himself invited problem as he became worried in leaking extraordinarily private and classified information approximately the organization inside the Media just to create sensation in light of which the Apex Court considered his removal from the position of chairmanship and Directorship of Tata Group of Companies as justified. CASE STUDY 3 JITENDRA ARORA, RESOLUTION PROFESSIONAL OF M/s. PREMIA PROJECTS LTD VS TEK CHAND: NCLAT held that "assets that are transferred to or from the corporate debtor and that are germane to the CIRP of the corporate debtor, even if held by another company, should be included in the information memorandum as well as the CIRP of the corporate debtor". The NCLAT further observed that "the subsidiary`s assets cannot be included in the CIRP of the corporate debtor given that the subsidiary is not undergoing CIRP. The matter was remanded to the NCLT with the direction that an admission application for the subsidiary company should be considerd". CONCLUSION: The National Company Law Tribunal is an Integral part of the corporate governance structure in India. The NCLT establishment made the processes of corporate adjudication streamlined by combining the functions of different authorities under one, thus achieving speedy resolutions of disputes. Having jurisdiction over mergers and acquisitions, insolvency matters, and corporate mismanagement, the NCLT plays an irreplaceable role in the Indian business world. NCLT has emerged as a harbinger of huge transformation in the evolution of the Indian economy as it revolutionized the legal process by opening up forums for effective corporate disputes and has been a panacea that has been permitted business confidence and governance. The future role of NCLT would be pivotal in shaping the contours of corporate law in this country.

WHY RBI'S CRACKDOWN ON SNPL E-COMMERCE GROWTH ?

Pavan Kakani

RBI The central bank of India is the Reserve Bank of India (RBI). It was founded in 1935 with the goals of managing public debt, preserving monetary stability, and controlling the currency and credit system. What is BNPL? BNPL (BUY NOW, PAY LATER) BNPL is a majorly used payment method that allows customers to buy goods and pay for the same over time (period), it is also similar to EMI and by use of credit card and PPIs, or prepaid payment instruments, include Paytm, Google Pay, PhonePe, Freecharge, and other wallet applications. According to RBI Prepaid Payment Instruments (PPI) mean an "instruments that facilitate the purchase of goods and services, the conduct of financial services, enable remittance facilities,etc., against the value stored therein." Examples of PPIs include payment wallets, prepaid cards, and vouchers. And there are many BNPL providers in market; few of them are Amazon pay later, epilator, Paytm post-paid, etc. New generations, including Gen Z consumers, who no longer anticipate having to switch between several apps to complete their purchases, found the BNPL model of small credit based transactions very attractive And in recent years it played a significant role to promoting economic growth as well as e commerce/ digital economy and it is regulated by RBI. As per the regulations there are less KYC norms in case of BNPL as required for the regular payments options. The RBI crackdown on Buy Now, Pay Later (BNPL) services is significantly impacting e commerce by limiting consumer access to easy credit at checkout, potentially leading to decreased purchase volumes, smaller cart sizes, and a slowdown in overall online shopping, especially for impulsive or discretionary buys, as consumers become more cautious about taking on additional debt due to stricter regulations on BNPL Service providers The crackdown means to stop an illegal action or behaviour. E-commerce : E-commerce is a platform for buying and selling of goods and services some examples of it are amazon, flipkart, etc. Relation between BNPL and E-commerce: In the e-commerce environment, BNPL has become a game changer, where accessibility and cost are important factors of customer behaviour. BNPL services allowed millions of customers, particularly those with limited access to credit cards, to make purchases or buy anything they may have stopped people otherwise by offering low-interest or interest-free instalment arrangements and one of the perfect example of this payment methods is BNPL.This payment model not only boosted sales for online retailers like amazon, flipchart, etc. But also expanded the customer base of same by providing credibility i.e. BNPL The customers want their entire online shopping experience to include an integrated payment option at the moment of sale. For this reason, BNPL platform integration with online store websites helps to improve the overall buying experience and increase customer satisfaction Concerns of RBI in regard to operations of BNPL and the actions of RBI on it. The main concerns of the RBI are unregulated lending, financial stability, and consumer protection. Let's understand these concerns more briefly: 1.Unregulated lending which is also known as unregulated credit risk: BNPL services frequently function outside of the conventional banking system, enabling customers to obtain credit without having to submit to stringent credit checks. This has sparked issues about customers accruing debt, especially those with unsteady earnings or little financial awareness. The RBI is concerned that unrestrained growth in BNPLs may cause financial instability and a spike in non-performing assets (NPAs). Unchecked BNPL growth, according to the RBI, might result in a spike in non-performing assets (NPAs) and financial instability. For businesses, Buy Now Pay Later can increase sales right away, but it can also result in consumer debt and possible payment defaults. In the end, this may harm a business's revenue and reputation as a brand. Generally speaking, the majority of Buy Now, Pay Later lenders does not submit customer's payment history to the major credit reporting agencies; nevertheless, a debt collector may record customer's non-payment. When customers pay off their loan in four interests, free installments, the majority of BNPL products don't report to the major credit reporting agencies. 2. Lack of consumer protection: BNPL services are not usually governed by the same regulations that govern regular credit services. Inadequate grievance redressal procedures, aggressive marketing strategies, and hidden costs have all resulted from it. The RBI wants to ensure that consumers are sufficiently safeguarded from abusive behaviour. As previously stated, there is no stringent KYC check for the loan with these buy now, pay later options. The customer only needs to complete a minimal KYC process with their PAM in order to receive the loan, after which a credit will be added to their prepaid wallet. 3. Impact on Financial Inclusion: The RBI is afraid that, despite BNPL's promotion as a tool for fostering financial inclusion, it can unintentionally leave out people who are vulnerable. For example, customers who Miss BNPL payments may have trouble getting official credit later on, which could put at risk their financial security. Customers' credit score can be greatly impacted by late or missed payments.customers debt may be turned over to a debt collector, reported to a credit reporting agency, and negatively impact your credit ratings if you fail to repay your BNPL loan. Consumer debt is encouraged via BNPL financing. And Complaints about credit reporting, unauthorised transactions, default listings, the interpretation of terms and conditions, and incorrect fees or costs this are issues with BNPL. The RBI introduced stricter rules for BNPL providers in response to these concerns & issues. These rules include limitations on credit exposure, improved disclosure standards, and required compliance with credit card laws. By placing BNPL services within the control regulated financial institutions, these policies seek to increase accountability and transparency. The e-commerce industry, which has become largely dependent on BNPL as a payment method, is likely to be significantly impacted by the RBI's crackdown on BNPL. The effects of this restriction on the growth of e-commerce are as follows: 1. Reduced customers spending: BNPL has played a significant role in increasing customers' discretionary spending by providing credit (short term loan) facility, especially among Gen Z and millennial. The simplicity and accessibility of BNPL may decrease with more stringent rules, which could result in fewer amounts of purchases and higher-value transactions. E-commerce platform growth may be slowed as a result, particularly in areas like electronics, fashion, and lifestyle. 2. Increased Operational Costs for E-Commerce Platforms: E-commerce companies that have integrated BNPL services into their payment ecosystems like Amazon FlipkartThe new rules may result in increased operating expenses for e commerce businesses that have included BNPL services into their payment ecosystems. Profit margins may be reduced if major investments in technology, risk management, and customer service are needed to comply with RBI requirements. 3. Shift in Payment Preferences: Customers may switch back to more standard payment options like cash on delivery,debit cards, and credit cards as BNPL loses attraction. Despite being well-known, these solutions don't provide the same flexibility and convenience as BNPL, which could make purchasing less enjoyable overall. 4. Challenges for Smaller Players: Smaller e-commerce platforms and start-ups that rely heavily on BNPL to compete with larger players may find it difficult to adapt to the new regulatory environment. The increased compliance burden could disproportionately affect these businesses, leading to consolidation in the industry. The RBI's crackdown on BNPL underscores the need for a balanced approach to innovation and regulation in the finte providers must work closely with regulators to develop solutions that align with the RBI's objectives while continuing to meet consumer needs. This could involve adopting stricter credit assessment processes, enhancing transparency, and investing in financial literacy initiatives. Moreover, the industry should explore alternative payment models that offer flexibility without compromising financial stability. For instance, partnerships with regulated financial institutions, the use of artificial intelligence for risk assessment, and the development of hybrid payment solutions could help bridge the gap between innovation and regulation. Is BNPL the Future of Lending in India? The fact that a significant number of the Indian population has no access to of the regional credit and payments markets in the coming years. In just five years, the of US$25.4 billion, therefore those involved in the sector must be ready to take advantage of the benefits and reduce the risks that such rapid expansion would bring. Conclusion: From the above conducted research we can conclude that having the restrictions on buy now pay later transaction that is in short we can say such BNPL transaction is utmost required otherwise the bank will have to face a lot of defaults in repayment of credits and also on the part of creditors, the person taking the debt won't be concerned or vigilant towards their liability and from my point of view putting restrictions will be just and fair on part of both the banks as well as the creditors providing equal benefits to both of them.

THE MEESHO CONTROVERSY : ARE RESELLERS VICTIM TO A PYRAMID SCHEME ?

Payal Kumawat

Introduction: A Golden Opportunity or a Hidden Trap? "Imagine starting a side hustle with little investment, only to discover you are the real product. Is Meesho empowering resellers, or is there a secret trap?" What if you could start your own business with no initial investment, flexible working hours, and infinite income potential? Sounds like a dream, right? The social commerce network has garnered a large resellers base, particularly women, by allowing them to sell items via WhatsApp, Facebook, and Instagram. However, the issue also arises with the platform. In a system where earnings flow upward, many resellers are increasingly wondering if they are actually managing business or only serving as intermediaries. A cloud has been put over Meesho's dazzling success by complaints of declining profits, deceptive product quality, high return rates, and even claims of fraudulent orders. Could Meesho's resale model be a game changer, or is it just another trap in which only the wealthy benefit while the others struggle? Let us go deeper into this controversy to discover the truth about Meesho's business plan. **Understanding Meesho's Business Model:** The Reselling Revolution Meesho uses a social commerce business model in which vendors post goods on the website and resellers choose which ones to advertise on social media. Resellers add a margin to the supplier's pricing in order to receive a commission. Meesho the payment, shipping, and delivery of a customer's purchase, which simplifies the process for resellers. SOURCE In contrast to more established e-commerce sites like Amazon and Flipkart, which mainly link customers and sellers, Meesho depends on a network of resellers who serve as facilitators and take a cut of every transaction. There have been questions about whether this economic strategy actually helps resellers in the long run, despite the fact that it seems creative and inclusive. Why do resellers face platform initially promised easy profits, many resellers encounter serious difficulties: 1. The Trap of Zero Commission Meesho's 0% commission scheme seems like a dream come true at first. However, the harsh truth is as follows: The reason it's an issue: a) Nothing can prevent constant price reductions when there are no commission fees. b) Resellers just compete on price; they don't compete on quality of services. c) Profit margin decline to levels that are unsustainable. 2. Product Quality Concern Low quality items offered on the site have had an adverse knock-on effect on resellers: a) The number of customer complaints is rising. b) Permanent harm to one's reputation. c) Sale in the future gets harder and harder. 3. High Return Rates 4. The Hidden Cost Burden Resellers incur unforeseen expenses while Meesho loses money at several touchpoints: a) Managing customer service time. b) Effects of managing complaints on mental health. c) Cost associated with social media platform. A pyramid scheme is a business strategy that, instead of offering investments or product sales, induces new members by offering money or services in exchange for bringing others into the plan. Most participants suffer large financial losses as a result of these unsustainable schemes. Instead of hiring new resellers, Meesho's resellers make money by selling goods to final customers. Pyramid systems are characterized by the lack of incentives for resellers to bring on new vendors under them. Therefore, calling Meesho's business model a pyramid scheme may not be true, even though there have been problems with fraudulent operations and counterfeit goods. Legal and Ethical Concerns: A Storm of Allegations Meesho has been the target of several accusations in recent years about fraudulent activity on their platform: Fake orders and Ghost accounts – There have been reports that resellers are submitting bogus orders to gain commissions. In certain cases, resellers reportedly used several accounts to place orders that were never meant for delivery, taking advantage of the platform's revenue system. Meesho recognized the issue and has taken efforts to rectify it.1 Counterfeit Products - There have been cases when counterfeit items were sold on the platform, resulting in legal action and compromising the site's image. Meesho has been criticized for not thoroughly screening suppliers, which resulted in the distribution of bogus luxury products.

2 Fraudulent Sellers - In a famous instance, scammers registered as vendors on Meesho and took advantage of the platform's return policy. They used phony accounts to place orders and then sought refunds after getting the products, claiming that they were damaged. This plan resulted in enormous financial losses for the corporation.3 Meesho's Responses to the Allegations: Is it Damage Control or Real Reform? Meesho has taken a number of steps to protect its platform and users in response to several fraudulent activities: Vishwas Project: In the last year, this program, which was started to increase safety and confidence, has ceased almost 2.2 crore questionable transactions. In order to identify and stop fraudulent activity, such as 77 lakh scam attempts and 13 lakh bot orders, the organization used robust analytical algorithms The corporation fought scammers that took advantage of its brand recognition by filing several First Information Reports (FIRs) in places like Ranchi and Kolkata.5 Cooperation with Authorities: Meesho has had a 98% success record in combating account takeover scams by collaborating closely with law enforcement. In order to eliminate more than 18,000 phony social media profiles and around 130 bogus websites and applications that misuse its name, the corporation has teamed up with threat intelligence platforms.6 Supplier Verification: Meesho has tightened its supplier verification procedures in order to prevent the sale of fake goods and guarantee that only authentic goods are shown on the marketplace. These initiatives demonstrate Meesho's dedication to providing its users a safe and reliable platform. Looking Ahead: The Future Outlook of Meesho Meesho needs to solve important issues as it grows in order to maintain long-term viability and equity for its resellers. Here are some potential future developments: 1. Reseller-Centric Regulations: Will Meesho Take the Lead? Meesho may need to implement improved profit margins, clear pricing structures, and more robust support mechanisms to lower financial risks for its customers in order to empower and keep distributors. 2. Better Return and Product Quality Procedures The quality of the products is a big worry for resellers. For both buyers and sellers, Meesho may increase stability and confidence if it can impose more stringent quality controls and equitable return guidelines. 3. Changing the Business Model Meesho may need to change its strategy from a strong reliance on resellers to a more hybrid model where direct selling and reseller relationships coexist more fairly in order to avoid additional similarities to pyramid schemes. It would be beneficial to reward devoted dealers with improved compensation plans. 4. Development of Automation Meesho may use improved algorithms with AI developments to help resellers choose in-demand items, establish the best rates, and handle customer relations more effectively. 5. Market expansion and competition Resellers now have more options thanks to the emergence of new social commerce platforms. To maintain expansion, Meesho has to keep ahead of the competition by developing new products and even entering foreign markets or specialized product categories. There is uncertainty around the future of social commerce that is the question. It remains to be seen if they can deliver on their initial pledge to democratize e-commerce or rather produce a new class of digital outcasts. For the time being, that WhatsApp message that promises quick money resale with no fee should be viewed with a fair amount of mistrust. It appears that the digital gold rush isn't as magical as it looks. After reading the article, what do you think about Meesho's business model? Is it: o A system with flaws that can be corrected o A virtual obstacle for startup owners o A platform that requires significant changes o A business plan in need of an overall revamp Although each person's response may differ, it is evident that many resellers are experiencing more difficulties than successes as a result of the existing system. Not whether Meesho is a pyramid scheme, but rather whether the existing model is viable for the same individuals as it pretends to empower, is the matter at hand. Conclusion: A Boon or a Trap? Meesho, which offers a platform for anyone to launch a company with little capital, has surely transformed social commerce in India. Its resale strategy, however, has a number of risks, and many resellers struggle to make steady earnings. Even if Meesho isn't a pyramid scheme in the 6 conventional sense, its layout asks the are actually making money or just serving as middlemen for suppliers and the platform. As is the case with any business venture, prospective resellers must thoroughly investigate, plan, and comprehend the risks before committing. While Meesho may be effective for some, many others still struggle to achieve financial independence. Because not all that glitters is Gold.

CORPORATE DONATION AND POLITICAL FUNDING

Payal Talaviya

Introduction: Corporate donations and political funding have long been contentious issues in democratic societies. The ability of corporations to contribute significant sums of money to political campaigns and parties raises questions about the integrity of democratic processes and the influence of wealth on governance. Some argue that corporate donations facilitate political engagement and representation, while others contend that they create opportunities for corruption, policy manipulation, and undue corporate influence. This article explores the role of corporate donations in political funding, discussing their advantages, ethical concerns, and regulatory challenges.

