

# CHARTERED SECRETARY

THE JOURNAL FOR CORPORATE PROFESSIONALS

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**THE INSTITUTE OF  
Company Secretaries of India**

**IN PURSUIT OF PROFESSIONAL EXCELLENCE**

Statutory body under an Act of Parliament

# **'CHARTERED SECRETARY' GREETES AND CONGRATULATES SHRI NESAR AHMAD AND SHRI S. N. ANANTHASUBRAMANIAN ON THEIR ELECTION AS PRESIDENT AND VICE PRESIDENT RESPECTIVELY OF THE INSTITUTE FOR THE YEAR 2012-13 AT THE COUNCIL MEETING HELD ON 19.01.2012**



 **Shri  
Nesar Ahmad**

**Shri Nesar Ahmad** has been elected as President of the Institute of Company Secretaries of India (ICSI) w.e.f. 19th January, 2012. He was Vice President of the ICSI in the year 2011. He is a member of the Central Council of ICSI for the term 2011-2014. He is a graduate in Commerce and a fellow member of the Institute of Company Secretaries of India.

He has been member of the Central Council of the ICSI for the terms 2004-2006 and 2007-10. Previously, he held various positions in the ICSI (Northern Region) as Editor, Treasurer, Secretary, Vice-Chairman, and was its Chairman in 1998 (August-December) and also in the year 2000. He has been associated with Social Organizations (NGOs) and Welfare Society in Delhi including SMILE FOUNDATION. He has been member of the Expert Committee on Company Law and Competition Policy constituted by ASSOCHAM (from 2002 to 2008).

As Central Council Member, he has been Chairman as well as member of various committees and Secretarial Standards Board (SSB) of the ICSI and has also appeared before Parliamentary Standing Committee (Law & Justice) on the National Tax Tribunal Bill, 2003 and Parliamentary Standing Committee (Finance) on Limited Liability Partnership (LLP). In 2009, the Ministry of Corporate Affairs appointed Shri Ahmad as one of the members to administer the Investor Education & Protection Fund (IEPF) for two years term. The Bombay

Stock Exchange has appointed Shri Ahmad as a Member of 'Panel of Arbitrators' of Delhi Region Arbitration Centre.

He has been nominated by Indian Institute of Corporate Affairs (IICA) established by the Ministry of Corporate Affairs as an expert on the panel of IICA for the subject related to Corporate Laws & General Issues.

He has been a regular faculty in the seminars/ workshops/ training programmes organized by ICSI, Ministry of Corporate Affairs, UGC, NGOs and various other Institutions and bodies. ♦



 **Shri  
S N  
Ananthasubramanian**

**Shri S N Ananthasubramanian** has been elected as the Vice President of the Institute of Company Secretaries of India (ICSI) w.e.f. 19th January, 2012. A member of the Council of ICSI since 2007, he was re-elected in 2010 for the term 2011-2014. Shri Ananthasubramanian, B.Com (Hons), FCS has been in practice as a Company Secretary at Thane since 1991, having been in employment from 1976.

It was primarily due to the initiatives taken by Shri Ananthasubramanian that the RBI introduced in 2008, Diligence Report to be obtained by Banks in respect of multiple-banking arrangements from professionals preferably, Practising Company Secretaries. He has been actively associated with formulation of Compliance Certificate for companies seeking listing on the SME platform of BSE and NSE; introduction of Networth Certificate by PCS in respect of broking firms by BSE and NSE; formulation of IPO/FPO Certification; tie-ups with IIM, Indore, Indian Institute of Banking and Finance (IIBF) and Insurance Institute of India (IIL), Mumbai.

He is member of various Committees of the Council of the ICSI and was member of the Core Group for formulating the ICSI-Vision 2020. As Chairman, Management Committee of ICSI-Centre for Corporate Governance, Research & Training, Navi Mumbai between 2007-10, he has successfully spearheaded the turnaround of the ICSI-CCGRT and its activities.

As member of Syllabus Review Committee in 2007 and 2011, he has contributed significantly in the development of contemporary syllabus for Company Secretaryship Course. He was the Chairman of the Task Force on Training which introduced the New Training Structure from 2009, and was re-nominated as the Chairman of the Core Group for reviewing the Existing Training Structure. Shri Ananthasubramanian also piloted the Guidelines for Advertisement by Company Secretary in Practice in 2007.

Shri Ananthasubramanian has contributed to the visibility and growth of the profession as member of ICSI-WIRC between 2001 and 2006. As its Chairman in 2005, he was actively associated in ICSI-NSE Collaboration towards the inclusion of Corporate Governance Module in National Certificate in Financial Markets (NCFM) and as its Secretary, facilitated the formation of Thane Chapter of ICSI in 2003.

A strong votary of good governance practices, Shri. Ananthasubramanian anchored the Special Debate on Corporate Governance during the National Award for Excellence in Corporate Governance held in Mumbai in 2009. He has also attended the Training of Trainers programme organised by the Global Corporate Governance Forum, IFC, Washington. A regular speaker at Seminars, Workshops, Conferences, his views and articles have appeared in leading newspapers in India. Shri Ananthasubramanian is also associated with public charitable institutions in Thane and Mumbai. ♦

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- 01 >> Outgoing President Anil Murarka putting the President's Collar to Nesar Ahmad, the newly elected President of the Institute.
- 02 >> Newly elected President Nesar Ahmad pinning the ICSI Insignia to S.N. Ananthasubramanian, the newly elected Vice President of the Institute.
- 03 >> Newly elected President and the Vice President seen with the Secretary and CEO of the Institute.
- 04 >> Nesar Ahmad Chairing the Council Meeting of the Institute.
- 05 >> Group photo of Newly elected President and the Vice President with Council Members and officers of the Institute. - Sitting from Left: Harish K. Vaid, Renuka Kumar, Anil Murarka, Nesar Ahmad, S. N. Ananthasubramanian and R. Sridharan. Standing from Left: A.K. Dixit, Umesh Harjivandas Ved, Sanjay Grover, Atul Hashmukhrui Mehta, N. K. Jain, Gopalakrishna Hegde, Sudhir Babu C, P.K. Mittal, Vikas Yashwant Khare, B. Narasimhan and Ashok Kumar Pareek.
- 06 >> Felicitation Function: Newly elected President Nesar Ahmad addressing. Others sitting from Left: R. Sridharan, B. Narasimhan, Gopalakrishna Hegde, Anil Murarka, N. K. Jain, Nesar Ahmad (addressing), S. N. Ananthasubramanian, Sudhir Babu C, Umesh Harjivandas Ved, Arun Balakrishnan, and Atul Hashmukhrui Mehta.
- 07 >> Sutanu Sinha (Sr. Director, The ICSI) greeting the newly elected President.
- 08 >> P. K. Grover (Director, The ICSI) greeting the newly elected Vice President.
- 09 >> A glimpse of Team ICSI.







# At a Glance

## Articles (A 47- 84)

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### Insider Trading: Duties of Insiders and Company Secretary

p- 154

Dr. K R Chandratre

Insider trading, as it involves misuse of confidential information, is unethical amounting to breach of fiduciary position of trust and confidence. Being fiduciaries towards the company, directors must act bona fide in the interests of the company and must not exercise their powers for any collateral purpose. Further a director must not place himself in a position where his duty to the company and his personal interests conflict and he must not profit from his position as a director. This is equally true about company officers. The objective of the Securities and Exchange Board of India (Insider Trading) Regulations, 1992 is to prevent and curb the menace of insider trading in securities. In particular, the Regulations render insider trading a criminal offence in certain circumstances, punishable under the SEBI Act. The company secretary has onerous obligations in the matter of preventing insider trading by company directors, officers and others, in terms of disclosure and reporting.

### Refreshing Revisions in Schedule VI

p- 161

Sriraman Parthasarathy

Schedule VI of the Companies Act, 1956 which defines the financial reporting framework for Indian Corporates has been amended vide Notification dated 28 February 2011 which is applicable for the financial statements prepared for all financial periods beginning on or after 1 April 2011. Revised Schedule VI has been framed as per the existing non-converged Indian Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006. Revised Schedule VI has introduced several new concepts and disclosure requirements for financial reporting and it has also done away with several redundant statutory disclosure requirements. This article is intended to discuss some of the key changes contained in the Revised Schedule VI, and their implications.

### Issue of Bonus Shares by a Public Limited Listed Company A Practical Approach

p- 166

P. Kesavulu Reddy

Issue of bonus shares by companies involves multifarious compliances. In view of several restrictions and constraints, the entire process of issue of bonus shares is required to be meticulously planned with a view to avoid defaults and consequent penalties. The step by step procedure for issue of bonus shares is given in the article.

### Impact of Gender Diversity: Women Participation in Boardroom and their Efficiencies

p- 169

Komal Khilnani

In ancient times, women were considered as a symbol of love, purity, fertility, sacrifice. If we check the history of the Roman, women were proved as good managers and played an important role in the decision making process. Without any doubt, women have proved their mettle. This article emphasises women's participation in boardroom and examines what could be the productive results through their participation.

### Corporate Criminal Liability Punishing the Directors or the Corporation

p- 175

Manisha Chaudhary

For a very long time, common law countries like England and Canada did not generally let a corporation to be convicted of a crime (as opposed to regulatory offences). There were exceptions and these exceptions were usually based on the doctrine of respondeat superior (vicarious liability). However, the burden of attributing *mens rea* to a non-human entity still remained a big hurdle in imposing criminal liability on corporations. The question of imposing criminal liability to a corporation for criminal offences committed by its directors and officers while conducting corporate affairs has gained a lot of importance in criminal jurisprudence. There is no impediment in the criminal jurisprudence whatsoever to impose criminal sanction on a corporation since it can have a mind of its own and also an environment wherein crime is nurtured. Criminal jurisprudence in India has seen one exception in form of doctrine of strict liability in which one may be made liable in the absence of any guilty state of mind.

### Of Anticipatory Bail Then & Now

p- 182

Shantimal Jain

The provision of anticipatory bail was inspired by Article 21 of the Constitution of India. Ever since this provision was brought on statute and subsequent to the celebrated discussion of the Constitution Bench in Gurbax Singh's case there have been enough evolution of the concept of anticipatory bail. Unfortunately some amendment was proposed and passed which practically tended to roast the objective of bringing this provision. However, unmindful of the development the different courts and even Supreme Court interpreted the provision narrowly. Some decisions were anomalous to the basic concept of anticipatory bail and some rulings even went beyond the confines of the provision in favour of the expediency and distorted the legislative contents of the provisions. In the recent case of *Siddha Ram Satlingappa Mhetre v. State of Maharashtra* (2011) 1 SCC 694 the Supreme Court has reiterated the fundamentals of Gurbax Singh's case and liberalised, enlarged, expanded and widened the scope of grant of anticipatory bail. This article analytically examines the implication and impact of the decision.



## Implications of Service Tax & Value Added Tax on Works Contract p- 185

Nitesh Agarwal & Vinay Kumar Joshi

For entities engaged in works contract business, it is economically and procedurally beneficial to lay down an efficient tax structure and implement an apt commercial tax planning before undertaking a works project. There already prevails a mystification in VAT and service tax aspects relating to works contracts. An attempt has been made in this article to address certain issues faced by business entities and professionals concerned with works contract business.

## Legal World (LW 15-24) p- 192

- ◆ **LW 11.02.2012** Delhi High Court admits winding up petition for non payment of admitted debt.
- ◆ **LW 12.02.2012** Mixing of polymer with bitumen is not manufacture.[SC]
- ◆ **LW 13.02.2012** Incentive scheme encouraging the employees to acquire additional qualifications is not discriminatory. [SC]
- ◆ **LW 14.02.2012** Based on the conduct of the workman, the Delhi High Court modifies the reinstatement with back wages order into payment of compensation. [De]
- ◆ **LW 15.02.2012** Supreme Court recommends longer term of imprisonment for drunk driving.[SC]
- ◆ **LW 16.02.2012** In a cheque dishonour case, the trial court has to decide the extent to which the cross examination of the complainant can be made by the accused. [De]
- ◆ **LW 17.02.2012** Dishonour of cheques issued towards refundable security deposit under a lease deed is covered under section 138 of NIA.[De]
- ◆ **LW 18.02.2012** When the No Claims Certificate was issued after negotiation, the contractor cannot turn around and claim that it was issued under coercion.[De]
- ◆ **LW 19.02.2012** Council of Architects is not empowered to lay down or prescribe minimum standards of education for qualifications other than recognized qualifications mentioned in the Schedule of Architects Act. [De]
- ◆ **LW 20.02.2012** Guarantor cannot take shelter under Sec.37 of the Contract Act to avoid paying the guaranteed sum to the lender. [SC]

## From the Government (GN 26 - 46) p- 202

- ◆ Fees Payable in terms of Regulations 29 and 30 of the CLB Regulations, 1991
- ◆ The Company Law Board (Amendment) Regulations, 2012

- ◆ Eligibility criteria for qualified depository participant.
- ◆ Composition of Arbitration Committee
- ◆ Investor Grievance Redressal Mechanism at Stock Exchanges
- ◆ Trade controls in Normal Trading Session for Initial Public Offering (IPO) and other category of scrips
- ◆ Call Auction in Pre-open session for Initial Public Offering (IPO) and other Category of Scrips
- ◆ Disclosure of Track Record of the public issues managed by Merchant Bankers
- ◆ Changes in Re-Investment Period of FII Debt Limit
- ◆ External Commercial Borrowings (ECB) Policy - Infrastructure Finance Companies (IFCs)
- ◆ External Commercial Borrowings - Simplification of procedure
- ◆ Guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Risk takers and Control function staff, etc.
- ◆ Guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Other Risk Takers
- ◆ Methodologies for risk and performance alignment of remuneration
- ◆ Disclosure requirements for remuneration
- ◆ Centralised Processing of Returns Scheme, 2011
- ◆ Review of the policy on Foreign Direct Investment - liberalization of the policy in Single - Brand Retail Trading

## Other Highlights p- 224

- ◆ Members Admitted/ Restored
- ◆ Certificate of Practice Issued/Cancelled
- ◆ Licentiate ICSI Admitted
- ◆ Company Secretaries Benevolent Fund
- ◆ Payment of Annual Membership and Certificate of Practice Fee
- ◆ News From the Regions
- ◆ ICSI-CCGRT NEWS
- ◆ Foundation Programme New Syllabus
- ◆ Online Services available to Members
- ◆ ICSI Knowledge Portal (ICSI-KP)
- ◆ The Company Secretaries (Amendment) Regulations, 2012 - Draft
- ◆ Contractual Engagement at MCA-21 for XBRL Works
- ◆ Book Review
- ◆ Company Secretaries Benevolent Fund
- ◆ Our Members
- ◆ Exposure Draft
- ◆ The Standing and Other Committees/Boards of the Council for the year 2012-2013
- ◆ CS Quiz
- ◆ ICSI-WIRC Half-day Programme

# CG & CSR : WATCH

The Institute has always been in the frontline to promote good corporate governance and it has been the constant endeavour of the Institute to raise awareness among the members and students in Corporate Governance arena. This watch gives an update of the latest happenings in the area of Corporate Governance and Corporate Social Responsibility.

## NEW DEVELOPMENTS

### 1. Financial Reporting Council (UK) reports high level of implementation of key Corporate Governance provisions.

The Financial Reporting Council (FRC) on 14th December, 2011 has published its first analysis of how the two UK Codes under its supervision are being implemented i.e. the UK Corporate Governance Code for listed companies, revised in 2010, and the UK Stewardship Code for investors, launched in the same year.

The report reveals the high level of adherence to the new provisions announced last year. It shows that 80 per cent of FTSE 350 boards have put all their directors up for annual re-election, demonstrating the value of the UK Corporate Governance Code in promoting behavioural change in the boardroom.

It also revealed that over 230 asset managers, asset owners and service providers signed up to the Stewardship Code in its first year, including most of the major investors in UK equities. The report highlights evidence that the quality of engagement between investors and company boards is improving in certain areas, for example in discussions around corporate risk.

The FRC has indicated that it will make limited changes to both the Codes during 2012 to promote further behavioural changes and to strengthen the dialogue between companies and their investors.

**Copy of the report can be accessed at:**

<http://www.frc.org.uk/press/pub2671.html>

### 2. International Corporate Governance Network (ICGN) submitted its response to draft report on corporate governance framework for European companies

On 12th December 2011, International Corporate Governance Network (ICGN) submitted its response to draft report on corporate governance framework for European Companies that was published by the Committee on Legal Affairs, EUROPEAN PARLIAMENT on 27.10.2011.

ICGN has made its recommendations on the following areas of Corporate Governance:

- (a) Boards of directors
  - ◆ Demarcation role Chair/CEO
  - ◆ Recruitment policies
  - ◆ Remuneration policies
- (b) Shareholders
  - ◆ Voting chain
  - ◆ Shareholder identification
  - ◆ Proxy advisory firms

**Details can be accessed at:**

<http://www.icgn.org/comment-letter.php?letter=5644>

## GREEN CORNER



### GREEN IDEA

- If:**
- ◆ You care about the environment.
  - ◆ You want to save earth.
  - ◆ Take green steps to make your contribution.

### USE RECYCLED PAPER - "EVERY TON OF RECYCLED OFFICE PAPER SAVES 380 GALLONS (APPROX. 1438 LITRES) OF OIL"

Avoid products with several layers of packaging when only one is sufficient. About 33% of what we throw away is packaging. By recycling half of our household waste, we can save 2,400 pounds of carbon dioxide annually.

### Be bright about light/energy-

- ◆ In one day, the sun provides more energy than our population could use in 27 years. Promote and make use of solar energy.
- ◆ Artificial lighting accounts for 44 percent of the electricity use in office buildings.
- ◆ Make it a habit to turn off the lights when you're leaving any room for 15 minutes or more and utilize natural light when you can.
- ◆ Buy Energy Star-rated light bulbs and fixtures, which use at least two-thirds less energy than regular lighting, and install timers or motion sensors that automatically shut off lights when they're not needed.

### Something Good:

#### OLD CLOTH VALUE CHAIN - by GOONJ...

GOONJ is an acclaimed voluntary organization working on the issue of clothing need of poor. Started in 1998 with 67 personal clothes, GOONJ is channelising over 70,000 kgs of material every month. Its key initiative includes VASTRA-SAMMAN, Cloth for work etc.

VASTRA-SAMMAN is a nationwide movement highlighting the importance of cloth as a basic need of poor. The implementation of VASTRA-SAMMAN takes place through Cloth for Work where clothes and other material are not provided as charity but as a motivational reward for village level development activities.

The idea behind Cloth for Work is to motivate Village communities to identify the pressing development needs of their own area and encourage them to do Shramdaan (Community Labour) for village development and they will get material in return, with dignity; as a reward.

### To Remember:

- February 4 - World Cancer Day (WHO)  
February 20 - World Day of Social Justice  
February 21 - International Mother Language Day [UNESCO]

### QUOTE OF THE MONTH



"Global market forces will sort out those companies that do not have sound corporate governance."



- Mervyn King (*Chairman: King Report*)

## FORTHCOMING EVENTS

### SEBI-OECD International Conference on Investor Education

An International Conference on Investor Education with the theme "**Investor education: Towards a more inclusive and secure financial world**" is being co-hosted by the Securities and Exchange Board of India (SEBI) and Organisation for Economic Co-operation and Development (OECD) on 3-4 February 2012, at the Goa Marriott Resort, Goa (India).

In the presence of the Honourable Finance Minister of India Pranab Mukherjee and Ambassador Richard A. Boucher, Deputy Secretary-General of the OECD, the Conference will:

- ◆ explore the specificities of investor education: the global context, rationale and research, main challenges, good practices and programmes to reach out to targeted groups as well as innovative solutions
  - ◆ address international issues and analyse global trends, with a special attention to Asia and its investor education needs
- The OECD contribution to this event is sponsored by the Government of Japan.

The details can be accessed at: <http://www.oecd.org/dataoecd/60/7/49289024.pdf>

## FEEDBACK & SUGGESTIONS

Readers may give their feedback and suggestions on this page to Mrs. Alka Kapoor, Joint Director, ICSI  
([alka.kapoor@icsi.edu](mailto:alka.kapoor@icsi.edu))

### Disclaimer:

The contents under **CG & CSR: Watch** have been collated from different sources. Readers are advised to cross check from original sources.



# From the President



A dewdrop is a perfect integrity that has no filial memory of its parentage ●●

- Rabindranath Tagore

*Dear Professional Colleagues,*

**T**he integrity of our perception and action is perhaps the most important trait that determines our success in life - personal as well as the professional. It is impossible to have professional integrity without personal integrity and it has to come from within. Having said that I wish to say that there is no middle path to the integrity. Either you are behaving with integrity or you are not. There are innumerable studies that indicate that convenience play spoil sport to the integrity.

*Friends, you will appreciate that today's world is entirely different than it was a decade ago and it will not remain the same in the immediate future because of the speed at which changes are occurring. So we have to be on learning curve, unlearn and relearn the*

*nuances of emerging paradigm, to establish ourselves in the dynamic market place. In achieving this, the rich traditions, standards and values of our profession should be our guiding light, I am sure.*

*I am delighted and privileged to address my first communication to you after assuming the august office of the President of this prestigious professional Institute. I would, at the outset, like to express my heart-felt gratitude to my esteemed colleagues on the Council and all of you for having reposed the trust and confidence in me. I accept this honour with all my humility and wish to assure you that it shall be my endeavour to further enhance the prestige of the Institute and the profession.*

*The year 2011 has been an eventful year in terms of adoption of ICSI Vision 2020, setting of top 10 goals for the Council, initiation of process of syllabus review, strengthening of infrastructure, and several international networking initiatives, and also the introduction of Companies Bill, 2011 in Parliament by the Government. I am confident that with your support and wisdom, I shall be able to carry out the plans and tasks initiated by my predecessors and devise strategies and action plans for providing new dimensions to the profession of Company Secretaries, in the current business environment evolving out of highly contestable market dynamics.*

*My predecessors have set high expectations in the minds of stakeholders through their commendable performance. I undertake to come upto the expectations of the stakeholders with the various initiatives in the changing environment. The task is enormous and calls for proactive approach, spirit of excellence, healthy debate on vital issues and above all, collective wisdom and coordinated team work. I seek your indulgence, guidance and support in building upon the excellent work already done for the healthy growth and development of the profession. I assure you that I will use best of my time and energy to keep up to the expectations and faith and trust reposed in me.*

*Members are the custodian of goodwill and reputation of the profession. The better are the*

# From the President



*opportunities, the more there would be space to showcase the knowledge, the expertise and the efficiency to our stakeholders. It will, therefore, be my endeavor to pursue the Government and the regulatory authorities to carve out new areas for our members, both in employment and in practice.*

*Students are the backbone of the sustained growth and goodwill of the profession, and their capacity building to nurture them to meet the challenges of ever evolving dynamic business environment is a duty cast upon us. In that context, providing a contemporary syllabus, strengthening of training structure and creating more infrastructure will be on the top of agenda during the year. It will be my endeavour to ensure that our young Professionals are well equipped to face the challenges of changing business expectations with confidence.*

*The Syllabus Review Committee has already formulated the syllabus for Foundation Programme, Executive Programme and Professional Programme. The Council has approved and implemented the new syllabus for Foundation Programme w.e.f. February 1, 2012. The first examination for Foundation Programme under the new syllabus would be held from December, 2012 session under the Optical Mark Recognition (OMR) system. There will be no negative marking under OMR System. It has also been decided that the students pursuing Foundation Programme under existing syllabus would be given option to change over to new syllabus without any exemption. Students would be provided two attempts to complete the Foundation Programme under the existing syllabus unless they switch-over to the new syllabus. The first examination for Foundation Programme under new syllabus will be held in two days, each day having two sessions of two hours, and the last examination for Foundation Programme under the existing syllabus would be in June, 2013. The Council has discontinued the requirement of Coaching Completion Certificate for Foundation Programme under new syllabus.*

*The Council of the Institute has approved in principle the new syllabus for Executive Programme and Professional Programme and*

*decided to publish the same as Exposure Draft soliciting views and suggestions from members, students and all other stakeholders. The Exposure Draft is available on the website of the Institute. I invite all of you to send to the Institute your considered views and suggestions on the proposed syllabus for Executive and Professional Programmes, on or before February 29, 2012.*

*Efforts at institution building and strengthening of infrastructure at Regional and Chapter level would continue to receive added emphasis, as it is imperative to enhance the visibility and to provide value added services to students and members to maintain the growth momentum of the profession.*

*The influence and the high purpose of our profession is being recognized and appreciated not only in India but across the border. The Institute has been actively engaged in creating brand 'CS' across the jurisdictions through engagement and interface with its counterparts abroad. First, the International Federation of Company Secretaries (IFCS) and now the Company Secretaries International Association (CSIA) is the recognition of our efforts towards internationalization of profession of Company Secretaries. You are aware the Institute has been making constant efforts towards creation of new sub-head for company/corporate secretaries services under Services Sectoral Classification of WTO. Much of the headway has been made, yet we have a long way to go to achieve the desired purpose. I wish to assure all of you that I will leave no stone unturned to achieve our long cherished goal.*

*Let us look forward to a fruitful year ahead.*

With kind regards,

Yours sincerely,

New Delhi  
January 31, 2012

(CS. NESAR AHMAD)  
president@icsi.edu



**Dr K. R. Chandratre, FCS**  
Practising Company Secretary  
Pune.

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## Insider Trading: Duties of Insiders and Company Secretary



Insider trading is an evil by which any stock market is infected to cause grave damage to the common investor. It erodes the confidence of the investor and undermines its credibility. Duties of the insiders as well as the company secretary are outlined here.

An International investment expert as reported by Associated Press from New York, Raj Rajaratnam, the hedge fund billionaire at the center of the biggest insider-trading case in U.S. history, was sentenced recently for 11 years the stiffest punishment ever handed out for the crime. "His crimes and the scope of his crimes reflect a virus in our business culture that needs to be eradicated," U.S. District Judge Richard J. Holwell said, "Simple justice requires a lengthy sentence."

The judge called it "an assault on the free markets that are a fundamental element of our democratic society. There may not be readily identifiable victims, but when the playing field is not level, the integrity of the marketplace is called into question and the public suffers."

Now it is the turn of Rajat Gupta, who will face trial

on the charge of tipping Rajaratnam insider information concerning some listed companies, which is an offence of equal scale. It was said by an international investment expert a few years ago that in the Indian capital market most listed companies' securities are traded on the basis of information which is not on the public domain and in many cases promoters or people in control of management themselves indulge, directly or indirectly, in insider trading.

### The evil of insider trading

Insider trading causes injury or detriment to those who do not possess such information and therefore do not and cannot deal in the securities of the company to which the information relates. Insider trading, as it involves misuse of confidential information, is unethical amounting to breach of fiduciary position of trust and confidence. The misuse of inside unpublished information is bad for several reasons, such as-

- a) it involves taking a secret, unfair advantage;
- b) it gives rise to potential conflicts of interests in which the company's best interest may wrongfully take second place to insider's self-interest; and
- c) it brings the market into disrepute and may be a disincentive to investment.

In Lord Lane's view, the rationale behind the prohibition on

\* Past President, The Institute of Company Secretaries of India.



insider trading is "the obvious and understandable concern.....about the damage to public confidence which insider dealing is likely to cause and the clear intention to prevent so far as possible what amounts to cheating when those with inside knowledge use that knowledge to make a profit in their dealing with others."<sup>1</sup>

Insider trading is an evil by which any stock market is infected to cause grave damage to the common investor. It erodes the confidence of the investor and undermines its credibility. It is often said that insider trading is not as rampant in any other stock market in the world as in the Indian market. To remedy the malady of insider trading, the Regulations provide for various measures. In particular, the Regulations render insider trading a criminal offence in certain circumstances, punishable under the SEBI Act. The Regulations also clothe the SEBI with the powers of investigation to unearth and prove the crime of insider trading, though the task is very arduous. All listed companies in India are affected by the Regulations but any person or a company outside India may also be affected by the Regulations when

such person is accused of insider trading.

Owing to its non-public and precise nature and its ability to influence the prices of financial instruments significantly, inside information grants the insider in possession of such information an advantage in relation to all the other actors on the market who are unaware of it. It enables that insider, when he acts in accordance with that information in entering into a transaction on the market, to expect to derive an economic advantage from it without exposing himself to the same risks as the other investors on the market. The essential characteristic of insider dealing thus consists in an unfair advantage being obtained from information to the detriment of third parties who are unaware of it and, consequently, the undermining of the integrity of financial markets and investor confidence. [ See *Spector Photo Group NV and another v. Commissie voor het Bank Financie - en Assurantiewezen* [2010] Bus LR 1416.]

## What is 'insider trading'?

In simple terms, insider trading implies illegal buying and selling of shares based on privileged information, which is known only to a few who belong to a limited circle of 'insiders' in a company. Insider is a person in possession of corporate information not generally available to the public, as a director, an accountant, or other officer or employee of a corporation. This is clearly dealing in company securities with a view to making a profit or avoiding a loss while in possession of information that, if generally known, would affect their price. The information is, of course, 'price-sensitive' as it is likely to have an impact on the market price of the share. A classic exposition of the concept of insider trading is to be found in a White Paper that was prepared in the UK in 1977 on the Conduct of Company Directors. That type of conduct was not then subject of any legal sanctions, although it was causing serious concern in the country. The White Paper stated:

Insider trading causes injury or detriment to those who do not possess such information and therefore do not and cannot deal in the securities of the company to which the information relates. Insider trading, as it involves misuse of confidential information, is unethical amounting to breach of fiduciary position of trust and confidence.

1] *Attorney General's Reference No. 1 of 1988* (1988) BCC 765: (1989) 3 WLR 195: (1989) 2 CLA 101 (CA) affirmed by the House of Lords as reported at (1989) BCC 625. *Attorney General's Reference (No 1 of 1988)*, [1989] 2 A11 ER 1



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Insider Trading: Duties of Insiders and Company Secretary

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"Insider dealing is understood broadly to cover situations where a person buys or sells securities when he, but not the other party to the transaction, is in possession of confidential information which affects the value to be placed on those securities. Furthermore the confidential information in question will generally be in his possession because of some connection which he has with the company whose securities are to be dealt in (e.g. he may be a director, employee or professional adviser of that company) or because someone in such a position has provided him, directly or indirectly, with the information. Public confidence in directors and others closely associated with companies requires that such people should not use inside information to further their own interests. Furthermore, if they were to do so, they would frequently be in breach of their obligations to the companies, and could be held to be taking an unfair advantage of the people with whom they were dealing."

Insider trading is a systemic way of hoodwinking the common investors by the misuse of inside information by the privileged few. It not only involves taking a secret, unfair advantage of the inside information for persons gain, but also gives rise to potential conflicts of interests in which the company's best interest may wrongfully take second place to the insider's self interest. Moreover, it brings the market into disrepute and may be a disincentive to investment.

Insider trading occurs where an individual or organization buys or sells securities while knowingly in possession of some piece of confidential information which is not generally available and which is likely, if made available to the general public, to materially affect the price of these securities. For example, there is insider trading where a company director knows that the company is in a bad financial condition and sells his shares in it knowing that in a few days time this news will be made public together with an announcement of a cut in dividend payment. Likewise, the director would be charged with insider dealing if, on being informed before it was

generally known by the public, that the company has discovered oil or gold on its own land, he bought more shares in the company in the not unrealistic expectation of an increase in their market value as a result of the subsequent public announcement.

An insider who knows that the company is in a financial mess may sell the company's shares knowing that shortly there will be a public announcement of the news. Similarly, a company director who is aware that the company has bagged a huge export order may buy more shares in anticipation of a rise in the price of the shares.

Recently, the Court of Justice of the European Union held in *Spector Photo Group NV and another v. Commissie voor het Bank Financie-en Assurantie- en Verzekering* [2010] Bus LR 1416, that "the purpose of the prohibition (of insider trading) is to ensure equality between the contracting parties in stock-market transactions by preventing one of them who possesses inside information and who is, therefore, in an advantageous position *vis-à-vis* other investors, from profiting from that information, to the detriment of those who are unaware of it." Earlier, in the Advocate General's Opinion in the case, it was said:

"... the prohibition on insider dealing imposed by the directive is intended to ensure the integrity of ... financial markets and thus to enhance investor confidence in those markets. ... A functioning integrated financial market requires the legitimate expectation of economic actors in full and proper market transparency. It is necessary to guarantee equality of opportunity and to prevent individual market actors being given preferential treatment through the use of inside knowledge to the detriment of the other market actors."

## Regulation of insider trading in the US

Most countries have now recognized insider trading to be objectionable. The first country to tackle it effectively was the USA. The Securities Exchange Act of 1934 imposes statutory curbs on insider trading, requiring public disclosure of insiders' transactions in the shares and providing for recovery of 'shortswing' profits made by them. The Act provides measures for protection of investors against sharp practices and fraudulent schemes by insiders in making short-term,





speculative profits. A corporation or issuer of a registered security can recover all profits realized by an insider, by unfair use of information, which he may have obtained by reason of his relationship to the issuer, from any purchase and sale or *vice versa* of the security, within a period of 6 months. The federal court determines the quantum of compensation to the injured shareholder.

One of the best-known cases of insider dealing in the UK concerned an adviser to a company involved in a takeover. [*SEC v. Collier*]. Mr. Collier was head of securities at City of London finance house Morgan Grenfell, which had been retained by a client to advise on a takeover bid. When the bid was about to be launched, Mr. Collier arranged the acquisition in London, on his own behalf, of shares of the target company. He did so through a company registered in the Cayman Islands prior to the announcement of the bid. He was subsequently convicted on pleading guilty to insider dealing, his prison sentence of twelve months being suspended for two years. He was fined £ 25,000, ordered to pay £7,000 in costs and was subsequently also expelled from membership of the Stock Exchange in London. Apparently, he only stood to profit in the amount of £15, 000 a result of what he did.

