



**THE INSTITUTE OF
Company Secretaries of India**
भारतीय कम्पनी सचिव संस्थान
IN PURSUIT OF PROFESSIONAL EXCELLENCE
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EASTERN
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MAY 2018 ISSUE

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From the Desk of the Chairman



"A healthy attitude is contagious but don't wait to catch it from others. Be a carrier" ... Tom Stoppard

Dear Professional Colleagues,

Our words and thoughts shape our actions and our life is the resultant of our actions. It is rightly said that life is only 10% of what has happened to us but 90% of what and how we have perceived and reacted to that situation. A person's mind is so powerful; it can invent, create, experience and destroy things with our thoughts alone. If you realize how powerful your thoughts are, you would never think a negative thought. So it's important to keep a healthy attitude which will result in healthier and sanguine actions.

Workshops / Seminars / Programmes are not only the opportunity for capacity building but it also infuse knowledge and connect with the fraternity and I believe these have a definite impact on our thoughts too. I take this opportunity to inform you that EIRC has announced SPECIAL AMS and provided a golden opportunity for the Individual Members to make themselves eligible to attend the programmes organised by EIRC by registering themselves for this Special AMS that too at a very special price.

In the last month of May, the mega programme on "Insight into IBC updates and Companies (Amendment) Act 2017" was held on 12th May at The Lalit Great Eastern Kolkata whereas a Half Day Workshop on "Companies (Amendment) Act 2017 and Recent Amendments in SEBI(LODR) Regulations" was organised on 26th May.

On 18th May in an interactive meeting, Shri K G Joseph Jackson, Registrar of Companies (WB) elucidated about various initiatives taken by MCA to support and promote the Ease of Doing Business in India.

As you all are aware that the 14th edition of the Regional PCS Conference of EIRC is scheduled to be held on Saturday, 16th June, 2018 at JW Marriott, Kolkata, CS Siddhartha Murarka, Chairman of PCS Committee is taking all efforts to make it most worthwhile event of knowledge and networking. I request

for your active participation as a delegate and a patron, both.

As it is the turn of Eastern Region to host the National Convention, I am pleased to inform you that EIRC has proposed to organize it at a New Location i.e. Bhubaneswar. The proposal regarding same has already been forwarded to the HO and we believe that the Bhubaneswar Chapter, National Best Chapter Award winner, will certainly rise to the occasion to host the grand gala event in a spectacular way. The official intimation regarding this will be shared by HO soon.

The new batches of OTC (Oral Tuition Classes) have already started and we have introduced a competitive fee with some added benefits for the students. Officials from EIRO and Siliguri Chapter participated at SAPE Education Fairs held at Netaji Indoor Stadium, Kolkata and City Garden, Siliguri respectively. I once again take this opportunity to acknowledge the constant support and guidance from my colleagues in Regional Council, Central Council Members and all my Predecessors at EIRC, in all my initiatives. I also acknowledge the efforts of EIRO officials under the leadership of Shri DVNS Sarma in giving their best to implement these initiatives.

Remember! all that we are today is the result of what we had thought yesterday. So think good! think positive!

Please feel free to share your views and suggestion to me. My coordinates are given below.

With warm regards,

CS Ashok Purohit

Chairman, EIRC of ICSI

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ashokp@emamigroup.com

Kolkata
8th June, 2018

* Each page is linked with INDEX. i.e., if we click on page number in INDEX, than it will take us to that page & vice-versa.

FULL-DAY SEMINAR ON “INSIGHT INTO INSOLVENCY AND BANKRUPTCY CODE AND THE COMPANIES (AMENDMENT) ACT, 2017” HELD ON 12TH MAY, 2018 AT THE LALIT GREAT EASTERN KOLKATA



EIRC of ICSI organised a Full Day Seminar on “Insight into Insolvency and Bankruptcy Code and the Companies (Amendment) Act, 2017” on Saturday, 12th May, 2018 at The LaLiT Great Eastern Kolkata. In the first knowledge session, CS Manoj Banthia, Practising Company Secretary and Past Chairman, EIRC of ICSI discussed about recent legal developments related to IBC whereas CS S Sudhakar, Vice President (Corporate Secretarial), Reliance Industries Limited deliberated on Related Party Transaction, Loans to Directors, Loans and Advances. and recently notified sections of the Companies Amendment Act, 2017.

STUDY CIRCLE MEETING ON “EASE OF DOING BUSINESS” ON 18TH MAY, 2018 AT ICSI-EIRC HOUSE, KOLKATA



To discuss about the various progressive reforms undertaken by the Ministry of Corporate Affairs, Govt. of India, a Study Circle Meeting on “Ease of Doing Business” was organised by EIRC of ICSI on Friday, 18th May, 2018 at ICSI-EIRC House, Kolkata. I welcomed Shri K G Joseph Jackson, ICLS, Registrar of Companies, West Bengal, who was kind enough to spare his valuable time to interact with the delegates, on this occasion. He discussed about various initiative taken by MCA to support and promote business activities such as SPICe e-form, Central Registration Centre, Integration of MCA 21 with CBDT etc. My Regional Council colleague CS Gautam Dugar, Chairman, Study Circle Committee, EIRC took active part in the interaction and also offered vote of thanks.

HALF-DAY WORKSHOP ON “THE COMPANIES (AMENDMENT) ACT 2017 AND RECENT AMENDMENTS IN SEBI (LODR) REGULATIONS” ON 26TH MAY, 2018 AT ICSI-EIRC HOUSE



EIRC of ICSI organised a Half Day Workshop on “The Companies (Amendment) Act 2017 and Recent Amendments in SEBI (LODR) Regulations” on Saturday, 26th May, 2018 at ICSI-EIRC House, Kolkata. CS Atul Kumar Labh, Practising Company Secretary discussed about The Companies (Amendment) Act, 2017 in detail, whereas CS Pammy Jaiswal, Practising Company Secretary, deliberated on Recent Amendments in SEBI (LODR) Regulations.

14TH REGIONAL PCS CONFERENCE OF EIRC OF ICSI

14th Regional PCS Conference

Saturday, 16th June, 2018

(Registration: 9:30AM to 10:30AM)

JW Marriott, Kolkata

Topics for Deliberation

The Insolvency and Bankruptcy Code, 2016

The Companies (Amendment) Act, 2017

Goods & Services Tax

PCH -4

Eminent speakers from across India will deliberate at the Conference.

Delegate Fee: (incl of taxes) ₹2800/-

Early Bird Fee: (till 10th June) ₹2500/-

**No Fee for
AMS Members**

Delegate Kit includes

- I. A backpack (laptop bag) and
- II. Latest Book (Bare Act) on Companies Act with Rules

ANNUAL MEMBERSHIP AND CERTIFICATE OF PRACTICE FEES FOR 2018-19

The Annual Membership and Certificate of Practice fee for the year 2018-19 became due for payment w.e.f. 1st April, 2018 and last date for payment of the same will be 30th June, 2018. Members are requested to pay the fee along with applicable GST before the last date. The fee payable is as follows:-

Particulars	Associate(admitted till 31.03.2015)	Associate**(admitted on or after 01.04.2015)	Fellow
Annual Membership fee*	Rs. 2950	Rs. 1770	Rs. 3540
Entrance fee*	Rs. 2360	Rs. 2360	Rs. 2360
Restoration fee*	Rs. 295	Rs. 295	Rs. 295
Certificate of Practice fee*	Rs. 2360	Rs. 1770	Rs. 2360

* Fee inclusive of applicable GST@18%.

