



**THE INSTITUTE OF
Company Secretaries of India**

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE
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**EASTERN
INDIA
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COUNCIL**



Happy Durga Puja

ICSI EIRC NEWSLETTER

AUGUST - SEPTEMBER 2019

From the Desk of the Chairman, EIRC

"Ya chandi, madhu kaidabhaadi daitiya dalani, Ya mahishishonmoolini, Ya dhumeksina chanda munda madhani, Ya rakthabeejaashani"

link: https://www.youtube.com/watch?v=5JaimSK_TjA



Dear Members and Students,

We have seen yet another successful month of August and September of the year 2019. The annual filing season has dawned upon us and the following few months will be hectic for all our members who are engaged in the work of corporate laws and taxation.

We, on the behalf of the EIRO office are proud to announce that we celebrated the capital markets week held last month and it was met with good response from the esteemed members. We also had the privilege to host the 15th Regional Conference of Practising Company Secretaries and had the pleasure of having the attendance of the Hon'ble Governor of West Bengal, Shri. Jagdeep Dhankhar. The event was covered in the press and the media and we were overwhelmed to witness a grand response from the members.

The Minister of Finance extended the due dates for, Income-tax Returns, Tax Audit Report, GST Annual Returns and Audit owing to representations from the taxpayers and the Minister of Corporate Affairs extended the due date of the much-discussed e-Form, the BEN-2 to effectuate compliance and reporting of laws relating to Significant Beneficial Ownership.

We organized several Career Awareness Programmes for the benefits of students at various schools and colleges in and around Kolkata.

To bridge the gap between the students seeking management training and practicing Company Secretaries seeking students, the EIRO organized a CS Trainee Drive-I on 14th September 2019 which was held at EIRO premises.

We also organized a Campus Placement Drive-II, for freshly qualified Company Secretaries seeking employment at the EIRO premises on 28th September 2019, which was met with a good reception.

The following programmes and activities were organized for the benefits of members and students:

- a) One Day Orientation Programme for Foundation Student's on Saturday, 31st August, 2019 at ICSI-EIRC
- b) One Day Orientation Programme for Executive Students on Wednesday, 4th September, 2019 at ICSI-EIRC
- c) "ICC Banking Summit-2019" on Thursday, 5th September, 2019 at The Lalit Great Eastern, Kolkata premises
- d) 60th Executive Development Programme of ICSI-EIRC from 5th September 2019 to 14th September 2019 at the EIRO premises
- e) 12th Banking Colloquium of CII was held on 20th September, 2019 at the ITC Sonar
- f) Full day Seminar for members of ICSI on 21st September 2019 at Hindustan Club, the occasion which was graced by the presence of Hon'ble ROC Shri KG Joseph Jackson

A full day seminar will be organized for the members of ICSI on Saturday, 19th October, 2019 at The Peerless Inn. The details will be intimated shortly. It is requested the learned members to block the date in their calendar. I take this opportunity to appeal to all the members, once again, to enroll to CSBF for not only strengthening the future of our family but also to strengthen the corpus of CSBF.

I wish to express my gratitude to all the patrons/ members who have registered for the Annual Membership Scheme (AMS) of EIRC till date and request others to enroll to avail optimum benefits.

Please feel free to share your views and suggestions for the betterment of the Newsletter to me. My coordinates are given below:

CS RAJESH CHURA

Chairman, EIRC of ICSI

E-Mail: csrajeshchura2018@gmail.com

Kolkata, The 3rd October, 2019

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PREFACE ABOUT EMPLOYEES UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016 REGIME

By **CS KIRAN SHARMA**

Company Secretary



1. How is an employee defined for the purpose of formal insolvency proceedings?

In India, the word “employee” is not defined in the Insolvency and Bankruptcy Code, 2016 (“Code”). However, the term ‘workman’ is defined under the provisions of Section 3(36) of the Code and has the same meaning as assigned to it in the Industrial Disputes Act, 1947¹, that is, as any person (including an apprentice) employed in any industry to do any manual, unskilled, skilled, technical, operational, clerical or supervisory work for hire or reward, whether the terms of employment be express or implied, and for the purposes of any proceeding under this Act in relation to an industrial dispute, includes any such person who has been dismissed, discharged or retrenched in connection with, or as a consequence of, that dispute, or whose dismissal, discharge or retrenchment has led to that dispute, but does not include personnel of the armed forces or those employed mainly in a managerial or administrative capacity; or who, being employed in a supervisory capacity, draw wages exceeding ten thousand rupees per mensem or exercises, either by the nature of the duties attached to the office or by reason of the powers vested in him, functions mainly of a managerial nature.

Although the word “employee” is defined in a number of other legislations but the meaning provided to the word is limited to the context of such legislations and cannot be necessarily extended to the Code. It would be safe to state that all persons, other than workmen, in employment of a corporate debtor would be considered as employees.

2. What are the entitlements provided to an employee within the framework of the Code, and to what extent are they given priority treatment during the formal insolvency proceedings?

The Code provides priority to the dues of the workmen and employees in insolvency resolution process and liquidation proceedings of a corporate person. In liquidation proceedings, workmen dues are treated in priority over the dues of employees.

In insolvency resolution process, employees and workmen are treated as operational creditors. An operational creditor is defined as a person to whom an operational debt is owed and includes any person to whom such debt has been legally assigned or transferred.

²The operational creditors have a right to submit claim to the Insolvency Professional appointed as interim resolution professional by the Hon'ble Adjudicating Authority and later appointed as Resolution Professional by the Committee of Creditors of the Corporate Debtor.

The claim can be submitted by the workmen basis permissible workmen's dues which, in relation to a company, means,

the aggregate of the following sums due from the company to its workmen, namely (i) all wages or salary including wages payable for time or piece work and salary earned wholly or in part by way of commission of any workman in respect of services rendered to the company and any compensation payable to any workman under any of the provisions of the Industrial Disputes Act, 1947; (ii) all accrued holiday remuneration becoming payable to any workman or, in the case of his death, to any other person in his right on the termination of his employment before or by the effect of the winding up order or resolution; (iii) unless the company is being wound up voluntarily merely for the purposes of reconstruction or amalgamation with another company or unless the company has, at the commencement of the winding up, under such a contract with insurers as is mentioned in section 14 of the Workmen's Compensation Act, 1923 (19 of 1923), rights capable of being transferred to and vested in the workmen, all amount due in respect of any compensation or liability for compensation under the said Act in respect of the death or disablement of any workman of the company; (iv) all sums due to any workman from the provident fund, the pension fund, the gratuity fund or any other fund for the welfare of the workmen, maintained by

the company³.

Employees can submit claim basis their contractual terms of employment in the prescribed form as per the provisions of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (“CIRP Regulations”).

After the claim is submitted by the employee or a workman before the Insolvency Professional as aforesaid against the Corporate Debtor, the same is verified on the basis of the books of accounts of the Corporate Debtor, and then the same amount which is admissible is admitted.

3. How does the priority, if any given employee entitlements in formal insolvency proceedings compared to the priority (if any) given to secured creditors, insolvency administrators, professionals retained by the estate, unsecured creditors, and shareholders?

In the insolvency resolution process, the dues of operational creditors have to be paid on liquidation value in priority to any financial creditor (secured and unsecured) and paid in any event before the expiry of 30 days after the approval of the resolution plan by the Adjudicating Authority. Only the cost of insolvency resolution process (including the cost of administration, insolvency professional and other costs relating to corporate insolvency resolution process) ranks higher in priority from operational creditors in the corporate insolvency resolution process.

In the liquidation process, the dues of workmen for the period of 24 months preceding the liquidation commencement date rank equally with debts owed to secured creditors which relinquish their security interest in favour of liquidation estate. The wages and any unpaid dues owed to employees other than the workmen for the period of 12 months preceding the liquidation commencement date rank below the secured creditors and workmen dues as stated above in the waterfall. The dues for the period prior to 24 months preceding the liquidation commencement of workmen and for the period prior to 12 months preceding the liquidation commencement date of employees are treated as unsecured debt and have to be paid as dues of unsecured creditors. Only the unpaid cost of insolvency resolution process (including the cost of administration, insolvency professional and other costs relating to corporate insolvency resolution process) and liquidation process rank higher in priority.

4. What (if any) personal liability do directors and/or others involved in the management of the company have with respect to unpaid employee entitlements or taxes or other duties owed in relation to employee entitlements?

The Code does not impose any liability for directors and others involved in management of the company with respect to unpaid employee entitlements or taxes or other duties owed in relation to employee entitlements. Section 30(2)(b) of the Code provides that the resolution professional shall examine each resolution plan received by him to confirm that each resolution plan provides for the repayment of the debts of operational creditors in such manner as may be provided therein.

Recently, pursuant to *The Insolvency and Bankruptcy Code (Amendment) Act, 2019 [Act No. 26 of 2019, sec. 6 (w.e.f. 16-8-2019)]*, the sub-section 30(2) (b) has been amended to safeguard the interests of the operational creditors. The extract of the same is reproduced hereunder for ready reference:

To be continued in next page....

“provides for the payment of debts of operational creditors in such manner as may be specified by the Board which shall not be less than-

(i) the amount to be paid to such creditors in the event of a liquidation of the corporate debtor under section 53; or

(ii) the amount that would have been paid to such creditors, if the amount to be distributed under the resolution plan had been distributed in accordance with the order of priority in sub-section (1) of section 53,

whichever is higher, and provides for the payment of debts of financial creditors, who do not vote in favour of the resolution plan, in such manner as may be specified by the Board, which shall not be less than the amount to be paid to such creditors in accordance with sub-section (1) of section 53 in the event of a liquidation of the corporate debtor.”

Further, a resolution plan proposed by the resolution applicant (bidder) in the insolvency resolution plan can be approved only if it provides for payment dues of operational creditors on liquidation value in priority to any financial creditor (secured and unsecured) and paid in any event before the expiry of 30 days after the approval of the resolution plan by the Adjudicating Authority⁴.

In liquidation process, it is the obligation of liquidator to distribute proceeds of sale of liquidation estate in accordance with the priorities mentioned in section 53 of the Code. The liquidator can be penalised for making payments in violation of the priorities.

However, there are provisions in various other legislations that hold the directors or management responsible for non-payment of dues of workmen and employees or depriving them of their lawful entitlements.

- Industrial Disputes Act,
- Industries (Development and Regulation) Act, 1951.
- The Employees Provident Funds and Misc. Provisions Act, 1952
- Employees State Insurance Act, 1948
- Employers Liability Act, 1938
- The Minimum Wages Act, 1948
- The Payment of Bonus Act, 1965
- The Payment of Gratuity Act, 1972
- The Payment of Wages Act, 1936
- Workmen’s Compensation Act, 1923
- Employees’ State Insurance (General) Regulations, 1950

5. Is there any form of statutory, industry or government funded “safety net” that serves to guarantee the payment of employee entitlements in an insolvency context?

There is no government scheme guaranteeing payment of employee entitlements in resolution or liquidation proceedings. However, in the corporate insolvency resolution process, the dues of employees and workmen are required to be paid on liquidation value in priority to any financial creditor (secured and unsecured) and paid in any event before the expiry of 30 days after the approval of the resolution plan by the Adjudicating Authority. There are liabilities on bidder for failure to implement resolution plan. In liquidation process, it is the obligation of liquidator to distribute proceeds of sale of liquidation estate in accordance with the priorities mentioned in section 53 of the Code.

6. In the event of a sale by an insolvent company, whether in or out of a formal proceeding, of all of its assets as an ongoing business, would the acquirer be liable for employee claims on the basis of successor liability or otherwise?

This is treated as essentially a matter between the parties.

During the Corporate Insolvency Resolution Process under the Insolvency & Bankruptcy Code, 2016, the Resolution Professional (RP) endeavours to find a suitable applicant for submitting a Resolution Plan for the revival of the Corporate Debtor⁵. The RP thereafter examines the Resolution Plans received by him after going through an evaluation process for the fulfilment of the conditions mentioned in the Code including Section 30(2)(b) of the Code and ultimately places successful resolution plans, before the Committee of Creditors for their approval of one such plan, which is ultimately submitted to the Adjudicating Authority under the Insolvency and Bankruptcy Code, 2016 for its sanction. In such cases of acquisition, the Adjudicating Authority while approving the final resolution plan ensures that accurate treatment has been provided by resolution applicant/acquirer towards employees. Such resolution plan, if approved by the Committee of Creditors and subsequently by the Adjudicating Authority, becomes binding on the Corporate Debtor and its employees, members, creditors, guarantors and other stakeholders involved in the resolution plan as per the provisions of Section 31 of the Code.

The Resolution Applicant submits one such plan which is on a going concern concept, and thus held responsible for employees’ rights, as the plan professes mandatory provides for payment of employee & workmen claims on atleast liquidation value in priority to any financial creditor (secured and unsecured) and paid in any event before the expiry of 30 days after the approval of the resolution plan by the Adjudicating Authority. Besides, the acquirer is also held liable in case of failure to implement resolution plan proposed by him.

In the Liquidation Process under the Insolvency & Bankruptcy Code, 2016, the Liquidator endeavours to liquidate the assets of the Corporate Debtor to suitable buyer(s). One amongst many manners of sale is “selling the Corporate Debtor as a going concern”. In this process, the Liquidator fixes a suitable bid price and auctions the assets of the Corporate Debtor, as an ongoing business. The amount realised from such sale is ultimately distributed to the stakeholders of the Corporate Debtor according to the waterfall mechanism as envisaged under Section 53 of the Code.

The unpaid insolvency resolution and liquidation process costs are then paid in full, after which, the workmen’s dues for the period of twenty-four months preceding the liquidation commencement date which ranks equally with the debts owed to a secured creditor who has relinquished his security in a manner set out in Section 52 of the Code are paid. Such workmen dues and debts of secured creditors are paid proportionately. If any amount remains after payment of the above dues, the wages and any unpaid dues owed to employees other than workmen for the period of twelve months preceding the liquidation commencement date are paid.

¹ Section 3 (36) of the Insolvency and Bankruptcy Code, 2016

² Section 5(20) of the Insolvency and Bankruptcy Code, 2016

³ Section 326 of the Companies Act, 2013

⁴ Section 5(1) of the Insolvency and Bankruptcy Code, 2016

⁵ Section 5(26) and 5(27) of the Insolvency and Bankruptcy Code, 2016

ANNOUNCEMENT

Members who are not receiving Chartered Secretary Journal regularly, are requested to communicate with ICSI-EIRO at tamal.kar@icsi.edu for speedy action on the matter. While communicating, members are requested to mention his/her ACS/FCS No.; communication address, Mobile Nos. & E-Mail IDs.

Members are also requested to update their contact details viz. communication address, Mobile No(s); E-Mail IDs through Member’s Login ID provided by the Institute to the Members. Institute is taking utmost care in ensuring timely delivery of Chartered Secretary Journal to all the members.