Another example, which achieved greater notoriety, involved Ivan Boesky who worked as a risk *arbitrageur* in the USA. Risk *arbitrageurs* became prevalent in the last decade. They would acquire holdings of shares in companies in the hope that the market value of those shares would rise enabling them to turn a tidy profit on the disposal of the shares. A common scenario might again have involved the acquisition of shares in a company in anticipation of a takeover. If the takeover went ahead, the *arbitrageur* could either dispose of his shares or, alternatively, retain them in the hope of exercising influence over the company following the takeover. Ivan Boesky was very active in this area. In corporate terms, he was often in the right place at the right time and many thought this was due to his superior market analysis. However, subsequently, in many cases it turned out to be due to the receipt of inside information from a number of informants. Boesky was convicted and sentenced to imprisonment for three years. He also paid over \$100 million in settlement to the Securities and Exchange Commission in the USA. Approximately half that amount represented a fine while the other half represented the return of ill-gotten gains. Mr. Boesky is alleged to have made a minimum profit from insider dealing of \$ 50 million over a period of five years or so. It was reported at the time that Mr. Boesky's estimated profit was in the region of \$200 million.

In *Texas Gulf Sulphur Co.* case, a test hole drilled by Texas Gulf Sulphur Company in Ontario indicated a high copper and zinc concentration. Several of company's employees who knew this discovery and their friends began to buy large quantities of the company's stock and, thereupon the company's management issued a press note stating that the rumors of the discovery were exaggerated and stated that they were possibly misleading. Subsequently the news about

the success of the hole drilling became widespread and the price of the stock soared to more than double their price which prevailed before the success of the extremely profitable hole drilling operations came to the knowledge of the general body of shareholders and the investing public. The Court of Appeal held that the directors and insiders were liable to refund to the company the profits made by them and they were also liable in damages to the parties who had suffered loss. The press note issued by the management to the effect that the rumors were exaggerated and misleading was also held to be false on the facts admitted or proved.

## Regulation in EU

The relevant provision in the European Union Directive on insider trading provides: "Any person who possesses inside information is prohibited from using that information by acquiring or disposing of, or trying to acquire or dispose of, for his own account or for the account of a third party, either directly or indirectly, the financial instruments to which that information relates or connected financial instruments."

## SEBI's anti-insider trading regulations

It is undeniably indisputable that only a prohibition on insider dealing which is effectively enforceable in practice can

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guarantee the functioning of the financial markets in the best way possible. Only if the prohibition on insider dealing allows infringements to be effectively sanctioned does it prove to be powerful and encourage compliance with the rules by all market actors on a lasting basis.

In India, by the Securities and Exchange Board of India (Insider Trading) Regulations, 1992 ("the Regulations"), the SEBI has attempted to give a concrete shape, by a legislative measure, to one of the specific functions which section 11 of the Securities and Exchange Board of India Act, 1992 ("the SEBI Act") requires SEBI to discharge.



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Insider Trading: Duties of Insiders and Company Secretary



Where a person is an insider as per the criteria discussed below, he will be affected by the prohibitions contained in Regulation 3, which is the key provision for prohibition on insider trading and creating it an offence punishable, on conviction, under section 24 of the SEBI Act.

## What is prohibited?

**Dealing:** The objective of the Regulations is banning insider trading. Regulation 3 contains the main provision in this regard. It prohibits an insider from dealing in listed securities when he possesses any unpublished price sensitive information (UPSI). It provides that no insider shall either on his own behalf or on behalf of any other person, deal in securities of a company listed on any stock exchange when in possession of any unpublished price sensitive information.

The expression 'when in possession of any unpublished price sensitive information' when read with the expression 'no insider shall deal in securities' indicates that merely having knowledge of UPSI while dealing in securities is enough to charge a person with the wrong of insider trading; actually using the UPSI for or in relation to dealing in securities is not necessary to be proved.

The expression 'dealing in securities' is defined as an act of subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in any securities by any person either as principal or agent.

**Tipping:** The prohibition under Regulation 3 doesn't end there; it has one more limb in its clause (ii). It also bans communication, counselling and procuring, directly or indirectly, any UPSI to any person and also restrains such person, while in possession of UPSI from dealing in securities. Communication of UPSI in the ordinary course of business or under any law is, however, not forbidden.

Insider trading occurs not only when a person in possession of UPSI deals in the company's securities; it also occurs when such a person tips or communicates UPSI to another person. Thus, it is

a crime to tip UPSI as much the same as dealing in securities. Communication denotes the act of imparting or transmitting. To communicate means to transmit, pass on, transfer, impart, convey, relay spread, disseminate, make known, publish, broadcast, announce, report, divulge, disclose, let others know etc. To 'counsel' means to advise somebody to do something; to give professional advice to somebody; recommend; give one's opinion or suggestion. To 'procure' means to obtain; to persuade or cause somebody to do something; to cause something to happen. An insider who counsels or procures some other person and that person deals in securities, such person will be guilty of contravention of this prohibition if the latter deals in securities.

Communication/counselling/procurement by an insider of any unpublished price-sensitive information to any person, whether he (the insider) has been requested to furnish such information or not, will amount to contravention of the Regulations. Communication/counselling/procurement may be written or verbal. It should be noted that communication/counselling/procurement of the information by an insider to any other person even without the latter asking for it would be sufficient to bring the insider within this prohibition. In such a case the person to whom the information has been communicated/counselled/procured may also become insider and if he deals in the securities of the company to which such information relates, while in possession of such information, the prohibition under clause (ii) shall apply.

While the person who communicates/counsels/procures information must be an insider, the person to whom information is communicated/counselled/procured need not be an insider; consequently he need not be a 'connected person' or a 'person who is deemed to be connected' with the company within the scope of the definitions of those expressions. The recipient of information who deals in securities while in possession of the information acquired by him will be liable for action, regardless of whether he is an insider or not.

At first sight, one might think that the prohibition under sub-clause (ii) applies even to a pure and simple case of, *inter alia*, communication of unpublished price sensitive information by an insider to another person (including a company or other body corporate), without anything more. It is, however, doubtful whether mere communication of unpublished price sensitive information, without anything more, would give rise to the case of insider trading, for the essence of insider trading is make use of inside information for dealing in securities, either by the person who obtains any unpublished price sensitive information.

Sub-clause (ii) ends with the words "who while in possession of such unpublished price sensitive information shall not deal in securities." These words are very crucial and decisive as to whether communication of unpublished price sensitive information by an insider attracts the prohibition under Regulation 3(ii) and creates a liability for contravention thereof. The prohibition under Regulation 3(ii), in so far



communication of information is concerned, cannot apply to the case of mere communication of unpublished price sensitive information. For that, the condition stipulated in the concluding portion of the said Regulation, which is a *sine qua non*, has to be satisfied. In other words, even if an insider of a listed company communicates certain unpublished price sensitive information to another person and that other person merely keeps such information in his custody and does nothing more, that alone would not bring the case within the ambit of the prohibition under Regulation 3(ii). It needs something more, and it is the dealing in securities of the concerned listed company while that person is in possession of unpublished price sensitive information. The expression "deal in securities" is defined in clause (d) of Regulation 2, which has already been considered earlier.

**Who is 'insider'?:** Under Regulation 2(e), any person who, is or was connected with the company or is deemed to have been connected with the company, and who is reasonably expected to have access to UPSI in respect of securities of a company, or who has received or has had access to such unpublished price sensitive information, is 'insider'. It will be noticed from this definition that an 'insider' must be a connected person. The expression 'connected person' is defined as follows:

Regulation 2(h) defines the expression 'connected person' and it embraces in its ambit directors, officers or employees of the company and every person who holds a position involving a professional or business relationship between himself and the company whether temporary or permanent and who may reasonably be expected to have an access to unpublished price sensitive information in relation to that company.

According to the Explanation appended to the above definition, any person who has been a connected person (according to the above definition) for a period of six months prior to an act of insider trading is also to be treated as connected person.

Certain persons are deemed to be connected persons and there is a list of such persons in Regulation 2(h).

## Offence of insider trading and *mens rea*

The expression *mens rea* (criminal intent) is variously described, such as guilty mind, blameworthy mind, criminal intention, evil intent, guilty or wrongful purpose etc. *Mens rea* is one of the essentials of a crime. It means 'criminal intent', that is the essential mental element that in theory has to be proved for all crimes, although in practice some statutory offences are crimes of absolute liability, regardless of criminal intent. Every crime requires a mental element. Even in strict or absolute liability some mental element is required. *Mens rea or actus non facit reum nisi mens sit rea* (the intent and act must both concur to constitute the crime; the act itself does not make a man guilty unless his intention were so or his mind is also guilty) is considered a fundamental principle of penal liability.

Under the SEBI Regulations it is not necessary to prove that the insider was knowingly connected with the company or he knowingly indulged in insider trading. It would therefore *prima facie* seem that *mens rea* is not an essential ingredient of the offence of insider trading. Consequently, a person may be convicted of the offence regardless of whether he has committed it knowingly, deliberately or intentionally. He would be liable to be convicted and punished once it is established that he is an insider within the scope of the SEBI Regulations and, further, that he has committed any one of the three acts prohibited by regulation 3. Thus, it will not be necessary to establish *mens rea*, although it will be necessary to establish that the insider did any of the prohibited acts on the basis of unpublished price-sensitive information. There are no words suggesting the requirement of *mens rea*.

## Investigation

Chapter III of the SEBI Regulations, contains provisions regarding SEBI's powers of investigation into insider trading and matters incidental thereto. In UK the provisions concerning such investigation are contained in sections 177 and 178 of the Financial Services Act, 1986. The SEBI Act contains no provisions on this subject, nor does it confer on SEBI or any other authority, even general powers of investigation or the power to appoint inspectors or investigators. The powers conferred on SEBI, and on the investigators appointed by it, are nothing different from the powers of search, (although regulation 7(2) euphemistically uses the expression "*reasonable access to premises*") interrogation, examination on oath, etc. but they do not have the necessary statutory backing as is found in all those statutes which confer such powers on the authorities constituted thereunder.

The SEBI Regulations in regard to investigation are distinct from the UK law in one respect. Under section 177(1) of the Financial Services Act of UK the Secretary of the State is empowered to appoint one or more competent inspectors to carry out such investigations as are requisite to establish whether or not any contravention of the provisions of the Company Securities (Insider Dealing) Act has occurred, and

Under the SEBI Regulations it is not necessary to prove that the insider was knowingly connected with the company or he knowingly indulged in insider trading. It would therefore *prima facie* seem that *mens rea* is not an essential ingredient of the offence of insider trading.



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Insider Trading: Duties of Insiders and Company Secretary

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to report the results of their investigations to him, and the inspectors so appointed are entitled to require "any person", whom they consider to be able to give information concerning any such contravention, to produce documents, to attend before them and otherwise give all assistance in connection with the investigation.

As opposed to this, under the SEBI Regulations, the investigation cannot go beyond an insider and, in certain respects, his associates as specified in regulation 7. The investigator cannot require 'any person' to do any of the things mentioned in regulation 7.

In terms of regulation 5, the power of investigation may be invoked by SEBI for the following two purposes:

- a) to investigate into the complaints received from investors, intermediaries or any other person on any matter having a bearing on the allegations of insider trading; and
- b) to investigate *suo-motu* upon its own knowledge or information in its possession to protect the interest of investors in securities against breach of these regulations.

The SEBI may appoint an investigating authority where it has ordered investigation under this Regulation. Before ordering an investigation the SEBI must form an opinion that it is necessary to investigate and inspect books of account, other records and documents of an insider for any of the aforesaid purposes. Such formation of the opinion must be based on "written information in its possession". Thus, to be in possession of written information leading to the formation of the opinion is the *sine qua non* for ordering an investigation.

An investigation may be ordered to be conducted by an investigator, either *suo motu* i.e., upon its (SEBI's) own knowledge or information or upon receiving a complaint of facts which constitute contravention of the Regulations, if

SEBI is of opinion that there are circumstances suggesting that there has been a contravention of the Regulations. Regulation 5 is unclear and ambiguous.

The SEBI's Regulations on insider trading appear to have been made in a hurry and haste. They are overdue comprehensive review and revision for they are inadequate to effectively deal with the menace of insider dealing. There is indeed a need to have a separate statute on this subject. If not, at least the SEBI Act should be amended to insert a Chapter dealing with the subject, backed by more teeth to SEBI. But what really is required is to deal harshly with those who are responsible to spread the evil of insider trading. Corporate governance codes alone cannot eradicate this plague, not surely in the Indian capital market.

## Company Secretary's Duties

Company secretaries of listed companies are in almost all cases compliance officers under the Insider Trading Code recommended by SEBI under the Regulations. There are several compliances of administrative nature that a company secretary has to ensure compliance with in order to get the Code implemented in the company. The company secretary is, however, responsible not only for implantation of the Code, but also for creating awareness among the people in and outside the company who have or likely to have access to UPSI to make it known to them the SEBI Regulations and the Code and dissuade them from indulging in insider trading or tipping insider information to other people.

The definition of 'insider' under the Insider Trading Code is very wide which is not contemplated by the SEBI's model Code. It need not include persons who are not directors/officers/designated employees of the Company. The definition of 'insider' as given in the SEBI Regulations need not be adopted and incorporated in the Code because that definition is very wide and covers many people who are not (and not expected to be) covered by the Code. For example, if under the company's Code all insiders are required to report certain details relating to the company's securities to the company, this will be almost impossible to be implemented and, moreover, the Code doesn't apply to outsiders. The Code is for the company's directors, officers and few selected employees (called 'designated employees') who are expected to be governed by the Code.

However, making people connected with the company (directly or indirectly) about the SEBI Regulations and consequences of breach is an important duty of company secretary as a compliance officer.



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# Refreshing Revisions in Schedule VI

The Revised Schedule VI has introduced several new concepts and disclosure requirements for financial reporting and it has also done away with several redundant statutory disclosure requirements. This article is intended to discuss some of the key changes proposed in the Revised Schedule VI, its implications and the related background.

## INTRODUCTION

India is a unique country where the Government stipulates and defines the format for the financial reporting for corporates though in an international arena, generally, no defined format for financial reporting is suggested by the Regulators. Schedule VI of the Companies Act, 1956 which defines the financial reporting framework for Indian companies has been amended last year by the Government vide Notification dated 28 February 2011 which is applicable for the financial statements prepared for all financial periods beginning on or after 1 April 2011.

The Revised Schedule VI has been framed as per the existing non-converged Indian Accounting Standards notified under the Companies (Accounting Standards), Rules, 2006 and has no direct connection with the converged Indian Accounting Standards. This comprehensive revision in the Schedule VI has come after a long time and was infact overdue.

## GLOBAL ACCOUNTING ENVIRONMENT

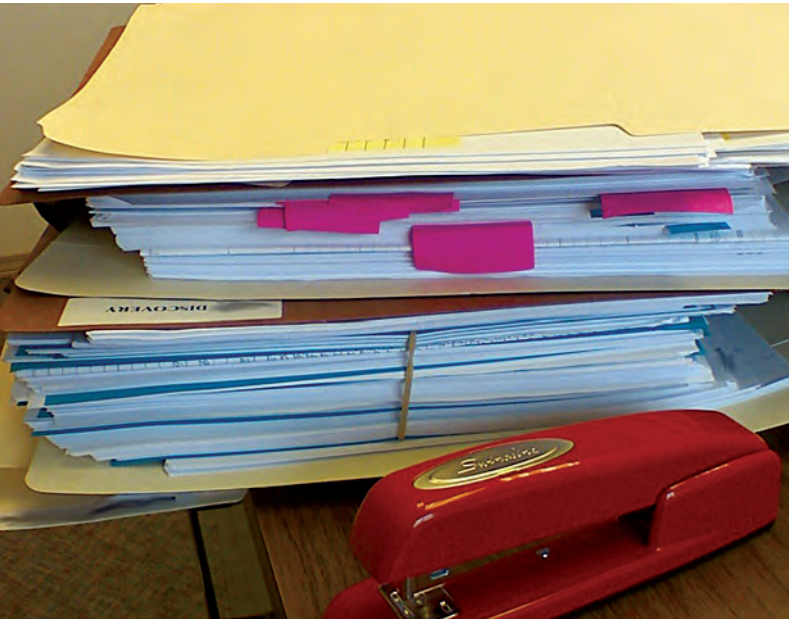
The Global Accounting Environment in the recent past has taken a new dimension with emphasis on the "Theory of Transparency" necessitating more and more disclosures in the financial statements of Corporates. Needless to add that the extent of disclosures in the financial statements needs to take into account the business sensitivities and there should be a fine balance between the disclosure requirements to facilitate greater transparency *vis-à-vis* business confidentiality and the need for maintaining the cutting edge in a cut throat competitive environment. The changes made by the Government in the Schedule VI have attempted to maintain this balance. Hence, though on the one side, new





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Refreshing Revisions in Schedule VI



disclosure requirements have been mandated, on the other end, certain information which was required to be mandatorily disclosed in the financial statements in the past has been done away with. In addition, several procedural relaxations have also been made in the recent past relating to certain disclosure items which simplifies the process of taking decisions as regards disclosures based on the "principle of self-evaluation".

## FUNDAMENTAL CHANGES MADE IN REVISED SCHEDULE VI

The key and fundamental changes that dictate the format / disclosure requirement of financial reporting under the Revised Schedule VI are given below:

### Acceptance of the Supremacy of Accounting Standards and Companies Act

The most important change in the Revised Schedule VI is defining the authority level for the disclosures. It has categorically spelt out that the disclosure requirements of the Accounting Standards and the provisions of the Companies Act would prevail and, hence, the additional disclosures / modifications to the Revised Schedule VI as may be required on account of the same would be applicable and the Schedule VI would stand modified to that extent automatically. Further, it clearly states that for the purposes of the Revised Schedule VI, the terms used therein will carry the meaning as defined

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by the applicable Accounting Standards. This is a significant change in the mind set / approach wherein the supremacy of the Accounting Standards and the provisions of the Companies Act has been clearly accepted/established.

### Aligning the Financial Statements Presentation as per Global Expectations

As per the earlier Schedule VI, the break-up of amounts disclosed in the main Balance Sheet and Profit and Loss Account was given in the form of Schedules and only additional information, wherever required, was furnished in the Notes to Accounts. The Revised Schedule VI has eliminated the concept of Schedules and such information will now be provided in the Notes to Accounts. This is in line with the practice followed under global financial reporting. It also stipulates that all the information relating to a particular item of Balance Sheet and Profit and Loss Account disclosed in the notes is required to be cross-referred to that item on the face of the Balance Sheet/ Profit and Loss Account.

### Setting the Tone for Disclosure Expectations

The expectations of the disclosure requirements of the financial statements are clearly spelt out in the Revised Schedule VI. It categorically states that the stipulated disclosures on the face of the financial statements or in the notes represent the minimum requirements/expectations only and the entities have to consider the requirements of Industry, Sector, Accounting Standards, Companies Act etc. for additional/modified disclosure on the face of the financial statements.

### Clarity in Formats/Presentation

The erstwhile Schedule VI did not provide any format for the presentation of the Profit and Loss Account, though it provided a format for the Balance Sheet. Part II of Schedule



contained only requirements relating to the Profit and Loss Account. This dichotomy in the approach has been removed in the Revised Schedule VI wherein a stipulated format has been presented for the Profit and Loss Account as well to make sure that the intention of setting the basic disclosure expectation is fulfilled in totality.

Similarly, as per the erstwhile Schedule VI, both horizontal and vertical forms were allowed for presenting the Balance Sheet defeating in a way the ultimate objective of ensuring standardized presentation of the financial statements. This has been addressed in the Revised Schedule VI, wherein, only a vertical form of the Balance Sheet has been specified.

Further, there is an explicit requirement in the Revised Schedule VI to use the same unit of measurement with respect to the figures uniformly throughout the financial statements.

## Current v. Non-Current Classification

As per Revised Schedule VI, Assets and Liabilities are to be bifurcated into Current and Non-Current and are to be shown separately. Hence, Net Working Capital will not be appearing in the Balance Sheet. This is a significant change as regards the presentation of the items in the Balance Sheet keeping in mind the principle of liquidity which is also in line with the global financial reporting framework.

## Drastic Disclosure Shifts in Presentation of Certain Items

There are certain drastic disclosure shifts in the financial statements which are indicated in the Revised Schedule VI. Some of the key ones are highlighted below:



## Presentation of Proposed Dividend

As against the previous requirement of making an adjustment to the financial statements for the proposed dividend, the new Schedule VI stipulates that the proposed dividend needs to be disclosed in the Notes to Accounts as a commitment.

## Presentation of Debit Balance in Profit and Loss Account

In Schedule VI earlier the accumulated debit balance in the Profit and Loss Account was required to be disclosed separately in the Balance Sheet. However, as per Revised Schedule VI, debit balance in the Profit and Loss Account needs to be shown as a negative figure under the head Surplus. Therefore, Reserves and Surplus can have a negative balance.

## Presentation of Profit and Loss Appropriation Account

Opening surplus, proposed dividend and transfer to/from reserves were shown in the Profit and Loss Appropriation Account under the earlier Schedule VI. However, the Revised Schedule VI stipulates that transfer from/ to reserves have to be shown under the heading Reserves and Surplus only. Hence, there is no requirement for presenting a separate Profit and Loss Appropriation Account.

## NEW / ADDITIONAL DISCLOSURES IN THE FINANCIAL STATEMENTS

The Revised Schedule VI has introduced a number of additional disclosures. Some of the key disclosures are as under:

### Shareholders' Funds

- ◆ Separate disclosure of Money Received Against Share Warrants
- ◆ Number of shares held by each shareholder in excess of 5 % together with their names
- ◆ Number of bonus shares/ shares allotted without payment being received in cash/ shares bought back during the 5 years immediately preceding the date of the Balance Sheet
- ◆ Rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital

### Reserves and Surplus

- ◆ Share Option Outstanding Account to be shown under Reserves and Surplus



# Articles

Refreshing Revisions in Schedule VI



## Borrowings - Long Term & Short Term

- ◆ Long term borrowings to be shown under non-current liabilities and short term borrowings to be shown under current liabilities with separate disclosure of secured / unsecured loans
- ◆ Current maturities of long-term debt, interest accrued and due on borrowings and interest accrued but not due on borrowings to be shown under Current Liabilities
- ◆ Terms of repayment of loans
- ◆ Period and amount of continuing default as on the Balance Sheet date in repayment of loans and interest, shall be specified separately in each case
- ◆ Loans and advances taken from related parties

## Fixed Assets

- ◆ Fixed assets to be shown under non-current assets and to be bifurcated in to Tangible and Intangible assets.
- ◆ Intangible assets under development

## Investments

- ◆ Current and non-current investments are to be disclosed separately under current assets and non-current assets, respectively
- ◆ Under each class of investment, details regarding names of the bodies corporate, indicating separately whether such bodies are (i) subsidiaries, (ii) associates, (iii) joint ventures, or (iv) controlled special purpose entities, in whom investments have been made and the nature and extent of the investment made in each such body corporate (showing separately partly-paid investments)
- ◆ Regarding investments in the capital of partnership firms, the names of the firms with the names of all their partners, total capital and the shares of each partner

- ◆ Aggregate provision for diminution in value of investments (separately for current and non-current investments)

## Current / Non - Current Assets

- ◆ Stock-in-trade (in respect of goods acquired for trading purposes) separately from other finished goods
- ◆ Goods in transit under relevant sub-head of inventories
- ◆ Trade receivables. The term "Trade receivables" is defined as dues arising only from goods sold or services rendered in the normal course of business. Hence, amounts due on account of other contractual obligations, which were earlier included under sundry debtors, can no longer be included in the trade receivables
- ◆ Aggregate amount of trade receivables outstanding for more than six months from the date they became due to be shown separately as against the past requirement of disclosing debtors outstanding for more than six months from the invoice date
- ◆ Long term trade receivables (including trade receivables on deferred credit terms) to be shown under Other Non-Current Assets
- ◆ Cash and cash equivalents
- ◆ Loans and advances provided to related parties - Long term and short term
- ◆ Capital advances to be shown under the head 'long term loans and advances'
- ◆ Security deposits to be disclosed as long term loans and advances under the head non-current assets

## Current / Non - Current Liabilities

- ◆ Trade payables
- ◆ Short term provisions and long term provisions providing details of provision for employee benefits and others
- ◆ Income received in advance

## Statement of Profit and Loss

- ◆ In respect of companies other than finance companies, revenue from operations need to be disclosed separately as revenue from (a) sale of products, (b) sale of services and (c) other operating revenues
- ◆ Any item of income / expense which exceeds one per cent of the revenue from operations or Rs. 1,00,000, whichever is higher, to be disclosed separately
- ◆ Expenses in the Statement of Profit and Loss to be classified on the basis of Nature of Expenses
- ◆ Expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP) to be shown separately as part of Employee Benefits expense
- ◆ Net exchange gain/loss on foreign currency borrowings to the extent considered as an adjustment to interest cost needs to be disclosed separately as a finance cost
- ◆ Finance cost shall be classified as interest expense, other borrowing costs and gain / loss on foreign currency transaction and translation



- ◆ Exceptional and extraordinary items need to be disclosed separately on the face of the Statement of Profit and Loss. The details of the same as also of any prior period items should be disclosed in the Notes to Accounts
- ◆ Profit / loss before and after tax from discontinuing operations and the tax expense from discontinuing operations need to be disclosed separately on the face of the Statement of Profit and Loss

## Miscellaneous

- ◆ In the erstwhile Schedule VI, details of capital commitments were required to be disclosed Under the Revised Schedule VI, all commitments need to be disclosed
- ◆ Disclosure requirements relating to break-up in terms of quantitative disclosures for significant items of Profit and Loss Account such as raw material consumption, stocks, purchases and sales have been simplified and replaced with the disclosure of Purchases, Sales, Consumption of Raw Materials, Gross Income from Services and Work in Progress under "broad heads" only. The determination and identification of such broad heads needs to be done based on materiality and presentation of true and fair view of the financial statements

## DROPPED DISCLOSURES

### 1. Part IV Balance Sheet Abstract and Company's General Business Profile

Part IV of the erstwhile Schedule VI comprising details of company registration number, capital raised, Balance Sheet details, products etc. which was required to be attached to the financial statements is no longer required under the Revised Schedule VI. Consequent to E-Filing of financial statements and the availability of all the required information in the Balance Sheet and the Profit and Loss Account, Part IV is a redundant requirement, which has been rightfully removed in the Revised Schedule VI.

### 2. Managerial Remuneration

Disclosure requirements related to Managerial Remuneration/Commission along with the detailed calculation under section 198 of the Companies Act has been removed from Schedule VI. This is also in line with the procedural liberalization initiatives already taken by the Government.

### 3. Tax Deducted on Interest, Royalty Received etc.

There is no need for disclosure relating to the amount of tax deducted on the amount of Interest, Royalty etc, as per the Revised Schedule VI.

### 4. Information relating to Licensed Capacity, Installed Capacity and Actual Production

Details relating to the licensed capacity of the entity, its installed capacity and the details of actual production in the case of manufacturing companies were required to be disclosed separately in the notes to the financial statements as per the Erstwhile Schedule VI which has been removed under the Revised Schedule VI.

### 5. Miscellaneous Item

Further, disclosure required as per the Erstwhile Schedule VI for the following items has been removed under the Revised Schedule VI:

- ◆ Details relating to Names / Balances/ Maximum Amount etc. in Non Scheduled Banks
- ◆ Information on Investments purchased and sold during the year
- ◆ Investments, Sundry Debtors and Loans & Advances pertaining to Companies under the Same Management.
- ◆ Commission, brokerage and non-trade discounts

## CONCLUSION

The extent of changes made in the Revised Schedule VI is path breaking and is in the right direction. Better/ Greater / Qualitative disclosures in the financial statements are the need of the hour and the Regulator has taken the right step in this direction. In the global environment where the disclosure is a dominant factor in the financial statements, greater and transparent disclosures in the financial statements are not only going to enhance the investors' confidence but also heighten the level of comfort amongst the international community. Though the changes in the disclosure requirements are not intended to address the IFRS considerations in totality, the Regulator has taken a right and bold decision in this front. The experience gained in implementation of the Revised Schedule VI would certainly help in fine tuning the disclosure requirements in future and enhancing the quality of the financial reporting framework. ■





# Articles

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## Issue of Bonus Shares by a Public Limited Listed Company A Practical Approach

Issue of bonus shares by a company involves a series of procedural compliances. Considerable and meticulous planning is also required. A checklist of relevant compliances is set out in this article.

A listed company proposing to issue bonus shares, among others, should comply with the guidelines given in Chapter XV of SEBI (Disclosure and Investor Protection) Guidelines 2009. The decision to issue bonus shares announced after the approval of Board of Directors of the company cannot be withdrawn. The company proposing to issue should not have defaulted in repayment of fixed deposits, payment of interest on fixed deposits, or debt securities. It should also have not defaulted in payment of statutory dues like contribution to P.F., gratuity etc., relating to employees. There should not be any partly paid shares.

If there are outstanding fully or partly convertible debt instruments provision should be made for issue of equity shares in the same ratio of bonus shares issue at the time of their conversion.

A company which does not require shareholders approval for capitalization of profits or reserves for making bonus issue as per the Articles of Association shall implement bonus issue within 15 days from the date of approval of the issue by the





Board of Directors of the company. Where the company is required to seek shareholders' approval for capitalization of profits or reserves for making bonus issue as per the Articles of Association of the company the bonus issue shall be implemented within two months from the date of the decision of the Board of Directors.

In view of the time limit, the bonus issue should be meticulously planned to complete the entire process in time. The time limit runs from the date of Board decision till the date of acceptance of bonus shares for listing in the Stock Exchanges. The issue of bonus shares requires frequently communicating with Stock Exchanges where the shares of the company are listed, Depositories with whom dematerialized shares are held and with the Share Registrar & Transfer Agent (RTA) for obtaining their consents or approvals at different stages. The suggested procedure is given step by step in chronological order.

1. Verify the availability of reserves /share premium amount for issue of bonus shares.
2. Verify the adequacy of authorized share capital for issue of bonus shares. If there is no sufficient authorized capital, the Article and the Memorandum of Association of the company has to be amended for making provision for issue of bonus shares.
3. Verify the availability of provisions in Articles of Association for capitalization of reserves and issue of bonus shares. If there are no such provisions the Articles of Association is required to be amended to include such provisions.
4. If the issue of bonus shares is included in the agenda for Board Meeting it should be informed to Stock Exchanges simultaneously while sending agenda to the Directors. No such intimation is required if not included in the agenda and considered at the Board Meeting instantaneously.
5. Immediately after the Board Meeting the decision of the Board on issue of bonus shares should be informed to the Stock Exchanges, Depositories and RTA. The information may include the ratio of bonus shares and the quantum of bonus shares proposed to be issued.
6. The resolutions required to be passed in the Board Meeting are (a) approval of bonus issue; (b) appointment of committee for issue of bonus shares (this will help to avoid calling Board Meetings for fixing of Record Date (RD) and for allotment of bonus shares) and (c) Notice to the shareholders calling EGM / AGM containing resolutions for approval by shareholders of bonus issue, increase in authorized capital and provision for capitalization of reserves for issue of bonus shares if required.
7. Post the Notice of EGM / AGM to the shareholders and Stock Exchanges 25 days before the meeting.
8. Hold EGM / AGM and pass the required resolutions. The

The issue of bonus shares requires frequently communicating with Stock Exchanges where the shares of the company are listed, Depositories with whom dematerialized shares are held and with the Share Registrar & Transfer Agent (RTA) for obtaining their consents or approvals at different stages.



outcome of EGM / AGM is required to be intimated to Stock Exchanges.

9. Hold the meeting of Committee of Directors for issue of bonus shares and fix the Record Date (RD) for issue of bonus shares and inform the same to Stock Exchanges, Depositories and RTA. While fixing RD it should be ensured to maintain time gap of 7 working days between the date of intimation and RD and 30 days between two book closures and /or RD. Fixing of RD for issue of Bonus Shares should be done only after the approval of bonus issue by the shareholders in AGM / EGM and it should not be done in anticipation of such approval as it is being done in the case of payment of dividend.
10. Submit application in the prescribed form to the Stock Exchanges for in-principle approval under Clause 24(a)



# Articles

Issue of Bonus Shares by a Public Limited Listed Company - A practical approach



of the Listing Agreement. Wherever required the processing fee should also be paid. Stock Exchanges give their approval for bonus issue in three stages (1) In-principle approval under Clause 24(a) of the Listing Agreement, (2) In-principle approval after the allotment and (3) Approval for listing of Bonus Shares. The first one is required for allotment of shares, second one to submit to the Depositories for corporate action and the last one for dealing in bonus shares in the Exchanges.

11. File Form No.23 for registration of resolutions passed at the AGM / EGM for approval of bonus issue and for amendment to Articles and Memorandum for enhancement of authorized capital etc.
12. File Form No. 5 for enhancement of Authorized Capital and pay requisite fee of ROC and also Stamp duty.
13. Inform record date along with other information as may be required by the Depositories. They require this information at least 10 days before the corporate action. Corporate action means the submission of file containing the information on bonus issue of shares for crediting bonus shares to the accounts of shareholders with them.
14. Obtain in-principle approval under Clause 24(a) of the Listing Agreement to proceed with the allotment of bonus shares.
15. On the record date the RTA should obtain trial balance of the shareholding from Depositories for dematerialized shares. They should also finalize the physical shareholding after posting all the transfer deeds received till the RD.

16. Reconcile the shareholding as per the trial balance with financial records. Allot the bonus shares at the approved ratio. Fractional share entitlements may be pooled and dealt separately. Prepare bonus shares allotment register.
17. Hold the meeting of Committee of Directors for issue of bonus shares and get approved the allotment of bonus shares.
18. Submit the prescribed application duly filled with necessary enclosures and filing fee to the Depositories of the company for approval of corporate action.
19. Simultaneously submit prescribed application forms duly filled along with necessary enclosures and requisite fee to the Stock Exchanges and obtain in-principle approval from them.
20. Submit the in-principle approvals obtained from Stock Exchanges to the Depositories. The approval for corporate action will be given after submitting in-principle approval obtained from the Stock Exchanges.
21. The Depositories after satisfying with the information submitted approve for submission of file by RTA and then confirm crediting of bonus shares to the shareholders.
22. Print the share certificates for shareholders holding shares in physical form and post the same. One share certificate can be printed per shareholder for his/her entire entitlement.
23. Confirmation obtained from the Depositories having credited the bonus shares to the accounts of shareholders along with the confirmation from RTA having dispatched bonus share certificates to the shareholders holding shares in physical form should be submitted to the Stock Exchanges for obtaining listing approval.
24. The Stock Exchanges after getting satisfied with the information provided approve for listing of bonus shares.
25. Form-2 is required to be filed with ROC after allotment of bonus shares within 30 days from the date of allotment. The uploading of this form can be done only after taking on record by ROC of Form-5 for enhancement of authorized capital.
26. It is also necessary to go through relevant circulars of RBI if bonus shares are allotted to NRIs, OCBs, Foreign collaborators etc., and file the required form with RBI through the Authorized Dealer of Category-I Bank.
27. A certificate duly signed by the issuing company and countersigned by the statutory auditor or by Company Secretary in practice to the effect that the provisions of SEBI Regulations or Guidelines have been complied with shall be submitted to SEBI.

