Forthcoming Programmes

- 10\textsuperscript{th} National Conference of Practicing Company Secretaries

MCA Updates

- Security to Investors when Companies Raise Money through Secured Bonds-Debentures

Disclaimer: - CS Update contains government notifications, case laws and contributions received from the members. Due care and diligence is taken in compilation of the CS Update. The Institute does not own the responsibility for any loss or damage resulting from any action taken on the basis of the contents of the CS Update. Anyone wishing to act on the basis of the contents of the CS Update is advised to do so after seeking proper professional advice.
FORTHCOMING PROGRAMMES

- 10th National Conference of Practicing Company Secretaries
10th NATIONAL CONFERENCE OF PRACTISING COMPANY SECRETARIES

Hosted by Pune Chapter of The ICSI

Dates: July 31 & August 01, 2009 (Friday & Saturday)
Timings: July 31, 2009 – 9:00 am to 6:30 pm
          August 01, 2009 – 9:00 am to 4:00 pm
Venue: Yashwantrao Chavan Academy of Development Administration
       (YASHADA), Raj Bhavan Complex, Baner Road, Pune - 411 007

Theme: Profession of Company Secretaries – Surging Ahead
Sub Themes:
• Corporate Boards and PCS
• Value Based Practice
• Capacity Building for Emerging Regulatory Prescriptions
• Profession-Professional-Professionalism

Speakers: Eminent faculty with comprehensive exposure to the practical aspects of the topics will address and interact with the participants.

Participants: Company Secretaries in Practice, Members who are intending to take up practice and other Professionals in Secretarial, Legal and Management disciplines would benefit by participating in the Conference.

Delegate Fees (Non-Residential)

<table>
<thead>
<tr>
<th>Practising Company Secretaries</th>
<th>Rs.2500/-</th>
<th>Students of ICSI</th>
<th>Rs. 2000/-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members of ICSI/ICAI/ICWAI</td>
<td>Rs.2750/-</td>
<td>Licentiates, ICSI</td>
<td>Rs. 2000/-</td>
</tr>
<tr>
<td>Non-members</td>
<td>Rs.3000/-</td>
<td>Accompanying Spouse</td>
<td>Rs. 2000/-</td>
</tr>
</tbody>
</table>

[Registration fee will cover the cost of background material, lunch, tea (both days) and dinner (Friday, July 31, 2009) excluding hotel accommodation]

Accommodation on ‘first come first served’ basis is being arranged at select Hotel(s) for outstation delegates.

Arrangements have been made for visit of Delegates to Shirdi Devasthanam.
Hotel Tariff

Hotel Tariffs for outstation delegates requiring accommodation is as under:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Hotel Nandanvan Annexe 1210/A, Apte Road, Shirole Road, Shivajinagar, Pune 411004</th>
<th>Hotel Om Sai Palace 1202/34, Apte Road, Shirole Road, Shivajinagar, Pune 411004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Check-in/out</td>
<td>9.00 a.m.</td>
<td>9.00 a.m.</td>
</tr>
<tr>
<td>Room Rates</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deluxe AC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>1,800</td>
<td>1800</td>
</tr>
<tr>
<td>Double</td>
<td>2,000</td>
<td>2000</td>
</tr>
<tr>
<td>Semi Deluxe AC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>1,650</td>
<td>1600</td>
</tr>
<tr>
<td>Double</td>
<td>1,850</td>
<td>1800</td>
</tr>
<tr>
<td>Distance from Conference Venue (approx)</td>
<td>6 kms</td>
<td>6 kms</td>
</tr>
<tr>
<td>Distance from Pune Railway Station (approx)</td>
<td>5 kms</td>
<td>5 kms</td>
</tr>
<tr>
<td>Distance from Pune Airport (approx)</td>
<td>12 kms</td>
<td>12 kms</td>
</tr>
</tbody>
</table>

Important:

1. Delegates with chauffer driven Cars will have to pay extra charges of Rs.1,200 for food arrangements of Driver during the conference. These charges have to be paid immediately on arrival.
2. Limited rooms are available on ‘First Come First Served’ Basis.
3. The arrangement for Residential Accommodation has been made for One Night stay—
   a. Check in – 9.00 AM onwards on July 31, 2009
   b. Check out – on or before 9.00 AM on August 1, 2009
4. Delegates wish to avail Residential accommodation need to send their Registration along with full delegate fees and full cost of accommodation on or before July 15, 2009.
5. Any extra stay will be charged separately by Hotel directly subject to availability of rooms.