Soft copy of Chartered Secretary Journal is also available at Link: <https://www.icsi.edu/journals-bulletins/chartered-secretary/>



ADDITIONAL GROUNDS INVOLVING QUESTIONS OF LAW NOT REQUIRING INVESTIGATION OF FACTS ARE TO BE ADMITTED BY THE APPELLATE TRIBUNAL

By **CS Rajesh Agarwal**
Company Secretary

Hon'ble Delhi High Court recently by passing an Order on 4th September 2019 held as follows

".. judgment in Pioneer (supra) constitutes the law declared by the Supreme Court under Article 141 of the Constitution, even in respect of the question raised in these petitions. Following the said judgment, therefore, it is held that the remedies available to the respondents herein under CPA and RERA are concurrent, and there is no ground for interference with the view taken by the National Commission in these matters"

A common question viz whether proceedings under the Consumer Protection Act 1986 (CPA) can be commenced by home buyers (or allottees of properties in proposed real estate development projects) against developers, after the commencement of the Real Estate (Development and Regulation) Act 2016, was raised. Said question was decided against the Petitioners by the National Consumer Disputes Redressal Commission (NCDRC) by an Order dated 15.04.2019 in Consumer Case No 1764/2017 (Ajay Nagpal vs Today Homes

& Infrastructure Pvt Limited)

Said Order of NCDRC was challenged before Hon'ble Supreme Court (SC in short), whereon SC delivered a judgment on 9th August 2019 in W.P.(C) 43/2019 and other connected matters (Pioneer Urban Land and Infrastructure Ltd & Anr. Vs Union of India & Ors 2019 SCC Online SC 1005) inter alia holding that remedies given to allottees of flats are concurrent and as such, allottees are in a position to avail remedies under the Consumer Protection Act, 1986 (CPA), RERA as well as trigger the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC). SC referred to the statement of objects and reasons of RERA in paragraph 20 of its judgment, wherein remedy under CPA is also noted. While setting out the relevant provisions of RERA, SC noticed Sections 79, 88 and 89 of RERA. While examining the operation of remedies under RERA and IBC, SC drew on Section 71(1) of RERA as another illustration that the remedies under RERA are not intended to be exclusive, but to run parallel with other remedies.

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Members are requested to contribute by giving advertisements in the ICSI-EIRC Newsletter. The fund so generated will strengthen the financial position of EIRC of ICSI.

DONATION OF EXIDE INDUSTRIES LIMITED TO ICSI-EIRC

The Institute of Company Secretaries of India, Eastern India Regional Council (ICSI-EIRC), places on record for the unconditional contribution given by CS Jitendra Kumar, Company Secretary & Senior Vice-President – Legal, on behalf of **EXIDE INDUSTRIES LIMITED** towards donation of :-

- 6 Nos. Exide Batteries 12 Volts with 26Ah capacity for the online UPS supporting the Server & Router at the ICSI-EIRC House.
- 1 No. High Power Exide Make Battery (63 KVA, 12 Volts, 100 Amps) for the DG Set at the ICSI-EIRC House.

message from An Entrepreneur

By CS R.S Agarwal
Founder, Emami group of companies



RENDEZVOUS WITH INDUSTRY TITAN

SHRI RADHE SHYAM AGARWAL

Shri Radhe Shyam Agarwal (also known as RS Agarwal) is an Indian entrepreneur, co-founder and Executive Chairman of Emami Ltd, a global consortium of companies engaged in the business of FMCG, paper, real estate, edible oils, healthcare and cement. The ICSI EIRC met him and these are some excerpts from the conversation we had.

Q: Sir, for a man, who is in the Forbes List of wealthiest Indians and a Founder of a global conglomerate, What was the stimuli for you to join the CS Course ?

A: Yes, it's a very interesting question, I am a Fellow Member of ICSI, Chartered Accountant from ICAI and a Post Graduate in Commerce from Calcutta University. The course of Company Secretary (CS) is a very prestigious course and I was aware that the CS is the link of the company with the shareholders and the regulatory authorities and I had an entrepreneurial streak in me and I wanted to be proficient in Company Law and other allied corporate laws and CS was the course best suited for learning Company Law hence I joined the programme.

Q: How do you manage between professional and personal life?

A: Honestly, I am happy being busy. I engage myself in a lot of activities. As and when possible, I write & I read, listen to music and so on. This helps in relaxing and refreshing during my hectic schedule.

Q: Do you feel that there are any differences between the Company Secretary course of your time and at present?

A: With the ever-changing legal environment in the country and the dynamic nature of business, it is very fascinating and more challenging to work as a Company Secretary now. The current syllabus of ICSI as I come to know is very dynamic and the vision of the ICSI to train its members and students in the new laws and legalities will definitely increase the scope of the profession.

Q: Any advice for the students who wish to join the CS Profession?

A: Learning does not stop when you pass your exams, but it is only a platform for you to express your professional skills. Therefore, be always ready to learn new laws, provisions, new technological advancements which will be helpful in your job and profession.

Q: Budding CS and entrepreneurs look up to the successful ones for motivation. What would your words of wisdom for them ?

A. Company Secretaries have always had a crucial role in helping the Chairman, Managing Director, and the Board as a whole in setting up a robust corporate governance framework. However, with fast changing legislation and more proactive regulators, Company Secretaries must update themselves regularly and ensure a healthy discussion within their community of these changes. Be unique and open minded to learn new things in life from everyone around. Be it related to work or otherwise. Always be a professional in your approach and respect each one you interact with.

MEGA CONCLAVE ON THE OCCASION OF ICSI CAPITAL MARKETS WEEKS HELD ON SATURDAY, 10TH AUGUST, 2019 AT THE PARK, KOLKATA



Attitude is a little thing that makes a big difference - Winston Churchill

Corporate Marriages: A Way to Survive the Ensuing Storm?

By **CS Rajat Agrawal**
Company Secretary



The month of September has commenced with the Hon'ble Finance Minister Smt. Nirmala Sitharaman flagging off the big-fat wedding plans for the corporate houses in the banking sector.

The Minister has taken the mantle of one of the most important portfolios of the ministry at a time when the economy has been grappled with Non-Performing Assets ("NPAs"), low credit creation and low public consumption. But before we discuss the mega-merger of the banks, we need to relook at the past.

In 1969, the then Minister of Finance, Smt. Indira Gandhi nationalised 15 major private banks of the country. The Imperial Bank which renamed itself to State Bank of India in 1955, had 80 percent of banking assets under the State's control due to this decision. The third volume of Reserve Bank of India's history termed nationalisation of banks as, "By any measure, this was the defining economic event of not just the 1960s, but the next three decades. It remains, without doubt, the single most important economic decision taken by any government since 1947. Not even the reforms of 1991 are comparable in their consequences—political, social and, of course, economic."

Since 1947, India had taken a role of a socialist economy where profits were looked down upon and social welfare was the motive as the country needed a significant boost from the economic drainage which was left by the British Occupation. The war with China in 1962 was followed by the demise of Shri. Jawaharlal Nehru in 1964. We then had Shri. Lal Bahadur Shastri who took over as the Prime Minister in 1965 who soon saw war with Pakistan. The sudden demise of Shastri in 1966 led to a huge political and social turmoil within the nation. Apart from two wars and two major deaths, the 1960s saw two droughts which led to negative growth rates and double digit inflation. This caused the foreign exchange reserves to decline as well. The Government devalued the Indian Rupee and levied duties on foreign trade. This was seen as an answer not which came organically, but as result of bending on pressure from foreign Governments. To cause a thumping impact and to send a message across the length and breadth of the nation, the Government saw it fit at that time to nationalize the banks.

Fast forward 2019, India Inc. has since then, graduated from the times of Sick Industrial Companies (Special Provisions) Act, 1985 to Insolvency and Bankruptcy Code, 2016 ("the IBC"). The IBC provided the banks with the much needed tooth to dig into the thick skin of the errant and willing defaulters who have been, since decades been the root cause of the problem of NPAs in our country.

The Public Sector Banks ("PSBs") were doing well until the quarter ended December 2015. Due to the credit quality review carried out by the Reserve Bank of India ("RBI"), most of the banks declared losses for the quarter ended March 2016. It was quintessential to understand the cause and events which happened in those three months. Three months is a very small time in any realistic financial system. The truth is, nothing significant happened in the three months, except that the banks started to report the true and fair view of the financial statements. Were they manipulating the books earlier? Both yes and no.

The market begged the question, why the profits were reported, when there wasn't any? Before answering the question, we must know the owners of the banks. When profits are high, the dividends declared are also high and we also know who benefits the most. The PSBs funded the expenses of the Government at the cost of their own survival. The then Governor of RBI, Shri. Raghuram Rajan directed the banks to clean the mess else the RBI will be forced to intervene. Seeing no other way out, the banks reported the true figures, devoid of spices. In that process, they had to forego the accumulated reserves which doesn't have any real basis. In addition to their accumulated reserves out of profits, banks had to give up their own capital in order to make provisions for freshly declared NPAs.

As a safety measure, every bank sets aside certain portion of their capital to meet the unforeseen losses which can be loosely called NPAs i.e. called the Capital Adequacy Ratio

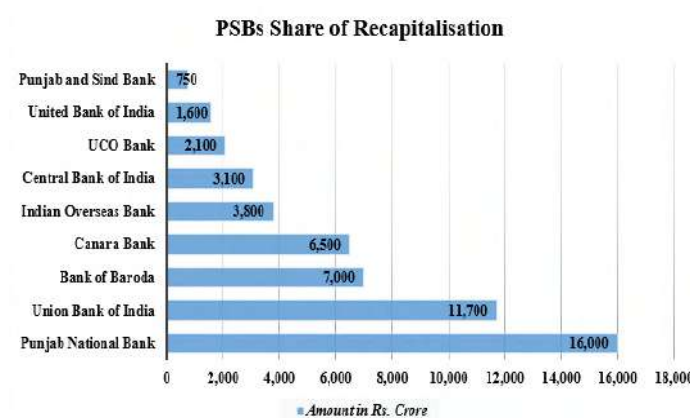
("CAR"). High CAR implies that the bank is able to protect depositors, it is stable, efficient and it can absorb its losses. When the banks started declaring NPAs, which they initially did not disclose before December 2015, they had to keep the provisions for the NPAs in order to meet the losses provided they didn't turn out good. We all know that in accounting, a provision is basically a charge against the profits or an amount set aside to meet a future liability or loss. The provisions are set aside from the profits of that accounting period. The problem comes when the profits are inadequate. What will the banks do? The banks, after seeing that the profits were inadequate to cover the losses, started setting aside the provisions from accumulated profits which were kept as reserves. As NPAs started mounting, provisions also grew which caused a depletion in the reserves and an erosion in the capital. Some banks recovered, some did not.

Now, to keep the business afloat, either the capital has to be injected or a loss making bank has to be merged with a profit making bank to avoid capital injection. Capital injection is done out of the Government's own treasury. To avoid the same, the Government now resorted to the merger of banks.

Since last few years, the Government of India has been indulging in a huge capital infusion spree in the PSBs. In the last week of August, 2019, the Minister of Finance fired another salvo to aim at improving the financial system of the country, this time, with the plan to amalgamate 10 PSBs into 4 PSBs. As a result, the number of PSBs in the country will come down to 12 from 27 in 2017. Apart from this, the Government has announced an upfront capital infusion of Rs. 55,000 crores.

The list of banks which will merged are as follows:

- 1) Punjab National Bank, Oriental Bank of Commerce and United Bank of India
- 2) Canara Bank and Syndicate Bank
- 3) Union Bank of India, Andhra Bank and Corporation Bank
- 4) Indian Bank and Allahabad Bank



From the chart above, it comes as no surprise why the Punjab National Bank has hogged the lion's share of the recapitalisation cake.

The main income of the banks is interest from loans and the loans & advances forms the basic asset for the banks. We have a concept of Provision Coverage Ratio ("PCR"). The PCR measures the provisioning for bad loans. Higher PCR reflects a better health with the industry standards recommending a PCR of 70 percent as a healthy measure. In other words, higher PCR indicates provisions made against bad loans from the profit generated and lower unexposed part of bad debts. Various initiatives taken by the Government has resulted into lower PCR and recovery of bad loans. Increasing PCR will also imply a cushion to absorb losses and a good credit discipline. Thus, there are lower chances of banks falling into Prompt Corrective Action ("PCA") Framework which imposes curbs on certain business operations of the banks. On the completion of the merger, the PCR will be close to 65%.

The merger of the big banks was always on the agenda, however never implemented until now one of the significant reasons being the trade unions. The trade unions have lost their might in recent years, coupled with the slowing pace of the economy has what led the Government to implement the move. Apart from rusted power in the trade unions, the loan impairments in corporate defaults also hindered the merger. The Government has ensured no disruption in businesses and service and has also ensured that there will be no retrenchment post-merger. Even now as we speak on it, the boards of PSBs are yet to create the alliance proposal before the details of the scheme of arrangement and amalgamation could be framed and necessary regulatory clearances and government approvals could be timely obtained.

Apart from providing capital, the intention of the Government is to provide good governance and here the role of Practising Company Secretaries and Company Secretaries Employed in these banks is paramount for the smooth travel through the wilderness of a myriad of regulations and timelines.

Prima facie, this looks like a good decision, given the size of the economy and business done, ideally not more than 8 private banks and 8 public banks are needed. Less banks will imply more economical business by cost cutting and better management and scale of economies. Unlike the big banks in the USA which both had commercial banking and investment banking powers, this will not be a stark resemblance to them. Upon the arrival of details on the scheme of merger, the future can be decided which prima facie, as it was said, looks like deterrent not only to survive the storm, but also to rebuild a stronger financial system to withstand the future storms.

Bibliography:

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INDEPENDENCE DAY CELEBRATION ON THURSDAY, 15TH AUGUST, 2019 AT ICSI EIRC HOUSE, KOLKATA



SPECIAL AMS OF EIRC, 2019



Eastern
India
Regional
Council

THE INSTITUTE OF Company Secretaries of India

भारतीय कम्पनी सचिव संस्थान

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



Special AMS of EIRC of ICSI for the year 2019

Our Dear Esteemed Colleagues,

Members who missed the opportunity to enroll for the Annual Membership Scheme (AMS) 2019, EIRC of ICSI brings an opportunity to take benefit of **Special AMS for Individual Members** for the remaining period of current AMS (i.e. from 1st August, 2019 to 31st January, 2020).

** This scheme is applicable for individual members only.

It includes free participation in the following programmes:

- 15th Regional PCS Conference of EIRC
- 30th Annual Regional Conference of EIRC
- 2 Full Day Seminars and 3 Half Day Workshops

Other programmes like Study Circle Meetings / Interactive Meetings / Joint Programmes with other professional bodies etc.

You can enroll for the Special AMS by paying the fee (including GST) given below:

₹ 6000/- only for members who got membership on or after 01.04.2016

₹ 7000/- only for members who got membership up to 31.03.2016

Payment may be made in Cash or by Cheque / DD drawn in favour of
"The Institute of Company Secretaries of India - EIRC".