Summary of Main Points: 1. The role of corporate donations in supporting political campaigns and democracy. 2. The ethical concerns surrounding corporate influence in politics. 3. The need for stronger regulations to prevent corporate interference in democratic governance. 4. International Perspectives on Political Donations. 5. Case studies to understand the impact of corporate donations on politics. 6. The historical evolution of corporate political funding. 7. The impact of corporate donations on small businesses and individual donors. 8. Potential reforms to ensure a more balanced and transparent political funding system. Thesis Statement: While corporate donations provide political candidates with essential financial resources to run their campaigns, they pose significant risks to democratic integrity by allowing undue corporate influence over policy decisions. Therefore, stricter the democratic process. The Historical Evolution of Corporate Political Funding Corporate donations in politics are not a recent phenomenon. In the late 19th and early 20th centuries, business magnates such as John D. Rockefeller and Andrew Carnegie used their wealth to influence policy decisions. The unchecked flow of corporate money into politics led to concerns about corruption, prompting early campaign finance reforms. In the United States, the Tillman Act of 1907 was the first significant piece of legislation prohibiting corporations from contributing directly to federal political campaigns. However, companies found ways to circumvent these restrictions through third-party organizations and lobbying efforts. Over the decades, corporate influence grew, culminating in the controversial Citizens United v. FEC (2010)1 ruling, which allowed unlimited corporate and union spending on political campaigns. This decision paved the way for Super PACs, enabling corporations to channel vast sums into elections indirectly. mandates. Other countries, such as Canada and Germany, have outright banned corporate donations to prevent undue influence on governance. Despite these reforms, corporations continue to exert influence through indirect means, such as lobbying, funding think tanks, and financing grassroots movements that align with their business interests. 1. Corporate Donation as a Piller of Political Champagning: Corporate donations play a crucial role in modern political campaigns. Running a successful campaign requires substantial funding for advertising, staff salaries, and outreach efforts. Many candidates rely on corporate donations to fund their activities, ensuring that they can effectively communicate their policies to voters. Proponents argue that corporate funding enhances political engagement by allowing businesses to support candidates who align with their interests. This, in turn, contributes to a more dynamic political environment where diverse perspectives can be represented. Additionally, some believe that corporate donations are a form of free speech, allowing businesses to participate in the political process just as individuals do. Moreover, corporate funding helps maintain a competitive political landscape support, many candidates—especially those lacking personal wealth or grassroots fundraising capabilities—may struggle to compete effectively. This financial backing can also help address economic disparities between candidates, ensuring a broader selection for voters. 3 February 7, 2025 However, while corporate donations serve practical purposes, their impact on political integrity must be scrutinized to prevent undue influence over policymakers. Case Study: The Influence of Corporate Donations in U.S. Elections One of the most notable examples of corporate donations influencing political campaigns is the Citizens United v. FEC2 (2010) ruling in the United States. This Supreme Court decision allowed corporations and unions to spend unlimited amounts on political campaigns, leading to the rise of Super PACs (Political Action Committees). These entities can raise and spend vast sums to support or oppose candidates without direct coordination. This ruling significantly altered the landscape of campaign finance, making corporate donations a dominant force in American elections. For instance, small business owners may struggle to compete with major corporations that fund political candidates to secure favorable tax breaks and regulations. As a result, political decisions may skew toward protecting large monopolies, leaving smaller enterprises at a disadvantage. Additionally, when corporations dominate campaign financing, individual contributions from citizens become less impactful, discouraging grassroots political engagement. 2. Ethical Concerns and the Risk of Policy Manipulation: Despite the practical benefits, corporate donations raise significant ethical concerns. One of the primary criticisms is that these contributions may lead to a quid pro quo arrangement, where politicians feel obliged to Favor the interests of their corporate donors. This situation can create an imbalance in policy-making, where the priorities of large corporations take precedence over the needs of the general public. Studies have shown that politicians receiving substantial corporate donations often advocate for legislation beneficial to their donors, sometimes at the expense of public interest. For instance, industries such as pharmaceuticals, oil, and finance have historically influenced regulatory policies through strategic campaign contributions. This influence can lead to deregulation, reduced corporate taxation, and weakened labour protections—policies that may serve corporate interests but harm consumers and workers. Furthermore, corporate donations can undermine public trust in the democratic process. When citizens perceive that politicians are beholden to corporate interests rather than their constituents, voter apathy and cynicism increase. This erosion of trust weakens democratic institutions, making it difficult for governments to enact policies that genuinely reflect public needs. Case Study: The Tobacco Industry's Influence on Legislation3 A well-documented case of corporate influence in policy-making is the role of the tobacco industry in shaping public health policies. In the 20th century, major tobacco companies made significant political donations to legislators in the United States, the United Kingdom, and Australia, successfully delaying or weakening anti-smoking laws. These companies funded misleading research and lobbied against advertising restrictions, ensuring their products remained widely accessible despite known health risks. The eventual implementation of stricter regulations, such as plain packaging laws and advertising bans, came only after strong public and scientific advocacy overcame corporate lobbying efforts. 3. The Need for Stronger Regulations and Transparency: Given the ethical concerns and potential for corruption, stronger regulations on corporate donations are necessary to preserve democratic integrity. Several countries have already implemented measures to limit corporate influence, such as capping donation amounts, banning corporate contributions altogether, or requiring full disclosure of political funding sources. Transparency is a critical component of any regulatory framework. When political donations are disclosed publicly, voters can see who funds political campaigns and assess potential conflicts of interest. Many governments require political parties and candidates to report their financial backers, but loopholes and opaque funding mechanisms—such as Political Action Committees (PACs) and Super PACs in the United States—still allow corporations to exert influence without clear accountability. In addition to transparency, campaign finance reforms should establish stricter limits on corporate contributions to prevent excessive influence. Public funding for campaigns is another potential solution, as it can reduce candidates' reliance on private donations. Some democracies, such as Canada and Germany, have successfully implemented public funding mechanisms that minimize corporate involvement in elections while ensuring fair competition among candidates. Case Study: Canada's Strict Political Donation Laws Canada serves as an example of a country with strict corporate donation regulations. Since the early 2000s, Canada has banned corporate and union donations to federal political parties. Instead, political parties and candidates rely on a combination of individual contributions (with strict limits) and public financing. This system has helped reduce corporate influence in politics, ensuring that elected officials are less dependent on business interests and more accountable to their constituents.4. International Perspectives on Political Donations Different countries have approached corporate political donations in various ways. In the United Kingdom, corporate donations are allowed but must be transparent and approved by shareholders. Meanwhile, in France, strict campaign finance laws prohibit corporate contributions, ensuring a level playing field for candidates. Similarly, Germany's system includes state funding for political parties, reducing reliance on private donations. In contrast, India has recently eased restrictions on corporate donations through amendments in electoral laws. The introduction of electoral bonds has enabled anonymous donations, raising concerns about transparency and potential misuse. Critics argue that this system allows undisclosed corporate influence in elections, undermining accountability. elections. Political parties receive substantial contributions through third-party entities, making it difficult to track sources of funding. Efforts to introduce stricter laws have faced resistance, demonstrating the complexities of regulating corporate donations in democratic systems. Potential Reforms to Ensure Transparency and Fairness To mitigate the adverse effects of corporate donations, several potential reforms could be implemented: 1. Public Financing of Elections – Providing government funding for political campaigns can reduce candidates' reliance on corporate contributions. Countries like Germany and Canada have successfully implemented public financing systems. 2. Donation Limits – Imposing strict caps on corporate contributions can help prevent excessive influence over policy decisions. 3. Shareholder Approval for Donations – Requiring corporations to obtain shareholder approval before making political contributions can ensure that such donations align with the interests of all stakeholders. 4. Increased Transparency Measures – Mandating full disclosure of all political contributions, including those made through third-party organizations, can enhance accountability and public trust. 5. Banning Dark Money Contributions – Preventing undisclosed donations from influencing elections can reduce corruption and maintain the integrity of democratic institutions.

Conclusion:

Corporate donations play a significant role in modern political funding, enabling candidates to run effective campaigns and engage with the electorate. However, the ethical implications of corporate influence in politics cannot be ignored. The risk of policy manipulation, favouritism, and reduced public trust highlights the need for stricter regulations and greater transparency. To preserve democratic integrity, governments must implement reforms that limit undue corporate influence while ensuring fair and competitive elections. By striking a balance between financial support and ethical governance, societies can maintain a political system that truly represents the will of the people, rather than the interests of the wealthiest entities.

DOWNFALL OF FTX

Prapthi Shetty

What is a cryptocurrency? Why do they matter so much? What makes them so thrilling? Since the introduction of the internet, people have desired for a virtual currency with distinctive characteristics. The killer app was going to be e-money, and several entrepreneurs tried to create a digital currency in the 1990s. In fact, one of these, PayPal, was initially meant to be a native digital cash for Palm pilots, but utilizing digital currency is problematic.The double spending problem is a result of this. One of the positive aspects about digital assets is that they are extremely straightforward to reproduce. A word document or a PDF can be cloned indefinitely, and each copy is an exact duplicate of the original. Nevertheless, there is an enormous drawback to this tremendous advantage of digital assets. When creating a digital currency, it is quite simple to reproduce it. Users may attempt to double their spending or purchase two items with a single unit. This covers a wide range of issues, such as counterfeeding issues with actual cash. This centralization difficulty was solved in the 1990s with the introduction of digital currency. In order to ensure that no transaction had been double spent, they would establish a trust.This solution has issues of its own. To what point can we rely on the reliable source? One point of security susceptibility is the central authority. Scammers and nation states may target the central authority in an attempt to influence or corrupt it. Double spending was resolved in 2008 by a man by the name of Satoshi Nakamoto.The system known as Bitcoin was created. The digital currency known as Bitcoin is driven by a system known as a blockchain. an interconnected series of transaction blocks in a digital ledger. The remarkable thing about Bitcoin and all succeeding blockchains is that they can validate transactions without the requirement for a central authority. The network handles that on its own. Bitcoin employs a combination of cryptography to do this. peer-to-peer connections and financial rewards. When Nakamoto implemented these technologies for Bitcoin, none of them were in use. The identity of Satoshi NakaMoto is unknown to us; he may not even be a single individual, but rather a group of people who vanished from the internet for a few years after inventing Bitcoin and handing over development of the project to the current Bitcoin Foundation.

Still, the emergence of blockchain cryptocurrencies by Nakamoto has forced us to think again about some of the fundamental issues surrounding the definition of money and how we interact with human authority. Because, as it turns out, resolving that complex double spending issue has created a great deal of economic opportunity and benefit. ADVANTAGES: The following are some benefits of cryptocurrency: 1. Decentralized Currency: Cryptocurrencies are easy to use without hindrance from the government because they function independently of banks. 2. No Government Control: These currencies are not subject to government regulation. 3. Performs on Blockchain: Cryptocurrencies are secure from editing and hacking efforts due to their encryption and use of blockchain technology. DISADVANTAGES: Among the drawbacks are the following: 1. Commonly employed for illicit purposes. The untraceability of cryptocurrency has made it the favored money of hackers. 2. Makes money laundering easier. 3. It's not good for the environment. TYPES OF CRYPTOCURRENCIES: 1. Bitcoin The first decentralized cryptocurrency is called Bitcoin. It was created in 2008 under the pseudonym Satoshi Nakamoto by an unidentified individual and is based on the free market philosophy. 2. Ethereum A decentralized blockchain with smart contract capabilities. The Ethereum platform's native coin is called Ether (ETH). 3. Litecoin The MIT/X11 license governs the distribution of Litecoin, an open-source software project and decentralized peer-to-peer cryptocurrency. There are several platforms readily available for cryptocurrency trading, such as Coinbase, Binance, Bybit, and FTX. FTX's ORIGIN: In just eight years, 30-year-old entrepreneur Sam Bankman-Fried become a billionaire. Forbes ranked him one of the wealthiest people in the world, and he was spoken about all the time. But how could a single tweet lead him to end? After graduating from MIT in 2014, Sam began his employment at

Sam saw a gap in the cryptocurrency market: he could purchase Bitcoin in the United States and then sell it for more money in Japan. This strategy paid out so well that he occasionally earned up to $25 million in a single day. Consequently, he launched a cryptocurrency company called Alameda Research. Sam put together a group of his old coworkers and college pals, including Caroline Ellison, his then-girlfriend who was the CEO of Alameda Research despite having no prior expertise in the industry. This inexperience finally played a part in Sam's demise. In the past, Alameda Research would take investor funds and utilize them to trade cryptocurrencies, promising a 15% annual return. Sam started his own cryptocurrency exchange in 2019 called FTX, which is connected to the FTT coin. With around a million users, the network drew a sizable number of investors. Sam provided incentives to clients who chose to keep their money on FTX rather than convert it to dollars as a way to encourage them. At first, FTX was trading at $80. By collaborating on ads with the Mercedes Formula 1 team, the exchange increased its prominence. In addition, the moniker FTX was used for Miami's naming rights and placed on the UC Berkeley stadium. But Sam started investing in other cryptocurrencies with the money he received from FTX. The United States had inflation at this time, which caused people to sell up their assets. Like a lot of other companies, FTX was impacted and eventually lost all of its money. According to The Wall Street Journal, Alameda CEO Miss Ellison said on a teleconference that FTX was using clients' funds to assist Alameda in paying its debts. The truth was significantly different from Sam's assertion that everyone's money was secure. Sam's buddy and opponent, CZ, the CEO of Binance, had invested $500 million in FTT, but this time in the form of FTT tokens rather than cash. CZ purchased it for $2 billion. But rather than in dollars, the payment was made in FTT. After receiving the FTT, CZ decided to wait for the ideal moment to sell them instead. But Sam started investing in other cryptocurrencies with the money he received from FTX. The United States had inflation at this time, which caused people to sell up their assets. Like a lot of other companies, FTX was impacted and eventually lost all of its money. According to The Wall Street Journal, Alameda CEO Miss Ellison said on a teleconference that FTX was using clients' funds to assist Alameda in paying its debts. The truth was significantly different from Sam's assertion that everyone's money was secure. Sam's buddy and opponent, CZ, the CEO of Binance, had invested $500 million in FTT, but this time in the form of FTT tokens rather than cash. CZ purchased it for $2 billion. But rather than in dollars, the payment was made in FTT. After receiving the FTT, CZ decided to wait for the ideal moment to sell them instead. CZ posted a remark on Twitter on November 6th that fundamentally altered Sam's life. He declared that the FTT tokens he owned would be liquidated. Everyone who possessed FTT started to sell it as a result, but they discovered that they were unable to take their money out because Sam was out of money. After that, Sam talked to CZ, and it came out that Binance was thinking about purchasing FTX. But two days later, CZ denied that Binance will purchase FTX in another tweet. By that time, FTX had only $900 million left over after having to pay its creditors over $10 billion. FTX BEING EXPOSED: Sam declared FTX and Alameda Research insolvent on November 11, 2022. This incident rocked the bitcoin market and was one of the biggest scams in history. Sam and FTX's credibility was seriously tarnished. The main causes of this predicament were the absence of a regulatory body monitoring FTX's activities and the lack of due diligence or audits to keep an eye on internal problems. Sam Bankman-Fried was fined after being found guilty on two counts of conspiracy and wire fraud. After Bankman-Fried testified that he was too busy and lazy to get haircuts and that he had no knowledge of the cryptocurrency operations, the verdict was handed down at the conclusion of the trial. He added that, although not always, he thinks of himself as intelligent in many respects. Nishant Singh, Caroline Ellison, and Gary Wang, three company officials, testified against him and entered guilty pleas. Since their time in California and the Bahamas, Sam Bankman-Fried and his three co conspirators have encountered numerous legal obstacles. Sam might potentially spend decades behind bars, and the government is still working to bring him to justice. Co-founder of FTX Garry Wang entered a guilty plea to four charges of securities fraud, commodities fraud, conspiracy to commit securities fraud, and wire fraud. The former engineering director, Nishant Singh, entered a guilty plea to six conspiracy charges. Carolyn Ellison has also entered a guilty plea to seven charges of conspiracy and fraud. Despite having a sentence or no punishment at all, Sam is currently facing a 50-year jail term. Sam, Edison, and other executives have also been

Jane Street, a trading company. After graduating from MIT in 2014, Sam began his employment at Jane Street, a trading company. There, he came up with an unprecedented idea that would allow him to earn a lot of money.Sam saw a gap in the cryptocurrency market: he could purchase Bitcoin in the United States and then sell it for more money in Japan. This strategy paid out so well that he occasionally earned up to $25 million in a single day. Consequently, he launched a cryptocurrency company called Alameda Research. Sam put together a group of his old coworkers and college pals, including Caroline Ellison, his then-girlfriend who was the CEO of Alameda Research despite having no prior expertise in the industry. This inexperience finally played a part in Sam's demise. In the past, Alameda Research would take investor funds and utilize them to trade cryptocurrencies, promising a 15% annual return. 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In March 2024, a second trial for these charges is set to begin. 4 After posting a $250 million bond, Sam was first placed under house arrest at his parents' house. Later, he was discovered requesting cooperation from the general counsel of an FTX station and giving a reporter in the New York Times access to Caroline Ellison's private diary entries, which the prosecution described as intimidation. Sam was remanded to jail after Judge Kaplan observed that he attempted to meet with reporters in order to hide his tracks. Prosecutors said that Sam embezzled millions of dollars during his trial in New York, using the money for celebrity endorsements, private jets, luxury real estate, and political contributions. They maintained that there was a split between FTX and Alameda Research and that he had 1deceived investors and consumers into thinking their money was secure. Sam approved modifications to FTX's code that benefitted Alameda, according to testimony from witnesses, including former FTX CTO Gary Wang. Sam's ex-girlfriend Caroline Ellison, a crucial prosecution witness, said Sam told her to make fictitious balance sheets. When the cryptocurrency market crashed in 2022, Alameda deceived lenders about its financial situation and stole $10 billion from FTX consumers. According to Ellison, Sam directed her to create false balance sheets that would hide the money that had been stolen from clients. During her 13-hour testimony, she acknowledged that utilizing FTX customer funds for Alameda's loan repayments was the most significant of her offenses. Among Sam's defenses were that Ellison was to blame for the choices and that he made mistakes because of the erratic market. But during cross-examination, Mark, his attorney, faltered, leaving Judge Kaplan perplexed. The case highlighted a significant cryptocurrency fraud that eroded trust in both FTX and Sam, largely due to the lack of regulatory oversight and due diligence in monitoring FTX's operations.