6. Any extra facilities availed by the delegate during the stay has to be paid directly to the Hotel.

7. Pick-up and drop facility from Hotel to Conference Venue and back will be made available from both the hotels.

Registration

The delegate registration fee is payable in advance and is not refundable for accepted nominations. The registration form duly completed along with a crossed demand draft may be sent in favour of “The Institute of Company Secretaries of India” payable at New Delhi/Mumbai/Pune at the following addresses:

<table>
<thead>
<tr>
<th>S N Mishra</th>
<th>Sudipto Pal</th>
<th>Anil R Tale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistant Director</td>
<td>Joint Director</td>
<td>Executive Officer</td>
</tr>
<tr>
<td>The Institute of Company</td>
<td>WIRC of The ICSI</td>
<td>Pune Chapter of The ICSI</td>
</tr>
<tr>
<td>Secretaries of India</td>
<td>13, Jolly Maker Chambers</td>
<td>23, Mukund Nagar, Corner of</td>
</tr>
<tr>
<td>‘ICSI HOUSE’, 22, Institutional Area,</td>
<td>No. 2 (First Floor),</td>
<td>Lane No. 1</td>
</tr>
<tr>
<td>Lodi Road, New Delhi – 110 003</td>
<td>Nariman Point</td>
<td>Above Dr. Joshi Hospital</td>
</tr>
<tr>
<td>Tel: 011-24617321-24</td>
<td>Mumbai – 400 021</td>
<td>Pune – 411 037</td>
</tr>
<tr>
<td>Extn. 1413</td>
<td>Tel: 022-22021826 /</td>
<td>Tel: 020-24263228 /</td>
</tr>
<tr>
<td></td>
<td>22844073 / 22047569</td>
<td>24260341</td>
</tr>
<tr>
<td><a href="mailto:surya@icsi.edu">surya@icsi.edu</a></td>
<td><a href="mailto:wiro@icsi.edu">wiro@icsi.edu</a></td>
<td><a href="mailto:pune@icsi.edu">pune@icsi.edu</a></td>
</tr>
</tbody>
</table>

Backgrounder-Cum-Souvenir

It is proposed to bring out a Backgrounder-cum-Souvenir containing theme articles and other relevant information. Members who wish to contribute papers for publication in the backgrounder or for circulation at the Conference are requested to send the same through email to Shri Saurabh Jain, Education Officer, The Institute of Company Secretaries of India, ICSI HOUSE, 22, Institutional Area, Lodi Road, New Delhi – 110 003 at saurabh@icsi.edu with one hard copy or those sending only hard copy may send the same in duplicate to the Institute on or before July 15, 2009. The paper should not normally exceed 15 typed pages. The decision of the Institute shall be final in all respects.
Advertisement in Backgrounder-cum-Souvenir

The Backgrounder-cum-Souvenir would be widely circulated to professionals, corporate and regulatory authorities. Advertisement released in the Backgrounder-cum-Souvenir would receive wide publicity for Products, Services and Corporate Announcements. Members/Organisations are requested to release advertisements.

The Advertisement material along with cheque/demand draft may be sent to The Institute of Company Secretaries of India, ICSI HOUSE, 22, Institutional Area, Lodi Road, New Delhi – 110 003 or The WIRC of The ICSI, 13, Jolly Maker Chambers No. 2 (First Floor), Nariman Point, Mumbai – 400 021 or The Pune Chapter of The ICSI, 23, Mukund Nagar, Corner of Lane No. 1, Above Dr. Joshi Hospital, Pune – 411 037.

<table>
<thead>
<tr>
<th>Colour Advertisement</th>
<th>Black &amp; White Advertisement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rate</strong></td>
<td><strong>Rate</strong></td>
</tr>
<tr>
<td><strong>Size (cms)</strong></td>
<td><strong>Size (cms)</strong></td>
</tr>
<tr>
<td>Back Cover Rs. 25000</td>
<td>Full Page Rs. 10000</td>
</tr>
<tr>
<td>18 x 24</td>
<td>18 x 24</td>
</tr>
<tr>
<td>Inside Cover Rs. 20000</td>
<td>Half Page Rs. 5000</td>
</tr>
<tr>
<td>(Front/Back)</td>
<td>18 x 12</td>
</tr>
<tr>
<td>Special Page Rs. 15000</td>
<td></td>
</tr>
<tr>
<td>18 x 24</td>
<td></td>
</tr>
</tbody>
</table>