Information on the subject and application forms are normally made available in the respective websites of Stock Exchanges and Depositories and may be downloaded and carefully followed to complete the entire process in time. ■



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## Impact of Gender Diversity: Women Participation in Boardroom and their Efficiencies

The emphasis of this article is on women's participation in boardroom and what could be the fruitful results through their participation. "There is growing evidence to show that diverse boards are better boards, delivering financial out-performance and stock market growth," Lord Davies said. A serious question occurs: Is the boardroom gender gap growing?

**T**he International Women's Day provides an occasion to mark the remarkable progress made by women during the last 100 years. In the London School of Economics, CEPR and ECGI, the research paper "Women in the boardroom and their impact on Governance and Performance", investigated the hypothesis that gender diversity in the boardroom affects governance in meaningful ways.

We find that gender diversity has significant effects on board inputs. Women are less likely to have attendance problems than men. Furthermore, the greater the fraction of women on the board is, the better is the attendance behavior of male directors. Holding other director characteristics constant, female directors are also more likely to sit on monitoring-related committees than male directors. In particular, women are more likely to be assigned to audit, nominations and corporate governance committees, etc. Women also appear to have a significant impact on board governance. We find direct evidence that more diverse boards are more





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Recent years have seen an increase in emphasis on the board diversity and particularly, women in boardroom. It is only equitable that the gender balance on the board be addressed and that broadly speaking, half of the population is women and half men whereas a typical board has a majority of male directors.

likely to hold CEOs accountable for poor stock price performance: CEO turnover is more sensitive to stock return performance in firms with relatively more women on boards. We also find that directors in gender-diverse boards receive relatively more equity-based compensation.

The evidence on the relationship between gender diversity on boards and firm performance is more difficult to interpret. It is being glanced that the gender diversity has beneficial effects in companies with weak shareholder rights, where it is plausible that additional board monitoring can enhance firm value, but detrimental effects in companies with strong shareholder rights.

## IMPACT OF GENDER DIVERSITY

There is no doubt that a greater female participation on boards is a desirable social objective. The justification for more women on boards should not be based on simplistic links between gender diversity and company performance. We should focus on the source of the problem i.e. low female presence in executive management. There are no short cuts to greater gender diversity in the boardroom. As in the other areas of corporate governance, the Government should focus on long-term solutions rather than quick fixes, such as gender quotas or gender targets.

Professor Diana Bilimoria from Case Western Reserve University (in Ohio) found from her research that companies with more women on boards also have more women in senior management positions, and that the women board members are more likely to champion tough issues in board decision making.

Creating gender diversity, the main advantage is that it solves problem faster and more effectively than teams of like-minded people. To increase board effectiveness it may not be enough to simply increase the number of female directors on the board; diverse boards may require additional mechanisms to ensure cooperation between directors. It shows that



diversity is an issue of governance and thus increasing the representation of women on every board is a good governance issue.

The issue of increasing the diversity of corporate boards and adding women's expertise is catching on globally.

## VARIOUS SCHOOLS OF THOUGHT AND THEIR VIEWS

Research by **Corporate Women Directors International (CWDI)** has revealed that women representation on the board of companies around the world remains uneven. While a large number of companies include women on their boards in some of the major OECD economies (Norway - 100 percent of companies surveyed by CWDI have women on boards, United States - 87 percent, Germany 82 percent, UK - 75 percent) many other countries lag far behind. Only 33 percent of surveyed companies in Russia, 30 percent in Portugal and Italy, 27 percent in India, and 16 percent in Japan have women on their boards. The U.S. Securities and Exchange Commission (SEC) now requires companies to disclose how they deal with diversity on the board.

Yet, while opening up new opportunities to women, quotas alone are not enough. One way of creating awareness (especially in developing countries) on the importance of letting the old stereotypes go and allowing women full rights to govern companies is to highlight the benefits of doing so. To put it in another way - there is a business case for engaging women on boards of directors!

A recent research by Renee B. Adams and Danial Ferreira from the **European Corporate Governance Institute (ECGI)** had shown a number of ways in which companies' benefit from women's participation on boards:

- ◆ Women are less likely to have board meeting attendance problems than men;



- ◆ Having women on boards has a positive impact on male directors' participation;
- ◆ Women are more likely to be on audit, nominating, and corporate governance committees than men;
- ◆ More gender representative boards are more likely to hold CEOs accountable for poor performance;
- ◆ Having more women on the board leads to higher equity-based compensation for directors;
- ◆ And, more importantly for developing and emerging economies - gender diversity on boards has a beneficial effect in companies with weak shareholder rights.

Thoughts of **Harvard Law School Forum profile of the Adams and Ferreira paper** provide additional insights into business case for board diversification as under:

- ◆ Gender diversification of the board mitigates the dangers of having uniform vision within uniform boards;
- ◆ There are increased institutional investor demands for board diversity;
- ◆ Women's participation on boards is linked to good corporate citizenship;

*Women on Boards: Not Just the Right Thing.... But the "Bright" Thing* by David A.H. Brown, Debra L. Brown and Vanessa Anastasopoulos is an exciting example of the insights that can be generated when two strong lines of research come together [**Governance and Women in Leadership.**]

The impact of women's contributions in six key areas of good governance practice and it had shown that board processes differ when diverse perspectives are brought to the boardroom table and these differences in process lead directly to differences in outcome.

It highlights the value of *inner diversity* in viewpoints, talents, and ideas, and builds the business case for greater outer diversity in board members, demonstrating that women's participation is also the "bright" thing to do.

**According to the Institute of Directors** the informal mentoring, nurturing and networking of female talent through the companies and external industry and official bodies can play an important role in supporting female executives.

## DIVERSITY IN THE BOARDROOM

Recent years have seen an increase in emphasis on the board diversity and particularly, women in boardroom. It is only equitable that the gender balance on the board be addressed and that broadly speaking, half of the population is women and half men whereas a typical board has a majority of male directors.

Female directors bring their own strengths to the boardroom in terms of their life experience, their mode of thinking and their way of dealing with people and situations.

**The UK Corporate Governance Code 2010** encourages the board to consider the benefits of diversity, including gender, to try to ensure a well - balanced board and avoid group think.

**The German Corporate Governance Code (2009)** states, 'The Supervisory Board appoints and dismisses the members of the Management Board. When appointing the Management Board, the Supervisory Board shall also respect diversity'.

**The Dutch Code of Corporate Governance (2008)** advocates 'The supervisory board shall aim for a diverse composition in terms of such factor as gender and age'.

**Norway:** An exponent of women's representation in the boardroom of Norway, since 2008, has enforced a quota of 40% for female directors on boards of all publicly listed companies.

**Spain:** Similarly Spain introduced an equality law in 2007 requiring companies with 250+ employees to develop gender equality plans with clear implications for female appointments to the board. Moreover by 2015, legislation will become effective in Spain which requires Spanish companies to ensure that 40 per cent of board members are female.

## CORPORATE GOVERNANCE CENTER/FIRMS VIEWS ON WOMEN'S PARTICIPATION IN BOARDROOM

The **Deloitte Global Center for Corporate Governance ("the Global Center")** presented an overview of a number of current initiatives around the world at both legal and regulatory level.

- ◆ To increase the number of women serving on corporate boards;
- ◆ In a 2010 United Nations Publication "Women's Empowerment Principles: Equality means business" sufficient participation of women in decision-making and governance at all levels was stated as a means to empower women worldwide;
- ◆ Gender is one factor in this context and as the specific question of quotas for women on board has arisen in several jurisdictions over the last few years;
- ◆ Tracking female participation on corporate boards is a well-established practice in various countries;

Intel has won a host of awards for its diversity and its shareholders agitate for more diversity. The Board of Intel is 36% female, and more than 1 in 6 managers/executives at the company are women. They have for long prided on the commitment to diversity, is the subject of a shareholder resolution calling on it is not only to increase diversity on its Board but also to describe exactly its plans to do in the future to fulfill that goal.

Dr. Jane E. Shaw has been a director on Intel since 1993 and is Chairman of the Board of directors and of the board's



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executive committee. According to her views, the current business environment in the United States, coupled with increased regulatory requirements, have heightened the demand for accountability and transparency for board of directors. Each of the countries in this report had taken steps, some large, some small – to increase the participation of women in their country's boardrooms.

According to Dr. Roger Barker, Head of Corporate Governance efforts should be made to improve female participation in boardrooms.

The IoD runs a number of dedicated conferences and training programmes aimed at supporting female executives and directors. It is also a supporter of the work of the UKRC, the Government body which provides advice and support to address the under - representation of women in science, engineering, technology and to build the environment.

According to a new report from the Corporate Library, a Corporate Governance Research Firm, females still have a long way to go before being represented in equal numbers and equal responsibility in corporate boardrooms. Citing "uneven progress" in increasingly female participation in governance, the report found that while almost 90 percent of S & P 500 companies have at least one woman board member, there are far fewer female directors at smaller companies.

The Corporate Library found that "even among the S & P 500 companies with female directors, women are typically a small minority and holds few positions of responsibility," with only 57 percent having at least two woman directors, and only 19 percent with more than two women.

Among S&P 500 companies, the report found that only 14 have female board chairs, and of those 11 are also the CEOs of their companies. The Corporate Library said: "Only 45 S&P 500 companies have women chairing their compensation

committees; 58 have female audit committee chairs; and 75 have a woman leading their nominating committees. Very few companies have women in two or more of these positions of responsibility." Xerox Corporation is the only company in the S&P 500 that has a woman serving as chair of the board and another woman serving as CEO.

The report concluded that "gender parity measured both by absolute numbers and by the levels of responsibility given to women-is still far out of reach" and recommended that a broader pool of female director candidates be developed, so more women are ready and willing to serve on corporate boards. "Once women are on boards, they must be given equal opportunity to serve in positions of leadership and influence, such as chairing the board or key committees," Corporate Library said.

**Catalyst Report: A 2007** Catalyst report, The Bottom Line: Corporate Performance and Women's Representation on Boards, shows that companies with more female board members outperform those with least. Board with more than three women on them and 83% higher return to shareholder value than board without women. A 2011 Catalyst report, Women on Boards: India is still lagging behind as per the percentages of Global Board Seats held by Women: Norway-39.5%, Sweden-27.3%, Finland-24.5%, United States-15.7%, United Kingdom-12.5% and India-5.3 %.( Percentage Studies conducted by Cranfield School of Management, Standard Chartered Bank and Community Business.)

**Mervyn Davies' Recent Report** urged leading companies to increase the numbers of female on their boards. To set target by them to ensure that more talented and gifted women can gain access to top jobs and he well said quoted "Radical change is needed in the mindsets of the business community if we are to implement the change needed. This is not about aiming for a specific figure and is not about promoting equal opportunities, it's about improving business performance."

In an interview with Karen Brady (West Hams Vice Chairman), Louise Hewett, Managing Director of Hewett Recruitment gave her view on the qualities women bring to the boardroom," A lack of politics, ability to see the bigger picture, fantastic strategists, natural nurturers of people and great communicators."

A study by Leeds University Business School summarized by The Times of London showed that having at least one female director cuts a company's chances of ending up belly up by about 20%.

## OVERVIEW OF ARTICLES AND PRESS RELEASE

NUS Business School's Centre for Government, Institutions and Organizations (CGIO) and BoardAgender announced that they will team up to track gender diversity in the boardrooms of Singapore through Singapore Board Diversity Index.

An article published in the Journal of Financial Economics set



out the main beliefs for Women in the boardroom and their impact on governance and performance as under:

- ◆ Female directors have a significant impact on board inputs and firm outputs;
- ◆ Presence of women on boards could affect the governance of companies in significant ways;
- ◆ These results suggest that gender-diverse board allocate more effort to monitoring;

Certain new evidence was relevant in this paper. In particular, the following questions are as such:

- ◆ First, do measures of board inputs (director attendance and committee assignments) vary with gender diversity?
- ◆ Second, does the gender composition of the board affect measures of governance, such as chief executive officer (CEO) turnover and composition?
- ◆ Finally, does the effect of gender diversity on governance matter sufficiently to affect corporate performance?

The answers to these questions are interesting:

- ◆ They can help us to understand the effect group composition has on board effectiveness and it shed light on whether tokenism prevents female directors from having an impact on corporate outcomes;
- ◆ The greater the fraction of women on the board is, the better is the attendance behavior of male directors;
- ◆ Women also appear to have a significant impact on board governance;
- ◆ It is possible that gender diversity only increases value when additional board monitoring would enhance firm value;

A press release was issued by Hawkamaah, The Institute of Directors for advocating gender diversity in the boardroom as a key to better corporate governance. The objectives of the initiative will be carried out in three phases:

- ◆ "Research and Defining the Business Case" for more women's participation in the boardroom which will include qualitative interviews on current board practices, identification of current and future policy and practical challenges.
- ◆ "Capacity-building and Empowerment" and will include workshops for women leaders;
- ◆ "Research Advocacy and Networking", achieved through a series of mentoring and awards programs, empirically grounded analysis leading to policy recommendations and business cases on the importance of having women on boards in the region, and the promotion of media coverage to highlight the challenges and overriding issues faced.

## BENEFITS OF WOMEN PARTICIPATION IN BOARDROOM AND DIVERSITY

- Due to better gender glance, it leads to better decision-making;
- It produces more profitable results;

- While making important financial decisions, women are more prudent, risk averse and cautious and through this, the most important factor is having the right mix of people with the right attributes around the board room table;
- To have more women on the board, there will be more positive financial benefits;
- The way the board operates with women more inclined to discuss matters in depth and a try to reach a consensual solution;
- Achieving better Corporate Governance; Women have lower rates of absenteeism at board meetings;
- Companies with more diverse board have more board meetings;
- Board with greater gender diversity tend to be more active;
- Female directors have a substantial and value-relevant impact on board structure;
- The presence of women on board increases male attendance levels;
- Women increased roles for disclosures, complementing the Corporate Governance programmes that the Coalition Government is instigating.
- Enhancing women's participation in boardrooms can make companies more profitable and trigger sustainable economic growth.
- The role of women's participation in bank boardrooms has a positive influence on the return equity, the return on assets and the operating income ratio;
- More diverse boards may also have better relations with customers, suppliers and employees.
- During the season of economic collapse, it helps to know that having women on the board also reduces the risk of a company's going bust.





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## IMPACT OF CORPORATE GOVERNANCE

Does it matter to corporate governance whether women serve on board? If so, does it make a difference how many women serve? Is there a critical mass that can bring significant change to the boardroom and improve corporate governance? Having a critical mass of women directors is a good for corporate governance, in at least three ways:

1. The content of boardroom discussion is more likely to include the perspectives of the multiple stakeholders who affect and are affected by company performance, not only shareholders but also employees, customers, suppliers, and the community at large.
2. Difficult issues and problems are considerably less likely to be ignored or brushed aside, which results in better decisions-making.
3. The boardroom dynamics is more open and collaborative, which helps management hear the board's concerns and take them to heart without defensiveness.

Leading companies should aim to have a minimum of one in four female board members as part of "radical" changes to increase the number of women at the top of business, a Government-commissioned review stated. Lord Davies also recommended that investors should pay close attention to its recommendations when considering reappointments to a company board and that the firms should periodically advertise non-executive board positions to encourage greater diversity in applications.

The then Corporate Affairs Minister Murli Deora announced that companies with five or more members on their board must have at least one woman director. The move is made to improve gender diversity in Indian companies in keeping with Europe - wide action on the issue.

We find that women do make a difference in the boardroom. Women bring a collaborative leadership style that benefits boardroom dynamics by increasing the amount of listening, social support and win-win problem-solving. Although women are often collaborative leaders, they do not shy away from controversial issues. Many of our informants believe that women are more likely than men to ask tough questions and demand direct and detailed answers. Women also bring new issues and perspectives to the table, broadening the content of boardroom discussions to include the perspectives of multiple shareholders.

Nowadays we are witnessing the mandatory v. voluntary debate with respect to corporate social responsibility (CSR). A similar debate has arisen with participation of women on corporate boards. Some countries (particularly in Europe) are adopting mandatory quota requirements but still other countries, for example in UK are adopting the voluntary



approach. The most important tool to increase the representation of women on company boards' by supporting through mentoring, training and development. The talent pool exists, but women are not in receipt of the support that they require and where they would like to be. No one seems to be saying that women are inherently better than men, but by shutting women out, businesses are missing out on the skills, talents and different perspectives that women can bring. If we end up with mandatory quotas being imposed, there is a risk of it being too blunt a tool to be truly effective. Nobody wants to be the 'token' female.

## CONCLUSION

Speculation that the economic downturn may not have occurred had there been more women in the boardroom, may sound extreme. When corporate boardrooms of companies are observed, women are still in minority, which is not a healthy sign. It has been proved many times that board of companies having women in executive positions do better than all-men boardrooms. As far as India is concerned, women have not been given ample representation. While having a comparative analysis the percentage in Canada is 15% while in United States, this percentage is 14.5%. Thus, it can be said that India is lagging greatly, when it comes to presence of women in boardrooms. More women on board are much about improving business performance and promoting equal opportunities for women. Diverse boards are more likely to be effective boards, better able to understand their customers and stakeholders and to benefit from fresh perspectives, new ideas, vigorous challenge and broad experience. ■

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## Corporate Criminal Liability Punishing the Directors or the Corporation

A company being a legal entity, the question as to whether and to what extent it can be made liable for criminal acts had come up before the courts on a number of occasions. This article throws light on this crucial question.

The world today is a "global village" and corporations, domestic and multinationals effect equally all the concerned economics without constraints of borders, as the economic and political problems faced by one nation usually affect the others. In the era of globalization, multinational and cross border corporations are defining the business and commercial forces on the global scene. The magnitude of operations of some of these corporate houses is fully comparable to that of a Nation State.

These transnational corporations have subtle and sometimes not so subtle dominance in our lives and in doing so may violate national and international laws leading to criminal liability. However, such corporations being only legal entities, their behaviour is in variance with the individuals violating the laws leading to criminal liability. It is therefore, a difficult issue as to how to impose adequate control and achieve accountability for their acts and conduct both at home and abroad.

It is undeniable that a corporate has its own legal entity. A corporation, as a body corporate, can hold





# Articles

Corporate Criminal Liability Punishing the Directors or the Corporation

property, sue and can be sued and can also be independently liable for a criminal offence. Legal scholars have provided various theories for treating corporations as responsible actors and thus fit subjects for penal sanctions. **Fauconnets** theory relies on a corporation's distinct legal personality<sup>1</sup> **French** argues legal personality alone is inadequate and he articulates a theory of a corporation as a moral or intentional actor<sup>2</sup>; and **Fisse** and **Wells** argue that it is unnecessary to frame corporate responsibility in terms of moral notions that apply to humans, that a corporation can and often does exceed the sum of its individual parts and that a corporation's true responsibility can be located in its organisational structure, policy, procedures and culture<sup>3</sup>.

For a very long time, common law countries like England and Canada did not generally let a corporation to be convicted of a crime (as opposed to regulatory offences). There were exceptions and these exceptions were usually based on the doctrine of *respondeat superior* (vicarious liability). The doctrine of vicarious liability was however, only used for tort compensation and was completely rejected for crimes. The main reason for this was that crime requires *mens rea* (guilty intent) and it was not always viable to prove so in a master-servant relation. However in crimes pertaining to the regulations made under statutes and common law crimes of public nuisance, criminal libel and contempt of court, *mens rea* was not necessary to be proved. The court applied the doctrine of vicarious liability to decide these cases, and the master could either be an individual or a corporation. On the other hand, a large number of European Continental Law countries were not willing to incorporate the concept of corporate criminal liability into their legal systems whatsoever. The hurdles which were faced while developing the concept of corporate criminal liability are as follows:

1. The foremost issue was that of determining *mens rea* (guilty mind or personal fault). It was not clear as to whom to hold guilty for the crimes committed by a corporation.
2. The second issue related to sanctions imposed, therefore saying that the threat of imprisonment was of no importance to a corporation as it is a non-human entity.
3. Also, a corporation could not be produced in court as it has 'no soul to damn, and no body to kick'<sup>4</sup>.

It was in the beginning of the 20<sup>th</sup> century that the courts began to eliminate this corporate immunity from criminal law. The courts observed that 'everyone' in criminal law statutes include corporations<sup>5</sup>. Moreover, if the criminal code, for an



Modern corporations have multiple power centres that share in controlling the organization and setting its policy. The complexity of this new setting has created some challenges for the imposition of criminal liability to corporations under the traditional approach.

offence, provided imprisonment as the only penalty, then the courts could impose a fine on the corporation<sup>6</sup> and punish its officers-in-default. Thus corporations were now not free from the purview of criminal law. Also procedures to bring the corporation in court and other evidentiary rules were also made and codified. The court rejected the plea that a corporation could not be criminally held liable for the acts of its officers because it was beyond the scope of their employment, unless otherwise specified.

However, the burden of attributing *mens rea* to a non-human entity still remained a big hurdle in imposing criminal liability on corporations. One such decision came in the year 1915 in a civil liability case<sup>7</sup> decided by the House of Lords. The issue was whether the fault of a director, who was actively involved in the operations of the company, was in law, the fault of the corporation. The court held that it was so, as the corporation had no mind or body of its own and the active and directing will of the corporation will be found in the person who for some purposes is the agent of the corporation and whose command is the very will and ego of the corporation.

Subsequently, this principle was applied in Canada in a criminal matter. The court held in the matter of *R v. Fane Robinson Ltd.*<sup>8</sup>, that the corporation and its two directors, who were acting as active managers, as guilty of crimes of conspiracy to defraud and obtaining money on false pretence. There are three common theories in practice for deciding cases pertaining to corporate criminal liability. These theories help the judges in deciding whom to hold liable – the director, the corporation or both. The theories are:

1. Agency Theory
2. Identification Theory
3. Aggregation Theory

## Agency Theory

This theory is based on the principle-agent relation. It emerged in tort law and was carried on to criminal law. It holds that the corporation is liable for the acts of its director(s) and other officers. Thus it is widely held that since corporations do

1. P Fauconnet, 'La Responsabilité: étude de sociologie', as described by J.A. Quaid, 'The Assessment of Corporate Criminal Liability on basis of Corporate Identity: An Analysis', (1998) 43 McGill LJ 67.  
 2. P.A. French, 'Collective and Corporate Responsibility' as described by J.A. Quaid, 'The Assessment of Corporate Criminal Liability on basis of Corporate Identity: An Analysis', (1998) 43 McGill LJ 67.  
 3. B. Fisse, 'Reconstructing Corporate Criminal Law: Deterrence, Retribution, Fault and Sanctions', 56 S. Cal. L. Rev. 1141; C. Wells, Corporations and Criminal Responsibility, (OUP 2001).  
 4. Baron Thurlow, Lord Chancellor of England in the 18th Century.  
 5. Union Colliery Co. v The Queen (1900) 31 SCR 81.

6. R v Great West Laundry Co. (1900) 3 CCC 514 (Man Q.B).  
 7. Lennard's Carrying Co. Ltd. v Asiatic Petroleum Co. (1915) A.C. 705 (HL), 713.  
 8. (1941) 76 C.C.C. 196, 203 (Alta C.A).



not have intention or physical ability, then someone acting for the corporation, must be presumed to have them. This theory is widely used both in India and the United States of America. In America a three part test is established to determine whether a corporation is vicariously liable for the acts of its officers:

1. The employee must be acting within the course and scope of his or her employment.
2. The employee must be acting, even if in part, for the benefit of the corporation.
3. The intent and the act must be imputed to the corporation<sup>9</sup>. The question of whether an employee acted in the course and scope of his or her employment is determined differently by each source of law and factual framework. Also the benefit endowed upon the corporation need not be real. The mere intention to benefit the corporation is enough to pass the second part of the test.

## Identification Theory

This doctrine of identification is the traditional method used in most common law countries. This theory was developed as an attempt to overcome the problem of imposing primary, as opposed to vicarious, corporate criminal liability for offences that insisted on proof of criminal fault. The identification theory relies on an individual to attribute liability to a corporation. While the agency theory imitates tort principles, the identification theory adjusts the principles to the reality of corporate misconduct. According to this theory, the solution for the problem of attributing fault to a corporation for offences that require intention was to merge the individual within the corporation with the corporation itself.

The array of personnel whose acts can be imputed to the

The question of imposing criminal liability to a corporation for criminal offences committed by its directors and officers while conducting corporate affairs has gained a lot of importance in the jurisprudence of criminal law.

company varies from jurisdiction to jurisdiction. In most cases, the senior most management and policy makers i.e. the directors, CEOs, trustees etc. are considered as the nerve centre of a corporation, thereby making them the directing mind and therefore making their wrongful acts liable to be attributed to the corporation. However, exceptions have been made where the operations of a corporation are so huge that decentralisation of authority has occurred, thereby making the wrongs of even the low level managers and policy makers as liable on the corporation.

## Aggregation Theory

Modern corporations have multiple power centres that share in controlling the organization and setting its policy. The complexity of this new setting has created some challenges for the imposition of criminal liability to corporations under the traditional approach. The aggregation or collective knowledge doctrine was developed as a response to this puzzling scenario. According to this theory, the corporation aggregates the collective knowledge of different officers in order to determine liability. All acts and mental element of all those involved is collected and to establish whether in totality, they would amount to a crime if it were to be committed by a single person<sup>10</sup>.

This theory seems to combine the doctrine of vicarious liability with that of 'presumed or deemed knowledge'. The idea of aggregate knowledge is basic to the notion of corporate fault. It represents a departure from the paradigm that intention must come from a single individuals. Common law theories have made the necessary bridge between individualistic and organizational approaches. They bring back to life principles of criminal law that have prevailed before the prevalence of the principle that only individuals commit crimes.

*In all of these theories*, corporate fault is still traced back to an individual or a group of individuals, yet they allow the attribution of criminal liability to corporations.

The relationship between directors and a corporation was

10. United States v Bank of New England (1987) 821 F.2d 844 (1st Cir.).

9. United States v One Parcel of Land 965 F.2d 311 (7th Cir. 1992), 316.



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Corporate Criminal Liability Punishing the Directors or the Corporation

established about 140 years back in the matter of *Ferguson v. Wilson*<sup>11</sup>. The Chancery Division held that a company though a separate entity cannot act on its own. It can act only through its directors and as such the relation of a director with the company is that of principal and agent. Therefore general principles of law of agency would govern the relationship between the company and the directors.

In the year 1878, the Chancery Division in the matter of *Forest of Dean Coal Mining Company's* case<sup>12</sup>, defined the relationship between a company and its directors as trustees and thus establishing a fiduciary relation between them. These judicial pronouncements were universally accepted and applied all over and the position of directors in relation to the company was that they were not only agents but also trustees. This relationship would mean that the directors should always act in the interest of the principal i.e. the company and in discharge of their fiduciary responsibilities, they cannot benefit at the cost of the company<sup>13</sup>.

Director's liability arises because of their position as agents or officers or trustees of a company or for having fiduciary relation with the Company or its shareholders. Some of these liabilities are in contract, some are in tort, some are under the criminal law and others are statutory. The courts have, in deciding the liability of Directors, taken into consideration a director's position as a whole.

The question of imposing criminal liability to a corporation for criminal offences committed by its directors and officers while conducting corporate affairs has gained a lot of importance in the jurisprudence of criminal law. Courts are likely to impose criminal liability on a corporation if the criminal act is requested, authorized, or performed by the director(s) or officer(s) or another person having responsibility for formulating company policy or high level administrator having supervisory responsibility over the subject matter of the offence and acting within the scope of his employment.

The liability of directors is of two types. One is pertaining to statutory law and the other pertains to the fiduciary relationship between the director(s) and the company. Various acts including the Companies Act lays down the various requirements on the part of the company and most of these provisions provide for penal action against the directors. Thus over a period of time the view that a director's duties to a company is that of a man of ordinary prudence has changed and now it is more than that of a man of ordinary prudence<sup>14</sup>. However, the role and responsibility of a director depends upon the nature of his directorship.

There is no impediment in the criminal law jurisprudence whatsoever to impose criminal sanction on a corporation since it can have a mind of its own and also an environment wherein crime is nurtured. Yet this developed jurisprudence does not find a place in the Indian statutes as they still make only the officials responsible for the act criminally liable and not the corporate itself.

## Corporate Criminal Liability in India

Criminal Law jurisprudence in India has seen one exception in form of doctrine of strict liability in which one may be made liable in absence of any guilty state of mind. This happens in cases of mass destructions through pollution, gross negligence of the company resulting in widespread damages like in the Bhopal Gas tragedy, etc<sup>15</sup>.

Furthermore, the doctrine of penalty by way of imprisonment and fine in cases of criminal law<sup>16</sup>, where the corporate could not be imprisoned or fined (when both were applicable), was overruled in the recent judgment in the matter of *Standard Chartered Bank v. Directorate of Enforcement*<sup>17</sup>. The court held that as the company cannot be sentenced to imprisonment, the court cannot impose that punishment, but when imprisonment and fine is the prescribed punishment the court can impose the punishment of fine which could be enforced against the company. However, such discretion is to be read into the section so far as a juristic person is concerned and does not apply to a natural person. Furthermore, while commenting on the rule of interpretation of the statutes, the court observed that it was sheer violence to commonsense that the legislature intended to punish the corporate bodies for minor and silly offences and extended immunity of prosecution to major and grave economic crimes. Thus, there is no impediment in the criminal law jurisprudence whatsoever to impose criminal sanction on a corporation since it can have a mind of its own and also an environment wherein crime is nurtured. Yet this developed jurisprudence

11. (1866) LR 2 Ch App 77.

12. (1878) 10 Ch.D. 450, 453.

13. Official Liquidator v P.A. Tendulkar, AIR 1973 SC 1104.

14. <<http://www.ficci.com/media-room/speeches-presentations/2003/aug/aug-28-ceo-subramania.html>> accessed 24 May 2011.

15. Assn. of victims of Uphaar Tragedy v Union of India (2003) 104 DLT 234, Rylands v Fletcher (1868) LR 3 HL 330.

16. Assistant Commissioner, Assessment-II Bangalore & Ors v Velliappa Textiles Ltd & Anr. (2003) 11 SCC 405 ; State of Maharashtra v Syndicate Transport Company Pvt. Ltd. AIR (1964) Bom 195. A change in this rule was also suggested by the 41st Report of the Law Commission for the amendment of section 62 of the Indian Penal Code.

17. (2005) 66 CLA 225 (SC)



does not find a place in the Indian statutes as they still make only the officials responsible for the act criminally liable and not the corporate itself. For example:

1. Sections- 5, 45, 63, 68, 70(5), 203, etc. of the Companies Act, 1956 wherein only the officials of the company are held liable and not the company itself.
2. Various sections of the IPC that direct compulsory imprisonment does not take a corporate into account since such a sanction cannot work against the corporation.

These sections need to be amended soon to include corporate criminal liability and not merely restricting criminal liability to the personnel, for imposing punishment of pecuniary nature.

But law has also developed to an extent with regard to certain other statutes and their respective penal provisions wherein a fine has been imposed on the corporations when they are found to be guilty. For example:

1. Section 141 of the Negotiable Instruments Act, 1862.
2. Section 7 of the, Essential Commodities Act.
3. Section 276-B of the Income Tax Act.

Thus, the law on corporate criminal liability is not confined to general Criminal Law but is scattered over a plethora of statutes with specific provisions relating to it. There is no doubt that the courts have been efficient in evolving the concept of criminal liability of corporate. It is now for the legislature to evolve new forms of punishments and incorporate them in the Criminal Justice system of the land. Even though the Companies Act, 1956; the IT Act, 2000 etc. have gone to great extent to cover corporate criminal liability, the need for proper law relating to corporate criminal liability in the Indian legal system was observed by the Supreme Court in the following terms:

"In India, the need for industrial development has led to the establishment of a number of plants and factories by the domestic companies and undertakings as well as by Transnational Corporations. Many of these industries are engaged in hazardous or inherently dangerous activities which pose potential threat to life, health and safety of persons working in the factory, or residing in the surrounding areas. Though working of such factories and plants is regulated by a 614 number of laws of our country, there is no special legislation providing for compensation and damages to outsiders who may suffer on account of any industrial accident.<sup>18</sup>"

It is high time that our legislators enforce some kind of law, in order to clearly define, enforce and punish criminal liabilities of the corporate, in order to protect the fundamental right and other constitutional rights of the general public and also of the personnel (of the corporate) and the corporate itself.

## Corporate Criminal Liability in Foreign Countries

At present, different nations have diverse notions regarding the

applicability and extension of the Doctrine of Corporate Criminal Liability. Following is the present status of corporate criminal liability in Australia, Europe, Northern America and Asia.

### Australia

After applying the concept of Vicarious Liability until 1995, the Australian legislature changed their Criminal Code to base corporate criminal liability on a test of the "corporate culture"<sup>19</sup>. It is more direct and realistic than the more mechanical and abstract identification doctrine. The corporate culture approach provides four ways in which fault may be proved. Among these is a "Corporate culture which directed, encouraged, tolerated or led to a noncompliance with the relevant provision," or that the corporation failed to create and maintain such a corporate culture<sup>20</sup>.

In addition, it is sufficient to establish that the board of directors or a high managerial agent intentionally, knowingly or recklessly carried out the relevant conduct, or expressly, tacitly or impliedly authorised or permitted the commission of the offence<sup>21</sup>. With regard to this, a defence of due diligence exists<sup>22</sup> for a wrongful act.

### France

France did not recognize corporate criminal liability until the French Revolution. In 1982, it was provided that corporations are not free from fines<sup>23</sup>. It was only in the new Penal Code of 1992 that specific mention of corporate criminal liability was made under Section 121-2.