** Annual Membership Fee of Rs.1770/- and Certificate of Practice fee of Rs. 1770/- w.e.f. 01-04-2017 for associate members who were admitted on or after 01-04-2015 are valid for initial two years only including the admission year (irrespective of date of obtaining the Certificate of Practice in the year of admission) and the following year. The Annual membership and Certificate of Practice fee will be automatically revised to full thereafter.

SPECIAL ANNUAL MEMBERSHIP SCHEME OF EIRC OF ICSI FROM 01.06.2018 TO 31.01.2019

Members who missed the opportunity to enroll for the Annual Membership Scheme (AMS) 2018, 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 June, 2018 to 31st January, 2019). It includes free participation in the following programmes:

- 14th Regional PCS Conference scheduled to be held on Saturday, 16th June, 2018 at JW Marriott, Kolkata.
- 29th Annual Regional Conference of EIRC
- 2 Full Day Programmes 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:

- Rs. 6000/- only for members who got membership on or after 01.04.2015
- Rs. 7000/- only for members who got membership on or after 31.03.2015

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

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 asap to avail optimum benefits.

ADVERTISEMENT TARIFF FOR e-NEWSLETTER

Particulars	Design	Non-Appointment	Appointment
Full Page (inside)	Black & White	Rs. 6,000/-	Rs.3,000/-
Half-Page (inside)	Black & White	Rs. 4,000/-	Rs.2,000/-
Quarter-Page (inside)	Black & White	Rs. 2,500/-	Rs.1,000/-
Full Page (inside)	Colour	Rs.10,000/-	Rs.5,000/-
Half-Page (inside)	Colour	Rs.6,000/-	Rs.3,000/-

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.

EXECUTIVE SUMMARY OF SEBI CIRCULAR DATED 3RD MAY, 2018 ON PENALTY FOR NON – COMPLIANCE WITH SEBI (LODR) REGULATIONS, 2015



BY CS Kamal Sewoda

Asst. Manager (Secretarial)
Balrampur Chini Mills Limited



BY CS Nitin Bagaria

Company Secretary
Balrampur Chini Mills Limited

By virtue of SEBI CIRCULAR DATED 3RD MAY, 2018, the earlier SEBI Circulars dated 30th November, 2015 on “Uniform structure for imposing fines for Non-Compliance with LODR Regulations and SOP for suspension of trading when non-compliance is continuing or repetitive” and SEBI Circular dated 26th October, 2016 on “Manner of freezing the holdings of promoter and promoter group of listed entity that failed to pay fines” have been superseded.

The SEBI CIRCULAR DATED 3RD MAY, 2018, specifies the following:

- Penalties / Action to be taken by Stock Exchange for Non – Compliance.
- Standard Operating Procedure (SOP) for Suspension of Trading.
- DP shall freeze the Promoter Shareholding in the Entity as well as Demat A/c.
- Stock Exchange shall disclose the details of action taken on its website.
- Stock Exchange may postpone / withdraw the action where specific exemption has been provided under any Act/Court / Tribunal etc.

This Circular shall come into force w.e.f. compliance period ending on or after September 30, 2018 :

Penalties / Action to be taken by Stock Exchange for Non – Compliance	
Failure to appoint Compliance Officer	Penalty of Rs.1,000 per day
Failure to appoint Share Transfer Agent	Penalty of Rs.1,000 per day
Failure to ensure that adequate steps are taken for redressal of Investor Complaints	Penalty of Rs.1,000 per day
Non-Submission of the Statement on Shareholder Complaints within the period prescribed	Penalty of Rs.1,000 per day
Non-submission of the Corporate Governance Compliance Report within period prescribed	Penalty of Rs.5,000 per day

(The above is only an illustrative list of penalties. In total there are 18 penalties for various non-compliances)

Flow Chart of the procedure after non-compliance

Stock Exchange shall review the compliance status of the listed entities within 15 days from the date of receipt of information (from public or Compliance team) and shall issue notices to the non-compliant listed entities to ensure compliance and collect fine. Stock Exchange shall also display on their website non-compliance by the listed entity and details of fine levied/ action taken.	
↓	↓
The listed entity shall comply with the requirement and pays fine	The listed entity does not comply with the requirement and/or does not pay fine
↓	↓

If non-complaint entity complies/pays fine levied, the SE shall display the status of fine paid on its website	Stock Exchange shall intimate the depositories to freeze the entire shareholding of the promoter and promoter group in such entity as well as all other securities held in the demat account of the promoter and promoter group.
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The listed entity shall comply with the requirement and pays fine	The listed entity does not comply with the requirement and/or does not pay fine
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If non-complaint entity subsequently complies/pays fine levied, the SE shall display the status of fine paid on its website	Stock Exchange may initiate appropriate enforcement action
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Stock Exchange shall intimate the depositories to un-freeze the entire shareholding of the promoter and promoter group in such entity as well as all other securities held in the demat account of the promoter and promoter group after one month of the Compliance	Out of the 18 penalties for various non-compliances, for continued non-compliance of 6 provisions of listing regulations and for non-compliances of two other provisions, shall move the listed entity to “Z” category wherein trades shall take place on ‘Trade for Trade’ basis
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If non-complaint entity subsequently complies/pays fine levied, the SE shall display the status of fine paid on its website	The listed entity does not comply with the requirement and/or does not pay fine
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The recognised stock exchange(s) shall move back the scrip of the listed entity from “Z” category to the normal trading category and intimate the depositories to un-freeze the entire shareholding of the promoter and promoter group in such entity as well as all other securities held in the demat account of the promoter and promoter group	Stock Exchange shall suspend trading.
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	The Stock Exchange may initiate compulsory delisting
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GIST OF THE SEBI (LODR) (AMENDMENT) REGULATIONS, 2018



BY CS Dinesh Arya

Group Company Secretary
Titagarh Wagons Limited

SEBI has amended SEBI (LODR) Regulations, 2015 through the SEBI (LODR) (Amendment) Regulations, 2018 by its notification dated 9th May, 2018 mainly towards implementation of the accepted (with or without modifications) recommendations of the Kotak Committee.

Listed below is a gist of the amendments:

AMENDMENTS TO BE EFFECTIVE FROM OCTOBER 01, 2018:

➤ **Regulation 16:** Eligibility criteria of Independent Director and Board Inter-locks
The eligibility criteria for a director to be an "independent director" (ID) have been revised as follows and include a new concept of Board Inter-Locks:

- (i) ID cannot be part of the 'promoter group' of a listed entity;
- (ii) Prohibition of "board inter-locks" arising due to common Non-ID on boards of listed entities (i.e. a Non-ID of a company on the board of which any Non-ID of the listed entity is an ID, cannot be an ID on the board of that listed entity).

For instance, If Mr. A is an executive director of X Ltd. (being a listed entity) and is also an ID of Y Ltd., then no Non-ID of Y Ltd. can be an ID on the board of X Ltd.

➤ **Regulation 25:** Obligations w.r.t. Independent Directors

No person shall be appointed or continue as an alternate director for an independent director of a listed entity.

Insurance policy for independent directors has been made mandatory. This amendment is applicable to the top 500 listed entities and the determination of quantum and risks for which cover is required to be taken in the Directors and Officer Liability insurance has been mandated to the Board of Directors.