Banners

The Institute welcomes Companies and organizations to display their Banners at the venue of the Conference, which will provide wider publicity for their products / services. The tariff for display of banners is as under:

- Banner near stage : Rs. 20000 (limited to only two banners)
- Banner (L) 10’ x (B) 4’ : Rs. 10000
- Banner (L) 6’ x (B) 3’ : Rs. 5000

Stalls

Stalls for display of products : Rs. 15000 per stall max. size 6’ x 6’

Sponsorship for Lunch / Dinner

- Lunch per day : Rs. 1,00,000*
- Dinner for one day : Rs. 1,50,000*
- Tea / Coffee : Rs. 25,000 per session

- Co-sponsors may be considered
- Organizations providing Advertisement / sponsorships of Rs. 50,000 and more will be displayed on the Conference Backdrop.

Sponsorship of Conference Kit: Rs. 2,00,000
The arrangements have been made with local tour operators to provide to delegates facility to visit Shirdi, a Devasthan of Shri Saibaba, on payment basis.

Schedule for Shirdi visit:

August 1, 2009 – Proceed to Shirdi in the evening at around 5.00 p.m. – stay at Shirdi (Darshan, if possible)
August 2, 2009 – Darshan in the morning - Breakfast / Lunch and back to Pune.

Package details:

1. 4 delegates in one AC Indica or 10 delegates in AC Tempo Traveller
2. Per Adult on twin sharing basis: Rs. 2,800

The above cost includes:

a. Pune-Shirdi-Pune by AC vehicle mentioned above-Total 2 Days including toll, taxes, parking ,driver allowance
b. Stay at Hotel Sai Leela: AC room on twin sharing basis. www.hotelsaileela.com
c. Dinner on Day 1, Breakfast and Lunch on Day 2 (Vegetarian only)
d. Company Service Charges and taxes

Interested delegates are requested to confirm their participation by July 15, 2009 and send the package cost of Rs. 2,800 with the Registration fee.

Note:

a. Single Occupancy room Rs. 900/- per pax extra
b. Reduction in number of pax in Indica Rs. 300/- per pax extra. Rs. 180/- per pax extra for Tempo Traveller.
Tourist Attractions in and around Pune

Shaniwar Wada: Shaniwarwada is a palace fort in the city of Pune in western Maharashtra, India. It covers six and a quarter acres in central Pune. It was constructed in 1732 as the seat of the Peshwa (prime ministers of the Maratha Empire), and remained the political capital of the Empire until its annihilation. The fort itself was largely destroyed in 1828 by an unexplained fire, but has the surviving structures now maintained as a tourist and archaeological site.

University of Pune: The official residence of the Governor of Bombay presidency is now being used as Pune University Campus. The building is noted for its's 30 metre high square tower and beautifully laid lawns. It has several important research centers like National Chemical Laboratories, Gokhale Institute of Politics and Economics, National Institute of Virology.

Aga Khan Palace: The place was built in 1908 by Imam Sultani Muhammad Shah Aga Khan III. During the 1930 Quit India movement Mahatma Gandhi and his wife Kasturba Gandhi were interned here. A memorial was erected here in the memory of Kasturba Gandhi who died here.

Sinhagad: Sinhagad stands 25 km from Pune. It was previously known as the Kondhana Fort. The main attraction is climbing the fort on foot. The tower of Doordarshan - Mumbai is also there on Sinhagad.

Shopping Centres
1. Lakshmi Road: It is the main shopping area of Pune. It provides for various shops which give a wide range of traditional Indian sarees like Nauvari, Paithani etc.
2. Tulsi Baug: It is lined with temporary stalls and is nice place to shop for traditional Maharashtrian wares.
3. M.G. Road: This road is famous among shoppers as it provides for a lot of shops which offer a variety of cloths. On weekdays the road is closed to traffic and shoppers are allowed to take full advantage of the Walking Plaza.
City is famous for

a. **Sweets**: Pune is also famous for their different varieties of typical Maharashtrian sweets and is dotted by various famous sweets shops like Chitale Sweets, Kaka Halwai, Kayani Bakery & Budhani.

b. **Cultural Activities**: Pune city is also the cultural capital of Maharashtra and various festivals are organised like Sawai Gandharwa and Pune Festival. These festivals witnesses excellent performances by veterans like Pandit Jasraj, Bhimsen Joshi etc. It has witness dancing, singing and acting performances.
REGISTRATION FORM

10TH NATIONAL CONFERENCE FOR PRACTISING COMPANY SECRETARIES

Dear Sir,

Please register the following person as delegate for attending 10th National Conference for Practising Company Secretaries to be held on 31st July and 1st August 2009 at Pune.