However, there are tight restrictions on the application of this provision. France's model is based on the directing mind concept, and Sections 121-2 is restricted by the requirement that each crime needs to mention specifically that a corporation can be punished. Moreover, corporations can only be held liable when one of the legal representatives or organs of the corporation has acted. The violation of supervisory duties is also sufficient to warrant proceedings on the basis of corporate criminal liability.

### Germany

Without taking recourse to criminal law, Germany has developed an elaborate structure of administrative sanctions<sup>24</sup>,

19. Criminal Code Act 1995, s 12.3(6), Corporate Culture-an attitude, policy, rule, course of conduct or practice existing within the body corporate, generally or in part, of the body corporate in which the relevant activities take place.
20. Criminal Code Act 1995, s 12.3(2).
21. Criminal Code Act 1995, s 12.3(2).
22. Criminal Code Act 1995, s 12.3(3), Due Diligence - i.e. let the body corporate can prove that it exercised due diligence to prevent the conduct, or the authorization or permission."
23. Guy Stessens, "Corporate Criminal Liability: A Comparative Perspective.", International and Comparative Law Quarterly, v. 43, July 1994, pp. 496-497 Criminal Code Act, 1995, Section 12.3(6) (Australia), Corporate Culture-"an attitude, policy, rule, course of conduct or practice existing within the body corporate, generally or in the part, of the body corporate in which the relevant activities take place.
24. Known as Ordnungswidrigkeitengesetz.

18. Charan Lal Sahu v Union of India AIR 1990 SC 1480.



# Articles

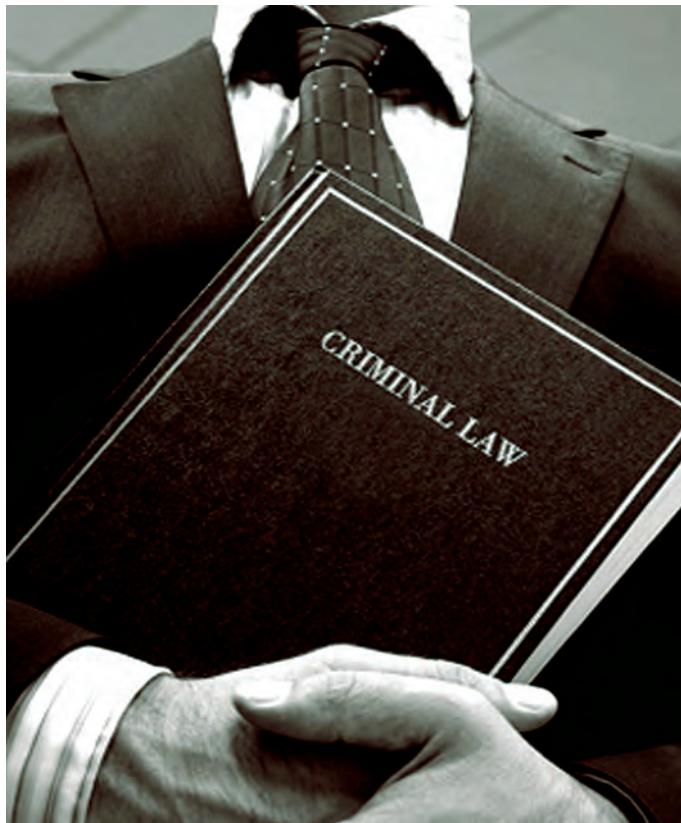
Corporate Criminal Liability Punishing the Directors or the Corporation

which include provisions on corporate criminal liability. The key provision for sanctioning the corporation is in Section 30, which calls for the imposition of fines on corporate entities. There has been a great deal of debate in legal circles about the incorporation of corporate criminal liability in Germany. Reasons for "true" Corporate Criminal Liability include:

1. The inadequacy of existing sanctions and of the deterrent effect of an administrative fine.
2. The problem is the "organized absence of responsibility"<sup>25</sup>. Reasons against the inclusion of the concept of corporate criminal liability are:
  1. The lack of capacity to act and the lack of criminal capacity are mentioned.
  2. Corporate entities are not capable of being culpable.
  3. The inability to undergo punishment.

Nevertheless, the German legislature instituted a working group in 1998, to review and improve the situation by strengthening the role of criminal law with regard to corporate entities.

25. Gerhard Feiberg, 'National Development in Germany: An Overview' (International Colloquium on Criminal Responsibility of Legal and Collective Entities, Berlin, Germany, 4-6 May 1998).



## United Kingdom

In the UK, despite a judgment in 1842, corporate criminal liability was not firmly established until the 20<sup>th</sup> century. Corporate entities could only be held liable for crimes which did not require *mens rea*. However, three common law crimes, which did not require *mens rea* were public nuisance, criminal libel and contempt of court. Also regulatory offences created by statutes, and which were held to be absolute liability offences, did not require *mens rea*. The final obstacle of establishing criminal liability of the corporation for *mens rea* offences was overcome in 1915. The House of Lords laid down a general principle for attributing fault to a corporation - the directing mind principle, i.e. the acts and state of mind of certain senior officers are deemed to be the acts and state of mind of the corporation.

## United States of America

At the beginning of the century, some American courts started to expand the concept of corporate criminal liability to include *mens rea* offences<sup>26</sup>. This confirmation came after the Congress had passed the Elkins Act, which stated that – acts and omissions of an officer acting within the scope of his employment were considered to be those of the corporation. Although the case before the Supreme Court was concerned with a statutory offence, the lower courts rapidly expanded its scope of offences at common law. In 1983, the 4th Circuit Court stated that "a corporation may be held criminally responsible for antitrust violations committed by its employees if they were acting within the scope of their authority, or apparent authority, and for the benefit of the corporation, even if ... such acts were against corporate policy."<sup>27</sup>

## Canada

The situation in Canada is characterized by the fact that the directing mind concept can be instituted at a lower level within the corporation<sup>28</sup>. The existence of a corporate *mens rea* was established. Despite these moves, in a recent civil case of *The Rhone v. The Peter A.B. Widener*<sup>29</sup>, it was suggested that implicitly of concept directing minds will only be found at higher levels of authority.

## Japan

There are currently more than 700 criminal provisions in the Japanese law which can punish entities other than individuals. In addition, the Japanese Supreme Court decided that corporate entities must establish and implement policies and systems that prevent their subordinates or employees from committing crimes in the course of doing business. If such

26. New York Central and Hudson River Railroad Co. v United States 212 U.S. 481 (1909).

27. United States v Basic Construction Co. 711 F.2d 570 (4th Cir. C.A. 1983), 573.

28. Canadian Dredge and Dock Co. v the Queen (1985) 19 C.C.C (3d) 1, 23, 45 C.R (3d) 289, 313.

29. (1993) 1 S.C.R. 497



The criminal law jurisprudence relating to imposition of criminal liability on corporations is settled on the point that the corporations can commit crimes and hence be made criminally liable.

policies are not implemented or not updated accordingly, the corporate entities can be held criminally liable on grounds of negligence on the part of the directing minds.

### China

China's Criminal Code did not contain a provision on Corporate Criminal Liability until 1997. Prior to the introduction of "unit crime" into the Criminal Code in Article 30 & 37; the Customs Law of the People's Republic of China was the first law to stipulate that "*enterprises, institutions, state organs or public organizations*" could commit a crime. More than 50 kinds of unit crimes have been put into place in over 20 criminal, civil, economic and administrative regulations. These have led to some criticism, mainly because:

1. Vagueness of the responsibility of individuals in the context of unit crime
2. The large number of designations that exist in the context of unit crime and
3. Inconsistencies with regard to the punishment of unit crimes, since some laws provide for a dual-punishment system, while others rely on a single-punishment system.

Apart from the penal codes, administrative regulations or civil statutes, of the above countries corporate criminal liability is also mentioned in a number of international documents. These documents have to be ratified by member countries and applied to their respective laws.

### Conclusion

It has come as an accepted notion now that the corporations are not mere fictions. **"Corporate bodies reap all the advantages flowing from the acts of the directors and they act to the detriment of the public in the name of the corporate bodies."** The criminal law jurisprudence



relating to imposition of criminal liability on corporations is settled on the point that the corporations can commit crimes and hence be made criminally liable. The field of corporate criminal liability is a multi-faceted issue. It is only just and consistent with the principle of equality before the law to treat them like natural persons and hold them liable for the offences they commit. Thus the question is whether corporate liability should be criminal in nature, or whether the unique circumstances of punishing a corporate entity merits different approaches. Apart from fines, punishments such as winding up of the company, temporary closure of the corporation, heavy compensation to the victims, attachment and confiscation of its properties and assets etc. should be used to have a deterrent effect on the corporate.

Today, corporate criminal liability is a subject of concern for a wide range of groups campaigning on issues including human rights, environment, development and labour. The law has conferred and assigned a special status to the companies. The companies are expected to perform their "Social Responsibilities" so that people can enjoy their civil rights and a qualitative life. ■



# Articles

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## Of Anticipatory Bail Then & Now

In the present vitiated, polluted and contaminated political atmosphere it has become fashion to revenge the adversary by implicating him into false and fabricated cases and involving big-wigs in many a time unfounded rackets and these practices are nearing flash point. It was therefore very necessary that provisions of anticipatory bail become liberalized. It has now been done.

“

In a barbaric society, you can hardly ask for bail; in a civilized society, you can hardly refuse it”. The bail is a rule and refusal is an exception. Liberty is precious to an individual but simultaneously it is also important that societal interest of maintenance of law and order is adhered to.

### ORIGIN

The provisions of anticipatory bail incorporated the legislature's intention to protect the citizen from unscrupulous persons, who use the weapon of arrest either for getting civil dispute settled or for black-mailing the so made accused by maneuvering matters. As the Supreme Court observed in *Kishore Chand v. State of H.P.* (1991) 1 SCC 286 - 297 that a sincere and honest investigation has to be made and to feel sure that the person suspected of the crime alone was responsible to commit the offence. Indulging in free fabrication of the record is a deplorable conduct on the part of the investigating officer, which undermines the public confidence, reposed in the investigating agency. It is time that the Investigating agencies adopt new and scientific methods.





In the Code of Criminal Procedure 1898, there existed no provision for anticipatory bail. The judicial opinions were sharply divided whether courts possessed such a power in the absence of express provision in that respect. The majority verdict maintained that there was no such power. It was first brought into being under Section 438 of the Code of Criminal Procedure, 1973 which came into force on April 1, 1974. The Law Commission in its 41st report observed-

"The necessity of granting anticipatory bail arises mainly because sometimes influential persons try to implicate their rivals in false cases for the purpose of disgracing them or for other purposes by getting them detained in Jail for some days. In recent times, with the accentuation of political rivalry, this tendency is showing signs of steady increase, apart from false cases, where there are reasonable grounds for holding that a person accused of an offence is not likely to abscond or otherwise misuse this liberty while on bail, there seems no justification to require him first to submit to custody, remain in prison for some time and then apply for bail". The power was to be given to superior courts. It was felt to be entrusted to such courts because they possess greater jurisprudential vision. Under Section 438 of the Code, the High Courts and Courts of Session could grant anticipatory bail to any one who has reason to believe that he may be arrested on accusation of having committed a non-bailable offence. New dimensions were added to the provision of bail; and new horizons were opened. It widened the powers of the superior courts. The provision for anticipatory bail was meant for non-bailable offences. The provision of anticipatory bail was in that nature. It only originated in Indian Judicial mind. It was in consonance with our commitment to Individual liberty, which implied scrutiny of every action of the investigating agency to provide effective check against arbitrariness and abuse of such power.

In a landmark judgement of *Gurbaksh Singh Sibbia v. State of Punjab* (1980) 2 SCC 565 the Supreme Court has made very pertinent observations on the entire anatomy of this concept when it held that "An anticipatory bail is a pre-arrest legal process which directs that if the person in whose favour it is issued is thereafter arrested on the accusation in respect of which the direction is issued, he shall be released on bail. The distinction between an ordinary order of bail and an order of anticipatory bail is that whereas the former is granted after arrest and therefore means release from the custody of the police, the latter is granted in anticipation of arrest and is therefore, effective at the very moment of arrest. A direction under section 438 is therefore intended to confer conditional immunity from the 'touch' or confinement contemplated by Section 46 of the Code.

In order to meet the challenge of Article 21 of the Constitution, the procedure established by law for depriving a person of his liberty must be fair, just and reasonable. Section 438 is a procedural provision, which is concerned with the personal liberty of the individual, who is entitled to the benefit of the presumption of innocence since he is not, on the date of his

Since denial of bail amounts to deprivation of personal liberty, the court should lean against the imposition of unnecessary restrictions on the scope of Section 438, especially when not imposed by the legislature. An over-generous infusion of constraints and conditions, which are not to be found in Section 438, can make its provisions constitutionally vulnerable since the right to personal freedom can not be made dependent on compliance with unreasonable restrictions.

application for anticipatory bail, convicted of the offence in respect of which he seeks bail.

Since denial of bail amounts to deprivation of personal liberty, the court should lean against the imposition of unnecessary restrictions on the scope of Section 438, especially when not imposed by the legislature. An over-generous infusion of constraints and conditions, which are not to be found in Section 438, can make its provisions constitutionally vulnerable since the right to personal freedom can not be made dependant on compliance with unreasonable restrictions. The beneficial provision contained in Section 438 must be saved, not jettisoned.

Ever since the basic case law on anticipatory bail as propounded in the case of *Gurubax Singh Sibbia v. State of Punjab* (1980) 2 SCC 565, there has flown much water down the stream and in many a case laws, the Supreme Court itself tried to deviate from the basics as propounded in Sibbia's case and interpret the provisions in a particular fashion. The view expressed by the Supreme Court in all the judgements viz. *Salauddin Abdul Samad Shaikh v. State of Maharashtra* (1996) 1 SCC 667, *K.L. Verma v. State* (1998) 9 SCC 348, *Adri Dharan Das v. State of West Bengal* (2005) 4 SCC 303 and *Sunita Devi v. State of Bihar* (2005) 1 SCC 608 must be held as decision rendered *per incuriam* which meant that the approach in those cases was contrary to the legislative intention and the



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Of Anticipatory Bail Then & Now

Constitution Bench decision in Sibbia's Case. Similarly the observation of the Supreme Court in the case of *Naresh Kumar Yadav v. Ravidhara Kumar* (2008) 1 SCC 632 that the power exercisable under Section 438 of Cr. P.C. is some what extra ordinary in character and it should be exercised in exceptional cases is at variance with the legislative intention of the provision.

Very recently the Supreme Court in the case of *Siddharam Satlingappa Mhetre v. State of Maharashtra* (2011) 1 SCC 694 very elaborately and exhaustively traced the evolutionary development and exposition of the concept of anticipatory bail and enunciated certain salient features and this exercise of the Supreme Court is certainly very reflective and displays a rare jurisdictional vision in as much as that we now have a conceptually clear position on practically every limb of this provision. I shall summarily glance at the same hereinafter in the article.

A large number of people are languishing in jail for a long time because Section 438 of Cr.PC has not been allowed its full play. The observation of some courts that Section 438 of Cr.PC should be invoked only in exceptional cases or rare cases is erroneous. The Apex Court has only held that the courts considering the bail applications should try to maintain fine balance between societal interest *vis-à-vis* personal liberty while adhering to the fundamental principle that the accused is presumed to be innocent till he is found guilty by the competent court. The court has laid down that while considering the application for anticipatory bail, the court should also examine the facts whether there was any family dispute between the accused and the complainant. The gravity of the charge and exact role of the accused must be properly comprehended. The court felt that it was imperative for the courts to carefully and with meticulous precision evaluate the facts of the case. The discretion to grant bail must be exercised on the basis of the available material in cases where the courts came to the conclusion that the accused had joined investigation and he was fully co-operative to the investigating agency and was not likely to abscond, in that event, custodial interrogation could be avoided because great humiliation and disgrace was attached to arrest. Arrest leads to many serious consequences not only for the accused but for the entire family and at times for the entire community. The court also held that there was no justification for reading into Section 438, the limitation mentioned in Section 437 of Cr.PC. The plenitude of Section 438 must be given its full play.

There was no requirement that the accused must make out a special case for the exercise of the power to grant anticipatory bail. The court ruled that the proper course of action on an application for anticipatory bail ought to be that after evaluating the averments and accusation available on record, if the court was inclined to grant anticipatory bail, then an interim bail be

granted and notice be issued to the Public Prosecutor. Then after hearing the public prosecutor, the court might either reject the anticipatory bail application or confirm the initial order of granting bail with imposition of certain conditions. Then the Public Prosecutor or the complainant would be at liberty to move the same court for cancellation or modifying the conditions of anticipatory bail but the anticipatory bail granted by the court would ordinarily continue till the end of trial of the case. Then again the granting of anticipatory bail for a limited duration and thereafter directing the accused to surrender and apply for regular bail is contrary to the legislative intention and the judgement of the Constitution Bench in Sibbia's case. It has also been ruled that the court which granted bail had the power to cancel it and the power to grant or refuse bail is entirely discretionary. The power to cancel the bail is derived from the provisions of the General Clauses Act but, Ordinarily if the bail is granted after hearing the Public Prosecutor it should continue till the end of the trial of that case. It has also been observed that no flexible guidelines or straight jacket formula could be provided for grant or refusal of anticipatory bail because all circumstances and situations could not be visualized. In spite of all these factors some parameters have been prescribed in dealing with the applications for anticipatory bail. Precisely these would be, the nature and gravity of accusation, the antecedent of the accused, the possibility of accused to flee and repeat similar offence, the object of making accusation the impact of grant of anticipatory bail and finally if the allegations against accused are made with the help of Section 34 and 149 of the Penal Code, 1860, then the court should be all cautious and lean a bit in favour of granting bail, then the balance should be struck between free, fair and full investigation and harassment, humiliation and unjustified detention of the accused, the possibility of tampering of the witnesses and threatening of the complainant and lastly the frivolity in the prosecution case. It has also been ruled that arrest would be the last option and that it would be resorted to in exceptional cases. It has also been suggested that exercising of jurisdiction under Section 438 is an extremely important judicial function, it should therefore be entrusted to experienced judicial officers who have good track record and further High Court should organize workshops, symposiums, seminars and lectures to impart training so that such officers comprehend the delicacies of the provision.

A dispassionate perusal of the forgoing narratives would reveal that the Supreme Court in *Siddharam Satlingappa Mhetre's* case as referred above has liberalized the concept and law for granting of anticipatory bail having regard to the Constitution Bench case of *Gurbax Singh* and disregarding the cases which held otherwise adopting a pragmatic and functional approach with operational flexibility and by reconciling and resolving conflicting claims and interests of accused and prosecution. The Court rejected the literal interpretation which appeared to occasion manifest injustice to the accused. ■



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## Implications of Service Tax & Value Added Tax on Works Contract

The practice of 'works contract' is widely prevalent for executing construction/erection works. Indirect taxation of works contracts has been a very complex area giving rise to considerable litigation. Sales tax /VAT and service tax aspects relating to works contract have been closely analysed here.



### PROLOGUE

In India, tax on sale of goods is levied by the States as sales tax / VAT whereas tax on rendering of services is levied by the Central Government in the form of service tax. Sometimes, there may arise a situation where a particular work accomplished on behalf of contractee involves both transfer of the moveable property as well as rendering of service, such as construction of buildings, laying down of pipelines, erection of plant and machinery, etc.

There would be no intricacy in determining the VAT and service tax liability, if, in such kind of contracts, the material and service portion are easily divisible. Quandary arises when the work cannot be vivisected into material and labour segments. Thus, indirect taxation of works contracts has been a complex area both under the truculent world of State VAT and Finance Act.

### WHAT IS WORKS CONTRACT?

Works contract involves both, supply of goods and rendering

\* The information presented and opinions expressed herein are those of the authors and do not necessarily represent the views of RANJ & Associates, Company Secretaries.



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of services. In a normal sale there is a transfer of property in definite or ascertained goods and such goods remain same before and after their delivery. However, in works contracts, goods, before delivery and after the execution of works contracts are disparate and may differ in form as well. For example, at the site of construction of a building, before the construction commences, the goods like cement, steel, sand etc. are lying but after the construction a building (immovable goods) comes to an existence. This is the distinction between a "normal sale" and a "deemed sale". The basic principles establishing a works contract are:

- ◆ Goods must be involved in the execution of the works
- ◆ Property in goods must pass during the execution of works not before or after the execution of works
- ◆ Some work has to be done on the property of the contractee by the contractor
- ◆ There must be dominant intention to effect the transfer of property in goods in execution of works contract, passing of the property in goods must not be only incidental to the contract.

## TAX ON WORKS CONTRACT : HISTORICAL BACKGROUND

Madras was the first State which attempted to bring within its tax grid transactions of works contract by amending the terms- 'goods', 'sale' and 'turnover' in the Madras General Sales Tax Act, 1939. The expression 'sale' was amended so as to bring within its ambit transfer of property in goods involved in the execution of works contract. The term 'goods' was also amended so as to include materials used in construction, fitting out, improvements etc.

The question as to whether the cost of the goods supplied by a building contractor in the course of construction of building could be subjected to payment of sales tax was finally resolved by the Supreme Court in *State of Madras v. Gannon Dunkerley and Co. (Madras) Ltd.* 1958 AIR 560, 1959 SCR 379 where it was held that in a building contract which was one, entire and indivisible, there was no sale of goods and hence, levy of sales would not arise.

Aftermath of the above judgements was a bundle of problems and also complaints from various States that there was a large scale leakage of sales tax revenue by the adoption of devices such as hire purchase system. This lacuna was referred to the Law Commission of India and it was decided to levy sales tax on transactions of the nature mentioned above. Consequently, in the year 1982 Parliament passed the 46th Amendment amending the Constitution in order to bring many of the transactions, in which property in goods passed but were not considered as sales for the purpose of levy of sales tax, within the scope of the powers of the states to levy sales tax.

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## APPLICABLE LAWS

Following is the extract of relevant provisions of tax laws applicable to works contracts:

### Value Added Tax under relevant state VAT Act

The power of the States to levy VAT on sales and purchases of goods is to be found only in Entry 54 of List II of Schedule VII of the Constitution of India. VAT is calculated and paid on the material portion of the works contract.

For the purpose of our discussion we take the following definitions under the Andhra Pradesh Value Added Tax Act, 2005: As per Section 2 (34) (b) of the said Act '**Tax**' means a tax on the sale or purchase of goods payable under the Act and includes a tax on the transfer of property in goods whether as goods or in some other form involved in the execution of a works contract." Therefore, section 2(34)(b) is the charging section whereby the APVAT Act was made applicable to works contracts.

As per section 2 (45) of Andhra Pradesh Value Added Tax Act, 2005 '**Works Contract**' includes any agreement for carrying out for cash or for deferred payment or for any other valuable consideration, the building construction, manufacture, processing, fabrication, erection, installation, laying, fitting out, improvement, modification, repair or commissioning of any movable or immovable property.

### Service Tax under Finance Act, 1994

Service Tax is primarily a tax on services rendered by one person to another. Service tax is computed on the service part of the works contract.

### Section 65(105) (zzzza)

"Taxable services means services provided or to be provided to any person, by any other person in relation to the execution of a works contract, excluding works contract in respect of roads, airports, railways, transport terminals, bridges, tunnels and dams."



*Explanation: For the purposes of this sub-clause, "works contract" means a contract wherein,-*

- (i) *transfer of property in goods involved in the execution of such contract is leviable to tax as sale of goods, and*
- (ii) *such contract is for the purposes of carrying out-*
  - (a) *erection, commissioning or installation of plant, machinery, equipment or structures, whether pre-fabricated or otherwise, installation of electrical and electronic devices, plumbing, drain laying or other installations for transport of fluids, heating, ventilation or airconditioning including related pipe work, duct work and sheet metal work, thermal insulation, sound insulation, fire proofing or waterproofing, lift and escalator, fire escape staircases or elevators; or*
  - (b) *construction of a new building or a civil structure or a part thereof, or of a pipeline or conduit, primarily for the purposes of commerce or industry; or*
  - (c) *construction of a new residential complex or a part thereof; or*
  - (d) *completion and finishing services, repair, alteration, renovation or restoration of, or similar services, in relation to (b) and (c); or*
  - (e) *turnkey projects including engineering, procurement and construction or commissioning (EPC) projects;*

This is the charging section whereby the works contracts were brought within the service tax net.

## DETERMINATION OF VALUE IN EXECUTION OF WORKS CONTRACT

It is straightforward to determine the taxable value under normal sale but computation of value under works contract involves hardship. To negate this, a clarification was provided in Service Tax (Determination of Value) Rules 2006, which reads as follows:

### Rule 2A of Service Tax (Determination of Value) Rules 2006-

Subject to the provisions of section 67, the value of taxable service in relation to services involved in the execution of a works contract (hereinafter referred to as works contract service), referred to in sub-clause (zzzza) of clause (105) of section 65 of the Act, shall be determined by the service provider in the following manner:-

- (i) Value of works contract service determined shall be equivalent to the gross amount charged for the works contract less the value of transfer of property in goods involved in the execution of the said works contract.

*Explanation: For the purposes of this rule-*

- (i) *Gross amount charged for the works contract shall not include Value Added Tax (VAT) or sales tax, as*



*the case may be, paid, if any, on transfer of property in goods involved in the execution of the said works contract;*

- (ii) *Value of works contract service shall include,-*
- (iii) *labour charges for execution of the works;*
- (iv) *amount paid to a sub-contractor for labour and services;*
- (v) *charges for planning, designing and architect's fees;*
- (vi) *charges for obtaining on hire or otherwise, machinery and tools used for the execution of the works contract;*
- (vii) *cost of consumables such as water, electricity, fuel, used in the execution of the works contract;*
- (viii) *cost of establishment of the contractor relatable to supply of labour and services;*
- (ix) *other similar expenses relatable to supply of labour and services; and*
- (x) *profit earned by the service provider relatable to supply of labour and services;*
- (ii) Where Value Added Tax or sales tax, as the case may be, has been paid on the actual value of transfer of property in goods involved in the execution of the works contract, then such value adopted for the purposes of payment of Value Added Tax or sales tax, as the case may be, shall be taken as the value of transfer of property in goods involved in the execution of the said works contract for determining the value of works contract service under clause (i).



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## Rule 17(1)(e) Andhra Pradesh VAT Rules, 2005

Following amounts are allowed as deductions from the total consideration received or receivable for arriving at the value of the goods used in execution of works contract, at the time of incorporation-

- (i) Labour charges for execution of the works;
- (ii) Charges for planning, designing and architect's fees;
- (iii) Charges for obtaining on hire or otherwise machinery and tools used for the execution of the works contract;
- (iv) Cost of consumables such as water, electricity, fuel, etc., used in the execution of the works contract, the property in which is not transferred in the course of execution of a works contract;
- (v) Cost of establishment of the contractor to the extent it is relatable to supply of labour and services;
- (vi) Other similar expenses relatable to supply of labour and services;
- (vii) Profit earned by the contractor to the extent it is relatable to supply of labour and services;
- (viii) amounts paid to a sub contractor as consideration for the execution of works contract whether wholly or partly;

Provided that, the contractor VAT dealer shall arrive at the value of goods at the time of incorporation, tax rate wise, from out of the taxable turnover arrived at as above, on prorata basis taking the ratio of value of goods liable to tax at different rates against the total value of purchases relating to such contract.

Provided further that, subject to the filing of returns and payment of tax as per clause (d), the VAT dealer shall pay the balance amount of tax arrived at by following this clause at the time of finalization of accounts relating to the particular work. Such additional taxable turnover and taxes payable shall be declared in the return for the month in which accounts are finalized.

Therefore, these rules were brought forward in order to aid the assessee in determining the exact cost of material involved and service rendered in a works contract, so as to compute and discharge their liability in relation to VAT & Service Tax Liability under works contract.

## VALUATION OPTIONS AVAILABLE FOR WORKS CONTRACT

There are various options available to an assessee to calculate his tax liability in respect to the works contract undersigned by him. The options are explained as follows:

## Itemized Deduction

This is the normal method of calculating the tax liability, whereby the assessee has to maintain detailed record of all the purchases and expenses which are eligible as deductions under the works contract. On the basis of the documents related to material absorbed in a WC an assessee may pay the VAT and on the balancing figure the service tax liability can be discharged.

## Standard Deduction

As the name suggests, under this method of computation of tax liability of a works contract, a specified or standard percentage of total contract value is allowed as a deduction. Such percentage is fixed by the government depending upon the service component involved in contracts on a general basis. A standard deduction may be opted by the Assessee in case the works contract is indivisible in nature and maintenance of detailed records of allowable deductions is intricate. Taxpayers have to choose between using standard deduction or itemized deduction, they cannot use both in a same tax year.

## COMPOSITION SCHEME

The composition scheme is a scheme whereby the assessee is given an option to pay the tax at a lower rate in the cases where computing the actual price of the service rendered or goods sold is an uphill task. It is an alternative to method of computing tax liability. The





Scheme of composition is a mechanism provided to collect the tax. The objective of such a mechanism is to minimize the inconvenience caused to the assesseees and also to the department in computing the figures. It is prevalent under the VAT laws of almost all the states at the same time the scheme is also offered under the service tax laws. In order to relieve some businesses of the need to keep detailed records, the law makes provision for a simpler method of accounting for Service Tax and VAT. Such a method is called a composition scheme and is available for assesseees under the following:

## Service Tax

### **Rule 3 of Works Contract (Composition Scheme for Payment of Service Tax) Rules, 2007**

“Notwithstanding anything contained in section 67 of the Act and rule 2A of the Service (Determination of Value) Rules, 2006, the person liable to pay service tax in relation to works contract service shall have the option to discharge his service tax liability on the works contract service provided or to be provided, instead of paying service tax at the rate specified in section 66 of the Act, by paying an amount equivalent to 4 (Four) per cent of the gross amount charged for the works contract.”

### **Rule 17 (3) of Andhra Pradesh VAT Rules, 2005**

The Scheme of composition is a mechanism provided to collect the tax. The objective of such a mechanism is to minimize the inconvenience caused to the assesseees and also to the department in computing the figures. It is prevalent under the VAT laws of almost all the states at the same time the scheme is also offered under the service tax laws.

### **Treatment of works contracts (other than for State Government or Local Authority) under composition**

- (a) Any VAT dealer who executes a contract and opts to pay tax as specified in clause (c) of sub-section (7) of Section 4 must register himself as a VAT dealer;
- (b) The VAT dealer mentioned in clause (a) above shall pay tax at the rate of four percent (4%) of the total consideration received or receivable whichever is earlier.

### **Rule 17 (4) of Andhra Pradesh VAT Rules, 2005**

### **The Treatment of Apartment Builders and Developers under composition-**

- (a) Where a dealer executes a contract for construction and selling of residential apartments, houses, buildings or commercial complexes and opts to pay tax by way of composition under clause (d) of sub section (7) of Section 4, he must register himself as a VAT dealer;
- (b) The VAT dealer shall have to pay tax by way of composition at the rate of four percent (4%) on twenty five percent (25%) of the total consideration received or receivable towards cost of land as well as construction or the market value fixed for the purposes of stamp duty, whichever is higher and the balance seventy five percent (75%) of the total consideration received or receivable shall be allowed as deduction for the





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purpose of computation of taxable turnover; whereas 1% is required to be paid on total consideration received or receivable in case of TOT dealers after the deduction mentioned in Rule 17 (5) (b) of APVAT Rules, 2005.