THE RISE AND FALL OF BYJU'S : A CAUTIONARY TALE OF EDTECH OVEREXPANSION

Prathna Baheti

INTRODUCTION Imagine having a classroom that is portable and can be adjusted to your preferred learning style and speed. Welcome to BYJU'S, the educational technology behemoth whose dynamic and captivating material is revolutionizing education. BYJU'S is turning education into an adventure rather than a chore, from learning algebra to discovering the wonders of science. Come along as we discover the wonders of this ground-breaking platform! "Once heralded as the gem in the crown of India's EdTech revolution, BYJU'S soared to a $22 billion valuation and became the epitome of educational innovation. It appeared unstoppable with its dazzling advertisements, celebrity endorsements, and claims to revolutionize education. Today, however, the story reads more like a Shakespearean tragedy, with a dramatic collapse after a stratospheric climb. How did a business that was once the favourite of parents and investors alike end up dealing with lawsuits, layoffs, and a falling valuation? The solution can be found in a classic example of overexpansion: expanding too quickly and losing focus on its primary goal. This is the narrative of BYJU'S, a warning about hubris, ambition, and the high-stakes EdTech industry. BYJU'S went from being a hero to nothing. This is how a massive EdTech company was brought down by overexpansion. The education technology (EdTech) industry has grown at an unprecedented rate over the last ten years, with several businesses springing up to transform conventional teaching methods. One of the most successful of these was the Indian online learning portal BYJU'S. Established by Byju Raveendran in 2011, the business swiftly rose to become one of the most valuable EdTech companies in the world. In a world where innovation and education collide, BYJU'S has become a ray of hope, revolutionizing the educational experience for millions of students. The Indian edtech behemoth swiftly rose to the top of the business by winning the hearts and minds of students worldwide with its captivating content and state-of-the-art technologies. Nevertheless, as they say, "What goes up must come down." A turbulent journey filled with ambitious expansions, growing hurdles, and a meeting with the reality of rapid growth has accompanied BYJU'S's spectacular climb. Our article explores the fascinating of BYJU'S—exploring its groundbreak achievements, the pitfalls of overexpansion, and the lessons learned in the ever-evolving landscape of educational technology. **HISTORY OF BYJUS** The story of Byju was not just about a company but about a vision that transformed the educational landscape. It started in 2011 when Byju Raveendran, a passionate teacher with a knack for making complex concepts easy, turned his skill into a business model. This small startup, born out of a simple idea to make learning engaging and accessible, quickly caught the attention of students and parents alike. The early success of Byju's was phenomenal. It wasn't long before the company transitioned from offering classroom-based teaching in Bengaluru to launching its flagship product - Byju's learning app in 2015. This app was a game-changer. It used interactive videos and personalized learning journeys to make studying effective and enjoyable. The response was incredible; within months, the app saw a massive download surge, with students across India and, eventually, around the world embracing this new way of learning. A blend of innovative technology and strategic acquisitions fuelled the expansion and growth of Byju's. Key milestones included significant funding rounds that attracted global investors, recognizing the potential in Byju's vision. Each step was a calculated move towards inclusivity in education, breaking geographical and language barriers. It emerged as a groundbreaking EdTech startup that transformed digital learning, rising from a small coaching center to a global educational technology giant with a peak valuation of $22 billion. THE RISE OF BYJUS Byju's narrative was about a vision that revolutionized the educational landscape, not just a business. It all began in 2011 when Byju Raveendran, a dedicated educator who had a talent for simplifying difficult ideas, put his talent into a business plan. This little business, which started with the straightforward goal of making education interesting and approachable, immediately attracted the interest of both parents and students. Byju's was incredibly successful in its early years. Soon after, the business moved from providing classroom instruction in Bengaluru to introducing Byju's learning app as its main offering in 2015. This app changed everything. To make learning efficient and pleasurable, it made use of interactive films and customized learning paths.The response was astounding; students all around India and subsequently the world embraced this new method of learning, and the app witnessed a huge spike in downloads within months. Byju's development and expansion were fueled by a combination of strategic acquisitions and cutting-edge technologies. Important funding rounds that drew in international investors who saw Byju's vision's potential were among the major turning points. Every action was a deliberate attempt to break down linguistic and geographic barriers and promote diversity in education. From a small coaching center to a global educational technology juggernaut with a peak worth of $22 billion, it emerged as a trailblazing EdTech business that revolutionized digital learning.

THE FALL OF BYJUS BYJU'S, once a trailblazer in the edtech industry, has experienced a dramatic decline due to a confluence of internal mismanagement and external market pressures. The company's aggressive expansion strategy, marked by multiple acquisitions between 2017 and 2021, led to significant operational inefficiencies. While these acquisitions aimed to enhance BYJU'S market presence, they instead overstretched its resources and disrupted its core educational services by shifting focus to hardware sales. Additionally, the company's valuation soared to $21 billion at its peak due to continuous funding rounds, but profitability concerns remained unresolved. A dramatic drop in valuation, now approximately $1 billion, coupled with a reported fiscal loss of $200 million in 2022, further strained the company's financial standing. Defaults on loans, massive layoffs of around 5,000 employees, and declining user engagement post-pandemic underscored the vulnerabilities in its expansion-driven business model. The lack of sustainable revenue generation and financial transparency ultimately weakened investor confidence and positioned the company on the brink of instability. Compounding BYJU'S challenges was its struggle with content quality and consumer trust. Rapid scaling made it difficult to maintain consistency in educational material, leading to errors and user dissatisfaction. Negative publicity also plagued the company, with reports of data breaches, misleading advertising, and high-pressure sales tacticsdamaging its brand reputation. Customer complaints regarding non-transparent billing practices and subscription renewals further eroded trust in the platform. Additionally, internal discord and leadership instability hindered effective decision-making, exacerbating operational inefficiencies. These structural and reputational setbacks coincided with an increasingly competitive edtech landscape, where evolving market dynamics and a post-pandemic slowdown in demand intensified BYJU'S financial difficulties. As a result, the company has been compelled to focus on restructuring efforts to stabilize its operations and restore confidence among stakeholders. The collapse of BYJU'S serves as a cautionary tale for the edtech industry, underscoring the critical importance of financial prudence, transparency, and adaptability in a rapidly evolving market. To ensure long-term sustainability, companies must prioritize innovation, ethical business practices, and a consumer-centric approach. Instead of overextending through acquisitions, businesses should focus on refining their core offerings and delivering high quality educational content. Market segmentation strategies and flexible business models can further enhance resilience against economic fluctuations. Ultimately, BYJU'S failure highlights the need for edtech firms to balance growth ambitions with operational efficiency, financial discipline, and trust-building measures. By learning from these missteps, companies in the sector can navigate industry challenges, foster sustainable expansion, and maintain a competitive edge in the global education technology landscape. LESSONS TO LEARN Critical insights into the significance of sustainable business strategies in the EdTech industry may be gained from the development and fall of BYJU'S. A crucial lesson is that, in order to maintain financial stability, long-term growth should be prioritized over aggressive expansion. Establishing a clear route to profitability is crucial for businesses since overvaluation and unrealistic growth plans can cause financial difficulties. Gaining investor trust and ensuring long-term profitability require upholding strict financial discipline, steering clear of high-risk purchases, and guaranteeing financial reporting clarity. Additionally, EdTech companies must acknowledge that online learning cannot completely replace traditional education and evaluate product-market fit before increasing operations. In this competitive environment, sustainability requires adjusting to changing market conditions and putting client retention ahead of immediate profits. Additionally, business resilience is greatly influenced by operational effectiveness and corporate governance. EdTech companies must put educational goals ahead of quick growth in order to maintain user experience and content quality. Building consumer trust is essential to maintaining brand credibility, and it is facilitated by ethical business practices and openness. Long-term engagement and market distinction are fostered by investments in user centric product development and ongoing innovation. The demise of BYJU'S serves as a warning to new EdTech companies about the need to strike a balance between expansion goals and sound financial management, creativity, and robust governance. Businesses can create a more robust and future-proof business strategy in the rapidly changing educational technology industry by using these strategic insights.

CONCLUSION The edtech industry's difficult balance between innovation and sustainability is brought home by the growth and fall of BYJU'S. While market domination and quick growth can take a business to new heights, sustained success necessitates sound financial management, moral leadership, and a dedication to real educational impact. Although BYJU's early success was fueled by an innovative approach to online education, its demise serves as a warning about the dangers of overvaluation, unapproved acquisitions, and poor financial management. The company's continuous difficulties and the unearthing of hidden funds highlight how important accountability and transparency are to business operations. BYJU'S serves as a warning to new firms and high-growth endeavors as the edtech industry continues to change. Prioritizing sustainable growth over transient market valuations is imperative.Businesses must put customer trust, operational effectiveness, and long-term viability above ephemeral market valuations and promote sustainable growth. Although the company's founder must now adjust the company's direction, the lessons learned from BYJU's decline extend much beyond its own path. The future of digital education will be shaped by traits like resilience, adaptability, and responsible leadership, all of which are necessary given the edtech sector's volatility. Within the larger startup community. **BYJU’S DOWNFALL REINFORCES A FUNDAMENTAL TRUTH: TRUE SUCCESS IS NOT ABOUT SCALING FAST, BUT ABOUT BUILDING A BUSINESS THAT CAN WITHSTAND TEST OF TIME**

CORPORATE SOCIAL RESPONSIBILTY : A NECESITY OR A TREND ?

Priya Jain

THE CONCEPT OF CORPORATE SOCIAL RESPONSIBILITY : Firstly, I would like to hold the attention of my reader on the basic concept of CSR, do you know what actually is CSR, if not, then here I am to make you familiar with it. Though the concept sounds new, but not soo, there is some "untold story of CSR", which I would like to present before you. CSR, which also known as corporate conscience , is based on the premise that, a business as a part of the society, using its resources to the fulliest for its operations and generating profits, is shoulder the responsibility to create some positive impact on the society as well as on the environment .It is something, which goes beyond just making a profit and creating a wealth for shareholders and includes ethical practices, sustainability, philanthropy, community outreach and stakeholders engagement. It is more or less based on the pillar of , which says that every business need to focus on three main aspects i.e. PEOPLE, PLANET AND PROFIT. People here means the human capital, which is the most important asset for any business and the success of any business depends upon how it treates its human capital, planet here means the natural capital i.e. the environment, from where the bussinee meets its requirement of natural resources, both renewables and non renewables and lastly the profit, which is the most essential thing for any business to survive in long run and to create a wealth for its shareholders.

GENESIS OF CORPORATE SOCIAL RESPONSIBILITY : As I said, the concept of CSR is not new either in India or elsewhere in the world. It has a long back story, which is not known to everyone, but don't you worry! Here I am to take you in the ancient times. So, the concept dates back to Mauryan history,where philosophers like kautilya emphasized on ethical practices and principles while conducting business. In that period, kings had an obligation towards society, and merchants displayed their own business responsibility by building places of worship, education, and various forms to charity fot the needy. Indian scriptures have at several places mentioned the importance of sharing one's earning with the deprived section of society, hence we have a deep rooted culture of sharing and caring. Our Vedas says-" Man can live individually but can survive only collectively". It says we need to develop a value system where people accept modest sacrifices for the common good. It suggest that peace, order, security, and justice are the fundamental aim of the state, which it need to keep at the highest level of its duty. Our religion also played a major role in promoting the concept of CSR. Islam had a law called Zakaat, which rules that a portion of one's earning must be shared with the poor in form of donations. Merchants belonging to Hindu religion gave alms, constructed temples and night shelters for the poor class. Hindu followed "Dharmada" where the manufacturer or seller charged a specific amount from the purchaser, which was used for charity . The amount was known as charity amount or "Dharmada". In the same fashion, Sikhs followed "Dasshaant". Here we can understand, that the history of CSR in India runs parallel to the historical development of India.CSR was something, which was driven by noble deeds of philanthropists and charity.It was influenced by family values, traditions, culture and religion along with industrialization. Till, 1850, the wealthy businessmen shared their riches with the society by either setting up temples or religious institutions. In the times of famines, they opened their granaries for poors and hungry. In the pre independence era, the pioneers or propagators of industrialization also supported the concept of CSR, like in 1892,Mr Jamshedji Tata established the JN Tata Endowment, which provided scholarships to Indian students to study abroad. He donated funds for the establishment of the Indian institute of Science in Bangalore and established the Tata Memorial Hospital in Mumbai in 1941, which is now one of the India's leading cancer treatment centres. He hase been a classic example for cultivating a solid foundation for CSR in the country, not only he, India gave the birth to many more industrialist-cum-philanthropists families like Birlas, Modis, Godrej, Bajaj and Singhanias, all these promoted the concept of CSR by setting up charitable foundations, educational and healthcare institutions, and trusts for community development. After gaining independence from colonial rule in 1947, India embarked on a journey of national building, prioritizing socio-economic development and poverty eradication. In the early years, the government played a dominant role in social welfare initiatives through its policies and programs. However, with the liberalization of the Indian economy in the 1990s, the private sector began to gain prominence. A significant turning point in the history of CSR in india came with the enactment of The legislation made it mandatory for certain qualifying companies to allocatea portion of their profits towards CSR activities. This legal provision was a ground-breaking step, making India the first country to mandate CSR expenditure through a ststutory requirement. Since, the introduction of mandatory CSR, the corporate landscape in India has witnessed a significant shift. Numerous companies, both large and small, have embraced CSR as an integral part of their business strategies.They have adopted innovative approaches to CSR, including partnerships with non-governmental organisation, collaborations with government agencies, and engagement with local communities and also undertaken projects which addresses the social challenges like, poverty, education, sanitation, and various skill development programmes for underprivileged youth. Lastly, the concept of CSR in India has evolved from traditional philanthropy to a more structured and strategic approach and in recent times, corporates has taken it as a integral part of its business activities and are too concious and enthusiastic to comply with its statutory requirements. TODAY'S SCENARIO, WITH RESPECT TO INVOLVEMENT OF CORPORATES IN CSR INITATIVES : In today' era, corporates are serious about the impact they are making in the society, they are mainly focusing on those activities which are beneficiacl not only for them but also for the whole society. A large number of companies are comprehensively integrating the CSR policies, practices and program into their business operations and processes not only this but the corporates also have CSR teams that formulate policies, strategies and goals for their CSR program and set aside budgets to fund them. Also corporates increasingly join hands with Non-governmental organisation and use their expertise in devising programs which address wider social problems. In current scenario in India, the "companies act 2013" mandates the corporates to spend 2% of their average net profits of the preceding three financial years towards CSR and the same has to be done by the corporates meeting the specified thresholds. In the light of it, I would like to present before my reader, the name of certain leading coporates which are intensively involved in CSR activities"RELIANCE INDUSTRIES" is one of the prestige and leading company of India, undertakes its CSR activities through its own "section 8" company i.e. "THE RELIANCE FOUNDATION" which is solely made for the purpose of undertaking CSR initatives. It implement various development programmes focusing on Rural Transformation, Health, Education, Women Empowermen, Disaster Response, Arts, culture and Heritage and many more. It provides scholarships and skill development to help students improve their higher education. "MAMAEARTH" is one of the most leading skin care and beauty brand which is famous for not only selling the natural and toxin free products but also for its involvement in various CSR initatives which includes tree plantation, plastic recycling, water conservation, eco-friendly packaging, educational and awareness campaigns and many more. "TECH MAHINDRA" is an Indian company that provides digital solutions and consulting services across the world and famous for its CSR initatives. It has established its own "TECH MAHINDRA FOUNDATION" for undertaking CSR activities. Its vision is " empowerment through education. It also involved into community engagement and volunteering various events like: Blood Donation Drives, Sports Meets, Tree Plantation Drives, etc. Here the list of corporates does not ends, there are many more companies, which are intensively involved in sustainable and ethical business practices, carrying out CSR activities which are positively impacting the people, planet as well as the society at large. **BENEFITS OF CSR : TO THE CORPORATES:** Do you know, why corporates are too motivated and enthusiastic to do the CSR, why they are ready to use there some part of profit for benefitting the people, environment and the economy as a whole, because there are some benefits which they gets by doing CSR, and which are: (1) Improve brand image and recognition: CSR initatives can significantly improve a company's public perception by looking out the commitment of a company towards social and environmental issues, which leads to improvement in the better brand recognition.

(2) Improve customer loyalty: It is proved that the companies engaged in CSR attracts more customers loyalty, they also feels like contributing to the society by purchasing the products and services of such businesses. The list of benefits which the corporates gets through its CSR initatives is limitless, the above is just the overview. **TO THE SOCIETY AT LARGE :** It is to be noted that, the benefits of CSR is not only limited to the corporates but it also to the society and community at large, its brings positive impact on the lives of people and the condition of the environment as well as the economy, and such benefits are: (1) Improve quality of life: The CSR activities of corporates improves the standard of living of the people in a society as it provides better healthcare, infrastructure development, education facility, etc. (2) Environment protection: The CSR initatives of corporates focuses on environmental sustainability which leads to the cleaner air, water and overall ecosystem. **INTERNATIONAL PERSPECTIVE ON CSR:** The concept of CSR is not only limited to the "INDIA" instead it has a wider reach across the globe, many countries are intensively participating in the "MISSION OF CSR", lets take a look in some of the countries involved in this "MISSION". THE USA is one of the most powerful country in the world has its own ideology with respect to the CSR. The corporates in USA has well participated in sustainable, social and ethical practices, many top businessman like BILL GATES has taken pledge to donate some part of there wealth to charity. Many top companies like Google, Microsoft, Lego has taken many CSR initatives in the country. RUSSIA is one the country , dedicated to do CSR, the companies in this country are always tries to impact the society positively, like Gazprom Lukoil,Novatek, etc . these giant companies focuses on supporting local communities by providing education, healthcare and many more facitities . SINGAPORE is one of the leading country, which focuses on CSR activities like that of INDIA. There are many CSR initatives implemented by the companies in Singapore which includes creating jobs for disabled, promoting inclusiveness by making technology accessible and easy to use for the elderly and many more such initatives. Hence, I can conclude that, not only the INDIA but every country around the globe is giving importance to CSR, as it becomes the necessity of today's era, it becomes the need of hour, for the corporates to give back to the society, as " THE PROSPERITY OF THE CORPORATES DEPENDS ON THE PROSPERITY OF THE SOCIETY AND COMMUNITY AT LARGE" and I can say that " CSR IS A NECESSITY AND NOT A TREND"

CORPORATE GOVERANCE CHALLENGES IN STATE OWNED ENTERPRISES IN INDIA

Priya Jha

State-Owned Entities

INTRODUCTION

State-Owned enterprises, also referred to as public sector enterprises or public sector undertakings (PSUs), are entities owned and operated by the government at national, regional, or local levels, playing a crucial role in the country's growth and development.

Pre-liberalization, SOEs enjoyed a very limited competition or had a monopoly in many sectors during their initial years. However, post-liberalization, the government had to reduce its control over various sectors, which made private entities more competitive and encouraged them to grow in the economy. The position of SOEs substantially changed as they were exposed to competition from the growing private sector entities.

While waves of disinvestment were taking place in government entities during the liberalization period, efforts were still made to keep the entities under government control. For greater freedom and flexibility in management, professionalism continued in the SOEs to enable them to compete with private sector players.

SOEs in India There are 389 central public sector enterprises (CPSEs) in India, among which 272 are operational. About 70 PSUs are listed on the National Stock Exchange (NSE).some of the top PSUs in India are:

- NTPC NHPC
- Coal Indi Oil and Natural Gas Corporation
- Power Grid Corporation

The laws applicable to SOEs are generally the same as those for private or listed companies in India. However, corporate law recognizes the special nature of SOEs and provides certain relaxations under the law. The government may also exclude certain provisions of company law from applying to SOEs.

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Corporate Governance in SOEs

Corporate governance is the structure and process through which the company operates. It gives the rights and responsibilities to the Company's shareholders, managers, and employees to take decisions for the company. Good corporate governance ensures the company is working in a true and fair manner.

Compared with private sector companies, SOEs face distinct governance challenges that directly affect their performance. In the case of SOEs, the controlling shareholder is the state, and they are unlikely to indulge in any transaction that benefits them financially. However, they can have some distinct interests, like engaging in transactions that benefit them politically, which can be detrimental to the financial interest of the company.

For instance, Indian state-owned enterprises (SOEs) have faced criticism for selling their goods below market value, thus functioning as a subsidy, in order to achieve the political objectives of the government. This has prevented minority owners from maximizing their investment's profit.