Paytm Link



Online Payment can be made through the following link:

<https://paytm.com/education?op=The%20Institute%20of%20Company%20Secretaries%20of%20India&type=registration>

So, hurry now and enroll in this special scheme as early as possible to avail optimum benefits.

With warm regards,

CS Rajesh Chura
Chairman

CS Priyadarshi Nayak
Vice Chairman

CS Anil Kumar Dubey
Secretary

CS Rajesh Mittal
Treasurer

Members: CS Biman Deb Nath | CS Sudhir Kumar Banthiya

Ex-Officio Members: CS Deepak Kumar Khaitan | CS Siddhartha Murarka

VISION
"To be a global leader in providing
good corporate governance"

ICSI Motto
सत्यं वर। धर्मं धरा। सुखे तुष्टः स्वर्गं लोकं तुष्टः। इति।

MISSION
"A globally high calibre professional
holding good corporate governance"

REGISTRATION FORM FOR SPECIAL ANNUAL MEMBERSHIP SCHEME
[EFFECTIVE FROM 1ST AUGUST, 2019 TO 31ST JANUARY, 2020]

The Regional Director
 Eastern India Regional Office
 The Institute of Company Secretaries of India
 3A, Ahiripukur 1st Lane
 Kolkata 700 019

Dear Sir,

Please register the following person(s) as delegate(s) for attending the programmes under SPECIAL Annual Membership Scheme (AMS) being organized by The Institute of Company Secretaries of India, Eastern India Regional Council (ICSI-EIRC) for the period of one year from **1st August, 2019 to 31st January, 2020.**

The particulars of the nominated person (s) are as under:

FOR INDIVIDUAL MEMBER ONLY:

Name(in Block Letters) : -----

Designation : -----

Name & Address of the organization :-----

FCS/ACS No.:-----CP No.-----Mobile No.-----

E-mail ID : -----

Payment: a) A cheque / DD no. (*)-----dated----- for Rs.-----
 drawn on -----is enclosed.
 b) Payment made by cash for Rs.....vide Receipt No.....dated-----

Yours faithfully,

Place:.....

Date:..... [Sponsoring Authority / Delegate]

(*) The cheque /demand draft shall be drawn in favour of "**The Institute of Company Secretaries of India - EIRC**" payable at "**Kolkata**".

INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY (ACCOUNTING, AUDIT, TRANSFER AND REFUND) SECOND AMENDMENT RULES, 2019 AT A GLANCE

By CS Ruchi Bohra

Company Secretary



| Sl. No. | Rule No. | Earlier Provision | Revised Provision | Effective date | Remarks |
|---------|-------------|--|---|----------------|---|
| 1. | 2(1)(d) | “Company” means a company defined in sub-section (20) of section 2 of the Act and includes ‘corresponding new bank’ as defined in sub-section (d) of section 2 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (5 of 1970) and clause (b) of section 2 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 (40 of 1980), State Bank of India constituted under section 3 of the State Bank of India Act, 1955 (23 of 1955), ‘subsidiary bank’ as defined in clause (k) of section 2 of the State Bank of India (Subsidiary Bank) Act, 1959 (38 of 1959) and includes any other entity which is required to transfer any fund to Investor Education and Protection Fund in accordance with any Act or statute governing it. | “Company” means a company defined in sub-section (20) of section 2 of the Act and includes ‘corresponding new bank’ as defined in sub-section (d) of section 2 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (5 of 1970) and clause (b) of section 2 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 (40 of 1980), State Bank of India constituted under section 3 of the State Bank of India Act, 1955 (23 of 1955), ‘subsidiary bank’ as defined in clause (k) of section 2 of the State Bank of India (Subsidiary Bank) Act, 1959 (38 of 1959) and includes any other entity which is required to transfer any fund to Investor Education and Protection Fund in accordance with any Act or statute governing it and any transferee company in respect of the assets and liabilities of transferor company. | 20-08-2019 | The transferee Company w.r.t to assets & liabilities of transferor Companies has been included in the ambit of ‘Company’ for Investor Education and Protection Fund Authority (IEPF) Rules. |
| 2. | 2(1)(da) | “Corporate action” means any action taken by the company relating to transfer of shares and all the benefits accruing on such shares namely, bonus shares, split, consolidation, fraction shares etc., except right issue to the Authority | “Corporate action” means any action taken by the company relating to transfer of shares and all the benefits accruing on such shares including , bonus shares, split, consolidation, fraction shares etc., except right issue to the Authority | 20-08-2019 | The word ‘namely’ has been substituted with ‘including’, the amendment is clarificatory in nature. |
| 3. | 2(1)(g) | “Investor” means any person, who has committed money in shares, or debentures, bond or deposits under a scheme or plan of a company registered under the Act | | 20-08-2019 | Omitted. |
| 4. | 3(4)(a) | All the money, which accrue under sub section (2) except clause (g) of section 125 of the Act shall be deposited in the Consolidated Fund of India under the Major Head ‘0075- Miscellaneous General Services – 104 - Unclaimed and Unpaid dividends, deposits and debentures etc.’ Such sums along with amount deposited under section 205C of the Companies Act, 1956 shall be transferred to the Fund in the non-interest bearing Public Account after taking due approval of Parliament through Appropriation Act. This non-interest bearing Public Account shall be termed as IEPF Fund and shall be utilised for the purposes provided under sub-section (3) of section 125 of the Act | All the money, which accrue under sub section (2) except clause (g) of section 125 of the Act shall be deposited in the Consolidated Fund of India under the Major Head ‘0075- Miscellaneous General Services – 104 - Unclaimed and Unpaid dividends, deposits and debentures etc.’ Such sums along with amount deposited under section 205C of the Companies Act, 1956 shall be transferred to the Fund in the non-interest bearing Public Account after taking due approval of Parliament through Appropriation Act. This non-interest bearing Public Account shall be termed as IEPF Fund and shall be utilised for the purposes provided under sub-section (3) of section 125 of the Act | 20-08-2019 | The amount received through disgorgement or disposal of securities u/s 38(3) shall also be deposited in the Consolidated Fund of India. |
| 5. | 3(4)(b)(ii) | Grants and donations given to the Fund by the State Governments, Companies or any other institutions for the purpose of the Fund as also the interest or other income received out of the Investments made from the Fund shall be credited to a separate sub-head under “800 – Other Receipts” below the MH 0075 – Misc. General Services. | Grants and donations given to the Fund by the State Governments the Central Government, Companies or any other institutions for the purpose of the Fund as also the interest or other income received out of the Investments made from the Fund shall be credited to a separate sub-head under “800 – Other Receipts” below the MH 0075 – Misc. General Services. | 20-08-2019 | Grants and donations given to the IEPF by Central Government shall also be credited to a separate sub-head under “800 – Other Receipts”. |

| Sl. No. | Rule No. | Earlier Provision | Revised Provision | Effective date | Remarks |
|---------|----------|--|---|----------------|--|
| 6. | 5(1) | Any amount required to be credited by the companies to the Fund as provided under clause (a) to (n) of sub-section (2) of section 125 of the Act shall be remitted into the specified branches of Punjab National Bank, which is the accredited Bank of the Pay and Accounts Office, Ministry of Corporate Affairs and other authorised banks engaged by the MCA-21 system, within a period of thirty days of such amounts becoming due to be credited to the Fund. | Any amount required to be credited by the companies to the Fund as provided under clauses (a) to (n) of sub-section (2) of section 125 of the Act shall be remitted online along with a Statement in Form No. IEPF 1 containing details of such transfer to the Authority within a period of thirty days of such amounts becoming due to be credited to the Fund. | 20-08-2019 | The remittance of amount by submission of challan has been done away with and an online system has been introduced to credit the amount to be transferred to the IEPF. Further, the time limit for submission of Form IEPF-1 shall be within 30 days of amounts becoming due to be credited to the Fund (earlier within 30 days of submission of challan). |
| 7. | 5(2) | The amount shall be tendered by the companies along with challan (in triplicate) to the specified Bank Branches of Punjab National Bank and other authorised banks under MCA-21 system who will return two copies of the challan, duly stamped in token of having received the amount, to the Company. The third copy of the challan will be forwarded along with the daily credit scroll by the receiving branch to its Focal Point Branch of the Bank for onward transmission to the Pay and Accounts Office, Ministry of Corporate Affairs. | - | 20-08-2019 | Omitted as an online system has been introduced for remittance of amount in the IEPF. |
| 8. | 5(3) | Every company shall file with the concerned Authority one copy of the challan referred to in sub-rule (2) indicating the deposit of the amount to the Fund and shall fill in the full particulars of the amount tendered, including the head of account to which it has been credited. | - | 20-08-2019 | Omitted as an online system has been introduced for remittance of amount in the IEPF. |
| 9. | 5(4) | The company shall, along with the copy of the challan as required under sub-rule (3), furnish a Statement in Form No. IEPF 1 containing details of such transfer to the Authority within thirty days of submission of challan | - | 20-08-2019 | Omitted as an online system has been introduced for remittance of amount in the IEPF. |
| 10. | 5(4A) | - | <i>The companies which have transferred any amount referred to in clauses (a) to (d) of sub-section (2) of section 205C of the Companies Act, 1956 (1 of 1956) to Investor Education and Protection Fund or Central Government, but have not filed the statement or have filed the statement in any format other than in excel template, as required under sub-rule (1) of rule 5, shall submit details mentioned in sub-rule (1) of rule 5 in Form No. IEPF – 1A along with excel template within sixty days of notification of these amended rule.</i> | 20-08-2019 | A new form IEPF-1A has been introduced to be filed within 60 days of the notification (19th October, 2019) to report the details of amount transferred in the IEPF pursuant to Section 205C(2)(a) to 205C(2)(d) of the erstwhile Act for which either no statement has been filed or if the same has been filed is in other than xls format. This amendment will be quite challenging for Companies to comply with as it will be difficult for the Companies to compile data of the past unpaid dividends transferred w.e.f 2005 and after matching the preserved statements with the amount actually transferred the same will be filed year wise again. |
| 11. | 5(6)(c) | The company shall maintain record consisting of name, last known address, amount, folio number or client ID, certificate number, beneficiary details etc. of the persons in respect of whom unpaid or unclaimed amount has remained unpaid or unclaimed for a period of seven years and has been transferred to the Fund and the Authority shall have the powers to inspect such records. | <i>The company shall maintain the record filed under sub – rule (1) in the same format along with all supporting documents and the Authority shall have the powers to inspect such records.</i> | 20-08-2019 | Clarification is provided that the details submitted in Form IEPF-1 along with supporting documents thereof is required to be maintained and IEPF Authority is empowered to inspect the same. |

| Sl. No. | Rule No. | Earlier Provision | Revised Provision | Effective date | Remarks |
|---------|----------|---|---|----------------|---|
| 12. | 5(8) | <p>Every company shall within a period of ninety days after the holding of Annual General Meeting or the date on which it should have been held as per the provisions of section 96 of the Act and every year thereafter till completion of the seven years period, identify the unclaimed amounts, as referred in sub-section 2 of section 125 of the Act, as on the date of holding of Annual General Meeting or the date on which it should have been held as per the provisions of section 96 of the Act, separately furnish and upload on its own website and also on website of Authority or any other website as may be specified by the Government, a statement or information through Form No. IEPF 2, separately for each year, containing following information, namely:-</p> <p>(a) the names and last known addresses of the persons entitled to receive the sum;</p> <p>(b) the nature of amount;</p> <p>(c) the amount to which each person is entitled;</p> <p>(d) the due date for transfer into the Investor Education and Protection Fund; and</p> <p>(e) such other information as may be considered relevant for the purposes.</p> | <p>Every company shall within a period of sixty days after the holding of Annual General Meeting or the date on which it should have been held as per the provisions of section 96 of the Act, whichever is earlier and every year thereafter till completion of the seven years period, identify the unclaimed amounts, as referred in subsection (2) of section 125 of the Act, as on the date of closure of financial year the account of which are to be adopted in the Annual General Meeting as per sub-section (1) of section 137 of the Act, separately furnish and upload on its own website and also on website of Authority or any other website as may be specified by the Government, a statement or information of unclaimed and unpaid amounts separately for each of the previous seven financial years through Form No. IEPF-2, containing following information, namely:-</p> <p>(a) the names and last known addresses of the persons entitled to receive the sum;</p> <p>(b) the nature of amount;</p> <p>(c) the amount to which each person is entitled;</p> <p>(d) the due date for transfer into the Investor Education and Protection Fund; and</p> <p>(e) such other information as may be considered necessary.</p> | 20-08-2019 | <p>There has been no change in the information to be provided in the IEPF-2. However, there has been change in the cut off date for reckoning the outstanding position of the shareholders whose details are to be provided. Post amendment, the statement of unclaimed and unpaid amounts for each of the previous seven FY existing as on the date of closure of the Financial Year (earlier as on the date of AGM) shall be required to be filed within 60 days of AGM (earlier 90 days of AGM).</p> |
| 13. | 6(1) | <p>The shares shall be credited to DEMAT Account of the Authority to be opened by the Authority for the said purpose, within a period of thirty days of such shares becoming due to be transferred to the Fund:</p> <p>Provided that, in case the beneficial owner has encashed any dividend warrant during the last seven years, such shares shall not be required to be transferred to the Fund even though some dividend warrants may not have been encashed:</p> <p>Provided further that in cases where the period of seven years provided under sub-section (5) of section 124 has been completed or being completed during the period from 7th September, 2016 to 31st October, 2017, the due date of transfer of such shares shall be deemed to be 31st October, 2017.</p> <p>Provided further that transfer of shares by the companies to the Fund shall be deemed to be transmission of shares and the procedure to be followed for transmission of shares shall be followed by the companies while transferring the shares to the fund.</p> | <p>The shares shall be credited to DEMAT Account of the Authority to be opened by the Authority for the said purpose, within a period of thirty days of such shares becoming due to be transferred to the Fund:</p> <p>Provided that, in case the beneficial owner has encashed any dividend warrant or any dividend amount has been credited to bank account of the owner of such shares during the last seven years, such shares shall not be required to be transferred to the Fund even though some dividend warrants may not have been encashed:</p> <p>Provided further that in cases where the period of seven years provided under sub-section (5) of section 124 has been completed or being completed during the period from 7th September, 2016 to 31st October, 2017, the due date of transfer of such shares shall be deemed to be 31st October, 2017.</p> <p>Provided further that transfer of shares by the companies to the Fund shall be deemed to be transmission of shares and the procedure to be followed for transmission of shares shall be followed by the companies while transferring the shares to the fund.</p> <p>Explanation- For removal of all doubts, it is hereby clarified that all shares in respect of which dividend has been transferred to Investor Education and Protection Fund on or before the 7th September 2016, shall also be transferred by the company in the name of Investor Education and Protection Fund.</p> | 20-08-2019 | <p>Earlier the Rules covered only the cases where the beneficial owner has not encashed any dividend warrant during the last seven years then such shares transferred to IEPF. Post amendment, it is clarified that where the dividend amount has not been credited to the bank account of the owner of shares during the last seven years then such shares shall also be transferred to IEPF.</p> <p>Further, the amendment requires the Company to transfer all the shares in respect of which dividend has been transferred to IEPF on or before the 7th September 2016.</p> |