## ADVANTAGES AND DISADVANTAGES OF COMPOSITION SCHEME

### Advantages

- ◆ It simplifies the calculation of tax liability of a dealer
- ◆ It saves a lot of labour and effort in keeping records
- ◆ It's not been mandated by the law, hence optional to adopt
- ◆ Generally a very small amount of tax is payable under this scheme
- ◆ There will be a simple return form to cover longer return period

### Disadvantages

- ◆ Under this scheme the dealer is not able to claim input tax credit on purchases made by him
- ◆ Dealer will not be able to issue tax invoices to its customers. Special provisions for claim of set off and tax invoice would apply
- ◆ Purchaser shall not get any tax credit for the purchases made by him from the dealer operating under composition scheme

## COMPARATIVE ANALYSIS

It might be a predicament for an assessee to opt the best of the above schemes which keeps its tax liability bare minimum. To chalk out the finest alternative, let us take the following example and calculate the tax liability under the various schemes provided by the statute:

- ▶ Total consideration agreed between the contractor and the contractee for the works contract in relation to installation of electrical devices is Rs. 35 lacs.
- ▶ Total purchases amounts to Rs. 5,20,000/- (Inclusive of 4% VAT)
- ▶ Total purchases amounts to Rs. 17,17,500/- (Inclusive of 14.50% VAT)
- ▶ Total input services received from consultancy firm amounts to Rs. 2,75,750/- (Inclusive of 10.30% service tax)
- ▶ Labour charges for execution of the works Rs. 5,00,000/-
- ▶ Market value fixed for the contract amounts to Rs. 39,00,000/-

## Comparative Analysis of Tax Liability under each of the three Schemes

### Analysis - I

| Particulars                                              | Normal Scheme                                                                   | Standard Deduction Scheme                                                       | Composition Scheme                             |
|----------------------------------------------------------|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------|------------------------------------------------|
| <b>VAT CALCULATION</b>                                   |                                                                                 |                                                                                 |                                                |
| Total Value of works contract                            | Rs. 35,00,000/-                                                                 | Rs. 35,00,000/-                                                                 | Rs. 35,00,000/-                                |
| Value of material portion transferred under the contract | Rs. 24,00,000/-<br>[6 lacs @ 4% and 18 lacs @ 14.5%]                            | Rs. 24,50,000/-<br>[Let say, 70% of the contract value]                         | N.A.                                           |
| Net amount chargeable to VAT                             | Rs. 24,00,000/-                                                                 | Rs. 24,50,000/-                                                                 | Rs. 8,75,000/-<br>[25% of total consideration] |
| VAT %                                                    | 4% and 14.50% respectively                                                      | 4% and 14.50% respectively                                                      | 4%                                             |
| Total Output VAT                                         | Rs. 2,85,000/-<br>[6,00,000 X 4% = 24,000/-<br>18,00,000 X 14.50% = 2,61,000/-] | Rs. 2,89,100/-<br>[6,30,000 X 4% = 25,200/-<br>18,20,000 X 14.50% = 2,63,900/-] | Rs. 35,000/-                                   |
| Less: Total Input VAT                                    | Rs. 2,37,500/-<br>[5,00,000 X 4% = 20,000/-<br>15,00,000 X 14.50% = 2,17,500/-] | Rs. 2,37,500/-<br>[5,00,000 X 4% = 20,000/-<br>15,00,000 X 14.50% = 2,17,500/-] | N.A.                                           |
| <b>Net VAT Payable</b>                                   | <b>Rs. 47,500/-</b>                                                             | <b>Rs. 51,600/-</b>                                                             | <b>Rs. 35,000/-</b>                            |
| <b>SERVICE TAX CALCULATION</b>                           |                                                                                 |                                                                                 |                                                |
| Value of service portion under the contract              | Rs. 11,00,000/-                                                                 | Rs. 10,50,000/-<br>[30% of the contract]                                        | -                                              |
| Net amount chargeable to Service Tax                     | Rs. 11,00,000/-                                                                 | Rs. 10,50,000/-                                                                 | Rs. 34,65,000/-<br>[35,00,000-35,000]          |
| Service Tax %                                            | 10.30%                                                                          | 10.30%                                                                          | 4%                                             |
| Total Output Service Tax                                 | Rs. 1,13,300/-                                                                  | Rs. 1,08,150/-                                                                  | Rs. 1,38,600/-                                 |
| Less: Total Input Service Tax                            | Rs. 25,750/-<br>[2,50,000 X 10.30%]                                             | Rs. 25,750/-<br>[2,50,000 X 10.30%]                                             | Rs. 25,750/-<br>[2,50,000 X 10.30%]            |
| <b>Net Service Tax Payable</b>                           | <b>Rs. 87,550/-</b>                                                             | <b>Rs. 82,400/-</b>                                                             | <b>Rs. 1,12,850/-</b>                          |
| <b>Total Tax Payable</b>                                 | <b>Rs. 1,35,050/-</b>                                                           | <b>Rs. 1,34,000</b>                                                             | <b>Rs. 1,47,850/-</b>                          |
| <b>(VAT + ST)</b>                                        | <b>[47,500+87,550]</b>                                                          | <b>[51,600+82,400]</b>                                                          | <b>[35,000 + 1,12,850]</b>                     |

In the above hypothetical case, an assessee may opt for the standard deduction scheme since it portrays the lowest tax liability. However, the composition scheme may not be beneficial in all the cases. The fraction of service involved in the works contract will affect the cost benefit ratio. Hence, following table may be helpful in calculating the cost benefit ratio in the various possible cases of works contract:



## Analysis - II

| Material fraction (in Rs) | Service fraction (in Rs) | Service Tax liability under Normal method (in Rs) | Service Tax liability under composition method (in Rs) | Cost-benefit (in Rs) (c-d) |
|---------------------------|--------------------------|---------------------------------------------------|--------------------------------------------------------|----------------------------|
| (a)                       | (b)                      | (c)                                               | (d)                                                    | (e)                        |
| 10                        | 90                       | 9.27                                              | 4.00                                                   | 5.27                       |
| 20                        | 80                       | 8.24                                              | 4.00                                                   | 4.24                       |
| 30                        | 70                       | 7.21                                              | 4.00                                                   | 3.21                       |
| 40                        | 60                       | 6.18                                              | 4.00                                                   | 2.18                       |
| 50                        | 50                       | 5.15                                              | 4.00                                                   | 1.15                       |
| 60                        | 40                       | 4.12                                              | 4.00                                                   | 0.12                       |
| 70                        | 30                       | 3.09                                              | 4.00                                                   | 0.81                       |
| 80                        | 20                       | 2.06                                              | 4.00                                                   | (1.94)                     |
| 90                        | 10                       | 1.03                                              | 4.00                                                   | (2.97)                     |

From the above table we can roughly say that if the element of service is more than 20% in Works Contract, it will be cost beneficial to opt for Composition Scheme. However, at the same time we have to consider the other influencing factors too.

## NOTABLE JUDICIAL PRONOUNCEMENTS

**Whether a construction contract also involving engineering / commissioning be vivisected and proportionately charged to Service tax**

*Daelim Industrial Co. v. CCE* 2003 (89) ECC 140, 2003 (155) ELT 457 Tri Del: Indian Oil Corporation Ltd. awarded a contract on a lump sum basis to Daelim Industrial Co. Ltd. (DICL) for construction of a diesel hydro-desulphurisation plant so as to reduce the sulphur content in diesel. A show-cause notice was issued by the Additional Commissioner, Central Excise, Vadodara holding that DICL was liable to pay service tax on residual process design and detailed engineering, "commissioning of plant" applicable to "consulting engineers" which was also seconded by the Commissioner (Appeals). Moving to the Apex Court, DICL contented that their contract was a works contract and design, drawing in question (which was less than 7 of the total cost of the deal) was incidental to the execution of the works contract and it is not amenable to vivisect the contract to be split into individual components for levy of service tax.

The Supreme Court, on a close examination of the terms of the contract and on what has been stated above, concluded that the said contract was a works contract on turnkey basis and not a consultancy contract. Setting aside the impugned orders, the SC directed the Department to return the amounts so far paid by the appellants, without any delay.

**Whether serving of meals to the 'resident' visitors of a Hotel considered to be sale of the food to them?**

*State of Punjab and Anr. v. Associated Hotels of India Ltd* 1967 20 STC 1 P H: Associated Hotels of India Ltd (AHIL) owns a chain of hotels, one of the main lines of its business activity is to provide residential accommodation and their tariff for the persons staying in their hotels is an inclusive one for lodging as well as three principal meals, viz. breakfast, lunch and dinner. the petitioners had been filing the returns of the turnover under the Act and the Assessing Authority under the Act had been treating the service of meals to residents in the hotels as sale of foodstuffs but in their overall charges made from the guests had allowed 75 per cent, rebate on a notional basis on account of rent of the premises, amenities provided etc. Objecting to the levy of the tax on the so-called sale of food the company made an application to the Excise and Taxation Officer, Simla and the plea was turned down. In a writ petition, the Single Judge of High Court opined that the essential ingredients of a sale as defined in Section 2(h) of the Act are that there should be an agreement between the parties for transferring the title in the goods, that it must be supported by money consideration and that in consequence of the transaction property must pass in the goods to the vendee.

The court noted the following facts of the instant case:

- (i) that there is no splitting up of the charge made from a resident in a hotel,
- (ii) that a guest in a hotel is not only entitled but is specifically debarred from claiming any reduction in his bill if he does not take food in the hotel,
- (iii) the guests to whom the meals are served cannot under the agreement take away the food for later consumption or giving it away to someone else and
- (iv) he has no right to reject the food.

On these facts the court's view was that no sale of food takes place appears to be unexceptionable and fully supported by authorities.

## EPILOGUE

Taxation of works contract has always posed problems for both, the taxpayers and the administration. Factors such as percentage of service involved, terms of payment, amount of CENVAT available, nature and scope of the contract, etc., need to be strategically considered and various options be weighed to enable the assessee keeping a tab on his tax liability. This procedure must be exercised prior to evaluation of tax liabilities in respect of the said works contract and the option so implemented shall be applicable for the entire works contract and shall not be withdrawn until the accomplishment of the said works contract. Therefore, if structured carefully, the options available to compute tax liability could be a boon for the works contractor. ■



## Corporate Laws



**LW 11.02.2012**

**PRAJA MECHANICALS PVT LTD v. VARDAN AGROTECH PVT LTD [DEL]**

C.P.No. 296/2007 & C.A.No.1290/2007  
Manmohan, J.

[Decided on 03/01/2012]

***Companies Act, 1956 - Sections 433(e), 434, 439- Winding up of company-Inability to pay the admitted debt-winding up order passed.***

### Brief facts

The respondent company had placed a purchase order on the petitioner for conveyor system along with accessories, source raising mechanism, pressure plate for its irradiation plant for a consideration of Rs. 1,26,00,000/-. Thereafter, a number of revisions were made in the purchase order from time to time and finally the respondent company was to pay to the petitioner a sum of Rs. 1,90,83,443/- inclusive of statutory charges. The petitioner had fulfilled all its obligations under

the purchase order but the respondent company paid only a sum of Rs. 1,67,19,053/- to the petitioner leaving a balance of Rs. 23,64,390/- as outstanding. Thereafter, an agreement was executed between the parties whereby it was agreed that the respondent company would pay the balance amount to petitioner and the petitioner as a goodwill gesture would help the respondent company in identifying and solving the problems in running the conveyor system.

In pursuance to the said agreement, respondent company issued two post-dated cheques dated 10th August, 2006 and 20th August, 2006 for a sum of Rs. 3 lacs and Rs. 4 lacs respectively to the petitioner. On presentation the cheque dated 10th August, 2006 got dishonoured for the reason insufficient funds. The respondent company requested the petitioner not to take action against it and replaced it by Demand Draft for a sum of Rs. 3 lacs, which was honoured. Thereafter, the cheque dated 20th August, 2006 was also dishonoured on presentation for the reason "payment stopped by drawer". Once again the respondent company requested the petitioner not to take any action and informed the petitioner that it had already got a demand draft made in favour of the petitioner for a sum of Rs. 2 lacs and that the balance payment would be made shortly. The respondent company also faxed to the petitioner a copy of the demand draft bearing no. 000230 dated 21st August, 2006. However, this draft was also got cancelled by it and the payment was never made to the petitioner. Hence this petition was filed.

**Decision: Petition admitted.**

### Reason

Having heard the learned counsel for the parties and on a perusal of the paper book, this Court is of the view that the preliminary objections raised by the respondent company are untenable in law. The objection with regard to the defective Board Resolution dated 8th November, 2007 is not maintainable as the said Board Resolution was later ratified by a new Board Resolution dated 12th November, 2010. In the opinion of this Court, it is within this Court's power to take the ratified Board Resolution on record.

Coming to the merits of the case, this Court is of the considered view that the respondent's reliance on the correspondence prior to Agreement dated 27th July, 2006 is misplaced. The agreement dated 27th July, 2006 supersedes all the correspondence prior to it and the respondent "cannot just wish away" the said agreement. This Court also finds that till date no action has been taken by the respondent company to have the said agreement set aside. The respondent company is bound by the said Agreement and mere allegation by the respondent company that the same is not binding cannot be sustained.

Further, the contention of the respondent company that the payment of the amount as mentioned in the agreement dated



27th July, 2006 was contingent on the petitioner fulfilling its promise to support the respondent in making the conveyor system run smoothly belies the contents of the Agreement. In fact, this Court finds that nowhere in the said agreement it is mentioned that the payments were to be made only when the petitioner would complete the work and make the conveyor system functional. In the opinion of this Court, there is a clear admission that an amount of Rs. 23, 64,390/- was due and payable as on that date and respondent was to make payment without demur.

It is an admitted position that the plant and machinery of the respondent company has been dismantled and taken over/attached by the receiver under the orders of High Court of Punjab and Haryana and the respondent company is not a running company and not carrying out any business with no chances of being revived.

In view of the aforesaid, the defence set out by respondent company is a sham and moonshine. Accordingly, the present petition is admitted and the Official Liquidator attached to this Court is appointed as Provisional Liquidator with regard to respondent company. The Official Liquidator is directed to forthwith take over the assets and records of the respondent company.

of Central Excise, Bangalore (hereinafter referred to as "the Commissioner"), demanding duty in respect of PMB falling under sub-heading 271500.90 of the Tariff Act. The Commissioner adjudicated upon the said show cause notice and held that the aforesaid process carried out by the assessee amounted to manufacture of PMB in terms of Section 2(f) of the Act, irrespective of the fact whether such process was carried out on their own account or on job work basis and therefore, was dutiable. He accordingly, confirmed the demand indicated in the show cause notice. Aggrieved thereby, the assessee filed an appeal before the Tribunal. Reversing the decision of the Commissioner, the Tribunal has come to the conclusion that since PMB cannot be bought and sold in the market as it is fit for use only in a molten condition, at a temperature around 1600° C and resultantly cannot be stored unless kept in continuous agitated state at 1000° C so as to avoid separation of polymer and bitumen; the process carried out by the assessee does not amount to manufacture. A similar view has been expressed by the Tribunal in other orders which are the subject matter of these appeals by the revenue.

**Decision:** Appeal dismissed.

## Reason

The question which falls for consideration in all these appeals is whether the addition and mixing of polymers and additives to base bitumen results in the manufacture of a new marketable commodity and as such exigible to Excise duty?

The expression 'manufacture' defined in Section 2(f) of the Act, *inter alia* includes any process which is specified in relation to any goods in the Section or Chapter Notes of First Schedule to the Tariff Act. It is manifest that in order to bring a process in relation to any goods within the ambit of Section 2(f) of the Act, the same is required to be recognised by the legislature as manufacture in relation to such goods in the Section notes or Chapter notes of the First Schedule to the Tariff Act. Therefore, in order to bring petroleum bitumen, falling under CSH 27132000, within the extended or deemed meaning of the expression 'manufacture', so as to fall under CSH 27150090, the process of its treatment with polymers or additives or with any other compound is required to be recognised by the legislature as manufacture under the Chapter notes or Section notes to Chapter 27.

In the present case, a plain reading of the Schedule to the Act makes it clear that no such process or processes have been specified in the Section notes or Chapter notes in respect of petroleum bitumen falling under Tariff Item 27132000 or even in respect of bituminous mixtures falling under Tariff Item 27150090 to indicate that the said process amounts to manufacture. Thus, it is evident that the said process of adding

# Tax Laws

**LW 12.02.2012**

## COMMISSIONER OF CENTRAL EXCISE v. OSNAR CHEMICAL PVT LTD[SC]

Civil Appeal Nos. 4055-4056 of 2009 with Civil Appeal No. 5633 of 2009 And Civil Appeal No. 7142 of 2010

D.K. Jain & Asok Kumar Ganguly, JJ.

[Decided on 13/01/2012]

**Sections 2(f) of Central Excise Act, 1944 read with Central Excise Tariff Act, 1985-the process of mixing of polymer and bitumen-Whether manufacture-Held, No.**

## Brief facts

The assessee had been paying Central Excise duty on the PMB processed at their factory in Mumbai but had not paid the same for the conversion done at the work site. Consequently, a show cause notice was issued to them by the Commissioner



polymers and additives to the heated bitumen to get a better quality bitumen, viz. PMB or CRMB, cannot be given an extended meaning under the expression manufacture in terms of Section 2(f) (ii) of the Act.

We may now examine whether the process in question, otherwise amounts to manufacture under the expansive Section 2(f) of the Act. It is trite to state that "manufacture" can be said to have taken place only when there is transformation of raw materials into a new and different article having a different identity, characteristic and use. It is well settled that mere improvement in quality does not amount to manufacture. It is only when the change or a series of changes take the commodity to a point where commercially it can no longer be regarded as the original commodity but is instead recognized as a new and distinct article that manufacture can be said to have taken place.

Having considered the matter on the touchstone of the aforesaid legal position, we are of the view that the process of mixing polymers and additives with bitumen does not amount to manufacture. Both the lower authorities have found as a fact that the said process merely resulted in the improvement of quality of bitumen. Bitumen remained bitumen. There was no change in the characteristics or identity of bitumen and only its grade or quality was improved. The said process did not result in transformation of bitumen into a new product having a different identity, characteristic and use. The end use also remained the same, namely for mixing of aggregates for constructing the roads. ■

***The Food Corporation of India Act, 1964 read with Articles 14 and 16 of the Constitution of India - Incentive to employees who acquire additional qualifications- Whether discriminatory-Held, No.***

## Brief facts

With a view to ensure a desired degree of efficiency and mobility in the administration and management of its affairs, the FCI, vide Circular No.40 of 1985, dated 29th July, 1985, introduced a scheme providing for incentives to its employees on acquiring additional qualifications during their service in the FCI. The Circular provided for grant of two increments to employees in their respective pay scales on acquiring such professional degrees and diplomas as were mentioned in the Circular. Subsequently, another Circular No. 72 of 1986, dated 14th November, 1986, was issued, extending the benefit of one special increment to in-service employees who acquire one year diploma course in any professional subject as mentioned in the Circular. The afore-mentioned Circulars were complimented by Circular No. 58 of 1987, dated 24th August, 1987, which clarified that the increments shall only be in the form of a personal pay to an official till his promotion to the next higher grade, which shall be subsequently absorbed in the basic pay at the time of pay fixation for the promoted post.

The Circular of 1985 was challenged on the ground that it resulted in discrimination between in-service employees acquiring additional qualification and the persons recruited by the FCI already possessing the prescribed additional qualification. The High Court of Jammu and Kashmir allowed the petition. Hence, the appeal by the FCI.

**Decision:** Appeal allowed.

## Reason

The short question that falls for consideration is, whether grant of incentives only to the in-service employees of the FCI, who acquire professional qualifications after entering in service and denial of the same to those who had acquired the same professional qualifications before entering the service is invalid in law, being violative of Articles 14 and 16 of the Constitution?

It is manifest from a bare reading of the Circular that the fundamental objective of the Circular is to provide an incentive to the in-service employees in order to motivate and encourage them to acquire professional qualifications in various courses, spelt out in the Circular, for their career progression and at the same time enable the FCI to build a reserve of qualified professionals from within the organisation to back up key positions. Evidently, the incentive will not only improve their overall performance and efficiency in the organisation, but also, in the final analysis would strengthen the management with the advent

# Labour Laws

**LW 13.02.2012**

**FOOD CORPORATION OF INDIA & ORS v. BHARTIYA KHADYA NIGAM KARMCHARI SANGH & ANR [SC]**

Civil Appeal No. 7268 of 2002 with Civil Appeal No. 6878 of 2003  
D.K. Jain & Anil R. Dave, JJ.

[Decided on 13/01/2012]



of an atmosphere of professionalism in the FCI. Our attention was also drawn to Circular No. 27 of 2000, dated 11th September, 2000, empowering the competent authorities to grant higher start/advance increments to newly recruited employees at par with the pay drawn in their previous employment before joining the FCI. It is therefore, plain that the provision to grant extra benefit to a new recruit possessing higher qualifications was already in existence. It is also pertinent to note that the said Circular and the benefit which is sought to be given under any of the Circulars, referred to above, is not assailed by the respondents. Their only grievance is that there is no justification in depriving the persons, who already possess the higher qualifications from the benefit of extra incentives, which are being granted to the in-house employees. We are of the opinion that bearing in mind the aforesaid fact situation and the objective sought to be achieved by issuance of the said Circular, there is substantial merit in the stand of the FCI. The classification adopted by the FCI is between an employee obtaining a higher qualification after joining service and an employee who already possessed such qualification before joining the service. As aforesaid, the main purpose of this classification is to grant an incentive to the employees already in service in the FCI to motivate them to acquire higher qualifications for their own benefit as well as of their employer viz. the FCI. We are convinced that the classification sought to be made by the FCI between the two sets of employees bears a just and rational nexus to the object sought to be achieved by introducing the said incentive scheme. Judged from this point of view, in our opinion, grant of the incentive in relation to the in-service employees, in no way amounts to discrimination between the in-service employees and the employees recruited with higher qualification, offending either Articles 14 or 16 of the Constitution, particularly when the incentive is in the form of a special increment as 'personal pay' to be merged in pay at the time of promotion to the next higher grade and thus, having no bearing on the *inter-se* seniority and/or to the future promotion to the next higher grade.

## LW 14.02.2012

**M/S. MAHATTA & CO. & ANR v. MUNNA LAL SHUKLA & ANR[DEL]**

W.P. (C).8365-66/2006  
Rajiv Sahai Endlaw, J.

[Decided on 10/01/2012]

**Industrial Disputes Act, 1947 - Section 17(B) - Industrial award-award directing reinstatement with back wages of**

***the dismissed workman - Employer contends that the validity of holding the domestic inquiry should have been decided as preliminary issue by the adjudicator-whether correct-held, No. Non-appearance of workman coupled with non-enforcement of the 17B order passed by the court-whether entitled for reinstatement and back wages-Held,No.***

## Brief facts

The petition impugns the award of the Industrial Adjudicator on the following reference "Whether dismissal of services of Sh. Munna Lal Shukla by the management is illegal and/or unjustified and if so, to what relief is he entitled and what directions are necessary in this respect?"and holding the petitioner employer to have failed to prove that any inquiry in accordance with law was held prior to the dismissal of the services of the respondent workman and also having failed to prove before the Industrial Adjudicator any grounds for dismissal of respondent workman from service and consequently directing the petitioner employer to reinstate the respondent workman with 40% of back wages immediately as he is a skilled employee.

**Decision: Petition partly allowed.**

## Reason

I find that though the Industrial Adjudicator while framing the issues and/or listing the matter for evidence did not specify as to whether the issue as to validity of the inquiry was to be treated as a preliminary issue and as to whether the evidence on all the issues was to be led together or in two stages but the petitioner employer having failed to produce the record of the domestic inquiry, the question of evidence on that aspect only being required to be recorded did not arise. There was thus no reason for the petitioner employer to complain that the issue of validity of the inquiry ought to have been treated as a preliminary issue and/or evidence on that only being led first. The petitioner employer clearly failed to avail the opportunity to cross examine and/or to lead its own evidence and cannot be heard to make any grievance on the same.No error can thus be found with the award.

However the respondent workman having not appeared before this Court and having also not enforced the order under Section 17B of the ID Act, the possibility of his being engaged/employed elsewhere is writ large. In the circumstances, it is deemed necessary to modify the award from that of reinstatement with 40% back wages to that of compensation in lieu of reinstatement and back wages. ■



## General Laws

LW 15.02.2012

**ALISTER ANTHONY PAREIRA v. STATE OF MAHARASHTRA [SC]**

Criminal Appeal Nos. 1318-1320 of 2007  
R. M. Lodha & Jagdish Singh Khehar, JJ.

[Decided on 12/01/2012]

*Rash driving and hit and run incidents-quantum of punishment-appellant killed 7 persons due to rash driving-HC sentenced 3 years imprisonment-Whether correct- Held, Yes.[In this case SC recommended higher term of imprisonment for such offences]*

### Brief facts

On the South-North Road at the East side of Carter Road, Bandra (West), Mumbai in the early hours of November 12, 2006 between 3.45 - 4.00 a.m., a car ran into the pavement killing seven persons and causing injuries to eight persons. The appellant - Alister nthy Pareira - was at the wheels. He has been convicted by the High Court for the offences punishable under Sections 304 Part II, 338 and 337 of the Indian Penal Code, 1860 (IPC). The High Court sentenced the appellant to undergo rigorous imprisonment for three years for the offence punishable under Section 304 Part II IPC with a fine of Rs. 5 lakhs. On account of offence under Section 338 IPC, the appellant was sentenced to undergo rigorous imprisonment for a term of one year and for the offence under Section 337 IPC rigorous imprisonment for six months. The High Court noted that fine amount as per the order of the trial court had already been distributed to the families of victims. It is from the above judgment of the High Court that the present appeals have been preferred by the appellant.

**Decision:** Appeal dismissed.

### Reason

The facts and circumstances of the case which have been

proved by the prosecution in bringing home the guilt of the accused under Section 304 Part II IPC undoubtedly show despicable aggravated offence warranting punishment proportionate to the crime. Seven precious human lives were lost by the act of the accused. For an offence like this which has been proved against the appellant, sentence of three years awarded by the High Court is too meagre and not adequate but since no appeal has been preferred by the State, we refrain from considering the matter for enhancement. By letting the appellant away on the sentence already undergone i.e. two months in a case like this, in our view, would be travesty of justice and highly unjust, unfair, improper and disproportionate to the gravity of crime. It is true that the appellant has paid compensation of Rs. 8, 50,000/- but no amount of compensation could relieve the family of victims from the constant agony. As a matter of fact, High Court had been quite considerate and lenient in awarding to the appellant sentence of three years for an offence under Section 304 Part II IPC where seven persons were killed.

LW 16.02.2012

**SUKHDATA CHITS PVT LTD & ORS v. RAJENDER PRASAD GUPTA [DEL]**

Crl.M.C. No. 3089/201 and Crl.M.C. No. 3090/2011

M.L. Mehta, J.

[Decided on 11/01/2012]

*Negotiable Instruments Act - Section 145-Evidence affidavit of the complainant-Cross examination of the complainant by accused-How far the subject of cross examination can go-Held, the trial court has to determine the extent with respect to the averments contained in the evidence affidavit.*

### Brief facts

An application was filed by the accused/petitioners under Section 145(2) of the N.I. Act for cross examination of the respondent which came to be disposed by MM. The learned MM permitted cross examination of the complainant confined to Para 4 & 6 of the application and held that the rest of the paras of the application were legal or within the personal knowledge of the accused/petitioners under section 106 of Indian Evidence Act and hence do not require any cross examination. The said order was challenged by the petitioners in revision in the court of learned ASJ, who upheld the order of the MM. The above mentioned orders of the MM and the learned ASJ are challenged by way of the present petitions.

**Decision:** Petition allowed by modifying the order.



## Reason

The only legal issue that arises for consideration is as to whether the petitioners/accused were not entitled to cross examine the complainant as regard to the entire facts contained in the affidavit of evidence of the complainant or their (petitioners) right of such a cross examination of the witness of the affidavit was limited to certain facts or their defences. In other words, the submission was that the petitioners were prejudiced in case they were not allowed to cross examine the complainant as regard to the contents of the affidavit of evidence and were confined to their defences or limited facts. On the other hand, the submission of the learned counsel for the respondent was that the nature of the proceedings under Section 138 being of summary trial, there was certain presumptions, which arise against the petitioners under Section 139 of the Act and so, the right of cross examination of the complainant by the petitioners was confined to his defences or in any case to the limited facts.

Section 145 starts with the *non obstante clause* meaning thereby that notwithstanding the provisions of the Code of Criminal Procedure, the evidence of the complainant may be given by him on affidavit though taking of evidence by this mode would be subject to all just exceptions, which would mean that anything that was inadmissible in evidence or irrelevant or hearsay would not be taken in evidence though the same may be stated in the affidavit.

With the legislative intent being not only of summary trial, but of swifter and expeditious disposal of dishonoured cheques cases, particularly Section 139 of the Act as also Section 118 of the Evidence Act providing presumption in favour of the complainant that issue of cheque was towards the debt or liability and Section 145 providing that the evidence could be led by the complainant by way of the affidavit, the petitioner/accused could not be said to have unlimited and unbridled right of subjecting the complainant to the usual and routine type of cross examination. If that was so, that would apparently be not only against the scheme and object of the provisions of summary trial, but would be contrary to the provisions of Section 139, 143 and 145 of the Act.

Thus it can be said that the phraseology "as to the facts contained therein" in Section 145(2) of the Act cannot be read to mean that the complainant can be subjected to be cross-examination of everything that he has stated on affidavit. If sub section (2) of Section 145 is interpreted to mean that in every case where the accused applies to the court to summon the complainant or his witness who has given evidence on affidavit under sub section (1) and the court is obliged to summon him to tender oral examination-in-chief or to allow him to be subjected to cross examination as in summons or warrant trial cases, then the object of inserting such provision would be defeated. Sub-Section (2) of Section 145 cannot be

interpreted in a manner that would render Sub-Section (1) thereof or Section 139 & Section 143 redundant.

From the above discussion, it can be said that there cannot be any hard and fast rule as to what part of evidence tendered by way of affidavit could be eligible for cross examination. It was to be decided by the Magistrate depending upon the facts and circumstances of each case and also keeping in mind the scheme and objective of the Act, particularly Section 139, 143, 145 of the Act as also Section 106 of the Evidence Act. In view of my above discussion, the impugned orders are modified to the extent that the cross examination of the complainant would not remain limited to the contents of Para 4 and 6 of the applications of the complainant, but shall also extend to the facts in addition to their defences, as may be deemed and essential by the learned Magistrate relevant in the facts and circumstances of the case keeping in view the object and scheme of the Act and particularly, provisions of Sections 139, 143 of the Act and Section 106 of Evidence Act.

## LW 17.02.2012

### DEEPAK VIG v. AVDESH MITTAL [DEL]

Crl.M.C. No. 1136/2011

M.L. Mehta, J

[Decided on 11/01/2012]

***Negotiable Instruments Act - Section 138-Lease agreement- Payment of refundable security deposit to the Lessor by lessee-Dishonour of cheques issued towards security deposit - Whether security deposit constitute any debt or liability-Held, yes.***

## Brief facts

By virtue of lease agreement arrived at between the petitioner/lessee and respondent/Lessor the property of respondent was taken by the petitioner for the purpose of running a guest house for a period of five years on an agreed monthly rent of Rs.19 lakh subject to increase in the rent as per said agreement. In pursuance of the said agreement, the petitioner gave five cheques and out of these five cheques, three cheques of rupees 57 lakh, 16lakh and 20 lakh were dishonoured on presentation by the bankers of the petitioner with the remarks "insufficient funds". Fresh cheques of these amounts were issued by the petitioner. Out of these three fresh cheques, two cheques of rupees 16 & 20 lakh again got dishonoured on account of "payment stopped". The respondent/complainant issued two separate legal notices to



the petitioner in respect of these two dishonoured cheques. These notices were replied by the petitioner and thereafter, the respondent filed the complaint case against the petitioner under section 138 of the Act, the cognizance of which was taken by the MM and the impugned order was passed summoning the petitioner. The petitioner challenged the summoning order.

**Decision:** Petition dismissed.

## Reason

There does not appear to be any dispute with regard to the facts as briefly noted above. The only contention that was raised by the petitioner in assailing the impugned order was that the cheques were not issued in discharge of any debt or liability but were issued as interest free security deposits and so the provisions of section 138 of the Act were not applicable. *Per contra*, the contention of the respondent/ complainant was that the cheques were forming part of the security amount of Rs.1.5 crores which was the fundamental term of the lease agreement and that these formed part of the consideration of the contract and were given by the petitioner in discharge of his liability of payment of security and so the provisions of section 138 of the Act were applicable.

Keeping in mind that there was a distinction between cheque issued merely as security and the cheque issued towards discharge of a liability to pay notwithstanding that the money is by way of security for due performance of the contract, it is seen that the payment of security amount of Rs.1.5 crores by the petitioner was a fundamental term of the lease agreement between the parties. This is irrespective of the fact that the said security was refundable at the time of vacation of the premises by the petitioner. What was relevant was that the aforesaid cheque formed part of the security deposit which was payable by the petitioner as a liability to the complainant. The cheques were not given as security *per se*, but were issued towards discharge of liability of payment of security. In consideration of this security, the respondent agreed to remain deprived of the possession of the lease property for a certain period. The lease deed entered into between the parties constituted a valid contract between them. The interest free security deposit amount of Rs.1.5 crores to be paid by the petitioner to the respondent constituted his liability as against the lessor as it formed a part of the consideration of the contract for the use of the property by the petitioner as lessee.

From all these *prima facie* it is established that the dishonoured cheques were issued towards the discharge of a liability notwithstanding the fact that the money was by way of security deposit for the due performance of the terms of the

agreement and was refundable at the time of vacation of the premises.

In view of my above discussion, I am of the considered view that the impugned order does not suffer from any infirmity or illegality and that being so, the petition is hereby dismissed.

**LW 18.02.2012**

## GAIL (INDIA) LIMITED v. HINDUSTAN CONSTRUCTION CORPORATION [DEL]

O.M.P. 170/2004

S. Muralidhar, J.

[Decided on 09/01/2012]

**Arbitration and Conciliation Act, 1996 - Section 34- Respondent issued NCC after negotiating with the petitioner-later claimed that issue of such NCC was made under coercion which was accepted by the arbitrator-whether correct-Held,No.**

## Brief facts

Upon completion of the contract respondent HCC issued No Claims Certificate to the petitioner GAIL for the final payment. The final NCC was issued by HCC after GAIL had extended the time and waived off imposition of liquidated damages as required by HCC. After receiving the final payment HCC raised a dispute that NCC was issued under coercion and the arbitrator also accepted the plea and made award in favour of HCC. GAIL had challenged the said award under this petition.

**Decision:** Petition is allowed.

## Reason

The issue that falls for consideration on the above submissions is whether the learned Arbitrator's rejection of GAIL's objection concerning maintainability of HCC's claim was tenable in law. The question whether submission of no claim certificate by a contractor would constitute "accord and satisfaction" and would preclude such contractor from subsequently raising a claim for reference to arbitration came up for consideration by the Supreme Court in various cases. Turning to the case on hand, the relevant facts are that after completion of the work on 31st October 1996, HCC submitted its final bill. Going by the first NCC issued on 7th March 1997, it appears that HCC had imposed a condition for the extension of time and waiving of LD for issuance of such NCC. On 14th January 1998, GAIL accepted the condition to extend the time and waive off LD and wrote to HCC to issue a NCC and also requested to furnish certain other certificates.



It appears from the above exchange of letters that far from being compelled or "coerced" into issuing an NCC, HCC insisted on GAIL extending the period of completion of the contract without imposition of LD as a pre-condition to issuing the NCC. GAIL acceded to the said condition and thereafter HCC issued the NCC.

The above correspondence shows that the two parties were in negotiation as regards the settlement of the final bill and there was no compulsion on HCC, much less any coercion, to issue an NCC. The learned Arbitrator has failed to consider this important aspect while concluding that: "In the present case the NCC was demanded before the bill was finalized and before the amount of final payment intimated to claimants-HCC. Accordingly I do not agree that the NCC constitutes sufficient cause for denying consideration of the claims made by Claimants-HCC before me." The said conclusion is contrary to the evidence which shows that the NCC was issued after HCC's condition for issuing it was acceded to by GAIL. Also, in terms of the law as explained in the above decisions, the learned Arbitrator failed to notice that HCC had not issued the NCC under coercion or duress. The NCC issued by HCC to GAIL constituted "accord and satisfaction" of HCC's claims and there was therefore no arbitrable dispute. For the aforementioned reasons, this Court sets aside the impugned Award.

## LW 19.02.2012

### INSTITUTE OF TOWN PLANNERS, INDIA v. COUNCIL OF ARCHITECTURE & ORS [DEL]

WP(C) NO.8653/2008

Rajiv Sahai Endlaw, J.

[Decided on 04/01/2012]

**Architects Act, 1972 - Minimum Standards of Architectural Education Regulations, 1983-Guidelines for Post-Graduate Programme, 2006 - Three PG courses offered by COA- Whether COA is competent to offer these three courses- Held, No.**

### Brief facts

The petition impugns the Minimum Standards of Architectural Education Guidelines for Post-Graduate Programme, 2006 published by the respondent No.1 Council of Architecture (COA), to the extent they lay down guidelines for Town & Country Planning courses viz. M. Arch. (Urban & Regional Planning), M. Arch. (Transportation Planning & Design) and M. Arch. (Housing). The petition also seeks to prohibit the respondent No.1 COA and its affiliate Institutes and Colleges from introducing / conducting the said Post-Graduate courses.