These organizations are owned and controlled by the government, which creates a number of corporate governance issues that result in corruption, inefficiency, and poor performance.

According to OECD, some of the concerns and issues of corporate governance in SOEs are:

- Complex ownership and governance structure of SOEs.
- High level of non-compliance by SOEs with provisions of Clause 49 compared with the private sector.

- Boards are not entirely free from government interference.
- Stakeholder interests determined by political goals that are preferred over minority shareholders.

Key challenges of corporate governance
With the related cases
1. Political Interference and Government Control
One of the prominent challenges for SOEs in India is political interference, which can seriously weaken their viability and operational effectiveness. Political involvement in decision-making, appointments, and business strategies frequently redirects these ventures from their essential goals of execution and benefiting the public, instead serving political interests.
Case study: Air IndiaAt first, Air India was a state-owned enterprise, and the government had a significant impact on its operations. Attempts to privatize the airline were regularly prevented by political factors, such as resistance from labor unions, political parties, and concerns over the loss of national pride.
Despite these challenges, the government started the formal privatization process in the 2000s, but it was delayed multiple times due to political obstructions. In 2020, the government, under Prime Minister Modi's leadership, restored efforts to privatize Air India as part of its broader strategy to reduce state control over loss-making public sector enterprises. The deal was eventually finalized in 2021, when the Tata Group took control, marking the end of over 60 years of government ownership.
The privatization process revealed how political considerations and government control regularly postponed or changed the privatization process. Political interference in decisions about bidding, labor issues, and administrative approvals created obstacles to a smooth transition. Government efforts to balance national interests with market changes ultimately shaped the course of Air India's privatization 2. Weak Accountability and Transparency Mechanisms State-owned enterprises (SOEs) regularly struggle with weak accountability and transparency mechanisms, which hinder their ability to make effective decisions that benefit both the organization and the public.
In SOEs, government oversight is often either insufficient or excessively bureaucratic, diminishing the effectiveness of administrative and monitoring bodies. The lack of transparency in decision-making processes worsens the issue, frequently leading to inefficiencies and corruption.
Case Study: Coal India Limited
State-owned undertakings regularly battle with weak accountability and transparency mechanisms, which hinder their capacity to make choices that benefit both the organization and the public.
In SOEs, government oversight is either insufficient or excessively bureaucratic, diminishing the effectiveness of administrative and monitoring bodies. The lack of transparency in decision-making processes worsens the issue, often leading to inefficiencies and corruption.
3. Bureaucratic Culture and Resistance to Change
The bureaucratic culture that saturates many Indian SOEs regularly results in rigid decision-making and resistance to change.
Bureaucracy in SOEs is characterized by:

- Rigid structures
- Excessive layers of approval
- Lack of versatility

This culture stifles innovation and adaptation, making it difficult for SOEs to respond quickly to market changes or technological advancements.
Case Study: Bharat Sanchar Nigam Limited (BSNL)
BSNL, the state-owned telecommunications provider, is an example of bureaucracy hindering development. Once the monopoly supplier of telecom services in India, BSNL faced major challenges when the sector was liberalized and private players entered the market.
Bureaucratic inefficiencies in BSNL led to delays in implementing new innovations, such as 4G technology, whereas private competitors rapidly adopted advancements.
The slow adaptation to changes is attributed to:

- Cumbersome decision-making processes
- Multiple layers of approval Aversion to risk-takingResistance to modernization efforts, along with outdated administrative practices, further hindered BSNL's ability to compete. This highlights the need for a cultural shift in SOEs to foster development, agility, and competitiveness.

4. Corruption and Lack of Ethical Governance
Corruption within Indian SOEs remains a critical challenge to corporate governance.With limited transparency, weak oversight, and ineffective administrative systems, SOEs become vulnerable to:

- Misallocation of public funds
- Dissolution of public trust
- Case Study: Indian Airlines
- Corruption and weak governance in Indian Airlines resulted in:
- Financial losses
- Declining reputation and credibility
- Lack of effective internal controls
- Poor administrative oversight contributed to the corruption within the organization. Even though Indian Airlines had a monopoly in the domestic air travel market, it failed to modernize and improve due to corruption and mismanagement.
- This scandal serves as an example of the dangers posed by lacking corporate governance structures, emphasizing the need for transparency, integrity, and anti-corruption measures in SOEs.

5. Regulatory and Compliance Challenges

- SOEs in India frequently operate in a web of overlapping and conflicting regulations, making compliance difficult and affecting operational efficiency.
- Case Study: Oil and Natural Gas Corporation (ONGC)
- ONGC, India's largest state-owned oil and gas company, is an example of an SOE struggling with regulatory and compliance challenges.
- Even though ONGC is a major player in India's oil and gas sector, it has faced challenges in:
- Complying with environmental regulations
- Meeting global corporate governance standards
- These regulatory challenges hinder SOEs from achieving their full potential and highlight the need for better governance frameworks.

7. Lack of Effective Leadership and Governance Structures

A recurring issue in SOEs in India is the lack of effective leadership and poor governance structures. The quality of administration in many SOEs has been a point of dispute, with appointments often made based on political connections rather than merit. This undermines the overall governance structure and weakens the ability of SOEs to make vital decisions that promote long-term development.

Case Study: Indian Oil Corporation Limited (IOCL)

Indian Oil Corporation Limited (IOCL), one of India's largest public sector oil companies, has frequently faced administrative challenges.

While IOCL has been moderately successful compared to some other SOEs, there have been instances where senior administrators were accused of poor decision-making and lack of vision.

Some governance issues at IOCL include:

- Lack of independence, with political considerations frequently affecting key decisions.
- Weak corporate administration systems, leading to delays in adopting innovative technologies.
- Failure to adequately address environmental concerns.

Effective leadership and strong governance structures are essential for the success of SOEs, and IOCL's challenges highlight the need for significant reforms in this area.

Suggestions to Refine Corporate Governance in India

- Empower boards of SOEs to make decisions after considering all significant stakeholders, including minority shareholders.
- Emphasize the autonomy of SOEs' boards, including by strengthening the method of appointing independent directors.
- Ensure minimal government interference within the workings of SOEs.
- Simplify the holding structure of SOEs by possibly consolidating proprietorship in a single entity, as seen in:
    - State-Owned Assets Supervision and Administration Commission (SASAC) in China
    - Temasek in Singapore
    - Khazanah in Malaysia
- Greater acknowledgment and security of minority shareholder interests.
- Suitably adjust the interests of shareholders and other stakeholders, such as customers and the general public.

CORPORATE RESTRUCTURING AND LEGAL ISSUES IN MERGERS AND DEMERGERS

Rishita Singh

Did you know that there are two different worlds that exists at the same time all around you? Allow me to introduce you to both. One operates at the grassroots level, while other thrives in the corporate sphere as we transition from humble beginnings to professional success, let me take you on a journey into the corporate world. Corporate world begins where a human mind hustles to make a mark in the society. As the Companies progress and prioritize profitability and distributing the same as dividend to their shareholders they inevitably reach a juncture where restructuring becomes necessary to ensure sustained growth and competitiveness. Corporate restructuring plays an important role in an organizations success. Corporate restructuring According to ICSI1 corporate restructuring is an expression that refers to the structuring process undertaken by a business enterprise where a company can consolidate its business operations and strengthen business operations and its positions for achieving its short term and long term corporate objective. It means, "To give a new structure to, rebuild, or rearrange". Let's understand the concept through some of the modes of corporate restructuring, Mergers, acquisition, amalgamation, absorption are some of the modes of corporate restructuring. If you understand the meaning of the concepts it's basically the same however to gain a professional grip one must get into the technicality of the words. Merger –when two companies come together and form a single company and the formed entity could be a new entity or one of the existing entity. For instance, company A and company B merged into either A or B or can form a new entity C. Let's take a real life example, HDFC ltd. and HDFC bank merged and the resulting entity was HDFC bank. Amalgamation- when two companies merge and form a new company. For instance, company A and company B merged and formed a new company C. Let's take a real life example, Vodafone India and idea cellular amalgamated and formed VI.2,3 Absorption- when two companies come together and form one of the existing companies. For instance, company A and company B merged and formed company A. Let's understand this with a real life example, merger by absorption of tech Mahindra growth factories limited and tech Mahindra.4 Amalgamation and absorption is a type of merger however to understand the technicality and to know when to use which term we must know the difference. Acquisition- when a person or an entity exercises control or voting powers in another entity or holds substantial number of shares in another entity it is known as acquisition. Acquisition can be of shares, voting rights, or by acquiring control over another entity this does not result in merger or amalgamation. In acquisition, the acquirer (a person or an entity who exercises or likely to exercise control or voting rights or acquire share) only takes substantial shares or voting rights in the company. For instance, company A acquires 25% of shares in company B, this does not result into a new company, and this does not result into merger or amalgamation. Let's understand this with a real life example, TATA MOTORS acquire JAGUAR AND LANDROVER5 The new world or the corporate world is ever changing world, where the changes always bring a new start for the existing entities as well as the entities proposed to enter the market. According to jean Chretien "you have to look at history as an evolution of society." Let us understand the corporate restructuring looking at the history of evolution in different countries. In America change in corporate structure was revolutionary in 1980s. In East Asian countries (Indonesia, Korea, Malaysia and Thailand) corporate restructuring was recognized as the key to the above affected countries recovery process and long term viability of their corporations in the aftermath of the 1997 Asian financial crisis. According to the ICSI, The concept of merger and acquisition in India was not popular until the year 1988. The year 1988 witnessed one of the oldest business acquisitions or company mergers in India. It is the well-known ineffective unfriendly takeover bid by SWARAJ PAUL to overpower DCM ltd. And Escort ltd. However after 1991, with the economic liberalization, Globalization, and opening-up of economies, the Indian corporate sector started restructuring businesses to meet the opportunities and challenges. The restructuring perhaps is the best route to reach a size comparable to global companies as to effectively compete. Legal framework of corporate restructuring in India; Corporate restructuring in India is governed by the following acts, rules etc. COMPANIES ACT, 2013 COMPANIES (compromise, arrangements and amalgamation) rules, 2016 INCOME TAX ACT, 1961 ACCOUNTING STANDARDS FEMA, 1999 COMPETETION ACT, 2002 INTELLECTUAL PROPERTY RIGHTS INDIAN STAMP ACT, 1899 IBC, 2016 The companies act, 2013 also provides national company law tribunal (NCLT) as the sole authority to look after matters of corporate restructuring. Corporate restructuring under companies act, 2013. Justice Dhananjay Y Chandrachud in case of ION EXCHANGE INDIA LTD. (2001) has beautifully put forth the definition corporate restructuring. "Corporate restructuring is one of the means that can be employed to meet the challenges and problems which confront business. The law should be slow to retard or impede the discretion or corporate enterprise to adapt itself to the needs of changing times and to meet the demands of increasing competition. The law as evolved in the area of mergers and amalgamation has recognized the importance of the court not sitting as an appellate authority over the commercial wisdom of those who seek to restructure business." The companies act, 2013 opens various simple avenues for restructuring operations in India. Following sections under the act governs corporate restructuring;

- Section 230
- Section 231
- Section 232
- Section 233
- Section 234
- Section 235
- Section 236
- Section 237
- Section 238
- Section 239
- Section 240

Corporate restructuring through the lenses of IBC, 2016 The insolvency and bankruptcy code, 2016 deals with the insolvency of corporate debtor where the corporate debtor (person or entity at default) not in position to pay off its debt and facing financial distress, IBC provides for the corporate debtor to restore itself through the corporate insolvency resolution process (CIRP) which is the primary method of corporate restructuring under the IBC. Section 5(26) of insolvency and bankruptcy code (IBC) defines a resolution plan. A resolution plan is a proposal for resolving the insolvency of a corporate debtor. It can include provisions for restructuring the debtor, such as mergers amalgamations and demergers. Section 7, 9, and 10 of IBC outlines the process for initiating corporate insolvency proceedings.7 Corporate restructuring; income tax act, 1961 (tax aspect) According to income tax act, 19618 mergers and demergers are generally tax neutral transactions. Following sections govern corporate restructuring; Section 2(19AA) Section 47 Section 32(1) Section (35 DD) Section 35 A (1) When we talk about corporate restructuring it is not a simple process ,if we start restructuring our corporation there is likely going to be transactions that will affect the shareholders ,there is going to be the involvement of several authorities and likely some in depth tax strategies to avoid tax implications. Corporate restructuring has to be done with professionals who has essentially performed due diligence (in depth research/checking /investigation to find any hidden liabilities or obligations) and make sure that the material facts in regard to restructuring is true and fair. It is difficult to definitively state the first ever corporate restructuring in India however one significantly early example would be the merger of AIR INDIA and INDIAN AIRLINES in 2007 which is often cited as a major corporate restructuring event in the country in aviation industry. This merger was governed by companies act, 1956. One of the other cases of corporate restructuring was demerger of RELIANCE INDUSTRIES. Lately, there has been a surge in merger and demerger activities or we can say mergers and demergers have emerged as prevailing trend in the corporate world indicating a significant shift in corporate strategies. To understand corporate restructuring better, let's examine mergers and demergers as a pivotal strategy. Mergers and demergers; prevailing trend in the corporate world. One of the notable early mergers in India was the merger of TATA OILS MILLS COMPANY and LEVER BROTHERS INDIA LIMITED IN. This merger created Hindustan Unilever limited (HUL). The merger allowed both companies to combine their strengths and increase their market share in consumer goods sector. Companies act, 2013 defines merger as the combination of two or more entities into one. Companies merge to grow their business, increase their market share and access new market. For instance; HDFC merger Demergers happen mostly in family owned businesses they split up after decades and one of the reasons could be because of potential conflict in family business.The Birla's split up after three generations as did the Bajaj's. The Ambanis and Srirams split, the jindals and Mundals divided their business. These split ups are classic example of demergers in India. As per companies act,1956 demerger is a form of corporate restructuring in which entities business operations are segregated into one or more components. It is the converse of merger or acquisition. For instance; ITC demerger In India the primary law that governs corporate restructuring is companies act, 2013 along with the involvement of various other regulatory bodies. These regulatory bodies are; National Company law tribunal (NCLT) Competition commission of India (CCI) - regulation of combination section 5 Securities exchange board of India (SEBI) – substantial acquisition of shares and takeovers (SAST) and listing obligation and disclosure requirement (LODR). Regulatory requirement; NCLT approval - approval of scheme of merger or demerger from NCLT Board approval-the board of directors must thoroughly evaluate the proposal of merger or demerger. Shareholders /creditors approval- the approval of merger or demerger from the shareholders through special resolution in general meeting. CCI approval - whether the proposed merger or demerger has appreciable adverse effect on competition in the market or whether it would create monopoly. SEBI approval – if the scheme of merger or demerger relates to listed companies. Other regulatory approval – The companies operating in other industries, other regulatory bodies may need to be involved. For instance, RBI in case of cross border mergers. Due diligence –due diligence means in depth checking or investigation to find out hidden liabilities or obligations of the companies to the scheme. Legal issues / challenges in merger and demerger Due diligence – parties to merger or demerger need to get the due diligence done to find any hidden liabilities if any and to ensure legal viability of merger or demerger. Shareholder approval – companies must get the approval of shareholders for merger or demerger, more often than not shareholders do not agree to the terms of the corporate restructuring. At times it is difficult to obtain shareholder approval. Loss of synergy- the demerged entity may lose the synergy and economies of scale they once shared as part of a larger organization while in merger loss of synergy happens if it significantly impacts the terms of merger agreement leads to shareholders lawsuits. Regulatory complexities – it might happen that it takes more time to take approval from the authorities than required. Delay in approval leads to complexity in the process of corporate restructuring. Potential for litigation- disputes can arise from various aspects of the transaction including unfair treatment of shareholders, misrepresentation of financial information etc. **Conclusion;** There should be no winners or losers in a merger or demerger and there is always a place to make a change. Corporate restructuring is one of the key initiatives that breathes a new life in a company leaving no stone unturned to overcome challenges, improving financial health of the company and changing a company's structure or operations. Being a corporate law student I would say even the best things comes up with disadvantages since corporate restructuring has many advantages but disadvantages are inevitable yet it consistently meets the need of the moment.