➤ **Regulation 29(1)(f):** Exemption from giving of prior intimation to the stock exchange(s) in case of the declaration of bonus by the listed entity not being on the agenda of the meeting of board of directors stands withdrawn.

➤ **Regulation 46(2):** Disclosure of Ratings

All credit ratings obtained by a listed entity for all its outstanding instruments, are to be intimated to the Stock Exchanges where they are listed immediately upon revision in any of the ratings.

AMENDMENTS TO BE EFFECTIVE FROM APRIL 01, 2019:

➤ **Regulation 2:** Expansion of the definition of Related Party
New proviso under definition of Related Party has been inserted to include any person or entity belonging to the promoter or promoter group of the listed entity and holding 20% or more of shareholding in the listed entity as a related party.

➤ **Regulation 16(c):** Material Subsidiary

Definition of "Material subsidiary" has been revised to mean a subsidiary whose income or net worth exceeds 10% (revised from the current 20%) of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

➤ **Regulation 17:** This regulation has been amended substantially as follows:

17(1)(a) and (c): Top 500 listed entities by market capitalisation as of 31st March, 2018 to have at least one woman independent director; top 1000 listed entities by market capitalisation to have minimum six directors;

17(1A): Non-executive directors who have attained the age of 75 years not be appointed or continue directorship unless a special resolution is passed by the shareholders with justification in the explanatory statement therefor;

BY CS Sumit Jaiswal

Company Secretary
Titagarh Industries Limited



17(2A): Quorum for Board meetings of top 1000 listed entities shall be 1/3rd of the size of the Board or 3 members, whichever is higher, including at least one independent director; it being added by way of clarification that the participation of the directors by video conferencing or by other audio-visual means shall also be counted for the purposes of such quorum.

17(6): Approval of shareholders by a special resolution to payment of remuneration of (a) a single non-executive director, where such remuneration exceeds 50% of the total annual remuneration to all non-executive directors; and (b) annual remuneration of executive director being its promoter exceeds (i) higher of Rs.5 crore or 2.5% of the net profits of the listed entity or (ii) where more than one such director, the aggregate annual remuneration to such directors exceeds 5% of the net profits of the listed entity.

17A: Reduction in the maximum number of directorships of listed entities to 8.

➤ **Regulation 19** stipulates quorum for a meeting of Nomination and Remuneration Committee (NRC) at greater of 2 members or 1/3rd of the members including at least one ID in attendance and NRC shall meet at least once in a year.

➤ **Regulation 20** expands the scope of Stakeholders' Relationship Committee (SRC) to specifically look into various aspects of interest of shareholders and other security holders from the present limited mandate of redressal of grievances. SRC shall comprise of at least three directors, with at least one being Independent Director. The Committee shall meet at least once in a year.

➤ **Regulation 21** revises constitution of Risk Management Committee (RMC) for top 500 listed entities based on market capitalisation from the present 100 and includes review of cyber security in its role. The RMC shall meet at least once in a year

➤ **Regulation 23(1)** prescribes mention of clear threshold limits of materiality and dealing of Related Party Transactions (RPT) in the policy duly approved by the Board and review of the policy at least once every 3 years to be updated accordingly. Regulation 23(1A) determines a transaction of payment to a related party of royalty or for brand usage exceeding 2% on cumulative basis during the year, of annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity to be a material related party transaction.

➤ **Regulation 23(4)** allows negative voting by related parties on the material related party transactions, as such voting cannot be considered to be in conflict of interest. Further, Half yearly disclosure of RPTs on a consolidated basis, in the disclosure format required for RPT in the annual accounts as per the accounting standards, are to be uploaded on the website of the listed entity within 30 days of publication of the half yearly financial results and copy of the same to be submitted to the stock exchanges.

➤ **Regulation 24(1)** stipulates appointment of at least one independent director on the board of the listed entity on the board of an unlisted material subsidiary, whether incorporated in India or not. The term "material subsidiary" here means a subsidiary whose income or net worth exceeds 20% (instead of 10% mentioned under Regulation 16) of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

➤ **Regulation 24A:** A new regulation which provides that every listed entity and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice

➤ **Regulation 25** deals with a declaration to be given by ID regarding not being aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact his/her ability to discharge his/her duties with objective independent judgment and without any external influence.

The board of the listed entity to take on record the above undertaking after due assessment of the veracity of such undertaking.

➤ **Regulation 32(7)** requires appropriate disclosures on utilization of proceeds of preferential issues and QIPs till the time such proceeds are utilized.

➤ **Regulation 33(3)(b) and (e)** makes disclosure of consolidated financial results mandatory for all listed entities having subsidiary(ies) on a quarterly basis. It is also clarified that standalone results shall continue to be required to be published. The listed entity shall submit audited or limited reviewed financial results in respect of the last quarter [earlier: audited financial results]

➤ **Regulation 33(3)(g), (h) and (i)** – new clauses introduced on manner of submission of Financial Results:

(g) Also submit as part of its standalone and consolidated financial results for the half year, by way of a note, statement of cash flows for the half-year.

(h) To ensure that, for the purposes of quarterly consolidated financial results, at least eighty percent of each of the consolidated revenue, assets and profits, respectively, shall have been subject to audit or in case of unaudited results, subjected to limited review.

(i) The listed entity shall disclose, in the results for the last quarter in the financial year, by way of a note, the aggregate effect of material adjustments made in the results of that quarter which pertain to earlier periods.

➤ **Regulation 33(8)** - new sub-regulation introduced placing the obligations on the statutory auditor of a listed entity to undertake a limited review of the audit of all the entities/ companies whose accounts are to be consolidated with the listed entity as per AS 21.

➤ **Regulation 34(1)**: The listed entity shall submit annual report and notice of AGM sent to shareholders to the stock exchange on or before commencement of dispatch to shareholders. In case of changes, revised copy along with explanation to be sent within 48 hours of AGM

➤ **Regulation 36(5)** Notice being sent to shareholders should contain certain minimum disclosures in relation to the credentials and terms of appointment of the auditors who are proposed to be appointed/re-appointed. The proposed audit fees must be disclosed in the notice and if there is any material change in the fees paid to a new auditor as compared to the current audit fee, the rationale for the same must be provided.

➤ **Regulation 44(5)** requires top 100 entities by market capitalization to hold AGM within 5 months after the end of a FY i.e. by August 31.

➤ **Regulation 44(6)** makes web cast of AGM compulsory for top 100 listed entities by market capitalisation.

➤ **Regulation 46(2)(s)** The listed entity shall upload on its website separate audited financial statements of each subsidiary in respect of a relevant financial year, at least 21 days prior to the date of the annual general meeting which has been called to inter alia consider accounts of that financial year.

➤ **Schedule II – Part C and D:**

The role of audit committee is enhanced by insertion of a new sub-clause (21) on review by the Committee of the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding Rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower.

New sub-regulation (6) introduced to provide that the Role of NRC shall inter alia include recommendation to the Board of all remuneration, in whatever form, payable to senior management .

The role of SRC shall include the following:

(1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

(2) Review of measures taken for effective exercise of voting rights by shareholders.

(3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent (RTA).

(4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

➤ **Schedule III – Part A** stipulates detailed reasons for resignation to be given by a resigning auditor which should be disclosed by the listed entity within 24 hours of receipt of the same.