The petition further seeks direction in the nature of *mandamus* directing the respondent No.1 COA to operate within the framework of The Architects Act, 1972.

**Decision: Petition allowed.**

### Reason

It is the case of the petitioner that the three courses aforesaid, though titled as Master of Architecture, but the course curriculum thereof is of Town & Country Planning over which respondent No.1 COA has no jurisdiction. It is further the case of the petitioner, that the respondent No.2 AICTE is the nodal authority for recognition of any technical courses; that technical education in Section 2(g) of the All India Council for Technical Education Act, 1987 is defined as meaning programmes *inter alia* in Architecture & Town Planning; that it is thus the respondent No.2 AICTE which is empowered to lay down norms and standards for courses, curricula, physical and instructional facilities, staff pattern, staff qualifications etc. for such courses; that the petitioner has entered into a Memorandum of Understanding (MOU) with the respondent No.2 AICTE for utilization by respondent No.2 AICTE of expertise of the petitioner in the field of Town & Country Planning and for assessment of proposals for establishment of new institutions or introduction of new courses in Town & Country Planning.

The respondent No.1 COA in its counter affidavit has pleaded that Town & Country Planning has always been an integral part of the course curriculum for the undergraduate degree programme in Architecture; the basic courses of B. Arch. which has been prescribed as part of the Minimum Standards of Architectural Education Regulations, 1983 itself prescribes subjects such as Landscape Design, Surveying and Levelling, Building, Service and Equipment, Humanities, Estimating and Costing, Principle of Human Settlement, Town Planning, Urban Design, Landscape & Urban Planning etc.; that the petitioner has no *locus standi* to question the authority of respondent No.1 COA for prescribing standards of education; that there are no undergraduate programmes in the subject of Town & Country Planning except that offered from the School of Planning & Architecture, New Delhi; that Urban Design, Housing and Site Development etc. are integral part of the Architecture and thus the respondent No.1 COA cannot be said to be having no power to prescribe guidelines and courses for the three programmes aforesaid. Reliance is placed on Para 76 of judgment in *MD Army Welfare Housing Organization v. Sumangal Services (P) Ltd.* (2004) 9 SCC 619 where Hudson on Building and Engineering Contracts defining the role of "Architect" was quoted with approval. It is further contended that the AICTE Act does not vest the



respondent No.2 AICTE with the power to regulate either Architectural education or Town Planning and that under the AICTE Act no regulation has been framed in respect of Town Planning. With respect to the MOU between the petitioner and the respondent No.2 AICTE, it is stated that the same was only for three years from the year 2006 and has lapsed and in any case cannot interfere with the Guidelines published by respondent No.1 COA. On the competence to publish the said Guidelines, source thereof is traced in Section 21 & Section 45(2) (e) (g) (h) & (j) of The Architects Act.

The respondent No.1 COA having been found to be empowered to prescribe minimum standards of architectural education are required for granting recognized qualification mentioned in the Schedule of the Act only and which does not include the three qualifications *qua* which the petition has been filed, the question whether Town Planning is a part of the subject of Architecture or not need not be adjudicated. I may, however, mention that the clause *supra* in the 1983 Regulations relied upon by the respondent No.1 COA is also not found to be empowering COA to prescribe standards of education for any qualification other than recognized qualification mentioned in the Schedule to the Architectural Act. In any case, the regulations framed under the Act, cannot expand the scope thereof, there being no ambiguity whatsoever with respect thereto.

I am also unable to accept the contention that laying down of minimum standards of education for post graduate qualifications, as the three courses aforesaid *qua* which the petition is filed are claimed to be, is incidental or ancillary to the power vested under Section 21 of the Architectural Act in the COA to prescribe Minimum Standards of Education required for recognized qualifications. Had the legislature intended to so empower the COA, it would not have restricted its power to recognized qualifications mentioned in the Schedule. On the contrary, Section 14(2) of the Architectural Act vests the power to grant recognition to any architectural qualification in the Central Government and which power is to be exercised after consultation with the COA. Thus, when COA is not even empowered to recognize any architectural qualification, it cannot certainly be held to be empowered to prescribe minimum standards therefor. In the circumstances, this is found to be no lacuna in law, as contended. The question is not of whether COA is prohibited from doing so, but of its entitlement to do so.

The petition therefore succeeds. It is held that respondent No.1 COA is not empowered to lay down or prescribe minimum standards of education for qualifications other than recognized qualifications mentioned in the Schedule of

Architects Act. Accordingly, the Guidelines insofar as prescribing the minimum standards of education for the courses of M. Arch. (Urban & Regional Planning), M. Arch. (Transportation Planning & Design) and M. Arch. (Housing) which are not mentioned in the Schedule to the Architects Act and thus not recognized qualifications are held to be beyond the powers of respondent No.1 COA and are quashed / set aside. The respondent No.1 COA is further prohibited / restrained from in future, in exercise of power under Section 21 of the Architects Act, prescribing minimum standards of education for any course other than the recognized qualifications mentioned in the Schedule. The respondent No.1 COA is not found to be empowered to, either itself or through its affiliates conduct any courses and thus the question of restraining it from doing so does not arise. However, though vide interim order aforesaid admissions were made subject to the outcome of this petition; but since the students likely to be effected are not before this Court, it is clarified that this judgment shall have prospective operation only and shall not effect students who were admitted during pendency hereof.

## LW 20.02.2012

**H.D.F.C. v. GAUTAM KUMAR NAG & ORS [SC]**

Civil Appeal No.137 of 2007

Aftab Alam & Ranjana Prakash Desai, JJ.

[Decided on 20/01/2012]





***Order 37 under Code of Civil Procedure, 1908 read with Section 139 of the Contract Act - Default by borrower-Summary suit against guarantors-Contention that recourse to the promissory note and equitable mortgage created by the borrower should be first made before coming to the guarantors-Whether tenable-Held,No.***

## Brief facts

The appellant instituted a suit under Order XXXVII of the Code of Civil Procedure, 1908, for realisation of its dues against defendant No.1 (the borrower) and the two respondents (defendant Nos.2 & 3) who were the guarantors to the loan. Defendant No.1 who was the owner of a plot of land approached the appellant-plaintiff for a loan for constructing a house on the plot. The loan was sanctioned and defendant No.1 executed the Loan Agreement and a promissory note in favour of the appellant. In addition, defendant No.1 also created an equitable mortgage in favour of the plaintiff by depositing the title deeds of the plot in question. The other two defendants, respondents before this Court, stood guarantee for repayment of the loan and executed the letters of guarantee.

The defendant defaulted in payment of the EMIs and as a result, a large sum was outstanding against them. The defendant did not pay the instalments despite letters and reminders. Hence, the plaintiff invoked the guarantees and intimated the two respondents that in case of failure to make the payment, legal proceedings would be instituted against them. Despite the aforesaid letter and legal notices sent on behalf of the appellant, the defendants did not pay the outstanding amount of Rs.4,37,350/-, and the plaintiff was thus left with no option but to institute the suit for realisation of its dues.

Defendant No.1 did not appear in the suit despite notice. The two defendants-respondents, however, appeared before the trial court and filed separate applications under Order XXXVII Rule 3 sub-rule (5) of the Code of Civil Procedure for permission to defend the suit.

The defendants' applications were based on a number of grounds but we may only advert to the one that seems to have weighed with the High Court. It was contended on behalf of the respondents that since the plaintiff-appellant had got a promissory note executed in its favour by the borrower-defendant No.1 and had further made the borrower create an equitable mortgage in its favour by deposit of title deeds, they would be absolved of their liability in terms of Section 139 of the Contract Act. According to the respondents, their plea gave rise to a triable issue and they, accordingly, sought permission to file their written statements and contest the suit.

The Trial Court dismissed the applications of the respondents

and decreed the suit while on appeal the High Court allowed them. Hence the present appeal.

**Decision: Appeal allowed.**

## Reason

The High Court noted that relying upon Section 139 of the Contract Act, a contention was raised by the respondents that for recovery of its loan from defendant No.1, the principal borrower, the plaintiff should have taken recourse first by either seeking to give effect to the promissory note or by enforcing the equitable mortgage. Neither of these remedies which were open to the plaintiff were taken recourse to and the recovery was sought to be made straightaway from the appellants. The High Court further held that the trial Judge fell into error in holding that Section 139 of the Contract Act had no application to the facts of the case. According to the High Court, this was beyond the scope of deciding an application for leave to defend. The High Court observed that the question was not about the correctness or otherwise of the defence raised by the appellants and what was required to be looked into by the trial Judge was whether a triable issue was made out or not. If a triable issue was made out, then leave to defend ought to have been granted and thereafter the defence raised by the appellants could have been adjudicated on merits. The correctness of the defence raised by the defendants could not have been looked into by the trial Judge at the time of deciding the application for leave to defend.

In our view, the High Court was completely wrong in holding that the respondents were able to make out a triable issue on the basis of Section 139 of the Contract Act. It is well established that the liability of the guarantor is equal to and co-extensive with the borrower and it is highly doubtful that the guarantor can avoid his liability simply on the basis of the promissory note made out or an equitable mortgage created by the borrower in favour of the lender. However, in the facts of this case, this question does not even arise. A reference to the deed of guarantee executed by the two respondents would have made the position completely clear but unfortunately the attention of the High Court was not drawn to the relevant clauses in the deed of guarantee.

In light of the expressed stipulations, in the guarantee, any reliance on Section 139 of the Contract Act is evidently futile and of no avail. In our view, therefore, the impugned judgment of the High Court is unsustainable and is fit to be set aside. We, accordingly, set aside the impugned judgment of the High Court and restore the order and decree passed by the trial court. ■



From the Government

# Corporate Laws



## 01 Fees Payable in terms of Regulations 29 and 30 of the CLB Regulations, 1991

Issued by the Company Law Board, Ministry of Corporate Affairs, vide F. No. 10/36/2001-CLB. Dated 19.01.2012]

### ORDER

1. The Company Law Board has revised the fees payable in terms of Regulations 29 and 30 of the Company Law Board Regulations, 1991 vide Notification No. GSR 32(E) dated 18th January 2012. The fee for inspection of documents of a case has been revised from ten rupees to fifty rupees per day. The fee for supply of certified copies of order or any other document has been revised from five rupees to ten rupees per page.
2. In view of the above the Company Law Board rescinds the Order No. 1/10/88-CLV/CLB/ Admn/ 90 dated 4th June 1991. Such rescission shall not affect anything done or omitted to be done under the said Order before issue of this notification.

By order of the CLB

**P.K. Malhotra**  
Secretary, CLB

## 02 The Company Law Board (Amendment) Regulations, 2012

Issued by the Company Law Board, Ministry of Corporate Affairs and published in the Gazette of India, Extraordinary, Part II, Section 3 (i) vide Notification No. GSR 32(E) F. No. 10/36/2001-CLB. Dated 18.01.2012]

In exercise of the powers conferred by sub-section (5) and sub-section (6) of section 10E of the Companies Act, 1956 (1 of 1956), the Company Law Board hereby makes the following regulations further to amend the Company Law Board Regulations, 1991, namely: -

1. (1) These regulations may be called the Company Law Board (Amendment) Regulations, 2012.  
(2) They shall come into force on the date of their publication in the Official Gazette.
2. In the Company Law Board Regulations, 1991, for regulation 30, the following shall be substituted, namely:-

### 30 Inspection of record and supply of certified copies -

- (1) The record of a pending case shall be open, as of right, to the inspection and supply of the certified copies thereof to the parties or their authorised representatives, on making an application in writing and on payment of a fee of fifty rupees per day for inspection of documents of a case and ten rupees per page for supply of certified copies of order or any other document respectively and the inspection of record shall be pre-requirement for supply of certified copy of a case.
- (2) The applicant shall distinctly specify in the application, the record of a case for which inspection or certified copies are desired and the application may either be presented at the filing counter or may be sent by post at the address of the concerned Company Law Board Bench along with the requisite fees.
- (3) A person, who is not a party to the proceedings, has, however, no right to inspect or to obtain certified copies of the records of a pending case except with the consent of the party who has filed the case or under the orders of the Bench.
- (4) The inspection of record shall not be permitted on the date fixed for its hearing without the order of the Bench.
- (5) After receipt of an application, the inspection shall be allowed within a period of two working days and certified copies shall be supplied within a period of three working days respectively.

By order of the CLB

**P.K. Malhotra**  
Secretary, CLB



## भारत का राजपत्र The Gazette of India

असाधारण  
EXTRAORDINARY

भाग II — खण्ड 1

PART II — Section 1

प्रधिकार से प्रकाशित

PUBLISHED BY AUTHORITY

सं. 4] नई दिल्ली, सोमवार, जनवरी 09, 2012/ पौष 18, 1933 (शक)  
No. 4] NEW DELHI, MONDAY, JANUARY 09, 2012/ PAUSA 18, 1933 (SAKA)

इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।  
Separate paging is given to this Part in order that it may be filed as a separate compilation.

### MINISTRY OF LAW AND JUSTICE (Legislative Department)

New Delhi, the 9th January, 2012/Pausa 19, 1933 (Saka)

The following Act of Parliament received the assent of the President on the 8th January, 2012, and is hereby published for general information:—

### THE COMPANY SECRETARIES (AMENDMENT) ACT, 2011

(No. 4 OF 2012)

[8th January, 2012.]

An Act further to Amend the Company Secretaries Act, 1980.

Be it enacted by Parliament in the Sixty-second Year of the Republic of India as follows:—

#### 1. Short title and commencement

- (1) This Act may be called the Company Secretaries (Amendment) Act, 2011.
- (2) It shall come into force on such date as the Central Government may, by notification in the official Gazette, appoint.

#### 2. Amendment of section 2.

In the Company Secretaries Act, 1980 (56 of 1980) (hereinafter referred to as the principal Act), in section 2, in sub-section (1)-

- (i) After clause (f), the following clause shall be inserted, namely:-

'(fa)"firm" shall have the meaning assigned to it in section 4 of the Indian Partnership Act, 1932 (9 of 1932), and includes,-

- (i) the limited liability partnership as defined in clause (n) of sub-section (1) of section 2 of the Limited Liability Partnership Act, 2008 (6 of 2009); or
- (ii) the sole proprietorship,

registered with the Institute;";

- (ii) after clause (ga), the following clauses shall be inserted, namely:-

'(gb)"partner" shall have the meaning assigned to it in section 4 of the Indian Partnership Act, 1932 (9 of 1932) or in clause (q) of sub section (1) of section 2 of the Limited Liability Partnership Act, 2008 (6 of 2009), as the case may be; (gc)"partnership" means-

- (A) A partnership as defined in section 4 of the Indian Partnership Act, 1932 (9 of 1932); or
- (B) A limited liability partnership which has no company as its partner;";

- (iii) after clause (j), the following clause shall be inserted namely:-

'(jj)"sole proprietorship" means an individual who engages himself in the practice of the profession of the company secretaries or offers to perform

services referred to in clauses (b) to (f) of sub-section (2);";

#### 3. Amendment of section 26.

In section 26 of the principal Act, in sub-section (1), the following Explanation shall be inserted, namely:-

4. 'Explanation.- For the removal of doubts, it is hereby declared that the "company" shall include any limited liability partnership which has company as its partner for the purposes of this section.'

V.K. BHASIN

Secy. to the Govt. of India

## 04 Eligibility criteria for qualified depository participant.

Issued by the Securities and Exchange Board of India vide CIRCULAR No. CIR/ IMD/ FII&C/ 4/ 2012. Dated 25.01. 2012]

Vide SEBI circulars Cir/IMD/DF/14/2011 and Cir/IMD/FII &C/3/2012 Dated August 09, 2011 and January 13, 2012 respectively, Qualified Foreign Investors (QFI) were allowed to invest in schemes of Indian mutual funds and Indian equity shares subject to terms and conditions mentioned therein, including opening a demat account with qualified Depository Participant. The eligibility criteria for a SEBI registered Depository Participant (DP) to act as qualified Depository Participant were provided in the aforementioned circulars.

2. On a review, it has been decided to amend the eligibility criteria for a SEBI registered DP to act as a qualified Depository Participant. The revised eligibility criteria to act as qualified Depository Participants are as follows:

To become a qualified Depository Participant, a SEBI registered DP shall fulfill the following:

- 2.1. DP shall have net worth of Rs. 50 crore or more;
- 2.2. DP shall be either a clearing bank or clearing member of any of the clearing corporations;
- 2.3. DP shall have appropriate arrangements for receipt and remittance of money with a designated Authorised Dealer (AD) Category - I bank;
- 2.4. DP shall demonstrate that it has systems and procedures to comply with the FATF Standards, Prevention of Money Laundering (PML) Act, Rules and SEBI circulars issued from time to time; and
- 2.5. DP shall obtain prior approval of SEBI before commencing the activities relating to opening of accounts of QFI.

The eligibility criteria for qualified Depository Participant as contained in SEBI circulars dated August 9, 2011 and January 13, 2012 stands amended as above.

3. In order to maintain consistency in the maximum retention period of QFI's fund in the single rupee pool bank account for investments/ re-investment out of redemption or dividend in schemes of Indian mutual



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funds vis-à-vis equity shares, it has been decided to amend clause(s) 4.7.5 and 4.7.7 of circular Cir/IMD/DF/14/2011 dated August 9, 2011.

4. Accordingly, the maximum retention period of QFI's funds in the single rupee pooled account with the qualified depository participant as envisaged in clause(s) 4.7.5 and 4.7.7 of circular dated August 9, 2011 stands revised to **five working days** (including the date of receipt of foreign inward remittance through normal banking channels from the designated overseas bank account of the QFI into the single rupee pool bank account) for both investment as well as re-investment out of redemption proceeds in schemes of Indian mutual funds.
5. Further, in partial amendment to clause 4.7.8, it has been decided to allow credit of dividend payments to QFIs on account of investment in schemes of Indian mutual funds held by them to the single rupee pool bank account subject to the condition that in case dividend payments are credited to the single rupee pool bank account, they shall be remitted to the designated overseas bank accounts of the QFIs within five working days (including the day of credit of such funds to the single rupee pool bank account). Within these **five working days**, the dividend payments can be also utilized for fresh purchases in schemes of Indian mutual funds, if so instructed by the QFI

This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

**S MADHUSUDHANAN**  
Deputy General Manager

## 05 Composition of Arbitration Committee

Issued by the Securities and Exchange Board of India vide CIRCULAR No. CIR/MRD/DSA/04/2012. Dated 20.01. 2012]

1. SEBI, vide its various communications has mandated all stock exchanges that not be more than twenty percent of the members of the arbitration committee shall be trading members.
2. It has now been decided to do away with the representation of trading members on arbitration committee/panel of all stock exchanges. It is, henceforth, stipulated that the arbitration committee/panel shall not comprise of any trading members.

3. The stock exchanges are advised to:-
  - a. make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision immediately;
  - b. bring the provisions of this circular to the notice of the members of the stock exchange and also to disseminate the same through their website; and
  - c. communicate to SEBI, the status of implementation of the provisions of this circular in the Monthly Development Reports to SEBI.
4. This Circular is issued in exercise of the powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act 1992, read with Section 10 of the Securities Contracts (Regulation) Act, 1956, with a view to protect the interests of investors in securities and to promote the development of, and to regulate the securities market and shall come into effect immediately.
5. This Circular is also available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in).

**Harini Balaji**  
Deputy General Manager

## 06 Investor Grievance Redressal Mechanism at Stock Exchanges

Issued by the Securities and Exchange Board of India vide CIRCULAR No. CIR/MRD/DSA/03/2012. Dated 20.01. 2012]

1. SEBI, vide circular Ref. No. SMD/POLICY/CIR-32/97 dated December 03, 1997 had mandated all stock exchanges to open/maintain at least one investor service centre for the benefit of the public/Investors. Such centres are required to *inter alia* provide counseling service to the investors. It is also noted that some stock exchanges have constituted Investor Grievance Redressal Committees (IGRC) for redressal of investor grievances.
2. In light of the concerns expressed by investors and to facilitate early redressal of investor grievances, it has been decided to mandate that stock exchanges having nationwide terminals (such as NSE, BSE, MCX-SX and USEIL), functional stock exchanges having trading volumes, stock exchanges entering into MOUs with other exchanges and stock exchanges intending to recommence trading operations shall constitute IGRC at every investor service centre.
3. The composition of the IGRC shall be as follows:-
  - a. The IGRC shall comprise of a single person for claims upto Rs. 25 Lakh, whereas, for claims above Rs. 25 Lakh, the IGRC shall comprise of three persons.
  - b. The IGRC shall comprise of independent persons with qualifications in the area of law, finance, accounts, economics, management or administration and experience in financial services, including



securities market.

- c. Further, the three member Committee shall comprise of atleast one technical expert for handling complaints related to technology issues (such as internet based trading, algorithmic trading, etc).
- d. The members of IGRC shall not be associated with a trading member in any manner.
- e. The disclosures and code of conduct prescribed under para 3.4 and 4 of SEBI circular Ref. No CIR/MRD/DSA/24/2010 dated August 11, 2010, shall be applicable, as far as may be, to members of IGRC also.
4. It is, further, advised that apart from the investor services centres that are currently operating in four metro cities (viz., New Delhi, Mumbai, Chennai and Kolkata), stock exchanges having nationwide terminals shall open investor services centres in other large cities in a time bound manner. A list of places where such centres are proposed to be opened is to be submitted to SEBI immediately and the progress of implementation should be reported to SEBI on a monthly basis in the respective monthly development reports (MDRs).
5. This Circular is issued in exercise of the powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act 1992, read with Section 10 of the Securities Contracts (Regulation) Act, 1956, with a view to protect the interests of investors in securities and to promote the development of, and to regulate the securities market and shall come into effect immediately.
6. This Circular is also available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in).

**Harini Balaji**  
Deputy General Manager

## 07 Trade controls in Normal Trading Session for Initial Public Offering (IPO) and other category of scrips

Issued by the Securities and Exchange Board of India vide CIRCULAR No. CIR/MRD/DP/ 02/2012. Dated 20.01. 2012]

1. SEBI vide circular no. SMD/SED/RCG/271/96 dated January 19, 1996, *inter – alia*, prescribed no price bands for scrips on the first day of trading pursuant to IPO. Further SEBI vide circular no SEBI/Cir/ISD/1/2010 dated September 2, 2010, *inter – alia*, prescribed no price bands on the first day of re-commencement of trading for scrips specified under para 1(c) (hereinafter referred to as Re-listed scrips) of the said circular.
2. In light of high volatility and price movement observed on first day of trading, it has been decided to put in place a framework of trade controls for IPO and Re-listed scrips applicable to the normal trading session in the following manner -

### Trade Timing

The normal trading session for IPO and Re-listed scrips on their first day of trading shall commence only subsequent to conclusion of the Call Auction session for such scrip on BSE and NSE. The duration of the Call Auction session is prescribed vide SEBI circular no CIR/MRD/DP/01/2012 dated January 20, 2012.

### Eligible scrip

- I. IPO scrips

### Price Bands

- a. For issue size up to ₹250 cr, the applicable price bands for the first day shall be -
  - i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.
  - iii. On Stock exchanges, not eligible to offer Call Auction, the reference price for price bands for the first day shall be -
    - A. in case equilibrium price is discovered in the Call Auction at BSE/NSE, the price band in the normal trading session shall be 5% discovered equilibrium price. In case of multiple equilibrium prices, the discovered equilibrium price closer to the issue price shall be taken as the reference price for price band on the first day.
    - B. in case equilibrium price is not discovered in the Call Auction, the price in the normal trading session band shall be 5% of the issue price.

**Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading.**

- b. For issue size greater than ₹250 cr, the applicable price bands for the first day shall be -
  - i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 20% of the equilibrium price.
  - ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 20% of the issue price.
  - iii. On Stock exchanges, not eligible to offer Call Auction, the reference price for price bands for the first day shall be -
    - A. in case equilibrium price is discovered in the Call Auction at BSE/NSE, the price



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band in the normal trading session shall be 20% discovered equilibrium price. In case of multiple equilibrium prices, the discovered equilibrium price closer to the issue price shall be taken as the reference price for price band on the first day

- B. in case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 20% of the issue price.

## II. Re-listed scrips Price Bands

Trading shall take place in the TFT segment for the first 10 days with applicable price bands, wherein for the first day -

- i In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5 % of the discovered price.
  - ii In case equilibrium price is not discovered in the Call Auction, the scrip shall continue to trade in call auction sessions until price is determined.
3. All other relevant provisions of the circular no. SMD/SED/RCG/271/96 dated January 19, 1996 and circular no. SEBI/Cir/ISD/1/2010 dated September 2, 2010 as amended from time to time, shall remain applicable.
  4. Stock Exchanges are advised to:
    - a. take necessary steps and put in place necessary systems for implementation of the above.
    - b. make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision.
    - c. bring the provisions of this circular to the notice of the member of the stock exchange and also to disseminate the same on the website.
    - d. communicate to SEBI, the status of implementation of the provisions of this circular in the Monthly Development Report.
  5. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

**Harini Balaji**  
Deputy General Manager

## 08 Call Auction in Pre-open session for Initial Public Offering (IPO) and other Category of Scrips

Issued by the Securities and Exchange Board of India vide CIRCULAR No. CIR/MRD/DP/ 01/2012 . Dated 20.01. 2012]

1. SEBI, vide circular no. CIR/MRD/DP/21/2010 dated July 15, 2010 introduced Call Auction in Pre-open session (hereinafter referred to as "pre-open session") for the scrips forming part of Sensex and Nifty. Further, SEBI, vide circular no. CIR/MRD/DP/32/2010 dated September 17, 2010 and vide letter dated September 17, 2010 provided clarification with regard to order matching and order level risk management.
2. In continuation to the above, it has been decided to extend Call Auction mechanism to IPOs and scrips as defined under para 1(c) of SEBI circular no. SEBI/Cir/ISD/1/2010 dated September 2, 2010 (hereinafter referred to as Re-listed Scrips), on the first day of trading/ re-commencement of trading in the manner prescribed as follows -

### 3. Duration of Session

The session shall be for a duration of 60 minutes i.e. from 9:00 a.m. to 10:00 a.m., out of which 45 minutes shall be allowed for order entry, order modification and order cancellation, 10 minutes for order matching and trade confirmation and the remaining 5 minutes shall be the buffer period to facilitate the transition from preopen session to the normal trading session.

The session shall close randomly during last one minute of order entry i.e. anytime between 44th and 45th minute of the order entry. Such random closure shall be system driven.

### 4. Eligible Scrips

#### I. IPO scrips on the first day of trading

##### a. Price Bands

There shall be no price bands in the pre-open session.

##### b. Market Orders

Market orders shall not be accepted in pre-open session.

##### c. Matched Orders

For matched orders the provisions of SEBI circulars and letter mentioned at para 1 above shall apply.

##### d. Un-matched orders

All outstanding orders will be moved to the normal trading session at their Limit price.

#### II. Re-listed Scrips

##### a. Price Bands

There shall be no price bands for re-listed scrips during pre-open session.



## b. Market Orders

Market orders shall not be accepted in the pre-open session.

## c. Matched Orders

For matched orders the provisions of SEBI circulars and letter mentioned at para 1 above shall apply.

## d. Un-matched orders

- In case equilibrium price is discovered, all outstanding orders shall be moved to the normal trading session at their limit price.
- In case equilibrium price is not discovered, all orders shall be cancelled and the scrip shall continue to trade in call auction mechanism until price is determined.

**5. Risk Management** - For IPO scrips with an issue size greater than ₹250 cr the risk management provisions as prescribed vide SEBI circular dated July 15, 2010 and letter dated September 17, 2010 shall remain applicable for pre-open session. For IPO scrips with issue size upto ₹250 cr and Re-listed scrips it is advised that margins shall be checked and blocked for 100% of the order value at the order level itself before considering the order eligible for inclusion in pre-open session.

6. All other provisions of the circular No. CIR/MRD/DP/21/2010 dated July 15, 2010 and circular No. CIR/MRD/DP/32/2010 dated September 17, 2010 and letter dated September 17, 2010 shall remain applicable.

7. The above provisions shall be implemented within four weeks from the date of issuance of this circular. The date of commencement of pre-open session for all eligible scrips shall be uniform between both the stock exchanges.

8. SEBI vide circular no CIR/MRD/DP/02/2012 dated January 20, 2012 has prescribed the Trade Controls applicable to trading of IPO and Re-listed scrips in the normal trading session.

9. Stock Exchanges are advised to:

- take necessary steps and put in place necessary systems for implementation of the above.
- make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision.
- bring the provisions of this circular to the notice of the member of the stock exchange and also to disseminate the same on the website.
- communicate to SEBI, the status of implementation of the provisions of this circular in the Monthly Development Report.

10. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

## 09 Investment by Qualified Foreign Investors (QFI) in Indian Equity Shares

Issued by the Securities and Exchange Board of India vide CIRCULAR No. CIR/ IMD/FII&C/3/2012. Dated 13.01. 2012]

1. The Central Government, vide press release dated January 1, 2012 has announced its decision to allow QFIs to directly invest in Indian equity market in order to widen the class of investors, attract more foreign funds, reduce market volatility and to deepen the Indian capital market.

2. In order to facilitate the above and in consultation with the Government and RBI, it has been decided that foreign investors (termed as Qualified Foreign Investors/ QFI) who meet prescribed Know Your Customer (KYC) requirements may invest in equity shares listed on the recognized stock exchanges and in equity shares offered to public in India. In order to enable this they will hold equity shares in a demat account opened with a SEBI registered qualified Depository Participant.

3. The QFI for the purpose shall have the same meaning as that provided in para 3.1 of SEBI circular Cir/IMD/DF/14/2011 dated August 09, 2011<sup>1</sup>.

4. To become a qualified Depository Participant (hereinafter referred to as "DP"), a SEBI registered DP shall fulfill the following:

- DP shall have paid up capital of Rs. 50 crore or more;
- DP shall be either a clearing bank or clearing member of any of the clearing corporations;
- DP shall have appropriate arrangements for receipt and remittance of money with a designated Authorised Dealer (AD) Category - I bank;
- DP shall demonstrate that it has systems and procedures to comply with the FATF Standards, Prevention of Money Laundering (PML) Act, Rules and SEBI circulars issued from time to time; and
- DP shall obtain prior approval of SEBI before commencing the activities relating to opening of accounts of QFI.

5. All DPs who have obtained approval of SEBI for undertaking activities relating to accepting investments by QFI in Mutual Fund schemes need not obtain separate approval from SEBI for commencing the activities relating to investments by QFI in equity shares.

6. Eligible transactions for QFI

- The DP shall ensure that transactions of QFI are limited only to the following:



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- 6.1.1. Purchase of equity shares in public issues, to be listed on recognised stock exchange(s).
  - 6.1.2. Purchase of listed equity shares through SEBI registered stock brokers, on recognized stock exchanges in India.
  - 6.1.3. Sale of equity shares which are held in their demat account through SEBI registered stock brokers.
  - 6.1.4. Purchase of equity shares against rights issues.
  - 6.1.5. Receipt of bonus shares or receipt of shares on stock split/ consolidation.
  - 6.1.6. Receipt of equity shares due to amalgamation, demerger or such other corporate actions, subject to the investment limits.
  - 6.1.7. Receipt of dividends.
  - 6.1.8. Tender equity shares in open offer in accordance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
  - 6.1.9. Tender equity shares in open offer in accordance with SEBI (Delisting of Equity Shares) Regulations, 2009.
  - 6.1.10. Tender equity shares in case of buy-back by listed companies in accordance with SEBI (Buyback of Securities) Regulations, 1998
  7. Account opening and manner of operation by QFI
    - 7.1. A QFI can open only one demat account with any one of the DPs and shall make purchase and sale of equity shares through that DP only. In case of jointly held demat accounts, each of the joint holders shall meet the requirements specified for QFI and each shall be deemed to be holding a demat account as a QFI. Depositories/ DP shall have adequate systems to ensure the compliance of the same and perform KYC due diligence for each of the joint holders. The DP shall carry necessary due diligence and obtain appropriate declarations and undertakings from QFI to ensure that no other demat account is held by any of the QFI as a QFI or in any other capacity such as NRI, before opening a demat account.
    - 7.2. The DP shall ensure that the same set of ultimate/ end beneficial owner(s) are not allowed to open more than one demat account as QFI. For this purpose, the DP shall carry out necessary due diligence and obtain appropriate declarations and undertakings from QFI.
    - 7.3. A QFI can open trading accounts with one or more SEBI registered stock brokers
    - 7.4. The DP shall ensure that only QFI who meet the conditions stipulated in para 3.1 of SEBI circular Cir/IMD/DF/14/2011 dated August 9, 2011 are allowed to invest in equity shares. Additionally, the DP shall ensure that only those entities are allowed to open demat account as QFI whose ultimate/ end beneficial ownership is not resident in India. The DP shall carry out necessary due diligence for the same at the time of account opening. An express undertaking to this effect shall be obtained by DP from the QFI.
    - 7.5. The entities having opaque structure(s) such that the details of ultimate/ end beneficiary are not accessible or where the beneficial owners are ring fenced from each other or where the beneficial owners are ring fenced with regard to enforcement shall not be allowed to open demat account as QFI. The DP shall perform appropriate due diligence at the time of account opening and ensure that such entities are not allowed to open demat account. An express undertaking to this effect shall be obtained by DP from the QFI
    - 7.6. In case of any direct/ indirect change in structure or beneficial ownership of the QFI, it shall bring the same to the notice of its DP, forthwith. The DP shall assess the eligibility of that QFI afresh, before allowing it to undertake any further transactions.
    - 7.7. The QFI shall, as and when required by the Government, SEBI or any other regulatory agency in India, submit to that agency, as the case may be, any information, record or documents in relation to his activities as QFI. An express undertaking to this effect shall be obtained by DP from the QFI.
    - 7.8. The QFI shall, in relation to his activities as QFI, at all the times, subject themselves to the extant Indian laws, rules, regulations, circulars etc. from time to time, An express undertaking to this effect shall be obtained by DP from the QFI.
    - 7.9. The DP shall open a separate single rupee pool bank account with a designated AD Category-1 Bank, exclusively for the purpose of investments by QFI in equity shares in India.
    - 7.10. The DP shall ensure that funds of each and every QFI in the rupee pool account are clearly segregated from each other at all times. Further, the DP shall maintain appropriate records including audit trails on
1. Qualified Foreign Investor (QFI) shall mean a person resident in a country that is compliant with Financial Action Task Force (FATF) standards and that is a signatory to International Organization of Securities Commission's (IOSCO's) Multilateral Memorandum of Understanding (MMOU).  
 Provided that such person is not resident in India,  
 Provided further that such person is not registered with SEBI as Foreign Institutional Investor or Sub-account.  
 Explanation - For the purposes of this clause:
    - (1) the term "Person" shall carry the same meaning under Section 2(31) of the Income Tax Act, 1961
    - (2) the phrase "resident in India" shall carry the same meaning as in the Income Tax Act, 1961
    - (3) "resident" in a country, other than India, shall mean resident as per the direct tax laws of that country.