THE RISE AND FALL OF BYJU'S

Riya Jain

THE RISE AND FALL OF BYJU'S: A Case Study in EdTech Overexpansion

Imagine you are sitting in a packed class, and the teacher is explaining an important concept. It appears that everyone else is understanding the teacher's words and nodding their heads in unison, but this is not the same with you because you cannot understand an inch of the explanation going on the class. Does this scenario resonate with you? Whether you accept it or not, such situations have happened at least once in a student's life. Every person has its own pace of learning, and it is not possible for the teacher to take care of everyone in the class. Thankfully, the EdTech sector is growing fast enough to fill this gap. And talking about EdTech in India, one name that can't be missed is BYJU'S. Come let's go through the Exciting Journey of BYJU'S and also discover that how Byju Raveendran from a village in Kerela to creating India's biggest online-education platform. The story of Byju was not just about a company but about a vision that transformed the educational landscape. It started in 2011 when Byju Raveendran, a passionate teacher with a knack for making complex concepts easy, turned his skill into a business model. This small startup, born out of a simple idea to make learning engaging and accessible, quickly caught the attention of students and parents alike. Byju realized that every student has a different way and different speed of learning. Some students learn better by reading books, some like hands-on activities. The company will have to try every approach to maximize the impact. The company hired experts, mixed the text with video and animation, tried to explain concepts through everyday examples. This was the revolutionary step in the Indian education system. Remember our system has been around for decades to teach students to score marks, to focus less on learning, more on marks and not on fundamental concepts. Byju's attempt was to change the system. Byju's, which was once an investor's favorite, saw its valuation plummet by a staggering 86% from $22 billion to less than $3 billion in just the span of one year. It's rapid ascent to the world's most valuable EdTech also played a large role in its downfall How did so much go so wrong so quickly? Curious about how it all unfolds? Let's rewind and start from the very beginning. The Meteoric Rise of BYJU'S

The early success of Byju's was phenomenal. It wasn't long before the company transitioned from offering classroom-based teaching in Bengaluru to launching its flagship product - Byju's learning app in 2015. This app was a game-changer. It used interactive videos and personalized learning journeys to make studying effective and enjoyable. Byju's was now in limelight and people were ready to invest in it. Capitalizing on the growing popularity of digital learning. By 2016, it had attracted a $145 million investment, followed by another $70 million in 2017. Armed with significant capital, Byju's embarked on an aggressive expansion, employing a massive workforce and launching nationwide advertising campaigns. They made Shah Rukh Khan the brand ambassador. In 2017 Harvard business school prepared a case on how Byju's was having an impact on a learning ecosystem.2 By 2019, the startup had evolved into an education empire with over 50,000 employees and a global presence. Its revenue surged, becoming the first edtech firm in India to surpass the Rs 1,000 crore mark.3 Byju's became a big name in the industry, growth attracted even more money. By the end of 2018, Byju's the Indian Cricket team. The atmosphere was such that almost everyone had heard the name of Byju's somewhere. And then comes COVID-19 Pandemic. There was a big opportunity for EdTech companies. Schools were closed and education was affected by the lockdown. As per UNESCO Report, the pandemic affected more than 1.6 billion students and youth globally, with the most vulnerable learners being hit hardest. Some gains already made towards the goals of the 2030 Education Agenda were lost.4 gap. EdTech sector received $6.65 billion funding from venture capitalists and their companies from April 2020-May 2022. Now, think about it, half of the industry $3.3 billion went to doesn't double, it triples and reaches up to $22 billion, like overnight. Byju's acquired many companies like – coding platform White Hat Jr., Aakash Educational Services Ltd., K-12 platform Topper and higher educational platform. Some of its well-known acquisitions are: 1. Great Learning Pvt. Ltd. In July 2021, BYJU'S acquired Great Learning Pvt. Ltd. for $600 million. It is a leading global player in the professional and higher education segment, and has delivered over 60 million hours of impactful learning to 1.5 million learners from over 170 countries. 2. WhiteHat Jr. In July 2020, BYJU'S acquired WhiteHat Jr. for $300 million which teaches online coding to students through live lessons and interactive classes. 3. Aakash Educational Services Ltd. In April 2021, BYJU'S acquired Aakash Educational Services Ltd. (AESL). With over 33 years of experience and more than 215 centers across India, it is a leader in the test preparation segment for students preparing for medical and engineering entrance exams, school/board exams, KVPY, NTSE, Olympiads, and other Foundation level exams.5 Because of this early success, Byju's became a textbook example of Too Big Too Soon which creates a lot of pressure on the company. Expectations started to rise and a lot of pressure was put on the company's employees to bring more deals and also the company's accounts were affected. The Fall of BYJU'S Even as Byju's was celebrated as a success story, cracks began to emerge. The company's aggressive sales culture drew criticism for pressuring parents into purchasing expensive courses and devices. By the end of 2022, Byju's was about to collapse as it failed to meet expectations. The company prioritizes new consumers over existing ones and user engagement. Byju aimed to attract new users with pricey marketing, but they failed to keep former consumers satisfied and establish long-term partnership. Byju wastes money on unnecessary features and grows its technical infrastructure inefficiently. The reputation of Byju's hurt people who weren't its users, investors, partners, or people who work in the industry. The EdTech market was very competitive, and the damage to BYJU'S brand reputation made it less likely for the company to do well. But Byju's needs to earn back people's trust if it wants to lead its field again. There were problems with BYJU'S business and leadership after the scandals. It became more challenging to get money, work with influential people, and form strategic partnerships. Byju's Soft Scam: Harsh Selling Practices: The re-opening of schools and other educational institutes impacted Byju's revenue significantly. In an attempt to keep up with the image it created. The company strayed from its mission of delivering high-quality education and instead shifted its focus to selling hardware devices like laptops and tablets to students and parents. This shift was accompanied by the use of aggressive and unethical sales tactics. For instance, according to an article in a newspaper, there were reports of one parent complaining about receiving comments like, "Your daughter will end up poor like you" and "You should be ashamed for trying to stop her from succeeding in life" when they declined to purchase Byju's products and services due to affordability issues. There are also allegations that Byju's pressurizes its teachers to promote its products. Byju's claims that its offerings are unique and provide a competitive edge to students. Parents detail how Byju's pushed them into debt: The other salesman took his phone and identity cards to sign him up for a loan without his consent - which he only realized later when he started receiving reminder text messages from a third-party finance firm about an upcoming monthly installment. Although the firm did experience meteoric rise, cracks started appearing in BYJU'S business model. Many criticized the company for aggressive sales, wherein they pressure gullible parents into investing in expensive subscription plans. Reports of financial irregularity and opaque accounting practices made people question the sustainability of such growth. Another big risk that Byju's took was that after 31st March 2021, they refused to share their financial data. We were unable to find out anything about financial health of country's biggest startup. By April 2023, pressure of lenders builds up and further loan was not sanctioned to Byju's. While financial constraints can be legitimate factor behind layoffs, it becomes concerning when a company allocates substantial amounts, estimated to be around $5-7 million per year, to secure Lionel Messi as the brand ambassador for its social impact division, Education for All.7 Byju Raveendran is no Longer a Billionaire Byju's was sitting at $22 Billion last year. For this 85% fall, prosus said that Byju's is not transparent about its financial condition and does not release financial numbers. Byju Raveendran, who joined the billionaire's club has dropped out of his exclusive ranking due to a series of missteps. However considering the loans he took to invest in the company, his personal Net worth is estimated to be around $475 Million. This marks as a considerable decline from Raveendran's net worth of $1.8 billion in 2020, when he debuted on Forbes` world Billionaires list and his firm was valued at $10 billion. Within two years, his fortune had doubled to $3.6 billion before experiencing a downturn.8 Analysts suggest that the company expanded too quickly, lacking proper checks and balances. For example, Byju's operated without a Chief Financial Officer (CFO) from December 2021 to April 2023. By 2024, BYJU'S was a shadow of its former self. The company faced multiple lawsuits from dissatisfied customers, former employees and investors. Several of its high-profile acquisitions were written off as losses. The Government issued a probe against Byju's under Foreign Exchange Management Act (FEMA), which regulated foreign transaction for national interest. Byju's has Enforcement Directorate (ED) trouble, as agency finds alleged forex violations of INR 9000 crores.9 Reasons For Byju's Fall: 1. Schools Reopen 2. Shaddy Marketing Tactics 3. Ineffective Learning Model 4. Bad Financial Health Lessons Learned BYJU'S lesson for startups and companies to learn from: rise and fall. Fast growth is very exciting, but it needs to be balanced with sustainable business growth. Aggressive sales coupled with unchecked expansion eventually turn out to be a boomerang for the largest EdTech giant. Byju's initial success was rooted in its commitment to transforming education through innovative technology. However, as the company grew, this core mission became obscured by other objectives. It highlights the risks of overvaluation and overexpansion without a solid foundation in sustainable business practices. Moreover, its journey offers invaluable lessons for the entire EdTech industry, emphasizing the need for sustainable, value-driven growth and the importance of staying true to one's educational mission.

CONCLUSION The lesson here is clear: staying true to your founding values is crucial. It's these values that resonate with customers and build lasting loyalty. When a company drifts away from its core mission, it risks losing its unique identity and the trust of its customers. The dust settles, but by then BYJU'S story will have been ripped and tugged for years and that is how the inspiration of a next generation entrepreneur gets turned into a cautionary tale.

CORPORATE LIABILITY FOR DATA PROTECTION AND PRIVACY UNDER INDIA LAW

Ryan Fernandes

Data in today's world is the chief information of the body corporate in today's world. It must be protected with the utmost care. In a fast-growing environment data protection is getting more and more important because it contains valuable information of the company. The advent of digital age has increased the protection and safeguard of data from any misuse. Data can be moved very quickly from one computer system to another, it can be easily misplaced if it is not handled properly with effective regulations. Thus it is important for the company to protect its data according to the Indian laws. I know that everyone would know what is data protection ? It is nothing but just protecting data from corruption, misuse and in wrong hands. Article 21 of our constitution gives us the right to privacy it is our fundamental right. In 2017 right to privacy is pronounced in the case K.S Puttaswamy v. Union of India.We live in a age where everyone of the individuals are one screen this makes data protection a valuable aspect.our every personal and non personal both information into our digital devices makes it a need for safety. A company has a bundle of information which is confidential if misused can cause damages to the corporate body. The Information Technology Act lays down the rules and regulations for corporates to protect their data from corruption. Corporate liability for data protection and privacy primarily stems from Section 43A of the Information Technology Act, which states that anybody corporate handling "sensitive personal data" must maintain reasonable security practices and procedures, and is liable to pay compensation to affected individuals if negligence results in wrongful loss or gain due to a data breach this means that company is held liable if they do not protect their information protected. Section 72 of Information Act penalizes unauthorized disclosure of personal information obtained due to an individual's official capacity, prescribing fines and imprisonment for violations. The Digital Personal Data Protection Act, 2023 is a recent piece of legislation for the processing of personal data in India. It was finally adopted almost six years after the Supreme Court recognised the fundamental right to privacy in Article 21. The DPDP Act follows the concept of being simple, plain language, contains illustrations for better explanation, contains no provisos and has minimal cross referencing of provisions. The DPDP follows India's Personal Data Protection Bill (PDPB) Bill 2022, India's most recent attempt to create a comprehensive data privacy. Data Privacy is the dependency between the gathering and distribution of data information, and technology with the public keeping in mind the general laws and rules and following standard ethics. It relates to how a piece of information should be handled based on its relative importance in a way that the data is used for its intended purpose only. The ways and process in which we protect data from corruption and unauthorized access through its lifecycle is called Data Security. It includes data encryption, hashing, tokenization, and key management practices that protect data across all applications and platforms. Data leakage is the unauthorized movement of data from within an organization to an external destination or recipient. The advancements in technology have made the data more vulnerable to leaks, what was initially created to give a safe space for individuals and organizations to discuss revolutionary ideas has become an unethical source of income for others. The dark web is the go-to place for unethical hackers to sell the stolen data from big corporations to their competitors or the highest bidder. Unacademy is one of India's biggest online EdTech providing preparation material for several professional and educational entrance exams. These lessons are in the form of Live lessons both free and via subscription. On 3 May 2020, US-based cybersecurity firm Cyble disclosed the data breach where the Unacademy database was available on the dark web for $2000 containing 20 million accounts. The last user account created present in this database was from 26 January, which indicates that the hacker was able to breach into the systems, towards the end of January 2020. According to the reports, the hacker alleged to have access to the database of the whole company. They, however, decided only to leak users' accounts at that point in time. The Board under DPDPA, will be an independent corporate entity empowered to enforce the DPDPA, adjudicate on complaints related to data protection violations, impose penalties, and provide guidance on the implementation of data protection laws. The Board members serve renewable 2 (two) year terms, and post-tenure employment with any data fiduciaries previously overseen is restricted to avoid conflicts of interest. The chairperson holds administrative authority, including assigning responsibilities, managing administrative matters, and delegating functions among members. In the chairperson's absence, the senior Penalties under the act are: Breach of provisions of the DPDPA or rules made thereunder Penalty Breach of security safeguards under Section 8(5) Up to INR 250,00,00,000 Failure to notify the Board or affected data principal of a breach under Section 8(6) Up to INR 200,00,00,000 Breach of obligations concerning children under Section 9 Up to INR 200,00,00,000 Breach of obligations for significant data fiduciaries under Section 10 Up to INR 150,00,00,000 Breach of duties of data principal under Section 15 Up to INR 10,000 Breach of voluntary undertakings accepted by the Board under Section 32 Penalties vary based on the breach Any other violations of the DPDPA or its rules Up to INR 50,00,00,000 Last year, the Ministry of Electronics and Information Technology stated that India witnessed 13.91 lakh cyber security incidents in 2022, and 47 incidents of data leaks and 142 instances of data breach in last 5 years. Discrepancies in numbers from different sources show that recorded instances are just the tip of the iceberg, as several remain undetected or are not officially reported. Businesses need to design effective breach prevention strategies based on detailed risk assessments and deploy technical and organisational measures. Technical measures may include pseudonymisation and encryption of personal data, backup and disaster recovery processes, regular system audits and intrusion prevention and detection systems to identify an d report before the escalate. My topic though about Indian laws data protection and privacy but these are some foreign laws breaches of well known companies. 1. 2. 3. 4. In May 2023, Ireland’s Data Protection Commission (DPC) concluded an enquiry into Meta Platform Ireland Limited (“Meta Ireland”) it had initiated in Aug 2020, billing the social media giant €1.2 billion ($1.3 billion) for violation of the GDPR. With regards to the article 46(1) of the GDPR, th0e Irish privacy watchdog blamed Meta Ireland for the transfer of personal data from the EU or the European Economic Area (EEA) to the US without adequate data privacy safeguards in connection with the delivery of its Facebook services. In September 2022, Ireland’s Data Protection Commissioner (DPC) fined Instagram for violating children’s privacy under the terms of the GDPR. The long-running complaint concerned data belonging to minors, particularly phone numbers and email addresses, which was made more public when some young users upgraded their profiles to business accounts to access analytics tools such as profile visits. In September 2023, TikTok was handed a €345 million ($370 million) fine by the Irish Data Protection Commission (DPC) for violating children’s data privacy, under GDPR law. The DPC found that TikTok had not been transparent enough with children about its privacy settings, and raised questions about how their data was processed. In October 2024, Ireland’s Data Protection Commission (DPC) fined LinkedIn €310 million ($335 million) for processing user data without proper consent, violating the GDPR. The Microsoft-owned platform used members’ personal information for behavioral analysis and targeted advertising without obtaining transparent, informed, or unambiguous consent. This fine is among the largest levied against a tech company for GDPR violations. Media and entertaining companies India is achieving very expediously in data protection laws.As general and industry specific data protection regulations are becoming prevalent and more rigorous on a global level, compliance is also a crucial aspect to consider for companies. The implementation of the General Data Protection Regulation caused a stir amongst businesses worldwide. In order to provide profitable premium content, media and entertainment companies should employ an ongoing process to protect sensitive data against unauthorized usage and distribution. With content aware protection, companies can ensure that sensitive data doesn’t leave the organization and/or get into the hands of unauthorized users through various exit points and online applications. ⊠ ⊠ ⊠ ⊠ Content Aware Protection from Endpoint Protector makes it possible to block the transmission of files depending on the file type. This includes: Graphic files (JPEG, BMP, PSD, TIFF, etc.) Office-related files (Word, Excel, PowerPoint, PDF, etc.) Archive files (ZIP, ACE, RAR, etc.) Media files (MOV, AVI, WAV, M3Uu, etc.) Methods of protecting data 1. 2. 3.

Encryption is a fundamental component for protecting personal data. It involves converting sensitive information into a coded form, making it unreadable to anyone without the proper decryption key. Only the authorized user, who possesses the decryption key, is able to decode and view the information. This method is widely used to protect sensitive data during transmission over the internet, as well as to secure data stored on devices, such as laptops and mobile phones. Additionally, encryption algorithms, such as AES and RSA, are used to scramble the data, making it virtually impossible for unauthorized users to access it. Backing up data regularly is an important aspect of data protection, as it ensures that data is preserved in the event of data loss or corruption. By creating copies of data and storing them in a secure location, organizations can quickly recover their data in the event of a disaster. Access control is a method of restricting access to sensitive information to only authorized users. This can be achieved through the use of passwords, multi-factor authentication, and role-based access control. These methods ensure that only those with the proper authorization can access sensitive data, reducing the risk of data breaches and unauthorized access. 4. Network security refers to the measures used to protect information and assets stored on computer networks from unauthorized access, theft, or damage. This can include using firewalls to block unauthorized access, implementing intrusion detection systems to monitor for and prevent cyber-attacks, and using encryption to protect sensitive information transmitted over the network. Regular software updates and employee training can also play an important role in reducing the risk of cyber-attacks. I would like to conclude bye saying that corporations, especially data fiduciaries (organizations processing personal data), must ensure robust data protection policies, cybersecurity measures, and employee training to mitigate risks of legal penalties. As India moves toward a more comprehensive data protection regime, companies must proactively adapt to evolving legal requirements to safeguard personal data and maintain regulatory compliance. With the DPDP Act, 2023 strengthening India's data protection regime, corporate liability for data privacy violations has increased significantly. Companies must ensure compliance with security practices, consent management, and breach reporting to avoid severe penalties. As enforcement mechanisms become stricter, businesses should proactively implement robust data protection strategies to avoid legal and financial risks.