Detailed reasons for resignation to be given by a resigning independent director (ID). The ID to also provide a confirmation that there are no material reasons other than those provided. The listed entity to disclose the same to the Stock Exchange within 7 days of receipt.

➤ **Schedule IV, Part A** prescribes that where the impact of the audit qualification is not quantifiable the management shall mandatorily make an estimate which the auditor shall review and report accordingly. Notwithstanding the above, the management may be permitted to not provide estimate on matters like going concerns or sub-judice matters; in which case, the management shall provide the reasons and the auditor shall review the same and report accordingly.

➤ **Schedule V, Part A:** Disclosures in the annual report shall include transactions of the listed entity with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the listed entity, in the format prescribed in the relevant accounting standards for annual results.

➤ **Schedule V, Part B:** new sub-clauses introduced on:

(i) details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor, including: (i) Debtors Turnover, (ii) Inventory Turnover, (iii) Interest Coverage Ratio, (iv) Current Ratio (v) Debt Equity Ratio (Operating Profit Margin (%), (vii) Net Profit Margin (%), or sector-specific equivalent ratios, as applicable; and (j) Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof.

➤ **Schedule V, Part C:** the following additional disclosures shall be made in the Corporate Governance Report section of the annual report:

- Names of the listed entities where the director of the Company is a director and the category of directorship.
- A chart or a matrix setting out the skills/expertise/competence of the board of directors specifying the following:

(j) Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof.

➤ **Schedule V, Part C:** the following additional disclosures shall be made in the Corporate Governance Report section of the annual report:

- Names of the listed entities where the director of the Company is a director and the category of directorship.
- A chart or a matrix setting out the skills/expertise/competence of the board of directors specifying the following:

- List of core skills/expertise/competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board
- Confirmation that in the opinion of the Board, independent directors (ID) fulfill the specified conditions and are independent of management.
- Detailed reasons for resignation of ID who resigns before expiry of his tenure.
- List of all credit ratings obtained by the entity along with any revisions.
- Details of utilization of funds raised through preferential allotment or qualified institutions placement.
- Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors.
- Disclosure of reason in case the board has not accepted any recommendation of any committee of the board which is mandatorily required.
- Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

AMENDMENTS TO BE EFFECTIVE FROM APRIL 01, 2020

- **Regulation 17(1)(a):** The top 1000 listed entities by market capitalization on April 1, 2020 to have at least one woman independent director on its Board.
- **Regulation 17(1)(c):** The top 2000 listed entities by market capitalization should have minimum 6 directors on Board by April 1, 2020
- **Regulation 17-** Insertion of new sub-regulation (1B): The top 500 listed entities shall ensure that the Chairperson of the board of such listed entity shall - (a) be a non-executive director; (b) not be related to the Managing Director or the Chief Executive Officer.
- **Regulation 17(2A):** Quorum for Board meetings shall be 1/3rd of the size of the Board or 3 members, whichever is higher, including at least one independent director, in the top 2000 listed entities by market capitalization by April 1, 2020.
- **Regulation 17A:** Reduction in the maximum number of directorships in listed entities to reduce from 8 to 7.
- **Regulation 24A:** A new regulation which provides that every listed entity and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice.
- **Regulation 34(1):** The listed entity shall submit annual report and notice of AGM sent to shareholders to the stock exchange on or before commencement of dispatch to shareholders. In case of changes, revised copy along with explanation to be sent within 48 hours of AGM.
- **Schedule II – Part E:** clause deleted w.r.t. reporting of internal auditor to the Audit Committee. Therefore, the internal auditor then can report directly to the Board or to the identified managerial personnel if the Board so decides.
- **Schedule V, Part C** requires the additional disclosures of the names of directors who have such skills / expertise / competence as identified by the board of directors as is required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board in the Corporate Governance Report section of the annual report.

ATTENTION MEMBERS

I. COMPANY SECRETARIES BENEVOLENT FUND ICSI has established the Company Secretaries Benevolent Fund (CSBF) in the year 1976 which seeks to create big security umbrella to derive comfort and Security. The Fund provides assistance for education/medical or for any other similar purpose in deserving cases to the Members of the ICSI and dependents of the deceased members. The financial assistance upto Rs. 60,000 is provided to the members for medical expenses for self or dependents in deserving cases on receipt of request. Financial assistance for education at the rate of Rs. 40,000/- per child (subject to maximum of two children) in deserving cases is provided to minor children of the deceased members. As a member of the Fund upto the age of 60 years it covers the member's future through the Group Life Insurance Policy for a sum of Rs. 7,50,000/- to the dependents of the deceased member of the fund from the CSBF. The dependents of the deceased member above 60 years of age are provided financial assistance of Rs.3,00,000/- from the fund in deserving cases. The assistance is provided in minimum time possible.

Contribution to the Fund is a noble cause. Members of the ICSI after becoming the member of CSBF get the additional security shield for the life. Contribution to the Fund qualify for the deduction under section 80-G of the Income Tax Act, 1961. Members have just to fill up a form provided here to become a member of the Fund. Members have to pay a small amount of Rs.10,000/- as one time contribution for your life membership of the Fund. Members have to provide the names of the dependents. Members can deposit the form at the HQ or with any Regional Offices/Chapter Offices. Cheque / Demand draft should be drawn in favour of "Company Secretaries Benevolent Fund". The application has to be made to the Secretary of ICSI.

II. To update records viz. Membership No.; Communication Address; Mobile No.; E-Mail IDs; Telephone Nos., members are requested to furnish the details (if there is any change) to: eiro@icsi.edu

III. To publish the ICSI-EIRC Newsletter more informative, members are requested to contribute the Article on current topics / Check-Lists / Corporate and Legal Updates etc to: tamal.kar@icsi.edu

IV. To make the Newsletter self-sustainable, members are also requested to use their good offices to get advertisement / sponsorship support for the same. The Advertisement Tariff is given in the Newsletter(Page No. 4)

WHAT DOES THE FOURTH NOTIFICATION OF eCODS, 2018 STATES?

BY CS Vivek Mishra

Practicing Company Secretary



Q1) When and Why was the first notification of Ministry relating to eCODS come?

A1) The **First notification of Ministry** relating to the eCODS came on **29th December, 2017 vide its General Circular No. 16/2017** providing a

3-month window (i.e., **1st January, 2018 to 31st March, 2018**) for the defaulting companies to make their filings in order to regularise compliance and avoid permanent disqualification for a period of five years.

This Scheme has come as a relief to many defaulting Companies whose name had been struck off and Directors who had been disqualified for non filing of annual reports for a long time. This Scheme states that in case of defaulting companies whose names have been removed from the register of Companies under section 248 of the Companies Act, 2013 and have filed applications for revival under section 252 of the Companies Act, 2013, DINs of the directors concerned would be re-activated only upon receiving the NCLT order of revival and filing of all overdue documents by the Companies.

Q2) What were the steps involved in eCODS Scheme and consequences of non filing form eCODS and non availing of the Scheme?

A2) The Ministry's latest scheme involves into following steps:

Step 1: Prepare Financial Statements & Complete Statutory Audit

Before filing eCODS form, the Directors of the company must first prepare the necessary overdue financial statements and get the same audited for all the years where returns was not filed. Once, the financial statements are audited and the Annual General Meetings are conducted, the MCA annual return along with the necessary attachments must be filed with the MCA along with payment of any penalty for late filing of MCA annual return.