Name of the Delegate: Mr. / Ms._______________________________________________

Designation: ________________________________________________________________

Name of the Organization ____________________________________________________

Address: ___________________________________________________________________

________________________________________________________________________

Membership No: FCS____________________  ACS____________________
CP ___________ Licentiate Membership No.____________________
Student Registration No. __________________________

Contact Details:
Tel. Nos: (Off.): _______________ (Res.): _______________ (Fax): _______________
E-mail: ________________________ Cell: __________________________

FOR RESIDENTIAL DELEGATES:

Date and time of arrival:_______________________________________________________
Date and time of departure:___________________________________________________
Amount of Rs________________________ is enclosed towards 1 Night residential accommodation on Double sharing basis.

DRIVER CHARGES Rs. ____________________
TOTAL AMOUNT Rs. ____________________

Yours faithfully,

(Sponsoring Authority/Delegate)

Date: ____________________
Place: ____________________
MCA Updates

- Security to Investors when Companies Raise Money through Secured Bonds-Debentures
Security to Investors when Companies Raise Money through Secured Bonds-Debentures

Lok Sabha

Shri Salman Khurshid, Minister for Corporate Affairs, has said that the companies raising money through secured bonds/debentures generally do comply with the requirement of submitting the required documents. In written reply to a question in this regard in the Lok Sabha recently Shri Khurshid said that the companies raising money through secured bonds/debentures are regulated by SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Debenture Trustee) Regulations, 1993 and SEBI (Disclosure and Investor Protection (DIP) Guidelines. Under these regulations, any company issuing debt securities to the public has to be mandatorily listed and draft offer documents are to be filed with Stock Exchanges as well as Registrar of Companies. The permission to list on Stock Exchanges is granted only after all necessary documents pertaining to issue and listing of debt securities are furnished to the exchanges.

As per the provisions of Section 128 of the Companies Act, 1956 and rules made thereunder, every company raising funds through secured debentures is statutorily required to attach a copy of the debenture trust deed while filing Form 10 with the Registrar of Companies. For listing of secured debt issues, issuers are required to appoint debenture trustee. The debenture trustee is required to submit a due diligence certificate to SEBI before opening of the issue ensuring that the company has made adequate provisions for the security for the debentures to be issued; the company has taken all necessary permissions for creating security on the said property and all necessary disclosures have been made by the company. The responsibility of ensuring that adequate security has been created and is being maintained on continuous basis in respect of the convertible debentures being issued is cast upon the merchant bankers and debenture trustee. The offer document for the public/rights issue is required to contain the disclosures in respect of the security being created and maintained. These disclosures contain information on the assets on which security shall be created, ranking of the charges, risks associated with subsequent charge in case of second or residual charge, security/asset cover to be maintained and basis of its computation, valuation methods etc.

In case of any violation, SEBI is empowered to take appropriate action against the concerned entities in terms of SEBI Act, Regulation and guidelines made thereunder.
Vanishing Companies

Lok Sabha

Out of the companies that came out with the IPOs during 1992-2001, a total of 238 companies were identified as vanishing companies. With the continuous efforts of the Ministry, 117 companies have been traced back, resulting in the number of vanishing companies being reduced to 121. Further, none of companies that came out with IPOs during the period i.e. 2001-2005 fall in the category of vanishing company.

The Government has taken following action against the vanishing companies and their Promoters/Directors:-

(i) Prosecutions have been filed in 110 cases for violations of various provisions of the Companies Act, 1956.
(ii) FIRs have been filed in 112 cases under the Indian Penal Code (IPC).
(iii) SEBI has debarred 100 companies and 378 directors u/s 11B of the SEBI Act from entering capital market for a period of five years.

To check recurrence of such activities of these companies the Government has already launched MCA-21 e-Governance project under which all statutory filings by the companies are done in e-Governance mode. This project provides for mandatory Director Identification Number (DIN) under which the identity of authorised directors and professionals is established in a secure manner. Government has issued directions to Registrars of Companies (RoCs) to carry out technical scrutiny of Balance Sheets of companies to find out the end use of IPOs proceeds. Apart from above, the SEBI has amended the existing Clause 49 of the Listing Agreement which seeks to strengthen the disclosure requirements in particular pertaining to promoters and also providing for monitoring of utilisation of funds raised from the public, as a result of which none of companies that came out with IPOs during the period i.e. 2001-2005 fall in the category of vanishing company.