| Sl. No. | Rule No. | Earlier Provision | Revised Provision | Effective date | Remarks |
|---------|----------|---|---|----------------|---|
| 14. | 6(5) | While effecting such transfer, the company shall send a statement to the Authority in Form No. IEPF 4 containing details of such transfer. | While effecting such transfer, the company shall send a statement to the Authority in Form No. IEPF-4 within thirty days of the corporate action taken under clause (c) of sub-rule (3) of rule 6 containing details of such transfer and the company shall also attach a copy of the public notice published under clause (a) of sub-rule (3) of rule 6 in Form No IEPF-4. | 20-08-2019 | A specific timeline has been provided for filing of Form IEPF-4 i.e, within 30 days of undertaking Corporate action. Further, it has been made mandatory to attach in the said Form the newspaper publication made in English and vernacular newspaper at least 3 months before the transfer of shares to IEPF. |
| 15. | 6(7) | The company shall maintain the details of shareholding of each individual shareholders whose shares have been credited to the DEMAT account of the Authority. | The company shall maintain all such statements filed under sub – rule (5) in the same format along with all supporting documents and the Authority shall have the powers to inspect such records. | 20-08-2019 | It has been clarified that the details filed in Form IEPF-4 is required to be maintained along with supporting documents thereof. Further, the IEPF Authority has been empowered to inspect the same. |
| 16. | 6(8) | All benefits accruing on such shares e.g., bonus shares, split, consolidation, fraction shares etc., except right issue shall also be credited to such DEMAT account. | All benefits accruing on such shares like bonus shares, split, consolidation, fraction shares and the like except right issue shall also be credited to such DEMAT account by the company which shall send a statement to the Authority in Form No. IEPF-4 within thirty days of the corporate action containing details of such transfer. | 20-08-2019 | In furtherance to clarification provided by the IEPF on 8th April, 2019, the Rules has been amended to provide that the benefits accruing on the shares (bonus, split, etc.) credited to IEPF except the right issue is required to be credited to the demat account of IEPF and the reporting of the same is to be made in Form IEPF-4 within 30 days of the corporate action. |
| 17. | 7(2) | The claimant shall after making an application in Form IEPF-5 under rule (1), send the same duly signed by him along with, requisite documents as enumerated in Form IEPF-5 to the concerned company at its registered office for verification of his claim. | Upon submission, Form No. IEPF-5 shall be transmitted online to the Nodal Officer of the company for verification of claim: Provided that the claimant after making an application in Form No. IEPF-5 under sub rule 1, shall send original physical share certificate, original bond, deposit certificate, debenture certificate, as the case may be, along with Indemnity Bond, Advance Receipts, any other document as enumerated in Form No. IEPF-5, duly signed by him, to the Nodal Officer of the concerned company at its registered office for verification of the claim. | 20-09-2019 | The physical verification report and submission of physical documents to IEPF Authority by the Company has been done away with. The claimant after making claim in Form IEPF-5 shall send the original physical copies of the following documents at the Registered Office of the Company: • Physical share certificate/ bond, deposit certificate/ debenture certificate, as the case may be; • Indemnity Bond, Advance Receipts; • Any other document as enumerated in Form No. IEPF-5 duly signed by the claimant. |
| 18. | 7(2A) | Every company which has deposited the amount to the Fund shall nominate a Nodal Officer for the purpose of coordination with IEPF Authority and communicate the contact details of the Nodal Officer duly indicating his or her designation, postal address, telephone and mobile number and company authorized e-mail ID to the IEPF Authority, within fifteen days from the date of publication of these rules and the company shall display the name of Nodal Officer and his e-mail ID on its website | Every company which is required to credit amounts or shares to the fund or has deposited the amount or transferred the shares to the Fund shall nominate a Nodal Officer, who shall either be a Director or Chief financial Officer or Company Secretary of the company, for the purposes of verification of claims and coordination with Investor Education and Protection Fund Authority: Provided that a company may appoint one or more Officer as Deputy Nodal Officer to assist the Nodal Officer for the purposes of verification of claim and for coordination with Investor Education and Protection Fund Authority: Provided further that the Nodal Officer shall be solely liable for all actions of any officer appointed as Deputy Nodal Officer: Provided also that in case a company fails to appoint Nodal Officer, every director of the company shall be deemed to be nodal officer and be liable for any failure to comply with requirement of these rules. | 20-09-2019 | The physical verification report and submission of physical documents to IEPF Authority by the Company has been done away with. The claimant after making claim in Form IEPF-5 shall send the original physical copies of the following documents at the Registered Office of the Company: • Physical share certificate/ bond, deposit certificate/ debenture certificate, as the case may be; • Indemnity Bond, Advance Receipts; • Any other document as enumerated in Form No. IEPF-5 duly signed by the claimant. |

| Sl. No. | Rule No. | Earlier Provision | Revised Provision | Effective date | Remarks |
|---------|----------|---|---|----------------|---|
| 19. | 7(2B) | - | <p><i>The details of the Nodal Officer and Deputy Nodal Officer duly indicating his or her designation, postal address, telephone and mobile number and company authorized e-mail ID shall be communicated to the Investor Education and Protection Fund Authority in Form No. IEPF-2 within fifteen days from the date of publication of these rules and the company shall display the name of Nodal Officer and his e-mail ID on its website:</i></p> <p><i>Provided that any change in the Nodal Officer or his details shall be communicated to the Authority through Form No. IEPF-2 within seven days of such change along with board resolution thereof.</i></p> | 20-08-2019 | <ul style="list-style-type: none"> • Within 15 days of notification (3rd September, 2019) the following details of Nodal Officer & Deputy Nodal Officer shall be submitted in Form IEPF-2 and also displayed on the website of the Company: <ol style="list-style-type: none"> (i) His or her designation; (ii) Postal address; (iii) Telephone and mobile number; and (iv) Company authorized e-mail ID • Changes in details of the Nodal Officer shall be furnished in Form No. IEPF-2 within seven days of such change along with board resolution thereof. |
| 20. | 7(3) | <p>The company shall, within fifteen days from the date of receipt of claim, send a verification report to the Authority in the format specified by the Authority along with all the documents submitted by the claimant.</p> <p>Provided that in case of non receipt of documents by the Authority after the expiry of ninety days from the date of filing of Form IEPF-5, the Authority may reject Form IEPF-5, after giving an opportunity to the claimant to furnish response within a period of thirty days.</p> | <p>The company shall, within thirty days from the date of receipt of claim, send an online verification report to the Authority after verification of details in Form No. IEPF-5 in the format specified by the Authority along with all the documents submitted by the claimant and shall attach the scanned copy of all the original documents submitted by the claimant in physical form duly certified by its Nodal Officer alongwith the e-verification report along with a scanned copy of both sides of original physical share certificate or original bond or deposit or debenture certificate/s duly cancelled and certified:</p> <p><i>Provided that if the online verification report is not sent by the company within thirty days of filing of claim, the company may do so by paying additional fee of fifty rupees for every day subject to maximum of two thousand and five hundred rupees:</i></p> <p><i>Provided further that the company shall be liable to maintain the original documents submitted to it by the claimant and shall produce such documents whenever required:</i></p> <p><i>Provided also that in case of non-receipt of verification report along with documents by the Authority after the expiry of sixty days from the date of filing of Form No. IEPF-5, the Authority may reject Form No. IEPF-5, after sending a communication to the claimant and the concerned company, on the e-mail address of the claimant and the company, to furnish response within a period of fifteen days:</i></p> <p><i>Provided also that for failure to submit verification report of the claim in accordance with these rules, the company and its Nodal Officer shall be punishable as per the provisions of the Act.</i></p> <p><i>Explanation.-In case (i) loss of original physical share certificate or original bond or deposit or debenture certificate or proof of entitlement, the company and the claimant shall follow the procedure as laid down in the Companies (Share Capital and Debenture) Rules, 2014, the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, guidelines, procedures and circulars issued from time to time and Schedule III of these rules and attach certified copies of all documents as may be required under the said rules or guidelines with the e-verification report; (ii) In addition, the company shall attach a scanned copy of both sides of share certificate generated under clause (d) of sub-rule (3) of rule 6 of these rules along with the e-verification report; (iii) The Company shall be solely responsible for collecting original physical share certificate or original bond or deposit or debenture certificate or proof of entitlement from the claimant and shall be liable for any misuse thereof.</i></p> | 20-09-2019 | <ul style="list-style-type: none"> • Within 30 days of receipt of the claim, the Company is required send the e-verification report to the IEPF Authority attaching the following documents duly certified by the Nodal Officer: <ol style="list-style-type: none"> (i) scanned copy of the original documents sent by the claimant; (ii) Scanned copy of both sides of cancelled original physical share certificate/ original bond/ deposit/ debenture certificate. • E-verification report can be sent after 30 days of filing of claim with an additional fee of Rs. 50/- per day to the maximum of Rs. 2,500/-; • Liability to maintain the original documents of the claimant is of the Company; • The IEPF Authority may reject the claim, if the verification report is not received within 60 days of filing IEPF-5, after providing an opportunity to furnish response within 15 days by the Company and the claimant. <p>Notes:</p> <p>(i) Where the original of share certificate/ bond/ deposit/ debenture certificate / proof of entitlement is lost the Company and the claimant shall follow the procedure laid down in the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and Schedule III of the amended Rules.</p> <p>(ii) The new share certificate issued u/r 6(3)(d) by the Company at the time of transfer of physical shares to the IEPF is also required to be attached with the e-verification report.</p> <p>(iii) Liability for collecting the original of physical share certificate/ bond/ deposit/ debenture certificate/ proof of entitlement and misuse thereof shall be on the Company.</p> |

| Sl. No. | Rule No. | Earlier Provision | Revised Provision | Effective date | Remarks |
|---------|----------|--|---|----------------|--|
| 21. | 7(7) | <p>In cases, where the application is incomplete or not approved, a communication shall be sent to the claimant and the concerned company by the Authority detailing deficiencies of the application.</p> <p>Provided that in case of non receipt of rectified documents by the Authority after the expiry of ninety days from the date of such communication, the Authority may reject Form IEPF-5, after giving an opportunity to the claimant to furnish response within a period of thirty days.</p> | <p>Where the Authority, on examining any application for claim, finds it necessary to call for further information or finds such application or e-form or document to be defective or incomplete in any respect, the Authority shall give intimation of such information called for or defects or incompleteness, by e-mail on the email address of the claimant and the company, which has filed such application or e-form or document, directing him or it to furnish such information or to rectify such defects or incompleteness or to re-submit such application or e-Form or document within fifteen days from the date of receipt of such communication, failing which the Authority may reject the claim or e-form No. IEPF-5:</p> <p>Provided that if such information or incompleteness is called from the claimant, he shall file the e-form and shall send such documents as called for within fifteen days, duly signed by him, to the Nodal Officer of the concerned company at its registered office for verification of the claim and company shall send a revised verification report:</p> <p>Provided further that if any such information or incompleteness is called from the company, the company shall file the revised verification report and shall send such documents as called for within thirty days:</p> <p>Provided also that the provisions of sub-rule (3) of rule 7 shall apply mutatis mutandis to this sub-Rule.</p> | 20-09-2019 | <ul style="list-style-type: none"> Where the IEPF Authority desires additional information or where the application for claim is found to be defective/incomplete then it may issue directions to the Company and/or claimant to furnish the same or to rectify or to re-submit the e-form (IEPF-5); Where such direction is given to the claimant then within 15 days of such communication the claimant is required to send the revised documents duly signed by him to the Nodal Officer who shall send the revised verification report to the IEPF Authority; Where such direction is given to the Company then it shall send the revised verification along with documents within 30 days of such communication. |
| 22. | 7(8) | <p>In case, claimant is a legal heir or successor or administrator or nominee of the registered share holder, he has to ensure that the transmission process is completed by the company before filing any claim with the Authority.</p> | <p>In case, claimant is a legal heir or successor or administrator or nominee of the registered share holder, the claimant shall ensure to submission of self-attested scanned copy of all documents detailed in Schedule II of these rules online along with the Form No. IEPF-5:</p> <p>Provided that in case of loss of securities held in physical form, he has to ensure to submission of self-attested scanned copy of additional documents detailed in Schedule III of these rules online along with the Form No. IEPF-5:</p> <p>Provided further that the claimant shall submit in original all these documents duly signed by him, to the Nodal Officer of the concerned company at its registered office for verification of the claim.</p> | 20-09-2019 | <p>Where the claimant is a legal heir/ successor/ administrator/ nominee of the shareholder then the documents mentioned in Schedule II of the revised IEPF Rules shall be attached with the Form IEPF-5 and the hard copy of the duly signed original documents shall be sent at the registered office of the Company.</p> <p>The documents mentioned in Schedule III of the revised rules shall be attached by the claimant in Form IEPF-5 in case of loss of physical securities and the hard copy of the duly signed original documents shall be sent at the registered office of the Company.</p> |
| 23. | 7(9) | <p>In case, claimant is a legal heir or successor or administrator or nominee of any other registered security or in cases where request of transfer or transmission of shares is received after the transfer of shares by company to the Authority, the company shall verify all requisite documents required for registering transfer or transmission and shall issue letter to the claimant indicating his entitlement to the said security and furnish a copy of the same to the Authority while verifying the claim of such claimant.</p> | <p>In case, claimant is a legal heir or successor or administrator or nominee of any other registered security or in cases where request of transfer or transmission of shares is received after the transfer of shares by company to the Authority, the company shall verify all requisite documents required for registering transfer or transmission and shall issue letter to the claimant indicating his entitlement to the said security and furnish a copy of the same to the Authority while verifying the claim of such claimant through its e-verification report:</p> <p>Provided that the authority shall dispose such request of transfer or transmission based on the e-verification report of the company subject to verification of such request</p> | 20-09-2019 | <p>The letter of entitlement issued by the Company shall be attached with the e-verification report.</p> |

| Sl. No. | Rule No. | Earlier Provision | Revised Provision | Effective date | Remarks |
|---------|----------|--|---|----------------|--|
| 24. | 7(10) | The claimant shall file only one consolidated claim in respect of a company in a financial year. | - | 20-09-2019 | Omitted, accordingly there is no bar on the claimant w.r.t. number of claims to be made in a FY. |
| 25. | 7(11)(b) | - | Any fraudulent claim by the claimant shall be deemed to be fraud within the meaning of section 447 of the Act and the claimant shall be liable accordingly. | 20-08-2019 | Newly inserted to punish fraudulent claims. |
| 26. | 7(11)(c) | - | If any person deceitfully personates an owner of any security or of any share warrant or coupon issued in pursuance of this Act and thereby files any claim to obtain or attempts to obtain any such security or interest or any such warrant or coupon due to the lawful owner, he shall be punishable under sections 57, 447 and 448 of the Act. | 20-08-2019 | Newly inserted to curb fraudulent claims. |

Further, through this amendment the existing 'Schedule' has been renumbered to Schedule I and the following three Schedules has been inserted:

Schedule II- It contains the list of documents to be submitted to the IEPF Authority to register **transmission of securities** held in physical/ demat mode (Similar to Schedule VII of the LODR)

Schedule III- Documents to be submitted to the Authority in case of **loss of securities** held in physical mode.