Step 2: Filing Form eCODS

Once all the overdue annual returns have been filed, form eCODS must be filed by the Director before 31st March 2018.

However, the Directors will be allowed to file the overdue MCA annual return from 1st January 2018. Hence, all overdue compliance can be completed before the release of eCODS form by the MCA. Once form is made available, the Directors would have to file eCODS form with the details of all overdue MCA annual returns filed along with a payment of Rs.30,000. On filing eCODS form, the Director Disqualification would be removed and the DIN of the Directors would remain active even after 31st March 2018.

Consequences of failure to file form eCODS

In case a company regularised all compliance before 31st March 2018 but failed to file eCODS form, then the Directors DIN would be deactivated after 31st March 2018.

Consequences of failure to avail Condonation of Delay Scheme

Any disqualified Director who has failed to avail the relief provided through the condonation of delay scheme will have to face disqualification for a period of 5 years. During the disqualification period, the Director will not be able to start a new company and face other consequences for defaulting on compliance as provided under Companies Act, 2013.

Q3) When and why was the second notification of the Ministry come relating to eCODS ?

A3) The **Second notification of Ministry** Came on **28th March, 2018 vide its General Circular no. 02/2018** as a continuation to the first notification relating to eCODS for extension of the time period of eCODS till 30th April, 2018, upon the requisition of many who could not take the benefit of this 3 month window Scheme.

Q4) When and why was the third notification of Ministry relating to eCODS come?

A4) The **Third notification of Ministry** came on **27th April, 2018 vide General Circular No. 03/2018** as a continuation to the first and second notification relating to eCODS. As closing date of Condonation of Delay Scheme viz. 30.04.2018 is falling under gazetted holiday on account of 'Budh Purnima', therefore, Ministry of Corporate Affairs has decided to give one day extension of the said scheme i.e. upto 01.05.2018.

Q5) When and why was the fourth notification of Ministry relating to eCODS come?

A5) The **Fourth notification of Ministry** came on **17th May, 2018 vide General Notification no. 05/2018** as a continuation to the first ,second and third notification relating to eCODS. This notification has come in relation to the various representations received by Ministry from different stakeholders raising doubts regarding filing requirements of e-CODS, 2018 in below mentioned case:

* whether such struck off companies can file CODS upon obtaining orders for the same even after 1st May, 2018 where petitions have already been filed before NCLT for Revival under section 252 of the companies act, 2013 by the stakeholders during the currency of e-CODS Scheme (i.e., from 1st January, 2018 to 1st May, 2018) but orders are still pending before NCLT.

Q6) What is the clarification of the above notification i.e., fourth notification?

A6) The above matter has been examined and it is clarified that in such cases ,the ROC shall raise a ticket through **Change Requirement Form on MCA 21 portal** along with **copy of NCLT orders** only after thorough scrutiny of the following:

- The Company has obtained NCLT order for Revival under section 252 of the Companies Act, 2013.
- The Company had filed all the overdue documents before filing e-CODS, 2018 and
- The Company had filed petitions before the NCLT during the validity of CODS Scheme (i.e., between 1st of January, 2018 to 1st May, 2018).

After being satisfied from above mentioned issues the E-governance shall activate DIN of the Directors, such struck off companies that have been revived through NCLT to file e-CODS, 2018.

However, the Directors whose DINs are proposed to be activated through CRF should not be Directors on any other company which has been struck off under section 248(1) of the Act (other than the one revived through NCLT order as mentioned in CRF whose DINs are proposed to be activated through CRF). This may be ensured by the ROC before raising CRF with E-governance.

DISINVESTMENT POLICY IN INDIA

BY CS Piyali Deb

Company Secretary, Dalmia Securities Pvt. Ltd



The policy of the government on disinvestment has evolved over a period of seventeen years. It started with selling of minority shares in 1991-92 and continues today with emphasis on strategic sale. According to the ministry of Disinvestment, the implementation of the present policy has shown tremendous benefits of privatization to the taxpayers, the economy, the stock market and the employees.

WHAT IS 'DISINVESTMENT'

Disinvestment is the action of an organization or government selling or liquidating an asset or subsidiary. Disinvestment also refers to capital expenditure reductions, which can facilitate the re-allocation of resources to more productive areas within an organization or government-funded project. Whether a disinvestment action results in divestiture or the reduction of funding, the primary objective is to maximize the return on investment (ROI) on expenditures related to capital goods, labour and infrastructure.

OBJECTIVES OF DISINVESTMENT

- » To reduce the financial burden on the government;
- » To improve Public Finances;
- » To introduce competition and market discipline;
- » To fund growth of sectors;
- » To encourage wider share of ownership;
- » To depoliticise non-essential services;
- » To meet the budgetary needs;
- » To improve overall economic efficiency;
- » To raise funds for technological upgradation, modernization;
- » To expand the PSUs.

BENEFITS OF DISINVESTMENT

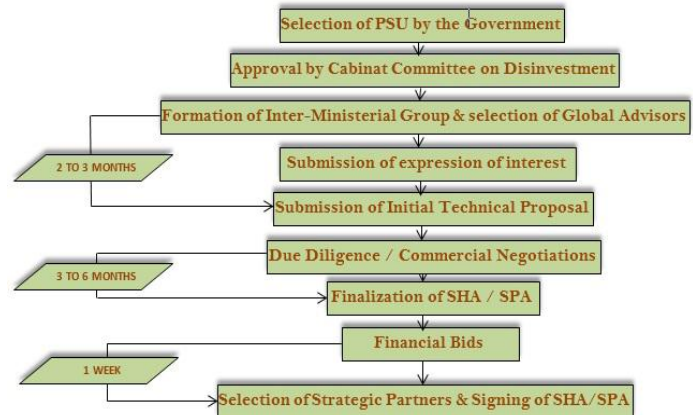
- » For the government – Focus on more core activities such as infrastructure, defense, education, healthcare, law and order.
- » For the Market and Economy – Greater efficiencies for the economy and market as a whole.
- » For taxpayers – unlocking of shareholder value
- » For the employees – Greater opportunities and avenues for career growth through further employment generation
- » For the PSUs – Greater autonomy leading to higher efficiencies

METHODS OF DISINVESTMENT

- » Strategic Sale;
- » Capital Market;
- » Offer for Sale – Fixed Price / Book Building;
- » Secondary Market / Private Placement;
- » Reduction in Equity;
- » Buyback of Shares;
- » Conversion of Equity into other instruments;
- » Trade Sale;
- » Asset Sale and Winding Up;
- » Management / Employees Buyout (M/EBO);
- » Cross Sale;

- » Sale through Demerger / Spinning Off.

PROCESS OF DISINVESTMENT



METHODS OF VALUATION

Making a valuation requires an examination of several aspects of a company's activities, such as analysing its historical performance, analysing its competitive positioning in the industry, analysing inherent strengths/weaknesses of the business and the opportunities/threats presented by the environment, forecasting operating performance, estimating the cost of capital, estimating the continuing value, calculating and interpreting results, analysing the impact of prevailing regulatory frame work, the global industry outlook, impact of technology and several other environmental factors.

Based on the recommendations of the Disinvestment Commission and in keeping with the best market practices the following four methodologies are being used for valuation of PSUs: -

- a) Discounted Cash Flow (DCF) Method.
- b) Balance Sheet Method.
- c) Transaction Multiple Method.
- d) Asset Valuation Method.