This information was recently given by Shri Salman Khurshid, Minister for Corporate Affairs, in the Lok Sabha in a written reply.
Protection of Small Investors

Lok Sabha

The Ministry of Corporate Affairs received a total of 986 complaints from investors during the period 1.4.2008 to 31.3.2009. The investors' complaints pertain to defaults by the companies from complying with various provisions of the Companies Act, 1956, such as non-receipt of dividend/duplicate shares, non-refund of application money, non-payment of matured deposits and interest thereon, non-redemption of debentures and interest thereon, etc. The Ministry redresses the grievances through the jurisdictional Registrars of Companies. It also coordinates with the Reserve Bank of India, Department of Economic Affairs and Securities and Exchange Board of India for redressal of investors' grievances received in the Ministry but pertaining to these agencies.

Government has taken a number of steps to protect the interests of small investors. Appropriate provisions have been made in the Companies Act, 1956, for this purpose under various Sections, such as Sections 252(i), 58AA, 58A(1) and 399(4). The Companies (Appointment of Small Shareholders' Director) Rules, 2001 provide for election of a director representing small shareholders as prescribed under the Rules. The defaults in repayment of deposits are to be intimated to the Company Law Board (CLB) by the companies on a monthly basis. Further, in cases of default, CLB can direct the companies to repay within prescribed time and in the manner specified in its order. Other steps taken by the Ministry for protection of small investors include implementation of MCA21, an e-governance programme for easy access to corporate information in public domain; launch of three websites www.watchoutinvestors.com, www.investorhelpline.in, www.iepf.gov.in to provide information about economic defaulters; putting in place suitable mechanisms for redressal of investor grievances and imparting financial literacy to general public etc. All these facilities have been provided free of cost. Besides, Ministry has also organized media campaigns, workshops, etc. to educate investors.

This information was recently given by Shri Salman Khurshid, Minister for Corporate Affairs, in the Lok Sabha in a written reply.

Monitoring of Corporate Disclosures

Rajya Sabha

To facilitate corporate disclosures by the companies to the stakeholders and the Regulatory Agencies, there already exists an electronic registry with round the clock access including inspection of documents, through internet. The companies are also required to disclose their financial position in accordance
with Schedule-VI of the Companies Act, 1956 and the Companies (Accounting Standard) Rules, 2006. Giving this information in the Rajya Sabha today in a written reply Shri Salman Khurshid, Minister for Corporate Affairs, said that an elaborate regulatory framework is already in place under the Companies Act, 1956 to deal with corporate disclosures by the companies registered under the Act. This framework provides for statutory disclosures to the stakeholders about the true and fair view of the state of affairs of the companies.

SEBI has been continuously putting in place various measures to enhance transparency in corporate disclosures and decision making of listed companies. This includes various requirements of listing agreement between the stock exchange and listed companies. One such requirement is that the decisions of the company's board on major corporate events may be intimated to the stock exchange for public dissemination within 15 minutes from conclusion of board meeting. The company is required to furnish financial results to stock exchanges on quarterly basis as per the specified format which includes segment wise revenue, results and capital employed, Audit qualification, if any, etc. The financial results are also required to be published in newspapers. Further, the company is also required to intimate immediately to the stock exchanges all events which have a bearing on the performance/operations of the companies including price sensitive information.

Prosecutions are launched against companies which have not utilized funds for the stated purposes under various provisions of the Companies Act, 1956. Further, under clause 49 of the listing agreement, company is required to disclose to the Audit Committee about the use of funds on a quarterly basis. The company is also required to prepare a statement of funds utilized for the purpose other than those stated in the offer document which, has to be certified by Independent Auditors of the company. The Audit Committee shall also make appropriate recommendation to the Board to take steps in the matter. Under clause 43 of the Listing Agreement, all the Listed Companies shall intimate stock exchanges, on a quarterly basis, the variation, if any, between the proposed utilization of funds as disclosed in the offer document and the actual utilization of funds. Information is required to be given on annual basis, for each of the years for which proposed utilisation are provided in the prospectus. This is also required to be published in the newspaper, along with explanation for variation, which is also required to be included in the Directors' Reports.