Schedule IV- Procedure to be followed while disposing the claims.

ATTENTION MEMBERS

It is for the general information of all members of ICSI that those members who are physically challenged and not in any gainful employment or practice can seek concession in annual membership fee @ 25% w.e.f. 1st April, 2019. This concession is also applicable additionally to members who are of the age of sixty/seventy years or above and not in any gainful employment or practice. The member needs to submit a medical certificate and a declaration to this effect for seeking this concession.

The Institute has brought out a CD containing List of Members holding Certificate of Practice of the Institute as on 31st March 2019. The CDs are available at Noida office of the Institute and will be provided free of cost to the members holding Certificate of Practice on receipt of request. Request may please be sent to the Directorate of Membership at e-mail id: saurabh.bansal@icsi.edu

For latest admission of Associate and Fellow Members, Life Members of Company Secretaries Benevolent Fund (CSBF), Licentiates and issuance of Certificate of Practice, kindly refer to the link <http://www.icsi.edu/Member.aspx>

MOOT COURT COMPETITION AT THE BHAWANIPORE EDUCATIONAL SOCIETY COLLEGE, KOLKATA ON MONDAY, 19TH AUGUST, 2019



15TH REGIONAL CONFERENCE OF PRACTISING COMPANY SECRETARIES ON THE THEME "CHALLENGING THE STATUS QUO" HELD ON SATURDAY, 24TH AUGUST, 2019 AT TAJ BENGAL, KOLKATA



When you reach the end of your rope, tie a knot in it and hang on - Franklin D. Roosevelt

SCRAPPING OF ANGEL TAX PROVISIONS AND ITS IMPLICATION ON STARTUPS

By **CS Shakshi Sodhani**

Company Secretary



Scrapping of Angel Tax provisions and its implication on startups

It was recently announced that startups that are registered with the Department for Promotion of Industry and Internal Trade (DPIIT) will be exempt from "Angel Tax". Angel tax is used to refer to the tax payable on capital raised by unlisted companies using the mode of share issue where the share prices are in excess of the FMV or fair market value of the shares that are sold. The excess realisation is taxed as other sources. It is an anti-evasion provision in the Income Tax Act. Although no specific section is formed under this name, the underlying section behind this tax is section 56 (2)(viib) of IT Act.



This implies that section 56 (2)(viib) of the Income Tax Act shall not apply to startups registered with the commerce ministry. Currently, there are 24,117 DPIIT-recognized startups. The said clause was inserted vide Finance Act, 2013. It provides that where a closely held company issues its shares at a price more than its fair market value (FMV) then, the

such amount received in excess of fair market value of shares will be charged to tax in the hands of the company as Income from other sources and treated as "Unexplained Cash Credit".

Angel Tax applied on startups when:

- » Raises funds through share capital
- » Investment is more than INR 25 crore
- » This investment amount includes both the Share Capital and Premium
- » The valuation at the time of raising funds is more than the FMV .

Angel Tax levied at an exorbitant rate of 30.9% on net investments in excess of the FMV. So for instance, if a startup receives 30 crore of investment by issuing 1 lakh shares at Rs.3000 each to an Indian investor and the fair market value is Rs.1000 per share i.e Rs.10 crore only, then the startup will have to pay angel tax on the amount in excess of the fair market value i.e Rs. 20 crore. Therefore Angel Tax payable in this transaction will be Rs.6.18 crore (30.9% on Rs.20 crore).

This tax in a way wipes away a major part of the investible surplus of the startup adversely impacting its growth prospects and hampering on the viability of the business.

Issue Involved:

- » Angel tax has often been criticised by the startup community as an unfair tax burden affecting young companies and their financial supporters.
- » The said startups were subject to a 30% angel tax. It was introduced in 2012 in a bid to curb money laundering through small companies. However, the increasing regulatory and monetary pressure on budding firms, threatening their survival.
- » Over the last year or so, many Indian startups were issued tax notices from the department demanding huge amounts of penalties, which were in some cases higher than the total funding itself.

Steps Taken :

- » The government has finally addressed a hindrance that India's booming startup industry had been facing for so long.
- » Startups and investors who are compliant in filing the requisite declarations will not face additional scrutiny related to angel tax.
- » The government will set up a separate individual cell under the Central Board for Direct Taxes (CBDT) for addressing the problems faced by startups. Startups with an income tax issue can approach this panel.

Likely Impact:

- » This initiative will boost the morale of entrepreneurs and investors. Removal of angel tax will help in the long run in building trust and confidence in the startups and the investors.
- » It displays government's resolve towards **Ease of doing business** in India and **encourage entrepreneurship**.
- » It is favourable for MSMEs, both funded and bootstrapped, that the government has considered to waive this tax and simplify the flow of risk capital for young companies. It will allow early-stage ventures to raise seed capital flexibly.
- » The government's decision to relieve start-ups on assessment of angel tax notices would provide a safeguard and scope for prosperity to them.

Insights:

- » Although, the tax hasn't been completely abolished just yet. The benefit of this provision will be limited as it is restricted to DPIIT-registered firms. India had around 50,000 startups by 2018. Of these, the DPIIT currently recognises over 24,000.
- » The Central Board for Direct Taxes' (CBDT) circular brings in more safeguard by requiring assessing officers to procure his or her supervisor's consent before starting on any inquiry under the angel tax provision against a start-up company which has not got DPIIT approval.
- » Lack of guidelines as to how the assessing officer shall select cases for scrutiny may continue to haunt the start-ups.
- » There is an uncertainty on pending cases and instances where the notice by Income Tax Department has already been issued to the startup before removal of the tax.
- » The CBDT has directed the assessing officers to accept the contention of start-ups with regards to angel tax issue if start-up is an eligible start-up in view of latest notification of DPIIT.

Angel Tax was introduced with a motive to dissuade shell companies from creating capital and evading tax. It was criticised by prominent founders, investors, analysts and executives as it was turning out to be more destructive to the economy and growth. This became the primary reason early stage startups were suffering. Its removal has been welcomed by the startup ecosystem and is being looked at optimistically. It is expected that this step will serve as a catalyst for economic reforms and bring about substantial growth and advancements.

ATTENTION

For latest admission of Associate and Fellow Members, Life Members of Company Secretaries Benevolent Fund (CSBF), Licentiates and issuance of Certificate of Practice, kindly refer to the link : <http://www.icsi.edu/Member.aspx>

**HALF DAY WORKSHOP HELD ON SATURDAY, 31ST AUGUST, 2019
AT ICSI-EIRC HOUSE, KOLKATA**



**INDUCTION PROGRAMME FOR FOUNDATION STUDENTS HELD ON SATURDAY,
31ST AUGUST, 2019 AT ICSI-EIRC HOUSE, KOLKATA**



APPOINTMENT

**WANTED QUALIFIED
COMPANY SECRETARY**

For

**Classic Leasing & Finance
Limited**

**11, Allenby Road, Near Forum Mall
Kolkata - 700 020**

**Please apply with detailed Bio-Data alongwith passport
size photo and expected Salary**

Contact

Classic Leasing & Finance Ltd
11 , Allenby Road,
Kolkata - 700 020. WB

Anupama Das (HR)
Mobile : 9903968186
Email: admin@classicleasing.net

**REQUIRED COMPANY
SECRETARY**

WITH

**TALLY KNOWLEDGE FOR NBFC
COMPANY OFFICE AT FAIRLEY PLACE,
KOLKATA.**

APPLY

**WITH DETAILS AT
rajmagroup@gmail.com**

JUDICIAL UPDATE

By **Rajesh Agarwal**

Company Secretary

Observations* of Hon'ble Supreme Court in relation to Section 2 (r) of the Consumer Protection Act 1986

6.6 Section 2(r) of the Consumer Protection Act, 1986 defines 'unfair trade practices' in the following words: "unfair trade practice' means a trade practice which, for the purpose of promoting the sale, use or supply of any goods or for the provision of any service, adopts any unfair method or unfair or deceptive practice. . .", and includes any of the practices enumerated therein. The provision is illustrative, and not exhaustive.

In Central Inland Water Transport Corporation Limited and Ors v. Brojo Nath Ganguly and Ors., 4 this Court held that :

"89. . . Our judges are bound by their oath to 'uphold the Constitution and the laws'. The Constitution was enacted to secure to all the citizens of this country social and economic justice. Article 14 of the Constitution guarantees to all persons equality before the law and equal protection of the laws. This principle is that the courts will not enforce and will, when called upon to do so, strike down an unfair and unreasonable contract, or an unfair and unreasonable clause in a contract, entered into between parties who are not equal in bargaining power. It is difficult to give an exhaustive list of all bargains of this type. No court can visualize the different situations which can arise in the affairs of men. One can only attempt to give some illustrations. For instance, the above principle will apply where the inequality of bargaining power is the result of the great disparity in the economic strength of the contracting parties. It will apply where the equality is the result of circumstances, whether of the creation of the parties or not. It will apply to

situations in which the weaker party is in a position in which he can obtain goods or services or means of livelihood only upon the terms imposed by the stronger party or go without them.

It will also apply where a man has no choice, or rather no meaningful choice, but to give his assent to a contract or to sign on the dotted line in a prescribed or standard form or to accept a set of rules as part of the contract, however unfair, unreasonable and unconscionable a clause in that contract or form or rules may be. This principle, however, will not apply where the bargaining power of the contracting parties is equal or almost equal. This principle may not 4 (1986) 3 SCC 156 apply where both parties are businessmen and the contract is a commercial transaction. . . . These cases can neither be enumerated nor fully illustrated. The court must judge each case on its own facts and circumstances." (emphasis supplied).

6.7 A term of a contract will not be final and binding if it is shown that the flat purchasers had no option but to sign on the dotted line, on a contract framed by the builder. The contractual terms of the Agreement dated 08.05.2012 are ex-facie one-sided, unfair, and unreasonable. The incorporation of such one-sided clauses in an agreement constitutes an unfair trade practice as per Section 2(r) of the Consumer Protection Act, 1986 since it adopts unfair methods or practices for the purpose of selling the flats by the Builder.

* Source: Decision of Hon'ble Supreme Court in the case of Pioneer Urban Land And .. vs Govindan Raghvan in Civil Appeal No 12238 of 2018

RESTORATION OF MEMBERSHIP

The members can restore their membership online only by making an application in Form BB (available on the website of the Institute www.icsi.edu) together with payment of the annual membership fee for the year 2019-2020 including GST@18% (Associates admitted on or after 1-4-2018 - Rs. 1770/-, Associates admitted till 31-03-2018 - Rs. 2950/- and Fellow - Rs. 3540/-) with the entrance fee of Rs. 2360/- and restoration fee of Rs. 295/- .

MODE OF REMITTANCE OF FEE

The fee can be remitted through ONLINE mode only using the payment gateway of the Institute's website www.icsi.edu through members' login portal. Payment made through any other mode will not be accepted.

STEPS TO MAKE ONLINE PAYMENT FOR RESTORATION OF MEMBERSHIP

- Login to portal www.icsi.edu
- Click Online services in the Menu and then click on Member
- Fill the User name: Enter your membership no. (eg. A1234)
- Password. Fill the password. In case you do not have a password, you may retrieve the password in case your email id and mobile number is correctly registered (you can check at <https://www.icsi.edu/member/members-directory/>) in the Institute's record. You may use ICSI service portal at <http://support.icsi.edu>. One of the reasons of not getting the password on retrieval could be that you may have blacklisted ICSI email account: dnr@icsi.edu. To whitelist the same, you may send a request to member@icsi.edu that you have inadvertently blacklisted ICSI email account and desire to whitelist the same.
- After login, go to Members Option (from top menu) then click on Manage Account a Restoration of Membership for FY2019-20 only (on the left side under Place your Request)
- Click on proceed for payment.

For specific assistance raise a ticket at <http://support.icsi.edu>

RECENT AMENDMENTS IN THE COMPANIES ACT, 2013



By CS Dinesh Arya, FCS 3665
 Group Company Secretary, Titagarh Wagons Limited
 -A Titagarh Group Company, Kolkata.



By CS Sumit Jaiswal, FCS 9485
 Company Secretary, Titagarh Industries Limited
 -A Titagarh Group Company, Kolkata.

THE COMPANIES (AMENDMENT) ACT, 2019

The Ministry of Corporate Affairs (MCA) had formed a 10 Member expert committee on June 13, 2018, headed by Shri Injeti Srinivas (Secretary, MCA), for review of the penal provisions in the 2013 Act. The Committee gave its report on August 14, 2018 and based on such recommendations, the Government issued the Companies (Amendment) Ordinance, 2018 ("**Ordinance**"), which was promulgated by the President of India on 2nd November, 2018.

Mr. Arun Jaitley, the then Hon'ble Minister of Corporate Affairs had introduced The Companies (Amendment) Bill, 2018 in the Lok Sabha on 30th December 20, 2018 to replace the Ordinance. The Bill was passed by the Lok Sabha on 4th January, 2019 and was scheduled to be listed in the business of the Rajya Sabha on the last day of its winter session i.e. 9th January, 2019, but could not be deliberated and passed on the said date. Thereafter, in order to give continued effect to the Companies (Amendment) Ordinance, 2018, the President promulgated the Companies (Amendment) Ordinance, 2019 and the Companies (Amendment) Second Ordinance, 2019 on the 12th day of January, 2019 and the 21st day of February, 2019 respectively.

Thereafter, the Union Cabinet approved the proposal to introduce the Companies (Amendment) Bill, 2019 to replace the Companies (Amendment) Second Ordinance, 2019 with certain other amendments which are considered necessary to ensure more accountability and better enforcement to strengthen the corporate governance norms and compliance management in corporate sector.

The Companies (Amendment) Bill, 2019 was placed before the Lok Sabha on 25th July 2019. While introducing the Bill in the Lok Sabha, the Hon'ble Finance and Corporate Affairs Minister, Ms. Nirmala Sitharaman said, "the Bill seeks to ensure more accountability and better enforcement to strengthen the corporate governance norms and compliance management in corporate sector as enshrined in the Companies Act, 2013". The Bill was passed in the Lok Sabha on the 26th of July 2019, and thereafter in the Rajya Sabha on 30th July 2019. It received the assent of the President of India on the 31st July, 2019 and was notified in the Official Gazette on the same date i.e. 31st July, 2019. With this, it has now become the Companies (Amendment) Act, 2019.