DISCOUNTED CASH FLOW (DCF) METHOD

When valuing a business on a DCF basis, the objective is to determine a net present value of the free cash flows ("FCF") arising from the business over a future period of time (say 5 years), which period is called the explicit forecast period. Free cash flows are defined to include all inflows and outflows associated with the project prior to debt service, such as taxes, amount invested in working capital and capital expenditure. Under the DCF methodology, value must be placed both on the explicit cash flows as stated above, and the ongoing cash flows a company will generate after the explicit forecast period. The latter value, also known as terminal value, is also to be estimated.

BALANCE SHEET METHOD

The Balance sheet or the Net Asset Value (NAV) methodology values a business on the basis of the value of its underlying assets. This is relevant where the value of the business is fairly represented by its underlying assets. The NAV method is normally used to determine the minimum price a seller would be willing to accept and, thus serves to establish the floor for the value of the business.

This method is pertinent where:

- The value of intangibles is not significant;
- The business has been recently set up.

MARKET MULTIPLE METHOD

This method takes into account the traded or transaction value of comparable companies in the industry and benchmarks it against certain parameters, like earnings, sales, etc. Two of such commonly used parameters are:

- Earnings before Interest, Taxes, Depreciation & Amortisations (EBITDA).
- Sales

ASSET VALUATION METHODOLOGY

The asset valuation methodology essentially estimates the cost of replacing the tangible assets of the business. The replacement cost takes into account the market value of various assets or the expenditure required to create the infrastructure exactly similar to that of a company being valued. Since the replacement methodology assumes the value of business as if we were setting a new business, this methodology may not be relevant in a going concern. Instead it will be more realistic if asset valuation is done on the basis of the new book value of the assets. The asset valuation is a good indicator of the entry barrier that exists in a business. Alternatively, this methodology can also assume the amount which can be realized by liquidating the business by sell-

ing off all the tangible assets of a company and paying off the liabilities.

While the first three are business valuation methodologies generally used for valuation of a going concern, the last methodology would be relevant only for valuation of assets in case of liquidation of a company. In addition, in case of listed companies, the market value of shares during the last six months is also used as an indicator. However, most PSU stocks suffer from low liquidity and the price determination may not be always efficient. Moreover, there could be increased trading activity after announcement of the disinvestment, which could be on account of high market expectation of the bid price and even based on malafide intent. This could lead to the price being traded up to unsustainable levels, which is not desirable.

CONCLUSION

It is important to understand the logic applied by professional investors in terms of valuation. Two major methods have been developed: comparable ratios, which can be calculated relatively rapidly and the discounted cash flows method which involves more complex calculations without necessarily being more precise.

As the drawbacks associated with each of these methods are not the same, a multi-criteria approach is recommended to estimate the value of a company.

NOTIFICATION

Revised Eligibility criteria for attending e-MSOP by working professionals getting full exemption from practical training

In exercising its power under Section 15 of CS Act 1980, the Council of the Institute has approved the following eligibility criteria for attending e-MSOP by the working professionals getting full exemption from practical training:

- 1)The candidates granted full exemption in practical training based on their working experience can register in e MSOP without waiting for 02 years time bar as applicable for the normal candidates.
- 2)The candidates granted partial exemption in practical training shall not be eligible for making registration for e MSOP unless they complete the balance training or exempted thereafter based on additional relevant work experience.
- 3)However, such relaxation shall not be granted to the candidates who are undergoing long term training. The existing guideline of e MSOP shall be applicable to them.

COMPULSORY ATTENDANCE OF PROFESSIONAL DEVELOPMENT PROGRAMMES BY THE MEMBERS OF ICSI

- Current block of three years April 1, 2017 to March 31, 2020
- Minimum number of Programme Credit Hours (PCH) to 15 PCH in each year or 50 PCH in a block be acquired by Members in Practice of three years w.e.f. April 01, 2017
- Minimum number of PCH to be acquired by Members in Employment 10 PCH in each year or 35 PCH in a block (i.e. members in whose name Form 32 has been filed to work as CS of three years w.e.f. April 01, 2017 under the provisions of Sec. 383A of the Companies Act, 1956)
- Min. number of PCH to be acquired by Members above the age of 60 years. The members above the age of 60 years shall be required to obtain 50% of the PCH required to be obtained by the members below 60 years.

JUDICIAL PRONOUNCEMENT

BY CS Rajesh Poddar

Deputy Company Secretary, ITC Limited



Some recent cases which may be relevant to our professional fraternity :

1.Social relationship through Facebook may be deemed to confer access to Unpublished Price Sensitive Information. [SEBI Order dated 16th April, 2018 in the matter of trading in the shares of Deep Industries Limited]

SEBI conducted an investigation into the violation of insider trading in the scrip of Deep Industries Limited (DIL) for the period from July 2015 to October 2015 and identified Mr. Rupeshbhai Kantilal Savla - Managing Director

of DIL, Mr. Sujay Ajitkumar Hamlai and V-Techweb India Private Limited (VTIPL) as insiders.

It was further investigated that the directors of VTIPL viz. Sujay Ajitkumar Hamlai and Ajay Ajitkumar Hamlai were friends of Mr. Rupeshbhai Kantilal Savla and his wife on Facebook. By virtue of this association and frequent communication, they are reasonably expected to have access to the unpublished price sensitive information of DIL at the relevant period.

SEBI as per the provisions of the SEBI (PIT) Regulations, 2015 concluded that the aforesaid persons / entities are connected persons and consequently are insiders w.r.t. DIL.

2.Companies shall provide video conferencing facility mandatorily to its directors. [Achintya Kumar barua and Ors. V. Ranjit Barthkur and Ors.]

NCLT opined that Section 173(2) of the Companies Act, 2013 (Act) gives right to a director to participate in the meeting through video conferencing or other audio-visual means and the Central Government has notified Rules to enforce this right and it would be in the interest of the companies to comply with the provisions in public interest.

Secretarial Standard guidelines that such participation can be done "if the company provides such facility" cannot override the provisions under the Rules. The mandate of Section 173(2) read with Rules mentioned above cannot be avoided by the companies.

The NCLT came to the conclusion that the provisions of Section 173 (2) of the Act are mandatory and the companies cannot be permitted to make any deviations therefrom. The NCLT directed non-applicants before it to provide the facilities as per Section 173(2) of the Act subject to fulfilling the requirements of Rule 3(3)(e) of the Companies (Meeting of Board and its Powers) Rules, 2014.

3.Director who had resigned long before convening of Annual General Meeting could not be held guilty for not laying financials in Annual General Meeting. [D.B. Negandhi v. Registrar of Companies]

In the instant case the respondent filed a complaint against the petitioner with the In the instant case a criminal complaint was filed by the Registrar of Companies (ROC) for failure to lay financial statements before company in Annual General Meeting (AGM) held in 2005 against directors of the company including the Appellant Director who resigned from the Board of Directors long time ago in 1997.

Held that in view of the fact that Appellant Director had already resigned from the company much prior to convening of AGM and ROC was duly informed in this regard, criminal complaint against appellant in capacity of one of directors of the company on account of their failure to lay before the company its financial statements in AGM is quashed.

4.Requirement of passing special resolution to continue employment as Managing Director on attainment the age of 70 years. [Sridhar Sundararajan v. Ultramarine & Pigments Limited and Ors.]