- an ongoing basis regarding such segregation.
- 7.11. The DP shall open a demat account for the QFI only after ensuring compliance with all the requirements as per PML Act, rules and regulations, FATF standards and SEBI circulars issued in this regard, from time to time and shall also ensure that QFI comply with all these requirements on an ongoing basis.
  - 7.12. The DP shall ensure that every QFI transacts only through one designated overseas bank account and such overseas bank account which QFI has designated for the purpose is based in a country which is compliant with FATF standards and is a signatory to MMOU of IOSCO.
  - 7.13. The DP shall capture, the details of the overseas bank account designated by the QFI and shall ensure that all inward bound investments are received from that overseas account and repatriation/ remittances of proceeds are also transferred into the same overseas account.
  - 7.14. The DP shall require QFI to submit necessary information for the purpose of obtaining PAN. The DP may use the combined PAN cum KYC form as notified by CBDT for this purpose. Each QFI shall obtain a separate and distinct PAN. The DP may take any additional information/ documents from QFI other than those mentioned in the common PAN cum KYC form to ensure compliance with PML rules and regulations, FATF standards and SEBI circulars issued from time to time.
  - 7.15. The DP shall ensure that all the investor related documents/ records of QFI are available with the DP.
  - 7.16. The DP shall ensure that equity shares held by QFI are free from all encumbrances including pledge or lien etc. at all times.
  - 7.17. The DP shall, at all times, ensure compliance with laws, rules and regulations of the jurisdictions where the QFI are based.
  - 7.18. The DP shall ensure that the interests of other clients of DP are not adversely affected in any manner due to transactions done on behalf of QFI.
  - 7.19. In case of any penalty, pending litigations or proceedings, findings of inspections or investigations for which action may have been taken or is in the process of being taken by an overseas regulator against DP/ QFI, the DP shall notify such information forthwith, to the attention of SEBI, depositories and stock exchanges. The DP shall mandate the QFI to furnish the details of any such penalty, pending litigations or proceedings, findings of inspections or investigations to it on an ongoing basis.
  - 7.20. The DP shall be responsible for the deduction of applicable tax at source on account of profits or gains or dividends or any other income accruing to or received by QFI before making any reinvestment/ repurchase or repatriation/ remittance to QFI, and remit and report the same to the relevant tax authorities.
  - 7.21. In case a QFI desires to change the DP with whom he holds the demat account, he shall be allowed to operate a new demat account with another DP only after closure of the earlier demat account. At the time of opening a new demat account with a different DP, the QFI shall furnish the details regarding the existing demat account with the earlier DP and the details of the shareholdings in the earlier demat account. Simultaneously, the QFI shall issue transfer instructions to the earlier DP with a copy to the new DP. With regard to the funds of the QFI lying in the rupee pool account of the earlier DP, the same shall be remitted back to the designated overseas bank account of the concerned QFI. At any point of time, a QFI shall operate through only one demat account with a DP.
  8. Investment restrictions and monitoring of investment limits for QFI:
    - 8.1. The QFI shall transact in Indian equity shares only on the basis of taking and giving delivery of shares purchased or sold.
    - 8.2. Each transaction by QFI shall be cleared and settled on gross basis.
    - 8.3. QFI shall not issue offshore derivatives instruments/ participatory notes. A declaration and undertaking to this effect shall be obtained by DP from the QFI.
    - 8.4. The DP shall provide on a daily basis, QFI wise, ISIN wise and company wise buy/ sell information and any other transaction or any related information to their respective depositories on the same day i.e the day on which the transaction was carried out, before the time stipulated by the depositories.
    - 8.5. The stock exchanges shall provide the details of paid up equity capital of all the listed companies, ISIN wise, to the depositories once in six months, periodically and also provide information regarding change in paid up equity capital in any listed company, immediately.
    - 8.6. The QFI and DP shall ensure that the total shareholding held by a QFI shall not exceed five percent of paid up equity capital of the company at any point of time. This investment limit shall be applicable to each class of equity shares having separate and distinct ISIN.
    - 8.7. The depositories shall put in place appropriate systems and procedures to monitor the above limit by using PAN and/ or other unique identity number of the



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QFI.

- 8.8. The depositories shall administer and monitor, so as to ensure, that aggregate shareholding of all QFIs shall not exceed ten percent of the paid up equity capital of the company at any point of time, in respect of each equity share class having separate and distinct ISIN.
- 8.9. The depositories shall jointly publish/ disseminate the ISIN wise and company wise aggregate shareholding of QFIs to public, on daily basis.
- 8.10. The information regarding ISIN wise and company wise aggregate QFI shareholding shall also be provided by the depositories to the RBI in a manner and format as stipulated by the Reserve Bank of India from time to time.
- 8.11. When the aggregate shareholding of all the QFIs in a company reaches 8% of the equity paid up capital, the company's name along with ISIN shall be published in caution list by the depositories and no fresh purchases shall be allowed without prior approval of the depositories. The same shall be informed by the depositories to the DPs and recognized stock exchanges having nationwide terminals. The depositories shall also inform the DPs and such stock exchanges when any company is removed from the caution list.
- 8.12. For fresh purchases by QFI in equity shares of companies in the caution list, prior approval of the depositories shall be obtained. The QFI shall make such request for prior approval to the concerned depository through the DP specifying therein the name of the QFI, PAN and other unique identification number relating to that QFI, number of shares to be purchased and the ISIN, by way of any mode of communication as specified by the depositories in consultation with each other. The concerned depository shall provide the details of prior approval requests received by it to the other depository.
- 8.13. After market hours, the depository shall give prior approval to request for purchase of equity shares of companies in the caution list on a first-come-first-served basis in co-ordination with the other depository, based on time of receipt of the prior approval requests by the depositories. The validity of the approval shall be for the next trading day only.
- 8.14. In case the aggregate shareholding of the QFI exceeds the limit of ten percent in respect of any ISIN, the depositories shall jointly notify the respective DPs regarding the breach along with the names of the QFI due to whom the limits have been breached. For this purpose, the stock exchanges

shall provide the required information so as to enable the depositories to identify the transaction details of the QFI including the name of QFI, PAN and/ or other unique identification number relating to that QFI, purchase quantity and time or any other information as may be required by the depositories.

- 8.15. In case the aggregate shareholding of the QFIs exceeds the limit of ten percent for whatsoever reason, the QFI due to whom the limit is breached shall mandatorily divest excess holdings within three working days of such breach being notified by depositories to the DP. The DP shall obtain necessary authorization from the QFI at the time of account opening for such divestment of excess holdings.
- 8.16. The stock exchanges shall amend Clause 35 of the listing agreement on or before June 30, 2012, so as to incorporate another class of investor to disseminate QFI shareholding in equity shares.
- 8.17. The stock exchanges shall develop a separate segment for intra QFI transactions in the equity shares of companies in the caution list, if they wish to buy without the prior approval of depositories. However, QFI who have obtained prior approval of the depositories as referred in para 8.11 and 8.12 above, may purchase equity shares in the normal segment of recognized stock exchanges.
- 8.18. The stock exchanges/ depositories/ DPs shall not levy any charges towards services relating to monitoring and administering of investment limits of QFI.

## 9. Process flow

### 9.1. Purchase

- 9.11. The QFI shall place a purchase order with the DP mentioning the name of the company and ISIN, number of equity shares, name of the stock broker and remit foreign inward remittances from the designated overseas bank account of QFI through normal banking channel in any permitted currency (freely convertible) directly to the single rupee pool bank account of the DP maintained with a designated AD category - I bank.
- 9.12. The DP in turn shall forward the purchase order to the SEBI registered stock broker with whom QFI has opened trading account and remits the money to the brokers account after receipt of funds from QFI and as per the instructions of QFI.
- 9.13. If for any reasons, the QFI is not able to purchase equity shares within **five working days** of the inward remittance (including the date of receipt of foreign inward remittance through normal banking channels



from the designated overseas bank account of the QFI into the single rupee pool bank account), the DP shall immediately remit the money back to the designated overseas bank account of the QFI.

9.14. The DP shall ensure that equity shares purchased on behalf of QFI are credited into the demat account of that QFI on the pay-out date.

9.15. In case of QFI participation in public issues, the QFI shall provide instruction to the DP to make application for public issue. The DP, after obtaining necessary instructions from the QFI and subject to availability of funds on account of that QFI in the rupee pool account, shall make application on behalf of such QFI and remit money to the issuer company.

## 9.2. Sale

9.2.1. On receipt of instruction from QFI containing name of the company and / or ISIN, number of equity shares and name of the stock broker, the DP shall place order for sale of equity shares only after verifying availability of such equity shares in demat account of that QFI. Upon receipt of sale proceeds on account of sale of equity shares made on behalf of QFI, the same shall be retained in single rupee pool bank account of the DP for a period of maximum five working days.

9.2.2. The QFI can instruct the DP to make fresh purchase of equity shares out of sale proceeds on account of sale of equity shares provided that such purchase is made within five working days (including the date of receipt of the sale proceeds in the single rupee pooled bank account) of receipt of money in the pooled bank account. In case no purchase is made within said period, the money shall be remitted by the DPs to the designated bank overseas account of the QFI within five working days from the date of receipt of money in the pooled bank account.

## 9.3. Dividend and other corporate actions

9.3.1. In case of dividend received on account of QFI, the DP shall remit the same to the designated bank overseas account of the QFI within five working days (including the date of credit to the single rupee pool account) from the date of receipt of money in the DP's rupee pooled bank account, unless any fresh purchase of equity shares is made out of such dividend receipts.

9.3.2. In case of QFI participation in corporate actions such as buy back, delisting etc. wherein the pool account maintained with DP is credited with funds, such funds shall be remitted back to the designated bank overseas account of the QFI within five days of receipt of same, unless any fresh purchase of equity shares is made out of such funds.

10. The transactions of QFIs, for all purposes, shall be treated at par with that of Indian noninstitutional investors with regard to margins, voting rights, public issues etc.
11. This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
12. The investment by the QFI in listed equity shares as mentioned herein above shall also be subject to the relevant and extant FEMA regulations and guidelines issued by the Reserve Bank of India under FEMA, 1999 from time to time.

S Madhusudhanan  
Deputy General Manager

## 10 Disclosure of Track Record of the public issues managed by Merchant Bankers.

Issued by the Securities and Exchange Board of India vide CIRCULAR No. CIR/MIRSD/1/2012. Dated 10.01. 2012]

1. SEBI regulations require that the offer document shall contain adequate disclosures so as to enable investors to take well informed investment decisions. Further, a merchant banker is required to exercise due diligence and satisfy himself about all the aspects of the issue including the veracity and adequacy of disclosures in the offer documents.
2. Therefore, it is necessary for investors to evaluate the post-issue performance of the issuer in terms of disclosures made in the offer documents. This will also enable them to understand the level of due diligence exercised by the merchant bankers.
3. In view of the above, it has now been decided in consultation with the merchant bankers that they shall disclose the track record of the performance of the public issues managed by them. The track record shall be disclosed for a period of three financial years from the date of listing for each public issue managed by the merchant banker. The format for disclosure of track record is given in the Annexure to this circular.
4. The track record shall be disclosed on the website of the merchant banker and a reference to this effect shall be made in the offer documents of public issues managed in the future. In case more than one merchant banker is associated with a public issue, all merchant bankers who have signed the due diligence certificate, as disclosed in



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- the offer document, shall disclose the track record.
5. The circular shall be applicable for the public issues listed from the date of this circular, with immediate effect. However, in case of past public issues managed during the last three years, the track record as specified in Clause 3 above shall be disclosed latest by March 31, 2012.
  6. This circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
  7. This circular is available on SEBI website ([www.sebi.gov.in](http://www.sebi.gov.in)) under the categories "Legal Framework" and "Circulars".

**K. Saravanan**  
Deputy General Manager

## 11 Changes in Re-Investment Period of FII Debt Limit

Issued by the Securities and Exchange Board of India vide CIRCULAR No.CIR/IMD/FIIC/1/2012. Dated 03.01. 2012]

1. Please refer to para 2 of SEBI circular Cir No. IMD/FII&C/30/2008 dated July 04, 2008 and para 6 of circular CIR/IMD/FIIC/18 /2010 dated November 26, 2010, relating to facility provided for FIIs for re-investment period for debt investments.

### Withdrawal of the facility of re-investment

2. It has been decided that henceforth re-investment period shall not be allowed for all new allocations of debt limit to FIIs/sub-accounts. Thus, limits acquired in the bidding sessions henceforth shall expire/lapse on either sale or redemption at maturity of the debt investments. These limits then shall again be allocated in subsequent bidding processes.

### Treatment for entities that currently hold limits/ investments

3. As on the date of the issuance of this circular those FIIs and sub-accounts that already have acquired limits and /or invested in debt, these existing limits shall expire in the following manner:-
  - a. Facility of re-investment shall continue until any one of the following thresholds is breached
    - i. Total sales made from the existing debt portfolio

(current debt investment and the un-utilized limit currently with the entity, if any) is twice the size of its debt portfolio as on the date of this circular or

- ii. expiry of two years from the date of this circular i.e. January 02, 2014

- b. Re-investment period for the above purposes shall continue to be as per para 6 of circular CIR/IMD/FIIC/18 /2010 dated November 26, 2010
4. After the threshold as mentioned above is breached, in case of any sale or redemption of the investments, the limit shall expire/lapse. These limits then shall again be allocated in subsequent bidding processes.
5. It is clarified here that the FII/sub-account is not required to sell its investments in debt instrument after it reaches the threshold mentioned above, and thus it can continue to retain the debt investments beyond the threshold, however, the sale or redemption thereon will not be eligible for re-investment beyond the thresholds above.

### Investments in long term infra debt category New Allocations

6. For all new allocations of debt limit under this category, if a FII decides to sell their holdings during lock-in period to another FII; the limit will automatically transfer to purchasing entity. However, if a FII decides to sell/redeem their holdings after lock-in period; same limit shall expire/lapse. These limits then shall again be allocated in subsequent bidding processes.

### Treatment for entities currently holding investments:

7. Similar facility as provided in para 3 & 4 above shall also be applicable for all investments made in the long term infra debt category (with one year lock in and one year residual maturity clause) where lock in provisions are in force.
  - a. During the lock-in period, if a FII/sub-account decides to sell its investments in the special trading window as provided by the exchanges in terms of SEBI circular dated March 31, 2011, selling FII/ sub-account may exercise its option to sell its investments along with the limits or may choose to sell only the investments and retain the limits.
  - b. In case the selling entity chooses to retain the limit, then it shall be subject to para 3 of this circular.
  - c. If selling entity chooses to transfer the limit, then the purchasing entity shall be subject to the para 3 of this circular.
8. Entities can avail of the benefit of Para 7 (a) if it sells the investments to another FII/sub-accounts after lock-in period; however this benefit can be availed only upto January 02, 2014.



9. Upto January 02, 2014, if the FII/Subaccount redeems the investments at the maturity of the instrument, or sells to a domestic participant after the lock-in period, it can avail benefit of para 3 of this circular.
10. FIIs are advised to evolve suitable mechanism in consultation with their custodian to give effect to the provisions of this circular.

This circular is issued in exercise of the powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act 1992, read with Section 10 of the Securities Contracts (Regulation) Act, 1956 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

A copy of this circular is available at the web page "F.I.I." on our website [www.sebi.gov.in](http://www.sebi.gov.in).

The custodians are requested to bring the contents of this circular to the notice of their FII clients.

**Jeevan Sonparote**  
General Manager

- approval route. The permitted end-use should be for on-lending to the infrastructure sector, as defined under the extant ECB policy. IFCs should also hedge their currency risk in full.
2. It has now been decided that the designated AD Category - I banks should certify the **leverage ratio** (i.e. outside liabilities/owned funds) of IFCs desirous of availing ECBs under the **approval route** while forwarding such proposals to the Reserve Bank of India.
3. All other aspects of the ECB policy, such as eligible borrower, recognised lender, maximum permissible limit under the automatic route, average maturity, all-in-cost, end-use, prepayment, refinancing of existing ECB and reporting arrangements shall remain unchanged.
4. AD Category - I banks may bring the contents of this circular to the notice of their constituents and customers.
5. The directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

**Rashmi Fauzdar**  
Chief General Manager

## Banking Laws

### 12 External Commercial Borrowings (ECB) Policy - Infrastructure Finance Companies (IFCs)

Issued by the Reserve Bank of India vide A.P. (DIR Series) Circular No.70. Dated 25.01. 2012]

1. Attention of Authorized Dealer Category-I (AD Category-I) banks is invited to A.P. (DIR Series) Circular No. 5 dated August 1, 2005, amended from time to time and A. P. (DIR Series) Circular No. 51 dated May 11, 2010 relating to External Commercial Borrowings (ECBs). As per the extant guidelines, Non-Banking Finance Companies (NBFCs) categorized as Infrastructure Finance Companies (IFCs) by the Reserve Bank and complying with the norms prescribed in the DNBS Circular DNBS.PD.CC.No.168/03.02.089/2009-10 dated February 12, 2010 are permitted to avail of ECBs, including the outstanding ECBs, up to 50 per cent of their owned funds under the automatic route. ECBs by IFCs above 50 per cent of their owned funds are being considered under the

### 13 External Commercial Borrowings - Simplification of procedure

Issued by the Reserve Bank of India vide A.P. A (DIR Series) Circular No.69. Dated 25.01. 2012]

1. Attention of Authorized Dealer Category-I (AD Category-I) banks is invited to the Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations, 2000, notified vide Notification No. FEMA 3/2000-RB dated May 3, 2000 and the A.P. (DIR Series) Circular No. 5 dated August 1, 2005 relating to the External Commercial Borrowings (ECB), as amended from time to time.
2. As per the extant ECB procedures any request for cancellation of Loan Registration Number (LRN) given by the Department of Statistics and Information Management (DSIM), Reserve Bank of India or change in permissible end-use for an existing ECB is required to be referred by the AD Category-I bank to the Foreign Exchange Department, Central Office, Reserve Bank of India for necessary approval.
3. As a measure of simplification of the existing procedures, it has been decided to delegate powers to the designated



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AD category-I banks to approve the following requests from the ECB borrowers, subject to specified conditions:

## a) Cancellation of LRN

The designated AD Category-I bank may directly approach DSIM for cancellation of LRN for ECBs availed, both under the automatic and approval routes, subject to fulfilment of the following conditions:-

- i. no draw down for the said LRN has taken place; and
- ii. the monthly ECB-2 returns till date in respect of the LRN have been submitted to DSIM.

## b) Change in the end-use of ECB proceeds

The designated AD Category-I bank may approve requests from ECB borrowers for change in end-use in respect of ECBs availed under the automatic route, subject to the following conditions:-

- i. the proposed end-use is permissible under the automatic route as per the extant ECB guidelines;
- ii. there is no change in the other terms and conditions of the ECB;
- iii. the ECB is in compliance with the extant guidelines; and
- iv. the monthly ECB-2 returns till date in respect of the LRN have been submitted to DSIM.

The AD Category - I bank shall continue to monitor the utilization of end-use proceeds and changes in the end-use should be promptly reported to DSIM, RBI in Form 83. However, change in the end-use of ECBs availed under the **approval route** will continue to be referred to the Foreign Exchange Department, Central Office, Reserve Bank of India, as hitherto.

4. The above modifications to the ECB guidelines will come into force with immediate effect. All other aspects of the ECB policy, such as, USD 750 million limit per company per financial year under the automatic route, eligible borrower, recognized lender, end-use, all-in-cost ceiling, average maturity period, prepayment, refinancing of existing ECB and reporting arrangements shall remain unchanged.
5. AD Category -I banks may bring the contents of this circular to the notice of their constituents and customers concerned.
6. The directions contained in this circular have been issued under sections 10 (4) and 11 (1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

**Rashmi Fauzdar**  
Chief General Manager

## 14 Guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Risk takers and Control function staff, etc.

Issued by the Reserve Bank of India vide DBOD No.BC.72/29.67.001/2011-12. Dated 13.01. 2012]

1. The compensation practices, especially of large financial institutions, were one of the important factors which contributed to the recent global financial crisis. Employees were too often rewarded for increasing the short-term profit without adequate recognition of the risks and long-term consequences that their activities posed to the organizations. These perverse incentives amplified the excessive risk taking that severely threatened the global financial system. The compensation issue has, therefore, been at the centre stage of the regulatory reforms.
2. To address the issues in a coordinated manner across jurisdictions, the Financial Stability Board (FSB) has brought out a set of principles and implementation standards on sound compensation practices in April and September 2009, respectively. The principles are intended to reduce incentives towards excessive risk taking that may arise from the structure of compensation schemes. The principles call for effective governance of compensation, alignment of compensation with prudent risk taking, effective supervisory oversight and stakeholder engagement. The principles have been endorsed by the G-20 countries and the Basel Committee on Banking Supervision (BCBS) and are under implementation across jurisdictions.
3. In this background, an announcement was made in the Second Quarter Review of Monetary Policy 2009-10 that in line with the steps taken by the global community, Reserve Bank will issue guidelines to Private Sector Banks and Foreign Banks on sound compensation policy. Accordingly, draft guidelines on compensation of whole time directors /Chief Executive Officers/other Risk takers and Control function staff were framed and placed on the Reserve Bank's website in July 2010 for public comments. A large number of comments/ suggestions were received on the draft guidelines and it was proposed in the Second Quarter Review of Monetary Policy for 2010-11 to issue final guidelines by end-December 2010. Meanwhile, in October 2010, the BCBS brought out a consultative paper titled Range of Methodologies for Risk and Performance Alignment of Remuneration, for public comments. Therefore, the implementation of the Reserve Bank's guidelines on compensation policy was deferred till 2012-13 and banks were advised through a press release on February 23, 2011 to refer to the BCBS consultative paper and begin preparatory work.
4. The BCBS has since published in May 2011 the final



- report on Range of Methodologies for Risk and Performance Alignment of Remuneration. The main objectives of the report are to present certain remuneration practices and methodologies that support sound incentives and also the elements influencing the effectiveness of risk alignment that should be considered by banks when developing their methodologies and by supervisors, when reviewing and assessing banks' practices.
5. In July 2011, the BCBS in consultation with the FSB has also published Pillar 3 disclosure requirements for remuneration.
  6. Taking into account the stipulations in these documents and the comments received on the draft guidelines, Reserve Bank has finalized the compensation guidelines enclosed as Annex for implementation by private sector and foreign banks from the financial year 2012-13. These guidelines will supersede the Reserve Bank's extant guidelines relating to compensation.
  7. As hitherto, private sector and foreign banks operating in India would be required to obtain regulatory approval for grant of remuneration to WTDs/ CEOs in terms of Section 35B of the Banking Regulation Act, 1949 (B.R. Act, 1949). The approval process will involve, inter alia, an assessment whether the compensation policies and practices are in accordance with the FSB Principles.

**Murli Radhakrishnan**  
Chief General Manager

## ANNEX

### Guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Other Risk Takers

#### A. The Financial Stability Board (FSB) Principles for Sound Compensation Practices

1. The Principles for Sound Compensation Practices issued by the FSB in April 2009 aim to ensure effective governance of compensation, alignment of compensation with prudent risk taking and effective supervisory oversight and stakeholder engagement in compensation. The Principles in brief are as under:
  - (i) Effective governance of compensation
    - ◆ The firm's board of directors must actively oversee the compensation system's design and operation.
    - ◆ The firm's board of directors must monitor and review the compensation system to ensure the system operates as intended.

- ◆ Staff engaged in financial and risk control must be independent, have appropriate authority, and be compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in the firm.
- (ii) Effective alignment of compensation with prudent risk taking
    - ◆ Compensation must be adjusted for all types of risk.
    - ◆ Compensation outcomes must be symmetric with risk outcomes.
    - ◆ Compensation payout schedules must be sensitive to the time horizon of risks.
    - ◆ The mix of cash, equity and other forms of compensation must be consistent with risk alignment.
  - (iii) Effective supervisory oversight and engagement by stakeholders
    - ◆ Supervisory review of compensation practices must be rigorous and sustained, and deficiencies must be addressed promptly with supervisory action.
    - ◆ Firms must disclose clear, comprehensive and timely information about their compensation practices to facilitate constructive engagement by all stakeholders.
2. Implementation Standards issued by the FSB in September 2009 focus on areas in which especially rapid progress is needed. They do not fully cover all aspects of the FSB Principles but prioritise areas that should be addressed by firms and supervisors to achieve effective global implementation of the Principles.
  3. The guidelines delineated below are based on the above mentioned Principles and Implementation Standards of the FSB, as well as current statutory and regulatory framework in India. Banks are required to take steps immediately to implement the guidelines by putting in place necessary policy/ infrastructure.

#### B. Compensation guidelines to Private Sector Banks

##### 1. Effective governance of compensation

###### 1.1 Guideline 1: Compensation Policy

Banks should formulate and adopt a comprehensive compensation policy covering all their employees and conduct annual review thereof. The policy should cover all aspects of the compensation structure such as fixed pay, perquisites, bonus, guaranteed pay, severance



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package, stock, pension plan, gratuity, etc., taking into account these guidelines.

The process of framing/reviewing the policy should be completed by March 2012 for implementation from the financial year 2012-13.

## 1.2 Guideline 2: Board and Remuneration Committee (RC)

The Board of directors of banks should constitute a Remuneration Committee (RC) of the Board to oversee the framing, review and implementation of compensation policy of the bank on behalf of the board. The RC should have a minimum of three members and should include at least one member from Risk Management Committee of the Board. The majority of members of the RC should be independent non-executive directors. The RC should work in close coordination with Risk Management Committee of the bank, in order to achieve effective alignment between remuneration and risks. The RC should also ensure that the cost/income ratio of the bank supports the remuneration package consistent with maintenance of sound capital adequacy ratio.

## 2. Effective alignment of compensation with prudent risk taking

### 2.1 Guideline 3: For Whole Time Directors / Chief Executive Officers

Banks should ensure that for the WTDs / CEOs:

- compensation is adjusted for all types of risk,
- compensation outcomes are symmetric with risk outcomes, and
- compensation payouts are sensitive to the time horizon of the risk.
- The mix of cash, equity and other forms of compensation must be consistent with risk alignment.

A wide variety of measures of credit, market and liquidity risks may be used by banks in implementation of risk adjustment. The risk adjustment methods should preferably have both quantitative and judgmental elements.

The compensation structure for the WTDs/CEOs of the bank may be as under:

#### 2.1.1 Fixed pay

Banks are required to ensure that the fixed portion of compensation is reasonable, taking into account all relevant factors including the industry practice.

#### 2.1.2 Variable pay composition and deferral

While designing the compensation arrangements it should be ensured that there is a proper balance between fixed pay and variable pay. However, variable pay should not exceed 70% of the fixed pay in a year. Within this ceiling, at higher levels of responsibility the proportion of variable pay should be higher. The variable pay could be in cash, or stock linked instruments or mix of both. The Employees Stock Option Plan (ESOP) prevalent in India, may be excluded from the components of variable pay. The deterioration in the financial performance of the bank should generally lead to a contraction in the total amount of variable remuneration paid.

Where the variable pay constitutes a substantial portion of the fixed pay, say 50% or more, an appropriate portion of the variable pay, say 40% to 60% must be deferred for over a period. The bank may define what is 'substantial' in its compensation policy. There should be proper balance between the cash and stock / share components (other than ESOP) in the variable pay in case the variable compensation contains stock or share linked instruments (other than ESOP).

ESOP is kept outside the computation of the total compensation of an employee for the purpose of this guideline, but since it is used as a compensation as well as retention tool by banks, the extent of ESOP should be reasonable. However, norms for grant of ESOP should be framed by banks in conformity with relevant statutory provisions and SEBI guidelines, and should form part of the bank's compensation policy. The details of ESOP granted should also be disclosed in terms of the disclosure requirements stipulated in this guideline.

#### 2.1.3 Variable pay –timing

In case of deferral arrangements of variable pay, the deferral period should not be less than three years. Compensation payable under deferral arrangements should vest no faster than on a pro rata basis.

#### 2.1.4 Malus / Clawback

In the event of negative contributions of the bank and/or the relevant line of business in any year, the deferred compensation should be subjected to malus/clawback arrangements. A malus arrangement permits the bank to prevent vesting of all or part of the amount of a deferred remuneration. Malus arrangement does not reverse vesting after it has already occurred. A clawback, on the other hand, is a contractual agreement between the employee and the bank in which the employee agrees to return previously paid or vested remuneration to the bank under certain circumstances. Banks may put in place appropriate modalities to incorporate malus / clawback mechanism



in respect of variable pay, taking into account relevant statutory and regulatory stipulations as applicable.

## 2.1.5 Guaranteed bonus

Guaranteed bonuses are not consistent with sound risk management or the pay-for performance principles and should not be part of compensation plan. Therefore, joining / sign on bonus should only occur in the context of hiring new staff and be limited to first year. However, guaranteed bonus should be in the form of ESOPs only since payments in cash upfront would create perverse incentives. Further, banks should not grant severance pay other than accrued benefits (gratuity, pension, etc.) except in cases where it is mandatory by any statute.

## 2.1.6 Hedging

Banks should not provide any facility or funds or permit employees to insure or hedge their compensation structure to offset the risk alignment effects embedded in their compensation arrangement. To enforce the same, banks should establish appropriate compliance arrangements.

## 2.2 Guideline 4: For risk control and compliance staff

2.2.1 Members of staff engaged in financial and risk control should be compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in the bank. Effective independence and appropriate authority of such staff are necessary to preserve the integrity of financial and risk management's influence on incentive compensation. Back office and risk control employees play a key role in ensuring the integrity of risk measures. If their own compensation is importantly affected by short-term measures, their independence will be compromised. If their compensation is too low, the quality of such employees may be insufficient to their tasks and their authority may be undermined. The mix of fixed and variable compensation for control function personnel should be weighted in favour of fixed compensation.

2.2.2 Subject to the above, in devising compensation structure, banks may adopt principles similar to principles enunciated for WTD/CEO, as appropriate.

## 2.3 Guidelines 5: For other categories of staff

For the other categories of staff, banks may devise appropriate compensation structure. However, in doing so, banks may adopt principles similar to the principles enunciated for WTD/CEO as appropriate.

2.4 Banks are advised to refer to the BCBS report entitled Range of Methodologies for Risk and Performance Alignment of Remuneration published in May 2011 for guidance. A gist of the methodologies is

furnished at the Appendix 1. The report is primarily of a technical nature and is not intended to be prescriptive. It intends to enhance the banks' and supervisors' understanding of risk-adjusted remuneration. This report, by providing some clarification on design of risk-adjusted remuneration schemes, could support and facilitate the greater adoption of sound practices in the banking sector.

## 3. Disclosure and engagement by stakeholders

### 3.1 Guideline 6: Disclosure

Banks are required to make disclosure on remuneration on an annual basis at the minimum, in their Annual Financial Statements.

3.2 To improve clarity on disclosure, banks may make the disclosures in table or chart format and make disclosures for previous as well as the current reporting year (previous year's disclosure need not be made when the disclosures are made for the first time). The key disclosures required to be made by banks have been given in the *Appendix 2* to the guidelines.

## C. Compensation Guidelines to Foreign Banks

1. At present, foreign banks are operating in India through branch mode of presence. The compensation policy of these banks is governed by their respective Head Office policies. In the light of the initiative taken by the FSB, G-20 and the BCBS endorsement of the FSB principles, it is expected that Head Offices of most of these banks would align their compensation policies in line with the FSB principles. Foreign Banks operating in India will, therefore, be required to submit a declaration to Reserve Bank annually from their Head Offices to the effect that their compensation structure in India, including that of CEO's, is in conformity with the FSB principles and standards. RBI would take this into account while according approval of CEOs' compensation.
2. The compensation proposals for CEOs and other staff of foreign banks operating in India which have not adopted the FSB principles in their home country are required to implement the compensation guidelines as prescribed for private sector banks in India, to the extent applicable to them.

## D. Regulatory and Supervisory Approval / Oversight

1. Banks may be aware, that in terms of the Section 10(1)(b)(iii) of the Banking Regulation Act, 1949 (B.R. Act, 1949), no banking company shall employ or continue the employment of any person whose



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remuneration is, in the opinion of the Reserve Bank, excessive.

2. As hitherto, private sector and foreign banks operating in India would be required to obtain regulatory approval for grant of remuneration to WTDs/ CEOs in terms of Section 35B of the B.R. Act, 1949. The approval process will involve an assessment whether the compensation policies and practices are in accordance with the FSB Principles, including inter alia, whether there is appropriate balance between fixed and variable pay, whether adequate deferrals are built in the variable component and whether cost/ income ratio supports the remuneration package consistent with maintenance of sound capital adequacy ratio.
3. Banks' compensation policies would be subject to supervisory oversight including review under the Supervisory Review and Evaluation Process (SREP) under Pillar 2 of Basel II framework. Deficiencies would have the effect of increasing the risk profile of banks with attendant consequences including a requirement of additional capital if the deficiencies are very significant.

## APPENDIX 1

### Methodologies for risk and performance alignment of remuneration

The Basel Committee on Banking Supervision (BCBS) in consultation with the FSB has published a report in May 2011 entitled Range of Methodologies for Risk and Performance Alignment of Remuneration. The main objectives of the report are to present (i) some remuneration practices and methodologies that support sound incentives and (ii) the challenges or elements influencing the effectiveness of risk alignment that should be considered by banks when developing their methodologies and by supervisors, when reviewing and assessing banks' practices.