As mentioned in the Companies (Amendment) Act, 2019, the provisions of this Act, except sections 6, 7 and 8, clauses (i), (iii) and clause (iv) of section 14, sections 20 and 21, section 31, sections 33, 34 and 35, sections 37 and 38 shall be deemed to have come into force on the 2nd day of November, 2018.

The provisions of sections 6, 7 and 8, clauses (i), (iii) and clause (iv) of section 14, sections 20 and 21, section 31, sections 33, 34 and 35, sections 37 and 38 shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for these provisions and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

Amendments introduced by the Companies (Amendment) Act, 2019:

For the purpose of convenience, the amendments have been divided into two parts here, the first part includes the amendments which were included in the erstwhile Ordinance and the second part includes the newly inserted amendments.

Part A

Effective from: 2nd November, 2018

Amendments which were included in the erstwhile Ordinance:

The Authors in their Article titled 'A Gist of the Companies (Amendment) Ordinance, 2018' published in the November 2018 edition of the ICSI-EIRC Newsletter had discussed in detail the amendments included in the Ordinance. The readers are requested to refer to the same for continuity.

Part B

Effective from: They shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for these provisions. MCA by its notification dated 14th August, 2019 has appointed 15th August, 2019 as the date when the below mentioned amendments shall come into force, except the amendment in Section 135 which is yet to be notified.

The Newly inserted Amendments:

| Section of the Companies Act, 2013 amended by the Companies Amendment Act, 2019 | Gist of the amendment by Companies Amendment Act, 2019 | Remarks |
|---|---|---|
| Section 26: Matters to be Stated in Prospectus | For the word "registration" in sub-sections (4), (5) and (6), the word "filing" shall be substituted. This substitutes the requirement of registration of prospectus with filing of prospectus with the Registrar. Accordingly, sub-section (7) has been omitted | Thus the "filing" is to be considered for the referred sub-sections instead of "registration" as the latter has implication of approval of RoC w.r.t. the filing. |
| Section 29: Public Offer of Securities to be in Dematerialised Form | The word 'public' has been omitted from section 29(1)(b). Also, Section 29(1A) has been inserted which states that, "In case of such class or classes of unlisted companies as may be prescribed, the securities shall be held or transferred only in dematerialised form in the manner laid down in the Depositories Act, 1996 and the regulations made thereunder." | With the omission of the word "public" the scope of the section has been enlarged to include private companies in its ambit. The Central Government can thus prescribe any class of unlisted companies including private companies for issuance, holding or transferring of securities in dematerialised form |
| Section 35: Civil Liability for Mis-statements in Prospectus | In section 35(2)(c) the person shall not be held liable if he proves that "as regards every misleading statement purported to be made by an expert or contained in what purports to be a copy of or an extract from a report or valuation of an expert, it was a correct and fair representation of the statement, or a correct copy of, or a correct and fair extract from, the report or valuation; and he had reasonable ground to believe and did up to the time of the issue of the prospectus believe, that the person making the statement was competent to make it and that the said person had given the consent required by sub-section (5) of section 26 to the issue of the prospectus and had not withdrawn that consent before filing of a copy of the prospectus with the Registrar or, to the defendant's knowledge, before allotment thereunder." Earlier "delivery" of a copy of the prospectus for registration was used. | The reference of 'Registration of Prospectus with the Registrar' is replaced by 'Filing of copy of Prospectus with the Registrar'. |
| Section 90: Register of significant beneficial owners in a company | <ul style="list-style-type: none"> • New sub-section 4A inserted to provide every company shall take necessary steps to identify an individual who is a SBO. Failure to take necessary steps has been made punishable. • A new sub-section (9A) has been inserted to provide the power to the Central Government to make rules for the purposes of this section. | The company is now required to take necessary steps to identify an individual who is a significant beneficial owner, aimed at bringing more transparency. |
| Section 132: Constitution of National Financial Reporting Authority | <ul style="list-style-type: none"> • After subsection 1 following subsection 1A inserted: The National Financial Reporting Authority shall perform its functions through such divisions as may be prescribed by the Central Government. • Newly inserted sub-section (3B) provides that there shall be an executive body of the National Financial Reporting Authority consisting of the Chairperson and full-time Members for efficient discharge of its certain functions. • The Sub Section 4(c) clause (B) substituted by following: Debarring of the member or firm from being appointed as an auditor or internal auditor etc. or performing any valuation under section 247 by NFRA in case professional or other misconduct is proved. | The functioning of the NFRA has been set out in greater detail |
| Section 135: Corporate Social Responsibility | <ul style="list-style-type: none"> • Sub-section (5) is amended to provide that in case of a company which has not completed the period of three financial years since its incorporation, the CSR applicability limits shall be checked during such immediately preceding financial years. • Sub-sections (6), (7) and (8) have been inserted to provide: <ul style="list-style-type: none"> (i) In case the unspent amount does not relate to any ongoing project, unspent amounts to be transferred to a Fund specified under Schedule VII within a period of six months of the expiry of the financial year. (ii) In case the unspent amount relates to any ongoing project subject to fulfilling of prescribed conditions, unspent amounts to be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account. (iii) Such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year. (iv) Penal provisions inserted as under: <ul style="list-style-type: none"> The company - punishable with fine which shall not be less than Rs. 50,000 but which may extend to Rs. 25 lakh Every officer of such company who is in default - shall be punishable with imprisonment for a term which may extend to 3 years or with fine which shall not be less than Rs. 50,000 but which may extend to Rs. 5 lakh, or with both. (v) MCA empowered to give general or special directions to a company or class of companies as it considers necessary to ensure compliance of provisions of this section. | <p>In a nutshell, the unspent amount shall be transferred to a Fund specified under Scheduled VII, if it does not relate to any ongoing project.</p> <p>The Companies which are unable to spend their full amount for CSR activities in ongoing projects within a particular financial year, shall be required to transfer unspent CSR funds to an escrow account within 30 days from end of the financial year. The amount in escrow account has to be spent within the next three financial years. Any amount remaining unutilised in such account, after 3 years will be transferred to a fund specified in Schedule VII of the Act.</p> |

| Section of the Companies Act, 2013 amended by the Companies Amendment Act, 2019 | Gist of the amendment by Companies Amendment Act, 2019 | Remarks |
|--|--|--|
| Section 212: Investigation into affairs of company by Serious Fraud Investigation Office. | Amendment in Sub section 8:- Any officer of SFIO not below the rank of Assistant Director has the power to arrest under circumstances as specified under the Act. Amendment in Sub section 10:- The person so arrested may be taken to a Special Court or Judicial Magistrate or Metropolitan Magistrate within 24 hours of his arrest. After sub section 14 following sub-section 14A shall be inserted:- Where an investigation report submitted by SFIO states that a fraud has taken place and any director, KMP or officer has taken undue advantage or benefit, then the Central Government may file an application before the Tribunal with regard to disgorgement and such director, KMP or officer may be held personally liable without any limitation of liability | The powers of SFIO have been enhanced. If any director, KMP or officer has taken undue advantage or benefit in case of fraud, then he may be held personally liable without any limitation of liability. The amendments are aimed at posing strong deterrent for misuse of their powers by any director or KMP or officer. |
| Section 241 : Application to Tribunal for Relief in Cases of Oppression, etc. | The amendments here provides that: • Central Government to prescribe such company or class of companies in respect of which, applications under such sub-section, shall be made before the Principal Bench of NCLT and shall be dealt with by such Bench. • In certain circumstances, the Central Government may refer the matter and request to the Tribunal to inquire into the case and record a decision about whether the person is a fit and proper person to hold the office of director or any other office connected with the conduct and management of any company | In the opinion of the Central Government if there exist circumstances suggesting that the business of the Company is being managed in a manner which is likely to cause serious injury or damage to the business or with an intent to defraud any person, the Government may refer the matter directly to the Tribunal to inquire into the matter. |
| Section 242: Powers of Tribunal. | A new sub-section (4A) inserted to provide that in matters under section 241, the Tribunal shall record its decision stating specifically as to whether or not the respondent is a fit and proper person to hold the office of director or any other office connected with the conduct and management of any company | Specific recording in this regard by the Tribunal is required to ensure that the matter having grave implications has been duly considered. |
| Section 243: Consequence of termination or modification of certain agreements. | Newly inserted sub-sections (1A) and (1B) provides that: • The person who is not a fit and proper person pursuant to section 242 shall not hold the office of a director or any other office connected with the conduct and management of the affairs of any company for a period of five years from the date of the decision of the Tribunal. • Central Government may, with the leave of the Tribunal, permit such person to hold any such office before the expiry of the said period of five years. • The person so removed from the office of a director or any other office connected with the conduct and management of the affairs of the company shall not be entitled to, or be paid, any compensation for the loss or termination of office. | The government will now be able to remove and ban chief executive and directors of a company facing charge of fraud from holding a key managerial position in any company for a period of five years. |
| Section 272: Petition for winding up. | In section 272(3), the reference to clause (e) is omitted: Registrar may present a petition of winding up on the ground that it is just and equitable to do so under Clause (e) of Section 271. | The sole exception to such power of Registrar is when the company has, by special resolution, resolved that the company be wound up by the Tribunal. |
| Section 398 : Provisions relating to filing of applications, documents, inspection, etc., in electronic form. | The word 'prospectus' in clause (f) of sub-section (1) of section 398 has been omitted as prospectus is not required to be registered by the Registrar | Consequent to the amendment of filing prospectus u/s 26 of the Act, the provisions with regard to registration of prospectus is deleted. |

FILING OF FORM DIR - 3 KYC (NOTIFICATION DATED: 25.07.2019)

MCA has amended the Companies (Appointment and Qualification of Directors) Third Amendment Rules, 2019 whereby:

- » e-Form DIR-3 KYC is to be filed by an individual who holds DIN and is filing his KYC details for the first time or by the DIN holder who has already filed his KYC once in e- Form DIR-3 KYC but wants to update his details.
- » Web service DIR-3-KYC-WEB is to be used by the DIN holder who has submitted DIR-3 KYC e- Form in the previous financial year and no update is required in his details.
- » Fees – E - Form DIR-3 KYC / Web Service DIR-3 KYC WEB has to be filed till September 30 of every financial year, for the immediate previous financial year without any fees. In case of delayed filing a sum of Rs. 5000/- shall be charged.

EXTENSION OF LAST DATE OF FILING FORM BEN-2

Relaxation of Additional fees and extension of last date of filing of Form BEN-2 under the Companies Act, 2013 (Circular dated: 29.07.2019)

By its circular dated 29.07.2019, the MCA has extended the date of filing of Form BEN-2 upto 30.09.2019 without payment of additional fee.

EXTENSION OF LAST DATE OF FILING FORM BEN-2

For Charges created or modified on or after 02.11.2018:

The following additional fees or advalorem fees, as the case may be, shall be payable up to 31st July, 2019, by all companies:-

| Period of delays | Fee applicable |
|-------------------------------------|------------------------|
| Up to 30 days | 2 times of normal fees |
| More than 30 days and up to 60 days | 4 times of normal fees |
| More than 60 days and up to 90 days | 6 times of normal fees |

The fees for filing Form CHG-1 has been revised w.e.f. August 1, 2019. The revised fee structure is as follows:

| Period of delays | Fee applicable |
|---|--|
| Within 30 days | Normal Fees |
| Delay upto 30 days | 3 times normal fees |
| Delay more than 30 days and up to 90 days | 3 times of normal fees plus an ad valorem fee of 0.025 per cent. of the amount secured by the charge, subject to the maximum of rupees one lakh. |

The amendments discussed herein are in line with the commitment of the Government to make administration more efficient and bring greater transparency for improving the standard of corporate governance. However, it is encouraging to note that in line with the authors' opinion, MCA has announced its intention to do away with the punishment other than monetary penalties for contravention of the provisions dealing with CSR.

ATTENTION MEMBERS

The submission of Hard copy of Form-D for Issue/Renewal/ Restoration of COP through post/in person (hard copy) has been discontinued w.e.f. 01.04.2019 . The members are requested to submit Form D through online mode only through ICSI online services. The steps for online services are as follows: Go to Manage Account --> clicking request relating to COPa click the radio button Issue/ Renewal/restoration of COP, select Online Form D, remit Rs. 1770/2360. A print out of the form submitted online may be kept for record purpose.

Payment of Annual Membership fee is necessary prior to making payment for COP. The last date for payment of COP renewal fee is 30.09.2019. In case your annual membership fee is not received by 30.06.2019, the COP will be automatically cancelled.

A User Manual for filling the Know Your Member (KYM) proforma online is available at the below link:

https://www.icsi.in/student/Portals/0/Manual/KYM_Usermanual.pdf

STUDY CENTER SCHEME

an attempt to enhance the infrastructural base of the Institute and to overcome the distance barrier for In the students, the Institute of Company Secretaries of India had launched the Study Centre Scheme and needless to say, the same has been successful in creating the much needed links between the Institute and it stakeholders, especially students. With the aim to provide better facilities to students, the Institute has opened 01 study centre recently at Ananda Chandra College of Commerce, Jalpaiguri, West Bengal to the already existing fleet of 104 Study Centres.

KNOW YOUR MEMBER

A User Manual for filling the Know Your Member (KYM) proforma online is available at the below link: <http://www.icsi.in/student/Portals/0/Manual/KYM/Usermanual.pdf>

47th NATIONAL CONVENTION OF COMPANY SECRETARIES



**THE INSTITUTE OF
Company Secretaries of India**
भारतीय कम्पनी सचिव संस्थान
 IN PURSUIT OF PROFESSIONAL EXCELLENCE
 Statutory body under an Act of Parliament
 (Under the jurisdiction of Ministry of Corporate Affairs)

47th NATIONAL CONVENTION OF COMPANY SECRETARIES

Empowering नएव **नवीन** - Reform, Perform, Transform

November 14-16, 2019 | JECC, Jaipur

Registrations Open

10 PCH for
Members

24 PDP for
Students

Dear Professional Colleague,

Understanding the role of professionals and the ever increasing need to strive for excellence, the Institute of Company Secretaries of India has been organising the **National Convention of Company Secretaries** for the past few decades.

Taking the legacy forward, the **47th National Convention of Company Secretaries** is being organized from **14th to 16th November, 2019 at Jaipur Exhibition and Convention Centre, Jaipur, Rajasthan.**

We request you to register for the Convention and make it a grand success.