In the instant case the Defendant was re-appointed Chairman and Managing Director in 2012 for a period of five years till 2017; the Defendant attained the age of 70 years on 11th November, 2014.

After Defendant's appointment the new Companies Act, 2013 (Act) came into effect from 1st April, 2014. Under Section 196(3)(a) of the Act no company shall appoint or continue the employment of any person as Managing Director/Whole-time Director/ Manager who is below the age of 21 years or has attained the age of 70 years; provided that appointment of a person who has attained the age of 70 years may be made by passing a Special Resolution together with justification for such appointment.

Based on the aforesaid, the Plaintiff sought an order against the Defendant from functioning or continuing to exercise his powers as Chairman and Managing Director on attaining of 70 years of age.

Held that the word 'continue' as mentioned in Section 196(3) of the Act must be read contextually. Section 196(3) does not operate to interrupt the appointment of any director made prior to the coming into force of the Act, even in a case where the Managing Director crosses the age of 70 years during the term of his appointment; and it also does not interrupt the appointment of a Managing Director appointed after 1st April, 2014 where at the date of such appointment or re-appointment the Managing Director was below the age of 70 years but crossed that age during his tenure. There is no mid-tenure cessation of Managing Directorship as a result of Section 196(3)(a). All that Section 196(3)(a) does is to sound a note of caution in the public interest and to demand from the company a special resolution when a person who has already crossed the age of 70 at the date is proposed to be appointed or re-appointed.

5.Compounding of offence would not be allowed for disclosing false particulars of issued share capital. [Jella Jagan Mohan Reddy] :

The Regional Director during the inspection of books of account of the Applicant company's balance sheet for the years 2006 to 2013 observed that balance sheet as at 31st March, 2009 disclosed issued capital lesser than actual, thereby resulting in disclosing false particulars of issued capital in the balance sheet and violating the provisions of the Companies Act.

The Applicants admitted that inadvertently the Issued Capital was mentioned lesser than the actual in the Balance Sheet for 2008-09 and that the default was not of such nature as would prejudice the interests of the members or creditors or other dealing with the company; an application was filed for compounding of offence.

Held that submission of the Applicants that inadvertent default has not caused any prejudice to members / creditors or has not affected public interest does not hold good in the instant case as without any valid justification or grounds the basic and vital information about the share capital was falsely reported which was also audited by a reputed Chartered Accountants firm and signed by four responsible officials of the company and therefore compounding of offence is disallowed..

6.Shifting of registered office from one place to another and other allegations : whether oppression and mismanagement. [Mohit Kumar Surana vs. Healthadda Retail (P.) Ltd.]

An act to be oppressive, the conduct of the company must be burdensome, harsh and wrongful and mere lack of confidence between the majority shareholders and the minority shareholders would not be enough unless the lack of confidence springs from oppression of a minority by a majority in the management of the company's affairs and such oppression must involve at least an element of lack of probity or fair dealing to a member in the matter of his proprietary rights as shareholders.

A single act of financial mismanagement does not have the continuous effect which is necessary for granting relief under the provision of Sections 397 and 398 of the Companies Act, 1956. Moreover, the commercial mismanagement does not amount to oppression, therefore, the same does not require judicial interference.

In the instant case the existing registered office was occupied on the basis of lease and license agreement and on expiration of the term of the agreement the registered office was relocated for a cheaper accommodation in order to curtail the costs which was duly intimated to the Registrar of Companies.

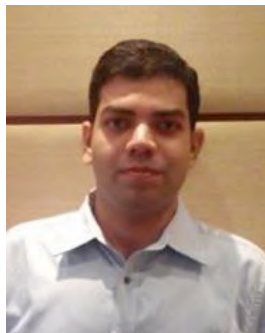
Held that bona fide shifting of registered office causing no loss to company does not constitute oppression and mismanagement.

The views if any expressed hereinabove are not necessarily the views of the organization. The contributor would like to thank CS Erina Chakraborty for her assistance in the research work. Facts and judgment has been summarized for sake of brevity – Reading the full case is suggested to gain clear understanding of the Orders cited herein in the context of facts of each case.

LEGAL UPDATES OF THE MONTH – MAY 2018

BY CS Ravi Varma

Company Secretary & Compliance Officer, Texmaco Rail & Engineering Limited



The Ministry of Corporate Affairs vide its notification dated 7th May, 2018 made the various provisions of the Companies (Amendment) Act, 2017 effective and subsequently rules corresponding to those provisions were notified.

The key provisions, which were notified include Section 185 of the Companies Act, 2013 ('Act') dealing with loan to Director, Section 186 of the Act dealing with loan and investment by Companies, provisions relating to Auditors appointment, independent directors, disqualification/ resignation/ vacation of office of directors, audit committee/ NRC & CSR Committee, Section 403 of the Act i.e. fee for filing, etc.

The amendment may be accessed on the following link:

http://www.mca.gov.in/Ministry/pdf/CompaniesAmendmentNoti_07052018.pdf

The Ministry of Corporate Affairs vide its circular dated 7th May, 2018 related to clarification of the Section 135 of the Companies Act, 2013

MCA vide its circular clarified that the provision should be complied in letter and spirit specifically in relation to CSR expenditure in local areas and areas around the same.

The amendment may be accessed on the following link:

http://www.mca.gov.in/Ministry/pdf/GeneralCircular2805_29052018.pdf

SEBI circular on non-compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Standard Operating Procedure for suspension and revocation of trading of specified securities :

SEBI vide its circular dated 3rd May, 2018 has prescribed the streamlined structure for taking action in respect of non-compliances with the listing regulation and for following the standard operating procedure for suspension and revocation of suspension of securities. The penalty ranges from Rs 1,000/ day to Rs 5,000/ day for non-compliances under the listing regulations. The circular also mandates the process of collection of fine by the stock exchanges on issuance of notice and also require that the non-compliant listed entity should ensure that subject matter of non-compliance be placed before the Board of Directors of the company at its next meeting and any comments of the board shall be informed to the stock exchange subsequently. Such entities are also required to display on their website compliance and status of fines paid by the listed entities.

The circular may be accessed on the following link:

https://www.sebi.gov.in/legal/circulars/may-2018/non-compliance-with-provisions-of-sebi-listing-obligations-and-disclosure-requirements-regulations-2015-and-standard-operating-procedure-for-suspension-and-revocation-of-trading-of-specified-securi-_38841.html

SEBI notification / circular on implementation of certain recommendations of the Committee on Corporate Governance under the Chairmanship of Shri Uday Kotak :

SEBI vide its notification dated 9th May, 2018 has amended the SEBI (LODR) Regulations, based on the recommendations of Kotak Committee. The amendments includes key changes to compliance related to Board of Directors, Directorship, Independent Directors, various committees, related party transactions, compliances related to subsidiaries, disclosures of financial results, additional disclosures in the annual report, disclosure on the website, etc.

The circular may be accessed on the following link:

https://www.sebi.gov.in/legal/regulations/may-2018/sebi-listing-obligations-and-disclosure-requirement-amendment-regulations-2018_38898.html

SEBI circular on monitoring of foreign investment limits in Indian companies

The Securities and Exchange Board of India (SEBI) vide its circular dated April 5, 2018 in respect to monitoring of foreign investment limits in Indian companies to generate a centralized FPI Registration and FPI Certificate with the commencement of Foreign Portfolio Investor (FPI) Regime in 2014.