INFLUENCE OF INTERNATIONAL ACCOUNTING STANDARDS ON INDIAN CORPORATE LAWS

Satya Krishna

International accounting standards which are one of the most used accounting standards globally have a great impact on all over the world one of which is India There are a few commonly used accounting standards like IFRS (International Financial Reporting Standards) developed by the IASB , IAS (International Accounting Standards) adopted by the IASB, and GAAP (Generally Accepted Accounting Principles) , Over 140 countries permit IFRS for domestic listed companies representing more than 85% of all jurisdictions in the world and some countries like U.S and CHINA have their own set of accounting standards The influence rather we can use impact of International Accounting Standards (IAS) on Indian corporate laws is significant, especially as India has gradually been matching up its accounting practices with international norms The whole journey has started when India has issued IND AS (Indian Accounting Standards), in convergence with the IFRS (International Financial Reporting Standards) meaning India essentially uses a version of IFRS tailored to its specific needs; this allows for greater transparency and comparability with global financial reporting standards On the basis of this, in 2010, First time MCA officially proposed phased approach regarding IFRS adoption in India. In the First phase they have considered the conversion of opening balance sheet as at 1st April 2011 by grouping the Indian companies in to three broad heads. These are: Group A- Companies that are part of NSE 50 (Nifty 50). Group B-Companies that are part of BSE Sensex (BSE 30). Group C-Companies whose shares or other securities are listed on a stock exchange outside India. Group D- Companies, listed or not, having net worth exceeding INR 1,000 crore. The Indian Accounting Standards (IND-AS) have been pivotal for Indian companies' financial reporting since their roll out in 2015. The main reason for such convergence is that IFRS leads to more transparent and comparable and understandable financial reporting for Indian companies, making them more reliable and attractive to global investors and facilitating easier access to international capital markets; This made the work easier and also efficient for the companies who wanted to give a turtle start to the global expansion of their companies Ind AS are in 'pari - materia' with that of the IFRS but still has induced some of the changes l ike slab rates and business combinations which are not in negative effect of the companies as Ind AS are specifically designed for India The Holistic aim out of all this is to operate a business successfully and also to have a good f inancial reporting system. In this regard, it is essential to have universally set standards in all domains to overcome conflicts and discrepancies across different countries and have a uniform framework of policy which will be well defined and structured. So India thought that developing its accounting standards on with the influence of international accounting principles would be a best idea . Although not every law is a cherry on a cake, it has its own limitations too, so in the Second phase they started conducting a research One stream of research reveal that adoption of IFRS improved the earning quality of the companies One stream of study reveals some challenging as well as beneficial factors for IFRS implementation , Challenging factors like Legal system, External environment, huge transaction cost, lack of training, Amendment of existing law etc Later IFRS was put on a voluntary obligation on the companies to check their viability in accordance to the IFRS and IGAAP another research has been done on whether the voluntary obligation brings any impact on the companies financial position or market value of the companies and To analyze the above objectives 1 & 2 they considered top thirty (30) Indian IT companies Annual Reports and as per their sales volume 2014-15 like Infosys ,Wipro, TCS who have already filed financial statement in accordance with IFRS as per the requirement of US Stock Exchange and Test has been run on following main factors i.e indicators of each company which are :- Liquidity position - Liquidity indicates to a entity's ability to meet its continuing obligations as they arise which did not changed after adoption of IFRS voluntarily Profitability position – measures a company's ability to generate earnings relative to sales, assets and equity and capital which did not changed after adoption of IFRS voluntarily Net worth and

Leverage position – defines that how much an entity worth in the market and which did not changed after adoption of IFRS voluntarily and leverage position defines company's debt and equity position. Assets valuation – Valuation of Goodwill, Depreciation treatment on tangible assets and evaluation of the fixed assets which did not changed after adoption of IFRS voluntarily Cash flow position – On the other hand cash flow position shows cash flow from operating activities, cash flow from financial activities and cash flow from investment activities which did not changed after adoption of IFRS voluntarily. The test result reveals that: Voluntary IFRS adoption has no impact in improving the financial position in terms of indicators. Coming to the Third and the last phase A research was lead and contributed to the literature by investigating the basics of IFRS and GAAP . Then it further analyzes the impact of these differences on Indian Companies who have adopted it and performing on the annual reports of the Indian IT companies. The above analysis shows that, although there is absolute difference in the quantitative indicators, calculated as per financial statement which is prepared as per IFRS and IGAAP On the other hand the outgiving analysis shows some indicative result that adoption IFRS can increase market value by way of foreign investors, foreign acquisition etc. This research would help the policy makers in formulating more appropriate rules and regulations towards IFRS harmonization in India. After this whole research thing is done finally At 16th February 2015, the Ministry of Corporate Affairs (MCA) has notified the revised guide line for implementing Ind AS which is relatively converged with IFRS for Indian companies other than Banking and Non Banking f inance companies and Insurance • Ind AS were implemented on a voluntary basis from April 1, 2015 • Mandatory applicability of IND AS to all companies from 1st April 2016, provided: It is a listed or unlisted company. Its Net worth is greater than or equal to Rs. 500 crore Now jumping onto a brief of the Corporate laws in india Having enough of Corporate laws has made india to implement a more rigid form of accounting principles on the corporations to be followed which is one of the reason for the above Corporate law establishes the rules for how corporations operate, while corporate governance is the system that directs and controls a company. Corporate governance is based on corporate law and aims to balance the interests of a company's stakeholders. And safeguard the rights. Corporate laws in India govern the formation, functioning, and winding up of companies. This is an inclusive list . Companies Act, 2013: This act covers company formation, share and security issues, audits, dividends, and more. Competition Act, 2002: This act promotes fair market competition and prohibits anti competitive business practices.Securities and Exchange Board of India Act, 1992: This act regulates the securities market and protects the interests of investors. Insolvency and Bankruptcy Code, 2016: This act governs the insolvency and bankruptcy of companies. Income Tax Act ,1961 Other corporate laws Limited Liability Partnership Act, 2008: A type of business law that creates a distinct legal entity that remains in operation even if a partnership dissolves Company Secretaries Act, 1980: Regulates and develops the profession of Business Secretaries The Partnership Act, 1932: A company law that governs partnerships in India The Sick Industrial Companies Act, 1985: An act that detects companies that could pose a f inancial risk After adoption of IFRS and issuing Ind AS there are certain problems occurred and one of them were observed with the companies act ,2013 in the following case Context The cardinal principle of company law, as enshrined under Section 129(1) of the Companies Act, 2013 ("Companies Act"), is that the financial statements ("FS") should give a 'true and fair view' of the state of affairs of the company, comply with the accounting standards notified under Section 133, and also be in the form provided for different classes of companies under Schedule III. Further, Section 134(5) of the Companies Act provides that the Directors' Responsibility Statement should inter alia state that – (a) in the preparation of the annual accounts, applicable accounting standards had been followed, along with proper explanation relating to material departures; and (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give and of the profit and loss for that period. Although the Companies Act does not define 'true and fair view', the Supreme Court of India ("SC") elucidated in J.K. Industries Ltd. v. Union of India that the term 'true and fair view' implies that the FS should convey an overall fair view and should not give any misleading information or impression. All the relevant information should be disclosed in such a manner that the financial position and the working results are shown as they are. There should neither be an overstatement nor an understatement Adherence to the 'true and fair view' principle and complying with the applicable accounting standards and Schedule III disclosure norms assumes special relevancefor listed companies, as minority shareholders and other stakeholders rely heavily on the FS to assess the health of a company, and gain deeper insight over its operations – which is critical for building trust and confidence among all stakeholders. In this context, it is significant to note that the Explanation to Regulation 4(1) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 ("FUTP"), This is the hold of accounting standards via companies act 2013 Impact of implementation of Indian Accounting Standards (Under Phase-I & II) in State Public Sector Enterprises under CAAG The Ministry of Corporate Affairs (MCA), Government of India notified Indian Accounting Standards (Ind AS), under Section 133 of the Companies Act, 2013 vide Companies (Indian Accounting Standards) Rules, 2015, keeping the Indian economic & legal environment in view and by referring to IFRS Standards. The Ind AS were made on IFRS which were different from the Indian Generally Accepted Accounting Principles (IGAAP) framework mainly in three key aspects i.e. fair valuation, substance over legal form and emphasis on the Balance Sheet. These Ind AS are mandatorily to be adopted by prescribed class of companies with effect from 1 April 2016. As on 31 March 2020, 39 Ind AS are applicable. The MCA from time to time make amendments in the Ind AS to keep them converged with IFRS through amendments in Companies (Indian Accounting Standards) Rules, 2015. The adoption of Ind AS resulted in changes in the financial reporting framework and use of fair valuation as against historical cost valuation. Out of fifteen SPSEs which were required to adopt Ind AS, only eight SPSEs have adopted Ind AS. After adoption of Ind AS the values of profit after tax was impacted in case of four SPSEs, revenue was impacted in three SPSEs and total assets were impacted in five SPSEs. The net worth of four SPSEs was impacted due to adoption of Ind AS. The effect of adoption of Ind AS should be considered while assessing the f inancial position of the concerned SPSEs. Hence in conclusion I would like to conclude that there are certain bad influence and certain good influence of international accounting standards on the Indian corporate laws the main factor is that the side that is chosen until unless the mandatory provision is not violated nothing is wrong so here is a good influence of IFRS on India as follows the same

THE JABONG SHUTDOWN

Shreni Vaidhya

What went wrong in India's online fashion boom? Introduction Jabong was one of the first major Indian brand in fashion online retailer industry which was established in Gurgaon by its founder members Praveen Sinha, Lakshmi Potluri, Arun Chandra Mohan, Manu Kumar Jain in 2012. The company quickly gained a significant and loyal customer base by offering access to a diverse range of local and exclusive global brands, such as Dorothy Perkins, a renowned U.S based high street brand, through online shopping. Over time, it has expanded its business into several categories, including apparel, accessories, equipment, and beauty products. It aimed to provide high-quality branded products to meet the needs of men, women, and children in tier 1 and tier 2 cities, as well as smaller towns and rural areas through its business model. Jabong operated its business on an inventory-based model as well as on a marketplace model. In an inventory-based model, they would stock and sell products directly from their warehouses, which helps in quality control and faster delivery. In a marketplace model, they acted as an intermediary, connecting between buyers with various third-party sellers, which would offer them a broader range of products. This combination allowed them to provide a better selection while maintaining quality and customer satisfaction. Jabong had its business fastest growth in 2012-2013 it recruited over 250+ employees, and made significant strides not only in operations but also in terms of growth. The company successfully raised a total of $47.5 million funding in three(3) rounds. This financial backing came from five different investors, demonstrating strong confidence in Jabong's business. The company received investments from Rocket Internet AG, Global Founders Capital, CDC Group Plc, and Global Fashion Group SA. Also at the starting period of Jabong there was only few competitors of it as online shopping was a new concept in India that time in 2012 hence they took the advantage by offering the customers services like easy return policies, cash on delivery, allowed them to check on product by opening while receiving it. They gained revenue of Rs 4 crores in FY 2011-2012 up to the remarkable profits of Rs 527 crores in 2013-2014. There were few competitors of jabong such as Myntra which was earlier into personalisation for gifts model but also planned to enter into fashion industry through the current marketplace model , BigShoeBazaar which was Yebhi later ,snapdeal was also doing well in market that time The Acquisition Period Jabong expanded rapidly, with soaring gross merchandise value, but faced continuous financial losses. By 2014, the company was struggling and put itself up for sale, leading to early buyout discussions with Amazon. However, in 2015, the Amazon-Jabong deal fell through due to a valuation mismatch. While Jabong managed to cut losses and increase gross merchandise value (GMV), order volumes and transactions remained stagnant. In 2016, the company significantly reduced operating losses and achieved break-even at the gross profit level. Despite this progress, its valuation plummeted to around $100 million, and there were no immediate buyers. By June, buyout discussions gained traction, with reports of interest from six potential buyers, including Aditya Birla Group, Flipkart, Amazon, Alibaba, Future Group, and Snapdeal. By early July, Flipkart and Snapdeal emerged as the final contenders, and on July 26, 2016, Myntra (owned by Flipkart) officially acquired Jabong for $70 million, marking the end of an era for the once-prominent e-commerce By the end of 2015, Jabong was in serious financial trouble. Its revenue had grown by 26% to ₹410.7 crore, but that was not enough to cover its losses. In December, Sanjeev Mohanty, former MD of Benetton Group, was brought in as CEO to help stabilize the company. However, Jabong's parent company, Rocket Internet, was also facing global financial struggles, including stock crashes and shareholder issues. Seeing its Indian ventures fail, Rocket had already sold FabFurnish to Future Group and decided to put Jabong up for sale as its last option for recovery.By early July, Flipkart and Snapdeal emerged as the final contenders, and on July 26, 2016, Myntra (owned by Flipkart) officially acquired Jabong for $70 million, marking the end of an era for the once-prominent e-commerce brand. Flipkart acquired Jabong through Myntra Jabong was acquired by Flipkart-owned Myntra on July 26, 2016, for $70 million. This deal was a strategic move by Flipkart to strengthen its position in the Indian online fashion market and compete with Amazon and other e-commerce players. Before the acquisition, Jabong was struggling with financial losses due to its heavy discounted offers on its products available on websites, leadership changes as its founders have left the company subsequently and declining market value beacause of its bad corporate governance . By the end of 2015, While having such serious financial trouble. Its revenue had grown by 26% to ₹410.7 crore, but that was not enough to cover its losses. In December, Sanjeev Mohanty, former MD of Benetton Group, was brought in as CEO to help stabilize the company. After several attempts to revive the business, its parent company, have failed and finally sold it for $ 70 million. The aim of this acquisition was to help Myntra expand its customer base, gain access to premium fashion brands, and strengthen its dominance in India's online fashion industry. Post-Acquisition period After the acquisition in 2016, the company initially aimed to strengthen Jabong's position in the online fashion market. However, Jabong faced increasing competition and struggled to maintain its market share. Flipkart began integrating Jabong's operations with Myntra, focusing on consolidating resources, it slowly started merging it with Myntra, its other fashion platform. A year later, Myntra and Jabong combined their backend and logistics operations to make deliveries faster and more efficient. This led to over 150 employees being laid off from Jabong. Myntra fully merged Jabong's operations, meaning that Jabong was no longer working as a separate company. Challenges faced after Acquisition Despite the promising start, Jabong faced several challenges post-acquisition 1. Brand Dilution and Lack of Investment After acquiring Jabong, Flipkart focused primarily on Myntra, treating Jabong as a secondary brand. Unlike Myntra, which received marketing investments and technological upgrades, Jabong was sidelined. The platform saw minimal innovation, leading to a decline in user engagement. 2. Leadership and Operational Issues Jabong suffered from multiple leadership changes before the acquisition, and post-acquisition, it lacked a dedicated strategic vision. Myntra integrated Jabong's operations, and key management decisions were made by Myntra's leadership. Without a distinct roadmap, Jabong struggled to retain its identity. 3. Inventory and Seller Integration Myntra and Jabong shared a common seller base and supply chain. Over time, Myntra prioritized its own platform, reducing incentives for sellers to list products on Jabong. As a result, Jabong's product catalog shrank, affecting customer retention. 4. Changing Market Dynamics Between 2016 and 2020, India's fashion e-commerce landscape evolved significantly. Amazon Fashion expanded aggressively, Reliance launched Ajio, and new D2C (Direct-to-Consumer) brands gained traction. With increasing competition and Flipkart's focus shifting to Myntra, Jabong lost its relevance. The Beginning of the End By 2018, Jabong's decline became evident. The platform's website traffic dropped, app downloads stagnated, and its once-loyal customer base migrated to Myntra. In 2019, Flipkart stopped investing in Jabong's growth altogether. Employees were gradually moved to Myntra, and operational redundancies were eliminated. The final blow came in early 2020 when Flipkart officially announced that Jabong would cease operations. Users visiting Jabong's website and app were redirected to Myntra. This marked the complete absorption of Jabong into Myntra, eliminating the brand from India's e-commerce space. • How it turned out loss making ? Jabong aggressively used exclusive sales and heavy discounts to attract customers, but this strategy ultimately led to huge losses. The company frequently launched flash sales, seasonal discounts, and festival offers, offering deep price cuts on premium brands. While this helped Jabong gain a large customer base and compete with Myntra and Amazon, it also eroded profit margins. To sustain these sales, Jabong spent heavily on marketing, advertising, and customer acquisition, further increasing its losses. Over time, as discounts continued and operational costs remained high, Jabong struggled to maintain profitability. Despite attempts to reduce losses and restructure its business, the financial burden became unsustainable, forcing its eventual sale to Myntra in 2016. Conclusion: Lessons from Jabong's Fall Jabong's journey from being a market leader to shutting down in less than a decade highlights key lessons in business strategy: 1. Brand Identity Matters – Post-acquisition, Jabong lost its distinct identity and became an extension of Myntra rather than a standalone brand. 2. Continuous Investment is Crucial – Unlike Myntra, which continued to receive funding and