DELEGATE REGISTRATION FEE*

| Particulars | Super Early Bird Offer (Discounted Fee to be paid from 01.09.19 to 30.09.19) | Early Bird Offer (to be paid from 01.10.19 to 10.11.19) | Delegate Fee (to be paid on or after 11.11.19 including on the spot registration) |
|---|---|---|--|
| Member of ICSI / ICAI / ICAI-Cost | Rs. 6500/- | Rs. 8000/- | Rs. 9000/- |
| Practising Company Secretary | Rs. 6000/- | Rs. 7500/- | Rs. 8500/- |
| Accompanying Spouse /Child / Sr. Member (60 Years and above) | Rs. 5500/- | Rs. 7000/- | Rs. 8000/- |
| Student of ICSI | Rs. 4500/- | Rs. 6000/- | Rs. 7000/- |
| Non-Member/Guest | Rs. 7000/- | Rs. 8500/- | Rs. 9500/- |
| Foreign Delegate | USD 150 | USD 200 | USD 250 |

* inclusive of GST @ 18% on Non-Residential Basis (GST is not applicable for Foreign Delegates)

For registration visit: <https://tinyurl.com/y39dweuw>



With kind regards,

CS Ranjeet Pandey
President
ICSI

CS Manish Gupta
Chairman, 47th National Convention
Organising Sub-Committee

CS NPS Chawla
Co-Chairman, 47th National Convention
Organising Sub-Committee



BANKING SUMMIT 2019 (JOINT PROGRAMME WITH ICC) HELD ON 05.09.19 AT THE LALIT GREAT EASTERN, KOLKATA



INTERACTIVE MEETING WITH RoC, WEST BENGAL HELD ON 06.09.19 AT ICSI-EIRC HOUSE, KOLKATA





GOODS & SERVICES ACT:

101 AMENDMENT OF THE CONSTITUTION OF INDIA

By **CS SRISHTI SUREKA JALAN**

Practicing Company Secretary And GST Practitioner

Finally after almost two decades, the GST bill was passed at the Parliament to implement the Goods & Services Act in India by the Prime Minister of India, Shri Narendra Modi and the then Finance Minister, Late Shri Arun Jaitley. That midnight of July 1, 2017 embarked upon a new economic regime in our Nation and that day marked an end to the Central Excise Duty, VAT, Service Tax, Luxury Tax, Entertainment Tax, Entry Tax, Taxes on Purchases, advertisements, lottery, betting, gambling etc and the beginning of a New Era of Indirect Taxation in India.

“Just as Sardar Vallabh Bhai Patel unified India by helping several princely states subsume into a common entity, the GST will bring economic unification. If we take into consideration the 29 states, the 7 Union Territories, the 7 taxes of the Centre and the 8 taxes of the states, and several different taxes for different commodities, the number of taxes sum up to a figure of 500! Today all those taxes will be shredded to have ONE NATION, ONE TAX right from Ganganagar to Itanagar and from Leh to Lakshadweep.” – PM Narendra Modi at the launch of GST Law in India.

Let us first understand what exactly GST is. GST is ONE Indirect Tax for the whole nation which has made India into a unified and common market. GST is a single tax applied on the supply of goods and services. From the manufacturer to the consumer, GST is applicable for all. It is a destination based tax as it is collected from the point of consumption and not from the point of origin like the previous indirect taxes. It is multi-staged as it is levied at each step in the production process, but the ultimate liability to pay the taxes lies in the hands of the final consumer.

Before the implementation of the Goods and Services Tax, the taxes were levied in the pattern which was very complicated and led to double taxation in the hands of the taxpayers. Let us take an example of a manufacturer to understand the whole scenario. For purchasing raw material the manufacturer had to pay Value Added Tax (VAT). Now, the goods are manufactured by labourers and workmen who shall charge Service Tax for providing their services. Then, before the finished goods could be taken out from the factory to the warehouse or sold to wholesalers, the manufacturer had to pay Excise Duty. Now, the goods are to be sold to the Retailer and hence, VAT was applicable on this too. The retailer used to sell the products to the final consumer after charging VAT. Hence, the manufacturer had to pay VAT, Excise Duty as well as Service Tax in the manufacturing process. But, now under the GST regime, at each stage of production only one tax is required to be paid – GST. This has made the tax structure very comprehensive and simplified. Let us take an example of how GST is working. Say, the rate of GST for the product in the example is 10%. The manufacturer is purchasing raw material of Rs. 100 which will have a GST input of Rs. 10. Now, he manufactures the good and sells to the wholesaler for Rs. 130 which will create a GST of Rs. 13. The net GST payable by the manufacturer shall be Rs. 13 (output)-10 (input) = Rs. 3. Now, for the manufacturer he has paid Rs. 13 as GST to purchase the product. The wholesaler sells it to the Retailer at Rs. 150 which has a GST of Rs. 15. Hence the whole seller has to pay net of Rs. 2 as GST. Now the good is sold by the retailer to the consumer

at Rs. 160 which means there will be a GST of Rs. 16. So, after setting off his input he will pay the net GST of Rs. 1. Hence, there is a total GST payable in the chain of Rs. 6 (3+2+1). The overall burden of GST on the goods have lowered due to this. This is clearly due to a single tax being applied at each stage of production due to which the benefit of setting off of input and output is available.

As per the definition of GST, it is a Destination based tax which means that the tax will be levied at the point of consumption and not on the point of origin. For example, a good is produced in the state of Maharashtra but it is sold to the final consumer in the state of West Bengal, then entire tax will be charged to West Bengal. The state of West Bengal will get the tax revenue in this case. Earlier, before the GST regime, tax revenue would be generated for the state of Maharashtra as it was based on the concept of levying the tax on the point of origin.

The composition of GST revenue is divided into two parts where one part of the tax collection lies with the Central Government and the second part with the State Government. India is a federal nation where there are different powers assigned to the Central and State government and collection of taxes are also done through appropriate legislation. Both the levels of the Government have distinct responsibilities to perform as prescribed in the Constitution of India. They need resources for such duties to be performed. Hence, there came a requirement for Dual GST concept which will meet the Constitutional requirement of fiscal federalism. Though tax is payable to both Central and State Government/Union Territory Authorities, control will be exercised either by State Government/Union Territory or Central Government Authorities. This will avoid dual control.

Talking about the applicability of the Goods and Services Tax, we can clearly say that GST is applicable to the whole of India including the states of Jammu and Kashmir and all the Union Territories. It shall be applicable on supply of Goods and Services of all types except the following:

- Petroleum Crude
- High speed diesel
- Motor spirit (commonly known as Petrol)
- Natural Gas
- Aviation Turbine Fuel

On these Central Excise Duty is still continued and may be later bought under the GST.

Tobacco Products will be subject to Excise Duty plus GST. Also, Alcoholic liquor will be subject to State Duty. It is out of GST.

To conclude, various amendments are brought in frequently after gaining experience of implementation of the act. Goods and Services Act is a new concept for the nation and the tax makers are also developing new ideas on this subject which will help in ease of doing business for the businesses in India.

ATTENTION! MEMBERS HOLDING CERTIFICATE OF PRACTICE

The submission of Hard copy of Form-D for Issue/Renewal/ Restoration of COP through post/in person (hard copy) has been discontinued w.e.f. 01.04.2019. The members are requested to submit Form D through online mode only through ICSI online services. The steps for online services are as follows: Go to Manage Account --> clicking request relating to COPa click the radio button Issue/ Renewal/restoration of COP, select Online Form D, remit Rs. 1770/2360. A print out of the form submitted online may be kept for record purpose.

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MSOP INAUGURAL SESSION HELD ON 06.09.19



CAMPUS PLACEMENT FOR THE MTs HELD ON 14.09.19 AT ICSI-EIRC HOUSE, KOLKATA



DISCLAIMER

This is to inform to all that views and information expressed and provided in the Articles of this edition are the views and information of the respective authors. They have no connection with the organisation with which the authors are associated. ICSI-EIRC is not responsible for the authenticity or propriety of the contents of the Articles and ICSI-EIRC cannot be held responsible or liable for any claim or damage arising out any ation or belief on the basis of the contents of the aforesaid Articles. ICSI-EIRC is not in any way responsible for the result of any action taken on the basis of the advertisement published in ICSI-EIRC Newsletter.

LIST OF ACTIVITIES ORGANISED IN THE MONTH OF AUGUST - SEPTEMBER, 2019

| Date | Name of the programme | Venue |
|------------|--|---------------------------------|
| 01.08.2019 | CAP at Kalidhan Institution | Kolkata |
| 05.08.2019 | CAP at Purshottam Bhagchandka | Kolkata |
| 07.08.2019 | CAP at Bhawanipur College | Kolkata |
| 07.08.2019 | CAP at New Alipore College | Kolkata |
| 08.08.2019 | CAP at The BSS School | Kolkata |
| 10.08.2019 | Mega Conclave on the occasion of ICSI Capital Markets Week | The Park, Kolkata |
| 14.08.2019 | CAP at Loreto Sealdah | Kolkata |
| 15.08.2019 | Independence Day Celebration | ICSI-EIRC House |
| 24.08.2019 | 15th Regional Conference of Practising Company Secretaries | ICSI-EIRC House |
| 30.08.2019 | CAP at Nirjhar Day Boarding Secondary School (H.S.) | Durgapur |
| 30.08.2019 | CAP at Delhi Public School (DPS), Durgapur | Durgapur |
| 30.08.2019 | CAP at Bidhannagar Govt. Sponsored Girls' High School (H.S.) | Durgapur |
| 30.08.2019 | CAP at DSMS College | Durgapur |
| 31.08.2019 | CAP at Orient Day School | Kolkata |
| 31.08.2019 | Half Day Workshop on "Future Technologies in CS Profession and IEPF Amendment Rules, 2019" | ICSI-EIRC House |
| 14.09.2019 | CS Placement Drive for MTs | ICSI-EIRC House |
| 20.09.2019 | 12th Banking Colloquium | ITC Sonar |
| 21.09.2019 | Full-Day Seminar | Hindustan Club |
| 23.09.2019 | CAO at Aurangabad High School (H.S.) | Aurangabad, Murshidabad |
| 23.09.2019 | CAP at Aurangabad Balika Vidyalaya | (H.S.), Aurangabad, Murshidabad |
| 23.09.2019 | CAP at Nimtita G. D. Institution (H.S.) | Nimtita, Murshidabad |
| 24.09.2019 | CAP at Krishna Kumar Santosh Kumar Smriti Vidyapith (H.S.) | Dhuliyan, Murshidabad |
| 24.09.2019 | CAP at Dhuliyan Balika Vidyalaya (H.S.) | Dhuliyan, Murshidabad |
| 24.09.2019 | CAP at Dhuliyan Banichand Agarwala Balika Vidyalaya | Dhuliyan, Murshidabad |
| 25.09.2019 | CAP at Kashimnagar High School (H.S.) | Kashimnagar, Murshidabad |
| 25.09.2019 | Dukhulal Nibaran Chandra College | Aurangabad |

12TH BANKING COLLOQUIUM (JOINT PROGRAMME WITH CII) HELD ON 20.09.19 AT ITC SONAR, KOLKATA


2-DAY INSOLVENCY PROFESSIONALS' WORKSHOP HELD AT ICSI-EIRC HOUSE HELD ON 20TH-21ST SEPTEMBER, 2019



ICSI UNIQUE DOCUMENT IDENTIFICATION NUMBER (UDIN)



**THE INSTITUTE OF
Company Secretaries of India**

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament



Unique Document Identification Number (UDIN)

ICSI launches Unique Document Identification Number (UDIN)

In an attempt to pursue heightened sense of self-governance and strengthen the practising side of the profession of Company Secretaries, The Institute of Company Secretaries of India has rolled out a unique initiative in the form of Unique Document Identification Number or UDIN.

Aimed at strengthening the framework of good governance UDIN shall serve the following purposes simultaneously:

- provide ease of maintaining Register of Attestation / Certification services
- prevent counterfeiting of various attestations / certifications
- ensure compliance w.r.t ceilings on the number of certifications / attestations
- enable stakeholders & regulators to verify genuinity of documents signed or certified by Company Secretaries in Practice,

Emphasizing on the need of UDIN, CS Ranjeet Pandey, President, ICSI said, “Under the mechanism, an alpha numeric number shall be generated for the identification of every document attested by Practising Company Secretaries which shall definitely act as a trust enhancer by facilitating verification that the document is genuinely signed or certified by a Company Secretary in Practice.”

The ICSI UDIN will be mandatory for every document except an e-form, signed or certified by a CS with effect from 1st October, 2019.

For making online payment for this programme /Special AMS/AMS, please visit the link given below:

<https://paytm.com/education?op=The%20Institute%20of%20Company%20Secretaries%20of%20India&type=registration>

FULL DAY SEMINAR ON "RECENT AMENDMENTS IN COMPANIES ACT, 2013 AND EASE OF DOING BUSINESS" HELD ON 21.09.2019 AT HINDUSTHAN CLUB, KOLKATA