SEBI now vide its circular dated 17th May, 2018 has extended the timeline to 25th May, 2018 to comply with the requirement for monitoring of foreign investment limits in listed Indian companies.

The circular may be accessed on the following link:

https://www.sebi.gov.in/legal/circulars/may-2018/amendment-to-sebi-circular-no-imd-fpic-cir-p-2018-61-dated-april-5-2018-and-circular-no-imd-fpic-cir-p-2018-74-dated-april-27-2018-on-monitoring-of-foreign-investment-limits-in-listed-indian-compa-_38977.html

SEBI circular on System-driven Disclosures in Securities Market

SEBI vide its circular dated 28th May, 2018 had issued the process for implementation of system driven disclosure as required under SEBI (SAST) Regulations and SEBI (PIT) Regulations. The system driven disclosure mechanism will be disseminated from 1st August, 2018. Under this mechanism for the purpose of SEBI (SAST) Regulations, the depositories would be required to share the data with each other based on prescribed threshold. For the purpose of SEBI (PIT) Regulations, initially it will be a built up of a data-base of all the directors and employees of each listed companies. The employees for this purpose will include CEO & up to two level below CEO. The companies will be required to share data with the designated depositories within 15 days from 28th May, 2018.

The circular may be accessed on the following link:

https://www.sebi.gov.in/legal/circulars/may-2018/system-driven-disclosures-in-securities-market_39066.html

ICSI CONVOCATION - 2018 OF EASTERN REGION

The Institute is organizing Convocation of the Eastern Region, for awarding certificate of membership to its Associate members admitted during the period from 1st October, 2017 till 31st March, 2018, to its Fellow member admitted during the period from 6th September, 2017 till 31st March, 2018 and to award prizes/medals to meritorious students (Nakonal) and winner students of national level competitions, as per details given below:-

Region	Day & Date of Convocation	Venue	Reporting Time for Registration	Last date for confirming participation by members
EIRC	Tuesday 12th June, 2018	St. Xavier's College Auditorium, 30 Mother Teresa Sarani (Park Street), Kolkata	8.30 a.m.	22nd May, 2018

Invitation email has been sent to the eligible members separately. Members shall be admitted to the Convocation subject to confirming his / her participation at email id: neeru.pandey@icsi.edu . The list of participants of Eastern Region is also uploaded.

Request for change of region shall not be entertained

Participants should bring one Identity proof namely, Membership Card of the Institute/ Voter Id Card/ Driving License/ Aadhar Card/ PAN Card/ Passport for allowing entry into the venue and for registration.

The Members shall come wearing the following Indian attire/dress for the Convocation ceremony:

- (i) **Male** members shall wear white/cream coloured 'kurta' and white/cream coloured 'pyjama' with black/brown sandals or shoes.
- (ii) **Female** members shall wear white/cream coloured sarees. with any colour border or white/cream coloured 'kameej' with white/cream coloured 'salwar', white/cream coloured 'dupatta' with black/brown shoes or sandals.
- (iii) There shall not be any headgear (excluding Sikhs).

A "Stole/Uttariya", made of Khadi, shall be issued to the members permanently at the time of registration, which they would have to wear around their neck and shoulders.

The members should also carry their ICSI lapel pin / member's badge for putting on the Indian attire/dress. Participants may note the following:

- a. They shall make travel and stay arrangement on their own.
- b. Each participant shall be allowed maximum of two accompanying family members/guests at the Convocation Ceremony.
- c. No person shall be allowed to attend the Convocation as a representative of the member. If a person abstains from attending the Convocation, his/her original membership certificate shall be sent by post at the mailing address registered in the records of the Institute.

MEGA PLACEMENT DRIVE-I, 2018

The Institute invites your esteemed organisation to participate in the ICSI Mega Placement Drive-I, 2018 for screening the candidates for the suitable vacancy in your organisation. The following schedule has been planned for members who have received their membership post 20th October 2017 till 31st May 2018.

Date Day of Interview	Chairman Regional Director	Address of EIRO (Eastern India Regional Office)	Placement Coordinator and contact person
19th June 2018 (Tuesday)	CS Ashok Purohit Chairman – EIRC Shri D.V.N.S. Sarma Regional Director (EIRO)	ICSI Eastern India Regional Office 3A, Ahiripukur 1st Lane Kolkata 700019	Shri Tamal Kar, Assistant Director Ph:033-2283 2973, 2290 1065 / 2178 2179 Mobile : 9051258797; E-mail: tamal.kar@icsi.edu OR CS Sonu Nahata, Assistant Director Ph: 033-40234444/22832973/ 22901065/22902178/22830052; Mobile : 9007115661; E-mail: sonu.nahata@icsi.edu

HOOGHLY CHAPTER

Date	Name of the Programme	Chief Guest / Guest Speakers	Topic	Venue	Total Participants
06.05.18	Full Day Seminar	CA Vivek Agarwal Practicing Chartered Accountant CS Prateek Kohli Practicing Company Secretary	on "Impact Analysis of IND-AS on Financial Statements and Role of CS in this" and "Impact Analysis of Recent Amendment on Board's Report"	Conference Hall of Hooghly Chapter, Rishra	31
08.05.18	Career Awareness Programme	Mr. Chandra Nath Kundu	-	Rishra Brahmananda Keshab Chandra High School, Rishra	30
12.05.18	Half Day Workshop jointly with Rishra CPE Study Circle	Mr. Sanjib Sanghi	on "Advance Excel"	Training Centre, Jaya Shree Textiles (A Unit of Grasim Industries Limited), Rishra	50
13.05.18	1st, 2nd, 3rd & 4th Study Circle Meetings	CS Aditya Purohit Company Secretary, Salarpuria Group CS Pallavi Singh Company Secretary, Salarpuria Group	on "Shifting of Registered office one state to another state" & "Buy back of securities under Companies Act and Small Company Merger"	Conference Hall of Hooghly Chapter, Rishra	21
13.05.18	Celebration of International Mother's Day	Mr. Pratik Nahata	-	Conference Hall of Hooghly Chapter, Rishra	20
23.05.18	Career Awareness Programme	CS Prosanto Kr. Ghosh	-	Mahes High School (Aided), Serampore	25

PATNA CHAPTER

Date	Name of the Programme	Chief Guest / Guest Speakers	Topic	Venue	Total Participants
26.05.2018	Professional Development Programme	CS Divesh Goyal		9 to 9 Conference Hall, Banerbagicha, Patna Ranchi Chapter of EIRC of ICSI	37

RANCHI CHAPTER

Date	Name of the Programme	Chief Guest / Guest Speakers	Topic	Venue	Total Participants
03.05.2018 To 07.05.2018	6th 5-days Skill Development Programme	-	5-days Skill Development Academic Programme	Ranchi Chapter of EIRC of ICSI	04
09.05.2018	Half day seminar on 'Commodity Futures	Shri Diptendu Moulik, Sr. Executive, MCX India Ltd.	Awareness on Commodity Futures	Hotel Trident Inn, Vishnu Gali, Ranchi	50

SILIGURI CHAPTER

Date	Name of the Programme	Chief Guest / Guest Speakers	Topic	Venue	Total Participants
23.05.18 To 24.05.18	SAPE EDUCATION FAIR 2018	-	-	CITY GARDEN SILIGURI	31

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