DATA WITHOUT BORDER

Shruti Bhadra

Imagine that one day you ordered some food online and you provided your number to the app for delivery. Some days later you start receiving phone calls from unknown numbers offering delivery discounts promotions and all other advertisement stuff. How did these companies got your number and who gave them right to contact you, call you or use your personal information? With the increasing use of technology, the whole world has now become a small place where the information travels limitless distance in a small span of time only by few clicks on the screen. Internet have no doubt helped us in connecting to the world but at the same time have put our privacy in jeopardy. Like it's said that with great power comes the great responsibility the access to such quantum of information because of the help of internet such information must be used in an efficient ethical importance of privacy of our data and in a responsible way. Not so fun fact - in 2024 alone more than 1 billion sensitive data points were leaked! SHOCKING, right? Well one of the reason for such incident is lack of proper regulations, Speaking of regulations for data privacy it's not like there are no laws at all. There are a few laws recently developed in few countries considering the depth of the issue. The General Data Protection Regulation (GDPR) is one of the first law developed in the year 2018in the European union (EU). It has been a game-changer in the realm of data privacy since its enforcement in May 2018. Designed to protect the personal data of European Union (EU) citizens by forming strict compliances for the company to follow and imposing hefty fines on them if they fail to comply, GDPR has significantly influenced the way businesses handle and process information. GDPR is basically governed by 7 principles which are stated in the article 5 of GDPR. These 7 principles are as follows : 1. Lawfulness, Fairness and Transparency GDPR Article 5(1)(a) states that: "Personal data shall be processed lawfully, fairly and in a transparent manner in relation to the data subject 2. Purpose Limitation GDPR Article 5(1)(b) states that: "Personal data shall be collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes; 3. Data minimization Article 5(1) (c) states that: "Personal data shall be adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed 4. Accuracy Article 5(1)(d) states that: "Personal data shall be accurate and, where necessary, kept up to date; every reasonable step must be taken to ensure that personal data that are inaccurate, having regard to the purposes for which they are processed, are erased or rectified without delay 5. Storage limitation Article 5(1)(e) states that: "Personal data shall be kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the personal data are processed 6. Security article 5(1)(f) states that: "Personal data shall be processed in a manner that ensures appropriate security of the personal data, including protection against unauthorized or unlawful processing and against accidental loss, destruction or damage, using appropriate technical or organisational measures 7. Accountability Article 5(2) of the GDPR states that "The controller shall be responsible for, and be able to demonstrate compliance with Breach of any principles leads to highest fines in GDPR which can be upto 4% of the global turnover of the entity or 20 million euros whichever is higher. GDPR is SUCCESSFUL in making the companies whose citizens of European union are part of to revise their data privacy policies and maintain the data in the way which is ethical appropriate. GDPR grants individuals more control over their data. Businesses are required to provide clear mechanisms for individuals to access, rectify, and erase their data. This shift towards empowering data subjects has forced organizations to reassess their data management practices. GDPR has extraterritorial reach, meaning that businesses outside the European Union may still be impacted by its provisions if they process the data of EU citizens. It applies to any entity that processes personal data of EU residents, regardless of where the entity is based. This extraterritorial application of the GDPR has had global ramifications, influencing data protection laws in other jurisdictions. Non-compliance can attract the attention of international regulatory bodies and result in consequences beyond the borders of the EU. Several companies have been fined for violating the General Data Protection Regulation (GDPR), including: In May 2023, in a ground-breaking decision in the past five years of GDPR enforcement, the Irish Data Protection Commission imposed a historic fine of €1.2 billion on US tech giant Meta for transferring personal data of European users to the United States without adequate data protection mechanisms and serves as a significant milestone in data protection regulation On October 30 2024 the Irish data protection commission fined LinkedIn Ireland €310 million for GDPR violations. The Dutch protection authority has fined Uber €290 million for improperly Transferring the personal data of European taxi drivers to the united States. Similar to GDPR there emerged a new law in the state of California known as The California consumer privacy act (CCPA)which came in effect in 2020.CCPA too has introduced several new data privacy requirements that businesses must comply with. One of the most significant challenges small enterprises face is establishing mechanisms that allow consumers to request access to their data. This requires companies to make substantial adjustments to their existing data management practices. The CCPA also requires companies to disclose the categories of personal information they collect, the purposes for which they use it, and the third parties they share it with. CCPA gives consumers more control over the personal information that businesses collect about them. This landmark law secures new privacy rights for California consumers, including: The right to know about the personal information a business collects about them and how it is used and shared; The right to delete personal information collected from them (with some exceptions); The right to opt-out of the sale or sharing of their personal information including via the GPC; The right to non-discrimination for exercising their CCPA rights. In November of 2020, California voters approved Proposition 24, the CPRA, which amended the CCPA and added new additional privacy protections that began on January 1, 2023. As of January 1, 2023, consumers have new rights in addition to those above, such as: The right to correct inaccurate personal information that a business has about them; and The right to limit the use and disclosure of sensitive personal information collected about them. CCPA just like GDPR ensures the compliances with the data protection and privacy laws by imposing substantial fines on the organisations who fails to adhere to the regulations Both the laws GDPR and CCPA have affected the businesses all over the world. these laws have made the organisations all around the world more vigilant towards their data handling policies. GDPR and CCPA have also affected the individual businesses by increasing the legaland administration cost for implementing the new policies. The businesses which are obligated to comply with GDPR have become more transparent about the area where and how they use their customer's data. They have by following the law also given rights to the consumers to alter, opt out /in or correct the data which is given to the businesses by such consumers with their consent. Even the companies which do not fall under the ambit of these laws prefer to follow the practise of data handling as directed by these regulations as it helps the companies in building a good brand image and help them to perform best governance in the industry. GDPR and CCPA have become guidelines for various countries to develop their own data privacy laws. Some of the countries who have developed such laws on the basis of GDPR and CCPA are as follows some of the countries who have developed such laws on the basis of GDPR and CCPA are as follows1 Brazil (LGPD): A comprehensive law mirroring many GDPR aspects, including the right to access data, rectification, and data portability, with strong enforcement mechanisms. Singapore (PDPA): Provides individuals with control over their personal data, including the right to access and correct information, while also requiring organizations to implement appropriate security measures. Australia (Privacy Act): Covers various aspects of data collection, use, and disclosure, with provisions for data breach notification and individual rights to access and correct personal information. India (PDPB) India's Personal Data Protection Bill (PDPB) was introduced to parliament in December of 2019 and was passed in 2023. PDPB is modeled after GDPR although some of its policies aren't laid out as clearly and more discretion is given to India's Central Government to decide how it is enforced and when exceptions can be made. Nevada Senate Bill 220 is the new privacy law of the State of Nevada. It has been into effect since October 2019. This law seems very similar to the CCPA, but it has some significant differences that make it less comprehensive than counterpart. the California The GDPR and CCPA have established a strong foundation for data protection, but the age of Big Data and technological advancements present ongoing challenges. While GDPR has made significant strides in ensuring privacy and giving individuals more control over their data, it is clear that continuous developments in technology, such as AI and blockchain, will require further adaptation of legal frameworks. In the coming years, data governance and privacy laws will likely become even more complex as cross-border data flows increase, and as the European Union and other global actors work towards harmonizing data protection standards Ensuring that businesses are equipped to navigate this complex landscape while maintaining the trust of consumers will be essential for the future of data regulation. More recently, Japan and the European Commission reached an agreement on "reciprocal adequacy" of their respective data protection laws. Japan has created a "white list" of EU companies that exercise sufficient caution when handling personal information, while the EU has created the same for qualifying Japanese companies. This also means that data subjects in the EU have recourse for violations of their data privacy rights by companies based in Japan and vice versa. international economic organizations such as the Organization for Economic Co-operation and Development (OECD), the Asia-Pacific Economic Cooperation (APEC) Forum, and the African Union (AU) have come up with their own data privacy guidelines regarding the transfer of personal data across borders. These guidelines help to create an international standard for data privacy and protection in order to facilitate international trade, but they are sometimes more lax than the domestic laws of participating countries. This means that data security and compliance executives still have to come up with their own cross-regulatory compliance. Furthermore, although many of these regulations are similar to GDPR, compliance with GDPR is not enough to guarantee full compliance with any of the above regulations as they each have their share of differences. There are no catch-all solutions and this is by no means an exhaustive list. GDPR and CCPA are new laws which are still developing with the developing technologies. These laws are subjected to constant amendments and upgradation. Also the highest punishment given under this laws is fines although hefty but it does not have a required impact on large corporations/organisations who have a.

deep pocket. Thus to make the data privacy protection laws more impactful it must impose a stricter punishment such as imprisonment or cancelling of license to carry out business etc. So to conclude my article development of data privacy laws all around the world which can be applied all over the world is the need of the hour. development of GDPR and CCPA is a good start but is not the end of it

LEGAL ISSUE IN PRIVATIZATION OF PUBLIC SECTOR ENTERPRISES IN INDIA

Sneha Karma

Post Independence India had adopted a very conservative economy that was practically shut to the outside world but as time went by, Indian leaders and economists recognized the need to merge with the global economy. So in 1991,went through some very major economic reforms . Let us focus on one such aspect of the reform: PRIVATIZATION IN INDIA INTRODUCTION Privatisation is basically when the government decides to sell off its businesses or public enterprises to private companies its like the government is handing over the keys to the private sector to run the show. The idea is that private companies,with their "Hustle"mentality,will do a better job of running these businesses than the government ever could. yes it sounds like a win win, Right?Well,not everyones on board. Privatization can stir up some serious debate and legal headaches and that is why you are reading this article to look upon the legal issues in privatization of public sector enterprise. Well that's the big debate around privatization.some say it's the magic pill India needs efficiency,profits and no more loss making government companies while other thinks its just a grand "sell-off",where nations assets go to the highest bidder,leaving the common man to deal with the consequences. In the context of legal issues in privatization , it is essential to recognize the various challenges and decisions that government must address before initiating the privatization process. LEGAL ISSUES IN PRIVATIZATION OF PUBLIC ENTERPRISE IN INDIA : A DEEP DIVE Privatization has become a buzzword in India's economic landscape, especially as the government seeks to reduce its involvement in business and focus more on governance. However when we talk about the privatization of public sector enterprise ,the process isnt all smooth sailing. There are some serious legal hurdles that make this whole idea a lil bit tricky. So lets break down the legal issues that comes into play when public enterprise in India are up for grabs. The legal framework-WHERE'S THE CLARITY One of the primary issue is the absence of a clear and consistent legal framework.Although India has the disinvestment policy and various regulations in place,The laws surrounding privatization are often vague and non well defined.In many cases,the government takes ad-hoc decisions,which leads to confusion.This lack of clarity is problematic for potential investors who require solid and predictable legal guidelines.If the legal landscape isn't clear,it creates uncertainty,making investors wary and possibly slowing down the privatization process. Ownership and transfer of aseets-WHO OWNS WHAT? Privatization involves the transfer of ownership and assets,but this can often be a complex legal issues. Public enterprise typically come with state-owned asstes like land,infrastructure and intellectual property which may not always be properly documented.Sorting out ownership and ensuring that assets are legally transferred to private entities can lead to disputes. If proper legal diligence is not followed, privatized companies may find themselves in legal battles over asset ownership,and The government could held responsible for not following due process. From public trust to private hands : THE LEGAL TIGHTROPE OF PRIVATIZATION The shift from public trust to private hands isn't just a matter of economic strategy-It involves a complex legal tightrope walk that requires careful navigation through various legal frameworks,public interest considerations,and social responsibilities. "Handing over public services to private players can be a game changer or a disaster,depending on how well the government plays refree." Case law:Air India privatization and writ jurisdiction 1 In 2021, The government of India sold its entire stake in Air India to talace Pvt Ltd.,a subsidiary of tata sons.Subsequently,legal question arose regarding the maintainability of writ petitions filed against Air india prior to privatization.The Supreme Court addressed whether such petitions remained valid after the airline transitioned from a public entity to private entity.the court concluded that while the writ petitions were maintainable at the time of their filings,the change in Air Indias ownership status necessitated a reevaluation of their applicability. Coal India ltd vs. competition commission of India2 This case examined the monopolistic practices of coal india ltd(CIL)

,a public sector undertaking in the coal industry. The competition commission of india found CIL guilty of abusing its dominant position,leading to discussions about the need for privatization to foster competition and efficiency in the sector .the case highlighted the legal challenges in balancing state control with market competition. The case illustrate the intricate legal landscape surrounding privatization in India , encompassing issues of constitutional rights,regulatory oversight and the balance between public welfare and private enterprise. The Constituional headache Think of a situation when you're going through a game of monopoly and someone lands on boardwalk with hotels,that's what the government feels like when they privatize public enterprise,because these companies were set up with public money and theres this whole public trust doctorine thing going on. Privatizing assets means to serve the people ?Now you are opening a whole pandora's box of constitutional debates.Can the government just hand over public goods to private players without triggering a constitutional storm? Well,it depends,but it's a legal grey area. Rights: THE LABOUR WARS Lets not forget the workers . the privatization of public enterprise often turns into a battleground over a job security,retrenchment and compensation.the industrial dispute act and other labour laws come into play,and the legal sharks are circling. CASE LAW:The case Employeee of bharat aluminium co. vs kaiser Aluminium technical services3 One of the most contentious issues in privatization is the fate of employees working in public enterprise.Often, privatization leads to mass layoffs,forced retirements or the weakening of labour rights,which may conflict with statutory labour protection under indian law. In the case,the supreme court addressed the issue of worker rights in privatization of the bharat aluminium company(BALCO). The workers of BALCO challenged the privatization process ,arguing that it would lead to job losses and violation of labour laws. The court ruled that the privatization process was legal,but emphasized that workers rights including severance and compensation must be protected. Regulatory and compliance isssues Privatization in India must adhere to multiple legal frameworks that regulate corporate governance,competition,and sectoral policies. Companies Act,2013 Privatization in India is governed by a complex web of legal and regulatory frameworks designed to ensure transparency,fairness and compliance with national economic policies.these regulations plays a crucial role in maintainingcorporate accounatbility ,promoting fair competiton and protecting public interest.

Competition Act 2002 Prevents the formation of monopolies and anti competitive practices .Ensures fair competition in privatized sector like telecom,aviation and energy. The insolvency and bankruptcy code(IBC),2016 Governs the sale of financially distressed public sector undertakings . Ensures that privatisation follows a structured insolvency resolution process. Monopoly in the market Privatization can lead to concentration of power in the hands of a few big players.If one or two companies owns a huge chunk of the market -suddenly,market manipulation becomes a reality. India's competition act,2002 was designed to prevent that very thing.so if privatization results in a monopoly or anti competitive behavious,its game on. Privatization has some disadvantages.For instance,this process concentrates more on target profit maximization,while India is the second largest democratic country in the world.The social responsibility activities are minimal when compared with those of state owned enterprise. Private sector enterprise do not give much importance to transparency and keep their stakeholders in the dark The Privatization transaction When discussing the legal aspects of privatization,its clear that each transaction presents unique challenges that require specific legal advice and attention. The guidelines should cover a variety of essential legal principles: Market structure assessment : Prior to privatization ,its crucial to evaluate the market structure,if state owned enterprise holds a dominant position in its sector ,steps should be taken to either break it up or ensure that barriers to market entry are removed or minimized .furthermore if the privatized enterprise is granted any monopoly rights,these should be temporary and phased out as quickly as possible. Utility sector regulations For enterprises in the utilities sector , a clear regulatory framework must be established.this includes settings up regulatory agencies to oversee pricing policies,service standard,new marker entries and other key aspects of the sector.these framework ensures that privatization doesn't lead to a lack of oversight or control over essential public services Government shareholding rights When the government retains a minority share in a privatized enterprise,it should not have special voting or control rights.For instance:In the case of national airlines,the government might retain a"golden share”granting it the right to veto the sale of a controlling interest if such a move would harm the national interest.

CONCLUSION Final thoughts : Whats the future of privatization ? Privatization is here to stay,but legal challenges will keep coming.If done right,it can boost India’s economy,bring in global investors,and make businesses more competitive. But if done recklessly,it can lead to corruption,job losses,economic inequality.THE KEY?More transparency ,better regulations and fair labour practices. To wrap it up,privatizing public sector enterprise in india is a big deal but if done right,it could seriously boost efficiency,bring in some much needed competition,and drive economic growth.the key here is to make sure the market stays fair,the right checks and balances are in place and that both local and foreign investors get a shot at the action.with the right balance between national interests and economic freedom,privatization can transform Indias public sector into a leaner,meaner machine making the economy more competitive and opening doors for a bright future .

UNMATCHED SYNERGIES – THE ZEE SONY MERGER

Sneha Karma

INTRODUCTION: In dynamic landscape of media and broadcasting, mergers and acquisition are surrounded by complex regulatory compliances and market aspirations. This article aims to elucidate a holistic series of events concerned with whole merger process. One such recent landmark case was the aspired merger between Zee Entertainment Enterprises Limited (ZEEL) and Sony Pictures Networks India Private Ltd (SPNI). Zee Entertainment Enterprises Limited (ZEEL) is a listed company securing second highest market share in media and entertainment industry. It has strong dominance covering almost every area from news, movies, to regional content. This positioned them to consolidate a large viewers database. To their competition Sony Pictures Networks India Private Ltd (SPNI) now known as Culver Max Entertainment is a Japanese multinational conglomerate and has a global presence in media and entertainment space giving them a successful edge in growing digital media platform named SONYLIV. This collaboration aimed to synergize its potential and targeted to be one amongst the largest player in the industry. It was aspired that if the merger becomes a success, it would have been a diverse platform with over approximately 70 channels across various genres and two streaming platforms (ZEE5 and Sony LIV), and two movie studios (Zee Studios and Sony Pictures Films India). OVERVIEW Initially, this scheme involved a Merger Cooperation Agreement (MCA), the legal structure under which companies can merge subject to shareholder and regulatory approvals. Generally, in M&A we tend to measure its eventual earnings and cash flows. Higher the financial outcome, greater are the chances of it being a success. However, in this scenario things got quite heated as there were various approvals required from the authorities, which both the entities struggled getting ease of it. At the start, it was decided that newly merged entity will have majority stake held by SPNI ranging to 50.86% while existing ZEEL shareholders would hold 45.15% of the stake, whereas the founders of ZEEL would retain 3.99% of the stakei. It was put forward in shareholders meeting and was also passed with a special majority. Subsequently the Tribunal conditionally sanctioned the scheme by order dated 10.08.2023 in the Company Scheme Petition Number (CAA) 214/MB/2022ii , recognizing the effectiveness of the scheme is subject to fulfillment of the covenants set out in clause 5.1 of section V. The timeline for completion of merger was 24 months as agreed and signed by both the parties as on December 2021. Though the merger intended to create a dominant force in broadcasting as well as digital platform, multiple series of disagreements arose between the two entities. THREE-FOLDISSUE The merger was going to work through the cooperation agreement signed by both entities, whereby at the start both were precisely following the clauses of the agreement but coming to the closure ZEEL failed to comply some closure conditions. This gave rise to major dispute of arbitration under the rules of the Singapore International Arbitration Centre (SIAC) initiated by SPNI, demanding $90million termination fee. Further responding to the allegations, ZEEL countered that, the merger should be greenlit by NCLT and also stated that Sony's termination fees are not tenable and has no basis. ZEEL also stated that they would perform the merger as per the directions of National Company Law Tribunal (NCLT) and approached the Tribunal for the sameiii. Moving further, SEBI, Indian Securities Market regulator questioned the holding of the key position person in the merger entity. Earlier it was sought that Mr. Puneet Goenka would lead the merged entity. But as per the SEBI's report both Mr. Subhash Chandra and Mr. Puneet Goenka was involved in illegal diversion of funds for their own benefit and therefore was restrained to hold any key managerial positions in any of their listed entities including their subsidiaries. The shareholders and creditors of ZEEL strongly disagreed to the appointment of Puneet Goenka. Later Sony sought that NP Singh would lead the merged entity, which was again disagreed by ZEEL. Adding it up, ZEEL's creditors were also an indispensable part to this saga. IndusInd Bank initiated insolvency proceedings against ZEEL demanding payments of outstanding debts.