CAMPUS PLACEMENT FOR NEW MEMBERS ON 28.09.19 AT ICSI-EIRC HOUSE, KOLKATA



BHUBANESWAR CHAPTER

| Date | Name of the Programme | Topic with Speaker | Venue | Total Participants |
|------------|---|--|---|--------------------|
| 06.08.2019 | Meeting with Shri Ananta Kumar Sethi, Registrar of Companies-Cum-OL, Odisha | - | O/O. ROC, Odisha, Cuttack | 7 |
| 06.08.2019 | Meeting with Shri Naresh Penumaka, IRS, Chief Commissioner, GST & Central Excise, Bhubaneswar Zone | - | O/O GST & Central Excise, Bhubaneswar Zone | 3 |
| 06.08.2019 | Meeting with Shri Sanjeeb G Dewalwar, IRC, Principal Commissioner (Audit), GST & Central Excise, Bhubaneswar Zone | - | O/O GST & Central Excise, Bhubaneswar Zone | 3 |
| 06.08.2019 | Meeting with Ms. Somitra Naskar, Manager, SEBI, Bhubaneswar Local Office | - | O/O, SEBI, Bhubaneswar Office | 3 |
| 08.08.2019 | Meeting with Shri Thomas Mathew, Managing Director, Odisha Capital Market & Enterprises Ltd, Bhubaneswar | - | O/O. Odisha Capital Market & Enterprises Ltd, Bhubaneswar | 4 |
| 09.08.2019 | Seminar | Topic : ICSI Capital Market Week (August 09-17, 2019) Chief Guest: Hon'ble Shri G C Pati, IAS, Member, CAT & Former Chief Secretary, Odisha | Bhubaneswar Chapter Office | 60 |
| 10.08.2019 | Chapter Level Company Law Quiz | - | Bhubaneswar Chapter | 10 |
| 13.08.2019 | Interactive Session with Hon'ble MP | Prof. Achyuta Samanta, Hon'ble Member of Parliament, Lok Sabha | O/O. Hon'ble MP, Bhubaneswar, KIIS Campus | 5 |
| 13.08.2019 | Meeting with Hon'ble Judge, NCLT, Cuttack Bench | - | NCLT Office, Cuttack, Odisha | 6 |
| 15.08.2019 | Celebration of 73rd Independence Day of India | - | Bhubaneswar Chapter | 55 |
| 19.08.2019 | Interactive Session with Hon'ble MP | Shri Bhartuhari Mahatab, Hon'ble Member of Parliament (Lok Sabha) | Cuttack | 5 |
| 20.08.2019 | Session on Stress Management | Ms. Adyasha Mishra, the Art of Living | Bhubaneswar Chapter | 30 |
| 24.08.2019 | Meeting with Hon'ble Minister, School & Mass Education Minister, Odisha | Shri Sameer Ranjan Biswal, Hon'ble Minister, School & Mass Education Minister, Odisha | Bhubaneswar | 3 |
| 26.08.2019 | Interactive Session with Director, IIM, Sambalpur, Odisha | Prof Mahadeo Jaiswal, Director, IIM, Sambalpur, Odisha | IIM, Sambalpur, Odisha | 5 |
| 28.08.2019 | Meeting with Hon'ble Higher Education Minister, Odisha | Shri Arun Kumar Sahoo, Hon'ble Minister, Agriculture & Farmers' Empowerment, Fisheries & Animal Resources Development, Higher Education, Odisha | Bhubaneswar | 4 |
| 29.08.2019 | Meeting with Hon'ble Minister of State (Ind) Charge, Electronics & Information Technology, Sports & Youth Services, Govt. of Odisha | Shri Tusharkanti Behera, Hon'ble Minister of State (Ind Charge), Electronics & Information Technology, Sports & Youth Services, Govt. of Odisha | Bhubaneswar | 4 |
| 29.08.2019 | Meeting with Hon'ble MLA, Odisha Legislative Assembly | Shri Soumya Ranjan Pattnaik, Hon'ble Member, Odisha Legislative Assembly | Bhubaneswar | 3 |
| 30.08.2019 | One Day Mandatory Orientation Programme : Foundation Programme | CS Saroj Kumar Mishra, immediate Past Director Finance, UP Power Transmission Corp'n, Ltd & Fellow Member of the ICSI | Bhubaneswar Chapter | 35 |
| 31.08.2019 | One Day Mandatory Orientation Programme : Executive Programme | CS Arabinda Acharya, Company Secretary & Executive Director, IDC of Odisha Limited, Bhubaneswar | Bhubaneswar Chapter | 75 |

CHAPTERS' WORKSHOP AT A GLANCE CELEBRATION OF ICSI CAPITAL MARKET WEEK ON 9TH AUGUST 2019 AT BHUBANESWAR



Hon'ble Shri Gokul Chandra Pati, Member, Central Administrative Tribunal & former Chief Secretary, Odisha addressing on the occasion. Other.

DHANBAD CHAPTER

| Date | Name of the Programme | Topic with Speaker | Venue | Total Participants |
|--|------------------------------|--|-----------------|--------------------|
| 09.08.2019 | Study Circle Meet | Insider Trading- Analytical Perspective By CS Gourav Kumar Agarwal | Dhanbad Chapter | 06 |
| 15.08.2019 | Independence Day Celebration | Chief Guest : CS Pankaj Kumar Singh, Chairman | Dhanbad Chapter | 25 |
| Total No. of Career Awareness Programmes organised during July, 2019 | | | | Two (02) |

NORTH EASTERN CHAPTER

| Date | Name of the Programme | Topic with Speaker | Venue | Total Participants |
|--|--|---|---|--------------------|
| 09.08.2019 | Career Awareness Programme | Topic: ICSI, Career as a Company Secretary; & CS Course Speaker: CS Pradeep Sharma, Shri Chiranjeep Sarma Roy, Shri Hemanta Das | Kendriya Vidyalaya Narengi, Guwahati | 70 |
| 11.08.2019 | Study Circle Meeting & PDP | Topic: Self Audit Speaker: Sadhvi Sangitsriji | Terapanth Dharamsthal, Guwahati | 33 |
| 15.08.2019 | Independence Day Celebration | - | ICSI House, Guwahati | 30 |
| 20.08.2019 | Career Awareness Programme & distribution of CS Olympiad Award | Topic: ICSI, Career as a Company Secretary; & CS Course Speaker: CS Pradeep Sharma, Shri Chiranjeep Sarma Roy, Shri Hemanta Das | Miles Bronson Residential School, Guwahati | 54 |
| 21.08.2019 | Career Awareness Programme | Topic: ICSI, Career as a Company Secretary; & CS Course Speaker: Shri Chiranjeep Sarma Roy | Bharti Vidyapith Junior College, Nagaon | 110 |
| 21.08.2019 | Career Awareness Programme | Topic: ICSI, Career as a Company Secretary; & CS Course Speaker: Shri Chiranjeep Sarma Roy | Dept. of Commerce, Nowgong College, Nagaon | 110 |
| 26.08.2019 | Career Awareness Programme & distribution of CS Olympiad Award | Topic: ICSI, Career as a Company Secretary; & CS Course Speaker: CS Pradeep Sharma, Shri Chiranjeep Sarma Roy | Royal Global School, Guwahati | 120 |
| 28.08.2019 | Mega Career Awareness Programme | Topic: ICSI, Career as a Company Secretary; & CS Course Chief Guest: Dr.Elangbam Jadu Singh, Principal, DM College of Science, Imphal, President of the Programme: Dr. Ashem Nabachandra Singh, Principal DM College of Commerce, Imphal Special Guest: CS Pradeep Sharma, Managing Committee Member and Chairman, Students Development Committee, NE Chapter of EIRC of ICSI, Shri DVNS Sarma, Regional Director, EIRO of ICSI Speaker: Shri S.Sreejesh, Assistant Director, EIRO of ICSI | Central Hall, DM College of Science, Imphal | 1100 |
| 28.08.2019 | Teachers Conclave | Topics: Companies Act 2013 latest amendments; Career as a Company Secretary; Public Speaking Speaker: CS Pradeep Sharma, Managing Committee Member and Chairman, Students Development Committee, NE Chapter of EIRC of ICSI, Shri S.Sreejesh, Assistant Director, EIRO of ICSI | | 50 |
| Total No. of Career Awareness Programmes organised during August, 2019 | | | | 06 (Six) |

HOOGHLY CHAPTER

| Date | Name of the Programme | Topic with Speaker | Venue | Total Participants |
|--|--|--|---|--------------------|
| 04.08.2019 | Full Day Seminar | on "GST Audit & Annual Return" & "Recent Changes In Companies Act", CA Deepak Kumar Tripathi, Practicing Chartered Accountant, CS Sumit Jaiswal, Company Secretaries, Titagarh Industries Ltd. | Conference Hall of Hooghly Chapter, Rishra | 32 |
| 10.08.2019 | Celebration of Capital Market Week - 5th & 6th Study Circle Meetings | on "Celebration of Capital Market Week", CA Rasik Singhania, Practicing Chartered Accountant | Conference Hall of Hooghly Chapter, Rishra | 15 |
| 15.08.2019 | Independence Day Celebration | - | Chapter Premises of Hooghly Chapter, Rishra | 15 |
| 08.09.2019 | 6th & 7th Half-Day Workshop of 2019 | on "Issues pertaining to issue of Shares –detailed analysis on topics relating to DVR, sec 42,62, 55 and rules thereof under CA 2013" and " A Detailed Study On Borrowing And Funding Pattern Of The Company Covering Section 180,185,186,188 of The Companies Act 2013" CS Pallavi Moonka, Company Secretary in Salarpuria Group, CS Megha Kakrania, Company Secretary in Salarpuria Group | Conference Hall of Hooghly Chapter, Rishra | 61 |
| 11.09.2019 | Celebration of Teacher's Week by organizing Teacher's Conference | Celebration of Teacher's Week , Mr.Gaurav Sundariya, CS Nitin Chaturvedi | Conference Hall of Hooghly Chapter, Rishra | 31 |
| 11.09.2019 | Meeting with Shri Vijay Sagar Mishra, Chairman , Rishra Municipality, Felicitated him with Shahid Ki Beti Certificate, Uttorio & Handed over 1 Model Governance Code for Meetings of Gram Panchayats | | Rishra, Hooghly | 03 |
| 15.09.2019 | One Day Orientation Program for Executive Students | CS Nitin Chaturvedi | Chapter Premises of Hooghly Chapter, Rishra | 35 |
| 29.09.2019 | Full Day Seminar | on "Recent Developments in IBC & CIRP", "Recent Developments in Companies Act" & "SEBI (PIT) Regulations 2015 & SEBI (SAST) Regulations 2011", CS Siddhartha Murarka, Central Council Member, The ICSI CS Atul Kumar Labh, Practicing Company Secretary, CS Ashok Purohit, Asst. Company Secretary, Emami Limited & Past Chairman EIRC-ICSI | Seminar Hall, Sarat Sadan, Howrah | 75 |
| Total No. of Career Awareness Programmes organised during August - September, 2019 | | | | 07 |

JAMSHEDPUR CHAPTER

| Date | Name of the Programme | Topic with Speaker | Venue | Total Participants |
|---|--|--|--------------|--------------------|
| 09.08.2019 | (Capital Market Week) Study Circle Meeting | Capital Market Speaker CS, SS Dhanjal | CFE, Library | 07 |
| Total No. of Career Awareness Programmes organised during Aug, 2019 | | | | 04 (Four) |
| 07/08/2019 | Tarapore School, Agrico Jamshedpur | Total Participants:- 222 | | |
| 21/08/2019 | Kendriya Vidyalaya, Tatanagar | Total Participants:- 55 | | |
| 27/08/2019 | Kasidih High School, Jamshedpur | Total Participants:- 150 | | |
| 30/08/2019 | DAV Public School, Jamshedpur | Total Participants:- 250 | | |
| TOTAL CAP REPORT: UP TO 31 AUG 2019 | | | | |
| CAP Conducted during Jun 2019 | | | | 01 |
| CAP Conducted during July 2019 | | | | 05 |
| CAP Conducted during Aug 2019 | | | | 04 |

PATNA CHAPTER

| Date | Name of the Programme | Topic with Speaker | Venue | Total Participants |
|--|---|---|---------------|---------------------------|
| 03.08.2019 | Mock Interview for Students | Mock Interview | Patna Chapter | 10 Students |
| 07.08.2019 | Capital Market Week | Topic: SEBI - LODR Speaker: CS Aditi Jhunjhunwala | Patna Chapter | 07 Members 03 Students |
| 09.08.2019 | Meeting with Mr. Himanshu Shekhar (RoC, Patna) and Shri Muktar Singh (Joint Director, Ministry of Corporate Affairs, Gol) | Participants met with these eminent faculties and discussed on various matters. | Patna Chapter | 11 Members |
| 09-08-2019 | Quiz Competition | Co. Law & General Knowledge | Patna Chapter | 17 Students |
| Total No. of Career Awareness Programmes organized during July, 2019 | | | | 6 |

CHAPTERS' WORKSHOP AT A GLANCE QUIZ COMPETITION HELD ON 9TH AUGUST 2019



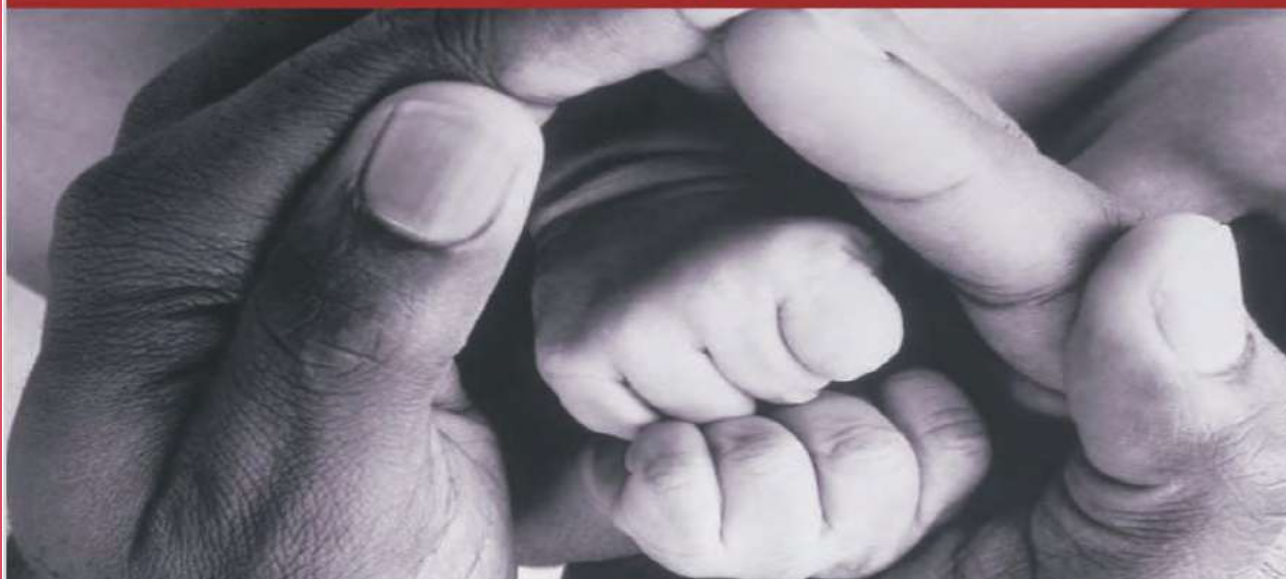
RANCHI CHAPTER

| Date | Name of the Programme | Topic with Speaker | Venue | Total Participants |
|---|---|---|---|--------------------|
| 05.08.2019 | Commencement of OTC for Executive-Module I | | Ranchi Chapter of EIRC of ICSI | 04 |
| 15.08.2019 | 73rd Independence Day celebration | | Ranchi Chapter of EIRC of ICSI | 05 |
| 17.08.2019 | ICSI Capital Markets Week 2019 celebration – Study Circle on 'Issuance of Listed NCD and Compliances' | CS Kumar Gaurav, Company Secretary, IL&FS Group | Ranchi Chapter of EIRC of ICSI | 06 |
| 27.08.2019 | Commencement of OTC for Foundation programme | | Ranchi Chapter of EIRC of ICSI | 04 |
| 30.08.2019 | Career Awareness Programme | | Marwari (+2) High School, Upper Bazar, Ranchi | >200 |
| Total No. of Career Awareness Programmes organised during August 2019 | | | | 01 |

RANCHI CHAPTER

| Date | Name of the Programme | Topic with Speaker | Venue | Total Participants |
|--|------------------------------|---|-----------------------|--------------------|
| 04.08.19 | Full Day Seminar | Capital Market- Vision 2022 -Biju Chakraborty, Interactive Session on Company Law- CS Preeti Murarka, Ben2 & Other forms-CS Neerupama Kabra | ICSI Siliguri Chapter | 13 |
| 15.08.19 | Independence Day Celebration | | ICSI Siliguri Chapter | 07 |
| Total No. of Career Awareness Programmes organised during August, 2019 | | | | 02 |

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