As per IndusInd Bank's plea, Zee had to make payment of nearly Rs 84 crore in the case related to Siti Networks. The companies settled their claims with the Indian Performing Rights Society (IPRS) as the latter called off their case in NCLTiv. Even later several creditors appealed, challenged and opinionated which lead to delayin the merger process. Some of the known creditors were IDBI Bank, AXIS Finance. Sony, due to regular delay request by ZEEL questioned the integrity and legibility of this merger. This also pushed Sony's confidence at the bottom. MERGERSANDCOMPLEXITIES Competition commission of India: It feared that the merged entity would dominate key broadcasting and streaming platforms, impacting smaller competitors. Later on, after one after other scrutiny, CCI finally approved the merger. The Zee-Sony merger was particularly under the microscope because it involved a massive consolidation of power in the Indian television and digital media market. Strategic Misalignment: Both the entities were having varied objectives in terms of managing the merger entities. Mergers being a strategy, it has to be object oriented and it dwells upon the concept of synergy, which means the value two companies together will be more than of individual company. Sony's decision to withdraw was influenced by ZEEL's inability to meet certain closing conditions. Share market impact: As soon as the news hit, share prices of ZEEL saw a steep decrease as shares slumped as much as 30 per cent on Bombay Stock Exchangev, the most since January 2019, marking its worst performance. QUICKTIMELINE SEPTEMBER 2021: ZEEL's Board of Directors unanimously approved the merger with Sony and gave in-principal approval for the same. DECEMBER 2021: After an intense due diligence process, both the companies signed Merger Cooperation Agreement and gave a nod to the merger. FEBRUARY 2022: IndusInd Bank filed a plea before the Mumbai bench of the National Company Law Appellate Tribunal (NCLAT) to initiate insolvency proceedings against Zee. Back then, it was claimed that the company defaulted ₹83.08 crore. JULY 2022: Indian stock exchanges BSE and NSE approved the merger of ZEEL with Sony Pictures Networks India, which turned out a positive sign for the merger. OCTOBER 2022: the Competition Commission of India (CCI), after heavy scrutiny gave the approval. JUNE 2023: The Securities Exchange Board of India (SEBI) banned Subhash Chandra and Punit Goenka from holding any managerial or directorial roles. SEPTEMBER 2023: Axis Finance files an appeal in NCLAT against NCLT's nod to the Zee-Sony merger. DECEMBER 2023: Zee sought an extension of the deadline for the merger, while Sony issued a statement stating that the company is looking forward to hearing ZEE's plans. JANUARY 2024: Sony issued the termination letter to formally scrap the proposed merger. MISSEDOPPORTUNITYORABLESSINGINDISGUISE? The amicable settlement between ZEEL and SPNI signifies a pivotal moment for both companies. While the deal's collapse could be seen as a setback, which it somewhat did by a drastic decrease in share prices of ZEEL leading to drop in shareholders confidence. However, it allowed both the entities to regain its independence and refocus on growth strategies that may better align with the future of media consumption. For Sony, On the other hand, the collapse of the deal could free Sony from the complications of a merger, enabling it to strengthening its own OTT platforms or exploring more nimble partnerships that might be better suited to current market dynamics. ANALYSIS In my diverse opinion this merger would turn up to the greatest and largest coalition the entertainment and media could ever see. This could have taken the sector to next level due to diversification of viewers by enhanced content offerings. Also, both ZEEL and Sony could synergize to thrive the competition in the market and be one among the prominent player in this sector. This would also help ZEEL to climb the stairs of global market even more quickly. Nevertheless, this failed merger teaches us that such type of amalgamations and structural change are complex to achieve in corporate scenario. Also, this leaves a strong message that how the large corporates deal with disputes by settling and moving independently in the market. GLOBALTAKE Managing corporate assets across the territories is again a big challenge for the entities whoare aspiring to amalgamate. Evolving market appetites created by changing pace and optimizing capital allocation becomes crucial while taking decisions. management tends to create differences. Sony being a Japanese company while ZEEL coming from Indian markets also from legislations of different country to confer its powers upon the entities. CONCLUSION The Zee-Sony merger is a testament to the complexity of mergers in the media and entertainment sector. While the immediate aftermath of the failed merger may have caused disappointment, the long-term impact might not be as negative. They can independently move forward as competitors and better cater to India's diverse and evolving digital landscape. to all its allied agencies. Therefore, sometimes in business, competition will bite you if you keep running but if you stand still, they will probably swallow you. By withdrawing all claims and legal proceedings, both parties have demonstrated a commitment to moving forward independently, which may ultimately foster innovation and growth in their respective operations. And ultimately STRENGTH is knowing when to stop.in the merger process. Some of the known creditors were IDBI Bank, AXIS Finance. Sony, due to regular delay request by ZEEL questioned the integrity and legibility of this merger. 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SURVEILLANCE OR CENSORSHIP : THE DIGITAL DILEMMNA

Sylonee Nayak

When you hear the word "telegram," the first thought that comes to mind is the social app instead of its traditional meaning. This is exactly how much of an impact social media has created in our lives. With over 900 million social media users, that accounts for about 62.07% of the Indian population making India the second largest online marketin the world. The 5 most used social media platforms (including messaging apps) in India (2025) are WhatsApp (531.46 million active users), followed by Instagram (516.92 million users), Facebook (492.70 million users), Telegram (384.06 million users), Facebook Messenger (343.92 million users). The ever-emerging dependency on social media platforms has created a multifaceted and hostile environment, raising alarms about cybercrimes, which raises the question of how effectively social media is regulated in India. Before we dive deep into the law, rules, and regulations dealing with cybercrimes, we need to understand the issues arising out of the digital space. Cybercrime is an umbrella term that means any illegal activity that uses the internet or computers, it includes cyberbullying, hate speech, online harassment, the spread of misinformation, identity theft, cyber-pornography, cyber-stalking, etc. The ambit of cybercrimes is so widespread that something as easy as posting a hate comment could lead to serious injuries to one's mental health causing anxiety, depression, post-traumatic stress disorder (PTSD), eating disorders, etc. As per the report of the National Crime Records Bureau (NCRB), cybercrimes in India have shot up from 50035 to 65893 in 2020-2022 where India saw a staggering rise of 31% with more than 27 million Indian adults being victims of cyber thefts, which also include various cases of death. For reference - In the Rainpada Hatyakand, where in a rural village of Maharashtra a mob of villagers beat 5 strangers to death due to a misinformation that spread over WhatsApp which claimed the abduction of children in their area1. And not only adults but teenagers are also victims of social media crimes, as seen in the case of a 7-year-old girl from Kolkata who took her life over Facebook cyber-harassment2 or in the case involving teenage boys sharing images of underage girls and making lewd comments that ranged from body-shaming jokes to sexual assaults and rape through a group chat named 'bois locker room' on InstagramAs the world progresses further into the digital era, new crimes have also taken part in the race like synthetic media and social engineering. The term "social engineering" refers to the art of exploiting human psychology, rather than technical hacking techniques, to gain access to buildings, systems, or data, for instance-smishing. And on the other hand, 'synthetic media' is a new form of virtual media produced with the help of artificial intelligence (AI). It is characterized by a high degree of realism and immersiveness, this abuse of generative artificial intelligence has given birth to deepfakes. Nowadays scammers do not just knock on your door for passcodes and credentials but they use artificial intelligence to create a fictitious character who might look like your boss asking for money as happened in a multinational firm in 4Hong Kong. Another emerging concern is Voyeurism, which literally means the activity of getting pleasure from secretly watching other people in sexual situations or, more generally, from watching other people's private lives also in simple language refers to cyber-stalking. Considering the above India has created various laws to regulate social media platforms, given below are a few of the prominent laws like the Information Technology Act, 2000 (IT Act) which is India's primary law governing cyber activities, including social media regulation. While the original Act did not specifically address social media, later amendments and rules, such as the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021, have expanded its scope. The IT (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 governs the responsibilities of social media intermediaries, digital media, and OTT platforms in India. It imposes a liability on the Intermediary to follow due diligence or risk losing their safe harbor protection under Section 79 of the IT Act, 2000. Furthermore, they shall appoint a Grievance

Officer and resolve complaints within 15 days and must enable identification of the first originator of a message upon government request. And to strengthen the regulation more, the rule also provides for a list of prohibited content list which consists of illegal, defamatory, obscene, promotes violence, or threatens national security and mandates a 24-hour takedown requirement. The government of India has established the 'Press Information Bureau', as the main authorized channel of communication between the Government and the media. The PIB has a social media cell to regulate the platform's content and also has a fact check unit with the objective of acting as a deterrent to creators and disseminators of fake news & misinformation. Additionally, the Ministry of Electronics & Information Technology (meity) has passed the very recent Digital Personal Data Protection Act, 2023 which regulates the collection, processing, storage, and transfer of personal data in India while ensuring privacy protection and accountability. It not only applies to the whole of India but also extends to foreign entities processing Indian users' data. The act can impose a penalty as high as ₹250 crore for data breaches or non-compliance. The DPDP Act 2023 strengthens data privacy rights and aligns with global laws like the General Data Protection Regulation (GDPR) of the European Union. Social Media crimes are just not regulated under civil laws but are also covered under the criminal laws of India. Under the Bhartiya Nyaya Sanhita (BNS) enacted in 2023, a few prominent sections which criminalize crimes happening even over the digital sphere are: section 353 which talks about the statements conducing to public mischief, section 152 criminalizes actions that threaten India's sovereignty, unity, and integrity, and section 79 deals with acts that insult the modesty of a woman. Since the ambit of the internet is so spread across it also attracts the Intellectual Property Acts, these acts include the Patents Act, 1970 and the Copyright Act, 1957 which provide for a legal framework that protects the creations of the human mind, expanding even over the electronic environment. Besides these to combat this escalating menace, the Central Government has been proactive in fortifying its cyber defense mechanisms. The establishment of the 'Indian Cyber Crime Coordination Centre' (I4C), the deployment of Joint Cyber Coordination Teams (JCCTs) in cybercrime hotspots, the National Cyber Forensic Laboratory, the Cyber Crime Reporting Portal, and the Citizen Financial Cyber Fraud Reporting System serve as vital pillars in the fight against cybercrime. While there exist so many regulations in India to curb cybercrimes, critics note that these rules were introduced and implemented without public consultation and may lead to outright censorship. This brings us to the difficulty of regulating social media in India, Freedom of speech vs Censorship, and the digital dilemma. Content moderation is a double-sided sword, and needs to be managed with utmost care. The digital landscape is humongous, it creates a challenge in defining and moderating offensive content. Media being the 4th pillar of democracy needs to be protected, excessive Government overreach & executive control can lead to potential misuse of takedown orders and censorship. This can be noted in the landmark case of the landmark case of 5'Shreya Singhal vs Union Of India' wherein the Supreme Court of India struck down Section 66A of the IT Act, 2000, and the Court stated that the act was vague and overly broad, leading to arbitrary arrests and more importantly was unconstitutional since it violated the fundamental right of freedom of speech and expression as given under Article 19(2) in Constitution Of India. Moreover, the law was applied inconsistently, leading to unfair prosecutions and triggering Article 14 of the Constitution. The court suggested that the restriction so imposed has to be definite and should be reasonable and upheld section 69A (blocking websites in the national interest) but required procedural safeguards. In June 2020, India banned 59 apps developed by Chinese firms, including TikTok, over concerns that these apps were engaging in activities that threatened the "national security and defense of India, which ultimately impinges upon the sovereignty and integrity of India. In February 2021, India ordered Twitter to remove more than 1100 accounts and posts it alleged spread misinformation about farmers protesting agricultural reforms. And most recently, the government has required services like WhatsApp to maintain "traceability" for all messages. This means that authorities can track messages to their original sender, to which WhatsApp has expressed concerns, denying breaking their end-to-end encryption policy, and has gone to the extent of stating that it would be forced to leave India if the court required traceability. While the fight still continues, another legal hurdle that comes into the picture is 'jurisdiction'. Social media there still exists a lack of international framework. So, to wrap all of it, the Indian Legislation needs to find the right balance in-between, and the horrors of social media aren't just limited to the borders, there is a dire need for an International regulation framework which can only be possible with the cooperation of everyone. And beyond the books of law, we as a society should also be aware and continue to raise awareness of the rising cybercrimes and continue to uphold the true essence of democracy. We should educate people in the right direction and we should inculcate good morales amongst the upcoming generation cause social media if used the proper way can do wonders for the humankind. Further while the Government is still working its way to find the optimum position, India has already saved more than Rs. 1200 Crore in more than 4.7 lakh complaints till date and a toll-free Helpline number '1930' has been operationalized to get assistance in lodging online cyber complaints and more than 3.2 lakhs SIM cards and 49,000 IMEIs as reported by Police authorities have been blocked by Government of India. Therefore, stronger legal frameworks and public awareness are crucial to ensuring ethical digital spaces—let's advocate for responsible social media usage together and as Helen Keller said, "Alone we can do so little; together we can do so much".

CYBER WARFARE: INDIA'S VULNERABILITY TO HACKING

Vidhi Jain

Hello readers, take a sit back and let's talk about one of the major concerns in India right now through my topic "Cyber Warfare: India's vulnerability to hacking." This topic might sound fascinating but at the same time it's the most crucial topic of discussion when it comes to internet. As we see around us every other person right from the kids to elderly using internet without knowing the consequences of the same. Cyberattacks have not only created a buzz but is also taken away lifetime savings of people to breaching the privacy of the common man through hacking the websites, networks of the company having all the details. Cyberwarfare is a series of strategic cyber-attacks against a nation-state, causing it significant harm. This harm could include a wide range of illegal activities, such as electronic hacking, denial of service attacks, phishing, credit card fraud, bank robbery, illegal downloading, scams, cyber terrorism, and the creation or distribution of harmful viruses and spam. This article aims to provide a comprehensive overview of the Cyberwarfare in India and its vulnerability. According to Times of India reports, India may face up to 1 trillion cyberattacks annually by 2033, increasing to 17 trillion by 2047. Cybersecurity experts highlight growing risks due to rapid digital expansion and urge stronger measures. In 2023, India ranked third in cyberattack incidents, there are several reasons why India is vulnerable to hacking and they are as follows: 1. Rapid digitalization: India has seen a significant digital transformation in recent years, with a major chunk of population being digitally active, using and relying on internet and digital technologies which enables opportunities to the hackers. 2. Lack of awareness: While many users use internet these days but most of them are unaware about the negative consequences it has and that leaves individual and organizations more vulnerable to attacks. 3. Insider threats: Where employees or individuals who have access to sensitive information uses the information maliciously with a wrongful intent creating a threat to cybersecurity. 4. Digital infrastructure: India is one of the largest internet users but contradictory it doesn't have a well-developed digital infrastructure which would reduce or helps to eliminate cybercrimes. 5. Weak legal framework: where India has several laws relating to cybersecurity but they are not enough to combat the cyber threats. 6. Cross border difficulties: Most of thecyber-crimes takes place from outside India's network sources which makes it more difficult for India to identify and prosecute them especially when they are located at a jurisdiction with weak cyberlaws. PRAHAR's report also observed that citizens' growing appetite for digital entertainment and gaming pushed them to illegal offshore betting and gambling platforms, making them vulnerable to sophisticated cyber manipulation, and turning them into tools for attacks on the state. According to the report in 2023, the country experienced over 79 million cyberattacks, ranking it third globally in terms of the number of such incidents. This marked a 15% increase from the previous year. The escalation continued into 2024. In the first quarter, reports indicated a sharp rise in cyberattacks, with over 500 million incidents blocked in just three months, it reported.1 2Some recent cyber-attacks in India that shocked the nation are as follows: Motilal Oswal Cyber Incident: 2023 Motilal Oswal Financial Services experienced a cyber incident linked to the LockBit group, known for extortion tactics. Although the attack involved malicious activities detected on employee systems, the company reported no disruption to operations. The issue was promptly addressed, and services continued as normal, emphasizing the resilience of its IT environment Polycab Ransomware Attack: 2023 Polycab India Limited, a leading wires and cables manufacturer, reported ransomware attack targeting its IT infrastructure. Compliant with SEBI regulations, Polycab confirmed that while the attack occurred, its core systems and manufacturing operations remained unaffected. The company is collaborating with cybersecurity experts and law enforcement to enhance its security measures and investigate the incident further. May 2024 Bharat Sanchar Nigam Limited (BSNL) suffered a major data breach, exposing sensitive information of millions of users, including IMSI numbers and SIM card details. The attack, attributed to a and bolster security. Hackers Targeting the Indian Energy Sector: Early 2024 In early 2024, an espionage campaign aimed at the Indian energy sector was uncovered, utilizing modified malware to collect sensitive data. The attackers exfiltrated 8.81GB of information, indicating a serious threat to the infrastructure of government and private energy companies, showcasing the importance of robust cybersecurity measures in critical sectors. UPMarriageAssistance Scheme Fraud: 2024 Acyber fraud involving over Rs.1 crore occurred after hackers compromised the Uttar Pradesh Marriage Assistance Scheme website. By exploiting the ID of the Additional Labour Commissioner, unauthorized payments were made to ineligible candidates. Authorities have launched an investigation to recover the funds and prevent future breaches. From the above examples we can see how the fraudster are attacking the financial institutions, these examples shocked the market at larger scale but if we go to ground level we will understand how an individual is being attacked on a daily basis and how people loose their lifetime saving in fraction of second without even realizing it. Following are some ways how fraudster attack the common man 1. Spoofing: Spoofing attacks can happen at any point where a hacker could impersonate a trusted individual or source. Common types of spoofing attacks include: a) Email spoofing b) Website spoofing c) Caller id spoofing 2. Cross-site scripting (XSS): Attackers send a malicious link to a user and then the user clicks the link and visits the infected page. The malicious script executes in the user's browser. The attacker can steal the user's session cookie or other sensitive data. The attackers thus can access all the vital information available on the linked device which may lead to misusing the credentials, which also includes bank data 3. Delivery OTP scam: Here the attackers end up to house with a product claiming that we have order the product and we need to pay for it and if decline to do so they just ask us to cancel it for they will send us the otp which we have to share with them and once we do so its end up clearing our entire bank account. 4. Caller id: Here the attackers claims to be a relative or a friend of our close ones and ask us that they have sent to you money online which is in excess to what was promised and so we return them the excess and they in real haven't send any money but they send you a message that looks real and we without authenticating ends up the excess and sometimes this leads to the attackers getting the bank information that clears our entire bank account and you know that your writer was also being once the victim of the same but luckily, I was quite alert of the same. 5. Digital arrest: Here the fraudster sends a link to our phone and once we click on the link, we are automatically locked out of our WhatsApp and can't use the same for next 24 to 48 hours and in this period they make sure to forward this link to all our contacts and the loop continues. From the above examples we can see that cyber fraudsters are increasingly targeting financial institutions and end users globally; also, public sector and government systems have seen a drastic increase in cyberattacks which increases the concern. Cyber-attacks have increased so much that you will see caller tunes have been started alerting the end users about the same. Followings are some of the measures to be taken to prevent cyber-attacks. Strengthening Existing legal Framework: India's primary legislation governing cyber-crimes is the Information Technology (IT) Act 2000, which has been amended several times to address new challenges and threats. However, the IT Act still has some gaps and limitations. India needs to enact comprehensive and updated laws that cover all aspects of cyber security, such as cyber terrorism, cyber warfare, cyber espionage, and cyber fraud Public-Private Partnerships: Foster collaboration between government agencies, private businesses, and cybersecurity experts to share threat intelligence and best practices. Public-private partnerships can help identify and respond to cyber threats more effectively. Emphasize Mobile Security: Given the increasing use of mobile devices, focus on mobile security to protect users from mobile-based cyber threats Cybersecurity Infrastructure: Invest in robust cybersecurity infrastructure for critical sectors like finance, healthcare, and government to protect sensitive data and systems from cyber threats. Unauthorized access: Users should take care that they are not providing any access to the third party without reasonable reasons and if they find any unauthorized actions taking place on their device, they should take immediate actions. Spreading awareness: Educate the general public, businesses, and organizations about cybersecurity threats and best practices. Conduct awareness campaigns, workshops, and training sessions to promote safe internet usage and raise awareness about common cyber threats. Avoid accepting cookies:

Users should avoid accepting unnecessary cookies on various websites as it gives your data to the website. To conclude my article, I would say that the population of people that uses the internet is increasing every day. On the other hand, crimes in cyberspace are also increasing at a drastic pace. Addressing cyber vulnerabilities requires a concerted effort from various stakeholders, including the government, businesses, educational institutions, and individuals. Strengthening cybersecurity infrastructure, raising awareness, implementing effective cybersecurity measures, and fostering collaboration between public and private sectors are essential to combat these crimes effectively in India. By implementing these strategies and adopting a proactive and collaborative approach, India can significantly reduce online crimes and create a safer digital environment for its citizens and businesses. Lastly, I would like to end my article with **“We want digital India, just not the one we are living in.”**