Some of the key stipulations of the report are as under:

- ◆ In order for incentive-based remuneration to work, the variable part of remuneration should be truly and effectively variable and can even be reduced to zero in line with the symmetry principle defined by the FSB. A key element that supervisors expect is the ability for banks to demonstrate that the methodologies they developed to adjust variable remuneration to risk and performance are appropriate to their specific circumstances.
- ◆ The methodologies for adjusting remuneration to risk and performance should also be consistent with the general risk management and corporate governance framework.
- ◆ Performance measures and their relation to remuneration

packages should be clearly defined at the beginning of the performance measurement period to ensure that the employees perceive the incentives mechanism. The usual annual determination of bonuses should be based on rules, processes and objectives known in advance, recognizing that some discretion will always be needed.

- ◆ Banks should use a combination of financial and non-financial measures to assess employee performance and adapt the measurement to each employee's specific situation. Qualitative factors (like knowledge, skills or abilities), might play an important role when it comes to judging and rewarding some activities- particularly when these serve to reinforce the bank's risk management goals.
- ◆ The nature and extent to which risk adjustments are needed depends first on the extent to which performance measures capture risks, but in all cases, some form of risk adjustment is needed as remuneration is often awarded before the final outcome of an activity is known. Risks taken need to be estimated (ex ante), risk outcomes observed (ex post) and both ex ante estimates and ex post outcomes should affect payoffs.
- ◆ Risk adjustments need to take into account the nature of the risks involved and the time horizons over which they could emerge. The impact of remuneration adjustments should be linked to actions taken by employees and / or business units, and their impact on the level of risk taken on by the bank.
- ◆ The nature of the award process, which links the variable remuneration of each individual employee with bonus pools and the total amount of variable remuneration at a bank's level, is also an area that should be carefully considered by banks and supervisors, as it directly influences how and when performance and risk adjustment are or can be used.

## APPENDIX 2

### Disclosure requirements for remuneration

| Remuneration            |     |                                                                                                                                                                                                                |
|-------------------------|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Qualitative disclosures | (a) | Information relating to the composition and mandate of the Remuneration Committee.                                                                                                                             |
|                         | (b) | Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.                                                                         |
|                         | (c) | Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks. |
|                         | (d) | Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.                                                                       |



|                                                                                                                                                       |     |                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                       | (e) | A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting.                                                                                                                                                                                      |
|                                                                                                                                                       | (f) | Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the bank utilizes and the rationale for using these different forms.                                                                                                                                                                                                                 |
| <b>Quantitative disclosures</b><br>(The quantitative disclosures should only cover Whole Time Directors / Chief Executive Officer/ Other Risk Takers) | (g) | <ul style="list-style-type: none"> <li>Number of meetings held by the Remuneration Committee during the financial year and remuneration paid to its members.</li> </ul>                                                                                                                                                                                                                          |
|                                                                                                                                                       | (h) | <ul style="list-style-type: none"> <li>Number of employees having received a variable remuneration award during the financial year.</li> <li>Number and total amount of sign-on awards made during the financial year.</li> <li>Details of guaranteed bonus, if any, paid as joining / sign on bonus.</li> <li>Details of severance pay, in addition to accrued benefits, if any.</li> </ul>     |
|                                                                                                                                                       | (i) | <ul style="list-style-type: none"> <li>Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.</li> <li>Total amount of deferred remuneration paid out in the financial year.</li> </ul>                                                                                                                                        |
|                                                                                                                                                       | (j) | <ul style="list-style-type: none"> <li>Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.</li> </ul>                                                                                                                                                                                                                       |
|                                                                                                                                                       | (k) | <ul style="list-style-type: none"> <li>Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.</li> <li>Total amount of reductions during the financial year due to ex- post explicit adjustments.</li> <li>Total amount of reductions during the financial year due to ex- post implicit adjustments.</li> </ul> |

## 15 Centralised Processing of Returns Scheme, 2011

Issued by the Central Board of Direct Taxes vide Notification NO.2/2012[F.NO.142/27/2011-SO(TPL). Dated 04.01. 2012]

In exercise of the powers conferred by sub-section (1A) of section 143 of Income Tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby specifies the following scheme for processing of returns of income, namely:-

### 1. Short title and commencement.-

- (1). This Scheme may be called the Centralised Processing of Returns Scheme, 2011.
- (2). It shall come into force on the date of its publication in the Official Gazette.

### 2. Definition. -

In this scheme, unless the context otherwise requires -

- (a) 'Act' means the Income Tax Act, 1961 (43 of 1961).
- (b) 'Board' means Central Board of Direct Taxes constituted under the Central Board of Revenues Act, 1963 (54 of 1963).

- (c) 'Centre' means the Centralised Processing Centre having jurisdiction over such return of income as may be specified by the Board.
- (d) 'Commissioner' means the Commissioner of Income-tax, Centralised Processing Centre.
- (e) 'Director General' means the Director General of Income-tax (Systems).
- (f) words and expressions used herein but not defined and defined in the Act shall have the meaning respectively assigned to them in the Act.

### 3. Scope of the Scheme.-

This scheme shall be applicable in cases where return of income has been furnished in,-

- (i) electronic form; or
- (ii) paper form, in case of a class or classes of persons, as notified by the Board in this behalf.

### 4. Receipt and Acknowledgment of Return of Income.-

- (1) Where a return of income is filed electronically with digital signature, on successful transmission of the data, an acknowledgment as generated by the server of the Central Government shall be available to the person in printable format.
- (2) The acknowledgment shall contain the acknowledgment number of the electronic transmission and the date of transmission as an evidence of filing of the return.
- (3) A copy of the electronic transmission of filing the return of income shall be downloaded and kept by the person.
- (4) Where a return of income is filed electronically without digital signature, on successful transmission of the data, an acknowledgment in Form ITR-V as provided in rule 12 of the Income Tax Rules, 1962 shall be generated by the server of the Central Government and available to the person.
- (5) The Form ITR-V shall also contain the acknowledgment number of the electronic transmission and the date of transmission as an evidence of filing of the return.
- (6) A copy of ITR-V shall be downloaded and after taking a printout of such a form, it shall be physically verified under the signature of the person and forwarded to the Centre.
- (7) The Form ITR-V duly verified shall be sent to the Centre, either through ordinary or speed post, within such period of uploading the electronically filed



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return as may be specified by the Director General in this behalf.

- (8) The date of transmitting the data electronically shall be the date of furnishing the return if the Form ITR-V is furnished in the prescribed manner and within the period specified.
- (9) In case Form ITR-V furnished after the prescribed time is rejected on account of it being unsigned, illegible, mutilated, bad quality or not as per specification, it shall be deemed that the return in respect of which the Form ITR-V has been filed was never furnished and it shall be incumbent on the person to electronically file the return of income again followed by submission of the new Form ITR-V.
- (10) The Form ITR-V shall be submitted at the address, in the mode and within the period or extended period specified by the Commissioner in this behalf.
- (11) The Commissioner may, in order to avoid hardship in a case or class of cases, condone the delay in receipt of Form ITR-V.
- (12) The Commissioner may call for fresh Form ITR-V in special circumstances, where the Form ITR-V earlier submitted cannot be considered for technical reasons.

## 5. Revised return of income.-

- (1) If the original return of income is an electronically filed return, the revised return shall be filed through electronic mode only.
- (2) The Centre will process only the revised return and no further action will be taken on the original return if it has not already been processed.

## 6. Invalid or defective return.

- (i) The Commissioner may declare-
  - (a) a return invalid for non-compliance of procedure for using any software not validated and approved by the Director General.
  - (b) a return defective under sub-section (9) of section 139 of the Act on account of incomplete or inconsistent information in the return or in the schedules or for any other reason.
- (ii) In case of a defective return, the Centre shall intimate this to the person through e-mail or by placing a suitable communication on the e-filing website.
- (iii) A person may comply with the notice regarding defective return by uploading the rectified return within the period of time mentioned in the notice.
- (iv) The Commissioner may, in order to avoid hardship to the person, condone the delay in uploading of

rectified return.

- (v) In case no response is received from the person in reply to the notice of defective return, the Commissioner may declare a return as not having been uploaded at all or process the return on the basis of information available.

## 7. Centralised Processing Centres.-

- (1) The Board may set up as many Centralised Processing Centres as it may deem necessary and specify their respective jurisdictions.
- (2) The processing of the returns shall be undertaken at the Centralised Processing Centre.

## 8. Processing of Returns.-

- (i) The Centre shall process a valid return of income in the following manner, namely:-
  - (a) the sum payable to, or the amount of refund due to, the person shall be determined after credit of such Tax Collected at Source (TCS), Tax Deducted at Source (TDS) and tax payment claims which can be automatically validated with reference to data uploaded through TDS and TCS statements by the deductors or the collectors, as the case may be, and tax payment challans reported through authorised banks in accordance with the procedures adopted by the Centre in this regard.
  - (b) an intimation shall be generated electronically and sent to the person by e-mail specifying the sum determined to be payable by, or the amount of the refund due to, the person; and
  - (c) any intimation to the person to pay any sum determined to be payable shall be deemed to be a notice of demand as per the provisions of section 156 of the Act and all other provisions of the Act shall be applicable accordingly.
- (ii) The Commissioner may, -
  - (a) adopt appropriate procedure for processing of returns; or
  - (b) decide the order of priority for processing of returns of income based on administrative requirements.
- (iii) Wherever a return cannot be processed in the Centre for any reasons, the Commissioner shall arrange to transmit such return to the Assessing Officer having jurisdiction for processing.

## 9. Rectification of mistake.-

- (i) With a view to rectifying any mistake apparent from the record under section 154 of the Act, the Centre, on its own or on receiving an application from the person, may amend any order or intimation passed or sent by it under the provisions of the Act.



- (ii) An application for rectification shall be filed electronically to the Centre in the format prescribed and will be processed in the same manner as a return of income-tax.
- (iii) Where the rectification order results in a demand of tax, the order under section 154 of the Act passed by the Centre shall be deemed to be a notice of demand under section 156 of the Income-tax Act.
- (iv) In case of error in processing due to an error in data entry or a software error or otherwise, resulting in excess refund being computed or reduction in demand of tax, the same will be corrected on its own by the Centre by passing a rectification order and the excess amount shall be recovered as per the provisions of the Act.
- (v) Where a rectification has the effect of enhancing an assessment or reducing the refund or otherwise increasing the liability of the person, an intimation to this effect shall be sent to the person electronically by the Centre and the reply of the person has to be furnished through electronic mode only.

## 10. Adjustment against outstanding tax demand.-

The set-off of refund, if any, arising from the processing of a return, against tax remaining payable will be done by using the details of outstanding tax demand lying against the person as uploaded onto the system of the Centre by the Assessing Officer.

## 11. Appellate Proceedings.-

- (i) Where a return is processed at the Centre, the appeal proceedings relating to the processing of the return shall lie with Commissioner of Income-tax (Appeals) [CIT(A)] having jurisdiction over the jurisdictional Assessing Officer and any reference to Commissioner (Appeals) in any communication from the Centre shall mean such jurisdictional CIT (Appeals).
- (ii) Remand reports, giving effect to appellate order and any other reports to be furnished before the CIT (Appeals) shall be submitted by the Assessing Officer having jurisdiction as regards the person.

## 12. No personal appearance in the Centre.-

- (i) A person shall not be required to appear either personally or through authorised representative before the authorities at the Centre in connection with any proceedings.
- (ii) Written or electronic communication from such person or authorized representative in the format specified by the Centre in this respect shall be sufficient compliance of the query or clarification

received from the Centre.

- (iii) The Centre may call for such clarification, evidence or document as may be required for the purpose of facilitating the processing of return and all such clarification, evidence or document shall be furnished electronically.

## 13. Service of notice or communication.-

- (i) The service of a notice or order or any other communication by the Centre may be made by-
  - a. sending it by post;
  - b. delivering or transmitting its copy thereof, electronically to the person sent by the Centre's e-mail;
  - c. placing its copy in the registered electronic account of the person on the official website ; or
  - d. any of the modes mentioned in sub-section (1) of section 282 of the Act.
- (ii) The date of posting of any such communication on official website, e-mail or other electronic medium shall be deemed to be the date of service.
- (iii) The intimation, orders and notices shall be computer generated and need not carry physical signature of the person signing it.

## 14. Power to specify procedure and processes.-

The Director General may specify procedures and processes from time to time for effective functioning of the Centre in an automated and mechanised environment, including specifying the procedure and processes in respect of the following :-

- (i) receipt and processing of electronic rectification applications in the Centre.
- (ii) the address or place, the mode and the period or the extended period within which the acknowledgment in Form ITR-V shall be accepted.
- (iii) validating any software used for e-filing the return.
- (iv) call centres to answer queries and provide taxpayer services which may include outbound calls to persons requesting for clarification to assist in the processing of their returns of income.
- (v) managing tax administration functions such as receipt, scanning, data entry, processing, issue of refunds, storage and retrieval of income-tax returns and documents in a centralised manner or receipt of paper documents through authorized intermediaries.



## Economic Laws



### 12 Review of the policy on Foreign Direct Investment - liberalization of the policy in Single - Brand Retail Trading

Issued by the Ministry of Commerce and Industry Department of Industrial Policy and Promotion (FC-1 Section) vide F. No. 5/12/2010-FC-1. Press Note No. 1(2012 Series).  
Dated 10.01. 2012]

#### 1.0 Present Position:

Foreign Direct Investment (FDI), in retail trade, is prohibited except in single brand product retail trading, in which FDI, up to 51% is permitted, subject to conditions specified under paragraph 6.2.16.4 of 'Circular 2 of 2011- Consolidated FDI Policy'.

#### 2.0 Revised Position:

The Government of India has reviewed the extant policy on FDI and decided that FDI, up to 100%, under the government approval route, would be permitted in Single-Brand Product Retail Trading, subject to specified conditions, as indicated in paragraph 3.0 below.

3.0 Accordingly, the following amendment is made in 'Circular

2 of 2011- Consolidated FDI Policy', dated 30.09.2011, issued by the Department of Industrial Policy & Promotion:

#### 3.1 Paragraph 6.2.16.4 is substituted with the following:

| 6.2.16.4 | Single Brand product retail trading                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 100% | Government |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|------------|
| (1)      | Foreign Investment in Single Brand product retail trading is aimed at attracting investments in production and marketing, improving the availability of such goods for the consumer, encouraging increased sourcing of goods from India, and enhancing competitiveness of Indian enterprises through access to global designs, technologies and management practices.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |      |            |
| (2)      | FDI in Single Brand product retail trading would be subject to the following conditions:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |      |            |
|          | (a) Products to be sold should be of a 'Single Brand' only.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |      |            |
|          | (b) Products should be sold under the same brand internationally i.e. products should be sold under the same brand in one or more countries other than India.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |      |            |
|          | (c) 'Single Brand' product-retail trading would cover only products which are branded during manufacturing.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |      |            |
|          | (d) The foreign investor should be the owner of the brand.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |      |            |
|          | (e) In respect of proposals involving FDI beyond 51%, mandatory sourcing of at least 30% of the value of products sold would have to be done from Indian 'small industries/ village and cottage industries, artisans and craftsmen'. 'Small industries' would be defined as industries which have a total investment in plant & machinery not exceeding US \$ 1.00 million. This valuation refers to the value at the time of installation, without providing for depreciation. Further, if at any point in time, this valuation is exceeded, the industry shall not qualify as a 'small industry' for this purpose. ' Village industry' shall have the meaning as defined under the Khadi and Village Industries Commission Act, 1956, as amended from time to time. The compliance of this condition will be ensured through self-certification by the company, to be subsequently checked, by statutory auditors, from the duly certified accounts, which the company will be required maintain. |      |            |
| (3)      | Application seeking permission of the Government for FDI in retail trade of 'Single Brand' products would be made to the Secretariat for Industrial Assistance (SIA) in the Department of Industrial Policy & Promotion. The application would specifically indicate the product/ product categories which are proposed to be sold under a 'Single Brand'. Any addition to the product/ product categories to be sold under 'Single Brand' would require a fresh approval of the Government.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |      |            |
| (4)      | Applications would be processed in the Department of Industrial Policy & Promotion, to determine whether the products proposed to be sold satisfy the notified guidelines, before being considered by the FIPB for Government approval.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |      |            |

4.0 The above decision will take immediate effect.

5.0 The above provisions will be incorporated in the next Circular on Consolidated FDI Policy to be issued on 31.3.2012.

Anjali Prasad

Joint Secretary to the Government of India



## Institute News



### MEMBERS ADMITTED

| Sl. No. | Name | Membership No. | Region |
|---------|------|----------------|--------|
|---------|------|----------------|--------|

#### FELLOWS\*

|    |                                 |            |      |
|----|---------------------------------|------------|------|
| 1  | Sh. Sumit Goel                  | FCS - 6661 | NIRC |
| 2  | Sh. Dushyantha Kumar Kondisetty | FCS - 6662 | SIRC |
| 3  | Sh. Manish Kumar                | FCS - 6663 | NIRC |
| 4  | Ms. Kanika Sharma               | FCS - 6664 | NIRC |
| 5  | Sh. N. Ramanathan               | FCS - 6665 | SIRC |
| 6  | Ms Era Bhardwaj                 | FCS - 6666 | NIRC |
| 7  | Ms. Kumudini Sudhakar Paranjape | FCS - 6667 | WIRC |
| 8  | Ms. Silky Kapoor                | FCS - 6668 | NIRC |
| 9  | Sh. Ashish Agarwal              | FCS - 6669 | WIRC |
| 10 | Sh. Saurabh Ushakant Jhaveri    | FCS - 6670 | WIRC |
| 11 | Sh. Vikas Goyal                 | FCS - 6671 | NIRC |
| 12 | Sh Dhanraj Singh Thakur         | FCS - 6672 | WIRC |
| 13 | Sh. Hardev Singh                | FCS - 6673 | NIRC |
| 14 | Sh. Krishna Kumar Gaggar        | FCS - 6674 | NIRC |
| 15 | Sh. Ashwanie Kumar Bansal       | FCS - 6675 | NIRC |

\* Admitted on 20<sup>th</sup> December, 30<sup>th</sup> December, 2011 and 10<sup>th</sup> January, 2012

### LIVE SHOW on CS Telecast on LOK SABHA TV

A 30 Minutes LIVE Programme on **"CAREER AS A COMPANY SECRETARY"** was telecast on LOK SABHA TV.



An exclusive interview with Shri N K Jain, Secretary & CEO, the ICSI was telecast during the show "CAREER CAFÉ" on 3<sup>rd</sup> January, 2012 from 5.30 P.M. to 6.00 P.M. on LOK SABHA TV. The show was also repeated on 6<sup>th</sup> January 2012 at 2.30 P.M. and on 8th January, 2012 at 11.30 A.M.

### ASSOCIATES\*

|    |                                      |             |      |
|----|--------------------------------------|-------------|------|
| 1  | Mr. Paramjit Manpotra                | ACS - 29296 | WIRC |
| 2  | Ms. Rajpriya Khandelwal              | ACS - 29297 | NIRC |
| 3  | Mr. Prashant Abhaykumar Maha         | ACS - 29298 | WIRC |
| 4  | Ms. Ruchi Chawda                     | ACS - 29299 | SIRC |
| 5  | Mr. Chandra Shekher Joshi            | ACS - 29300 | NIRC |
| 6  | Ms. Varsha Mehrotra                  | ACS - 29301 | NIRC |
| 7  | Ms. Nitu Singh                       | ACS - 29302 | EIRC |
| 8  | Mr. Shailesh Babubhai Gohel          | ACS - 29303 | WIRC |
| 9  | Mr. Pulkit Garg                      | ACS - 29304 | NIRC |
| 10 | Mr. Gourav                           | ACS - 29305 | NIRC |
| 11 | Sh. Nisid Kumar Singh                | ACS - 29306 | NIRC |
| 12 | Mr. Arvind Kumar Srivastava          | ACS - 29307 | NIRC |
| 13 | Mr. K R Madhava Murthy               | ACS - 29308 | SIRC |
| 14 | Mr. Sumit Jain                       | ACS - 29309 | EIRC |
| 15 | Ms. Priyanka Kishor Ranade           | ACS - 29310 | WIRC |
| 16 | Mr. Deepak Goel                      | ACS - 29311 | NIRC |
| 17 | Ms. Soumya Guda                      | ACS - 29312 | SIRC |
| 18 | Mr. Vipin Kumar                      | ACS - 29313 | NIRC |
| 19 | Mr. Rahul Dashrath Sawale            | ACS - 29314 | WIRC |
| 20 | Ms. Priyamvada Varma                 | ACS - 29315 | NIRC |
| 21 | Mr. Sadanand Kadam                   | ACS - 29316 | WIRC |
| 22 | Mr. Dharmendra Sharma                | ACS - 29317 | NIRC |
| 23 | Ms. Shilpi Gupta                     | ACS - 29318 | NIRC |
| 24 | Ms. Shashikala K                     | ACS - 29319 | SIRC |
| 25 | Ms. Saranya Balaji                   | ACS - 29320 | SIRC |
| 26 | Mr. Hari Om Pandey                   | ACS - 29321 | NIRC |
| 27 | Ms. Monika Agarwal                   | ACS - 29322 | EIRC |
| 28 | Mr. Deepesh Kumar Nayak              | ACS - 29323 | WIRC |
| 29 | Ms. Bhagya Mysore Gopalakrishna      | ACS - 29324 | SIRC |
| 30 | Ms. Nitin Vinayak Upadhye            | ACS - 29325 | WIRC |
| 31 | Mr. Chintan Kumar Mahendrabhai Patel | ACS - 29326 | WIRC |
| 32 | Ms. Pranoti Shirish Shinde           | ACS - 29327 | WIRC |
| 33 | Mr. Jaiwant Dattakumar Rege          | ACS - 29328 | WIRC |

\* Admitted on 20<sup>th</sup> December, 30<sup>th</sup> December, 2011 and 10<sup>th</sup> January, 2012

# News from the Institute



|    |                                         |             |      |     |                                            |             |      |
|----|-----------------------------------------|-------------|------|-----|--------------------------------------------|-------------|------|
| 34 | Mr. Rohan Yeshwant Naik                 | ACS - 29329 | WIRC | 84  | Mr. Sasi Kumar Gopal                       | ACS - 29379 | SIRC |
| 35 | Sh. Baalasubramaniyan<br>Nedunchezhiyan | ACS - 29330 | SIRC | 85  | Mr. Anubhav Jain                           | ACS - 29380 | NIRC |
| 36 | Mr. Sanjay Kumar Das                    | ACS - 29331 | NIRC | 86  | Ms. Vibha Wadhva                           | ACS - 29381 | NIRC |
| 37 | Ms. Rupa Gupta                          | ACS - 29332 | EIRC | 87  | Ms. Renu Rai                               | ACS - 29382 | NIRC |
| 38 | Ms. Swati Chaudhary                     | ACS - 29333 | NIRC | 88  | Ms. Kusum Gurjar                           | ACS - 29383 | NIRC |
| 39 | Ms. Karishma Mehrotra                   | ACS - 29334 | NIRC | 89  | Ms. Aarti Sharma                           | ACS - 29384 | WIRC |
| 40 | Mr. Vivek Choudhary                     | ACS - 29335 | NIRC | 90  | Ms. Isha Sehgal                            | ACS - 29385 | NIRC |
| 41 | Mr. Gaurav Girish Singh Rathore         | ACS - 29336 | NIRC | 91  | Ms. Shalini Vijayvargiya                   | ACS - 29386 | WIRC |
| 42 | Mr. Pankaj Aggarwal                     | ACS - 29337 | NIRC | 92  | Mr. Rajagopalan Ramula<br>Valappil Nambidi | ACS - 29387 | WIRC |
| 43 | Sh. Khan Nisar Ahmed Sattar             | ACS - 29338 | WIRC | 93  | Mr. Kunal Suresh Karsia                    | ACS - 29388 | WIRC |
| 44 | Sh. Kamlesh Tulshidas Rane              | ACS - 29339 | WIRC | 94  | Sh. Tathagata Mitra                        | ACS - 29389 | NIRC |
| 45 | Mr. Alok Jyoti Sahoo                    | ACS - 29340 | EIRC | 95  | Ms. Jaya Gupta                             | ACS - 29390 | NIRC |
| 46 | Sh. Anand Roy                           | ACS - 29341 | EIRC | 96  | Ms. Smriti Mathur                          | ACS - 29391 | NIRC |
| 47 | Ms. Mona Sheoraj Chhangani              | ACS - 29342 | NIRC | 97  | Ms. Krutika Bhatt                          | ACS - 29392 | WIRC |
| 48 | Ms. Sweta Rungta                        | ACS - 29343 | EIRC | 98  | Mr. Anil Xavier                            | ACS - 29393 | SIRC |
| 49 | Ms. Ekta Sharma                         | ACS - 29344 | EIRC | 99  | Mr. Shyam Sunder Lata                      | ACS - 29394 | WIRC |
| 50 | Ms. Neha Ashok Khanna                   | ACS - 29345 | WIRC | 100 | Mr. Rahul Luthra                           | ACS - 29395 | NIRC |
| 51 | Sh. Hardik Jigneshkumar Modi            | ACS - 29346 | WIRC | 101 | Ms. Neha Patwary                           | ACS - 29396 | EIRC |
| 52 | Ms. Jelpine Angel Irudayaraj<br>Nadar   | ACS - 29347 | WIRC | 102 | Ms. Nehal Vadgama                          | ACS - 29397 | WIRC |
| 53 | Ms. Sakshi Gupta                        | ACS - 29348 | NIRC | 103 | Mr. Gagan Sharma                           | ACS - 29398 | NIRC |
| 54 | Ms. Shruti Bhardwaj                     | ACS - 29349 | EIRC | 104 | Ms. Jyotsna Arora                          | ACS - 29399 | NIRC |
| 55 | Ms. Heena Arora                         | ACS - 29350 | NIRC | 105 | Ms. Urmi Chaoudhury                        | ACS - 29400 | EIRC |
| 56 | Mr. Manish Kumar Sharma                 | ACS - 29351 | NIRC | 106 | Ms. Khushboo Agarwal                       | ACS - 29401 | EIRC |
| 57 | Mr. Hitesh Gaur                         | ACS - 29352 | NIRC | 107 | Sh. Saket Bhattar                          | ACS - 29402 | NIRC |
| 58 | Ms. Sapna Omer                          | ACS - 29353 | NIRC | 108 | Ms. Pushpa Joshi                           | ACS - 29403 | WIRC |
| 59 | Mr. Gaurav Garg                         | ACS - 29354 | NIRC | 109 | Ms. Nishtha Handa                          | ACS - 29404 | NIRC |
| 60 | Ms. Satheeshini T                       | ACS - 29355 | SIRC | 110 | Mr. Ankur Gauba                            | ACS - 29405 | NIRC |
| 61 | Sh. Satyender Singh Chauhan             | ACS - 29356 | WIRC | 111 | Mr. Vivek Kakati                           | ACS - 29406 | SIRC |
| 62 | Ms. Kavita Ramesh Sagalia               | ACS - 29357 | WIRC | 112 | Mr. Pankaj A                               | ACS - 29407 | SIRC |
| 63 | Ms. Anjali Guptta                       | ACS - 29358 | WIRC | 113 | Mr. Brinda Mukesh Shah                     | ACS - 29408 | EIRC |
| 64 | Mr. Uday Sohoni                         | ACS - 29359 | WIRC | 114 | Mr. Mehul Mansukhlal Monani                | ACS - 29409 | WIRC |
| 65 | Ms. Sakshi Vaid                         | ACS - 29360 | NIRC | 115 | Sh. Saurabh Sanjay Agarwal                 | ACS - 29410 | WIRC |
| 66 | Ms. Sudha Yadav                         | ACS - 29361 | EIRC | 116 | Ms. Sneha Chandrakant Jadhav               | ACS - 29411 | WIRC |
| 67 | Ms. Divya Sorayan                       | ACS - 29362 | NIRC | 117 | Ms. Seema Ramesh Gaur                      | ACS - 29412 | WIRC |
| 68 | Mr. Sumit Kubsad                        | ACS - 29363 | SIRC | 118 | Ms. Ekta Dave                              | ACS - 29413 | WIRC |
| 69 | Mr. Nitin Jaiswal                       | ACS - 29364 | NIRC | 119 | Sh. Rajendra Ganapati Belanki              | ACS - 29414 | SIRC |
| 70 | Sh. Dharamveer Dabodia                  | ACS - 29365 | NIRC | 120 | Mr. Preet Kanwar Singh                     | ACS - 29415 | NIRC |
| 71 | Ms. V Subbalakshmi                      | ACS - 29366 | WIRC | 121 | Mr. Shardul Sudhir Kamalapurkar            | ACS - 29416 | WIRC |
| 72 | Ms. Sweeny Gulati                       | ACS - 29367 | NIRC | 122 | Ms. Sonali Sathe                           | ACS - 29417 | WIRC |
| 73 | Mr. Ashish Misra                        | ACS - 29368 | NIRC | 123 | Ms. Pooja Ravindra Joshi                   | ACS - 29418 | SIRC |
| 74 | Mr. Gaurab Kumar                        | ACS - 29369 | EIRC | 124 | Ms. Neha Jain                              | ACS - 29419 | NIRC |
| 75 | Ms. Neema Jain                          | ACS - 29370 | NIRC | 125 | Ms. Durga Thota                            | ACS - 29420 | SIRC |
| 76 | Mr. Amit Kumar                          | ACS - 29371 | NIRC | 126 | Ms. Shweta Ratnakar Musale                 | ACS - 29421 | WIRC |
| 77 | Ms. Isha Singhal                        | ACS - 29372 | NIRC | 127 | Mr. Nalin Bilochan                         | ACS - 29422 | SIRC |
| 78 | Mr. Rahul Handa                         | ACS - 29373 | NIRC | 128 | Ms. Priyanka Sharma                        | ACS - 29423 | NIRC |
| 79 | Mr. Tushar Goel                         | ACS - 29374 | NIRC | 129 | Mr. Manish Rakesh                          | ACS - 29424 | NIRC |
| 80 | Ms. Supriya Thukral                     | ACS - 29375 | NIRC | 130 | Ms. Ravneet Kaur Sethi                     | ACS - 29425 | NIRC |
| 81 | Ms. Soniya Tolani                       | ACS - 29376 | NIRC | 131 | Ms. Renu                                   | ACS - 29426 | NIRC |
| 82 | Ms. Jagrati Shiwani                     | ACS - 29377 | NIRC | 132 | Ms. Swati Krishnani                        | ACS - 29427 | NIRC |
| 83 | Mr. Vipin Kumar Tripathi                | ACS - 29378 | NIRC |     |                                            |             |      |



# News from the Institute

|     |                               |             |      |
|-----|-------------------------------|-------------|------|
| 133 | Ms. Kanika Bhattacharya       | ACS - 29428 | NIRC |
| 134 | Ms. Veena Hingarh             | ACS - 29429 | EIRC |
| 135 | Ms. Divya Agarwal             | ACS - 29430 | NIRC |
| 136 | Mr. Ashish Pareek             | ACS - 29431 | NIRC |
| 137 | Ms. Tanzeem Raineer           | ACS - 29432 | NIRC |
| 138 | Ms. Rupul Jhanjee             | ACS - 29433 | NIRC |
| 139 | Ms. Swapnila Gupta            | ACS - 29434 | NIRC |
| 140 | Ms. Nidhi Kaushik             | ACS - 29435 | NIRC |
| 141 | Ms. Vidya Bhat                | ACS - 29436 | SIRC |
| 142 | Mr. Jagadeesan S              | ACS - 29437 | SIRC |
| 143 | Ms. Pattisapu V S Viswa Latha | ACS - 29438 | SIRC |
| 144 | Mr. Prince Mathew             | ACS - 29439 | SIRC |
| 145 | Ms. Manjusha Menon            | ACS - 29440 | SIRC |
| 146 | Ms. Namrata Nisar             | ACS - 29441 | WIRC |
| 147 | Mr. Chintan Nitin Mehta       | ACS - 29442 | WIRC |
| 148 | Ms. Akanksha Gupta            | ACS - 29443 | NIRC |
| 149 | Mr. Ishan Jain                | ACS - 29444 | WIRC |
| 150 | Ms. Archana Indradev Tripathi | ACS - 29445 | WIRC |
| 151 | Ms. Pragati Pradeep Sawant    | ACS - 29446 | WIRC |
| 152 | Ms. Romali Mahesh Malvankar   | ACS - 29447 | WIRC |
| 153 | Mr. Adwait Rajan Gandhe       | ACS - 29448 | WIRC |
| 154 | Sh. Ankit Ramani              | ACS - 29449 | WIRC |
| 155 | Mr. Ashish Kumar Mundada      | ACS - 29450 | SIRC |
| 156 | Mr. Keval Narshinbhai Ponkiya | ACS - 29451 | WIRC |
| 157 | Ms. Nirali Patel              | ACS - 29452 | WIRC |
| 158 | Mr. Amarnath Tripathy         | ACS - 29453 | EIRC |
| 159 | Ms. Priyanka Choubey          | ACS - 29454 | EIRC |
| 160 | Mr. Harish Agarwal            | ACS - 29455 | EIRC |
| 161 | Mr. Hardik Mehta              | ACS - 29456 | EIRC |
| 162 | Ms. Mangal Ashok Katakdhond   | ACS - 29457 | WIRC |
| 163 | Ms. Ashu Maheshwari           | ACS - 29458 | WIRC |
| 164 | Mr. Manish Chetani            | ACS - 29459 | EIRC |
| 165 | Ms. Seema Jagdish Achrekar    | ACS - 29460 | WIRC |
| 166 | Ms. Foram Parag Shah          | ACS - 29461 | WIRC |
| 167 | Ms. Sushama Vesvikar          | ACS - 29462 | WIRC |
| 168 | Ms. Ashwini Vartak            | ACS - 29463 | EIRC |
| 169 | Mr. Govind Kumar Seth         | ACS - 29464 | EIRC |
| 170 | Ms. Supriya Avinash Tatkar    | ACS - 29465 | WIRC |
| 171 | Mr. Vijay H Sakali            | ACS - 29466 | EIRC |
| 172 | Ms. Sangita Agarwal           | ACS - 29467 | EIRC |
| 173 | Ms. Perila Bhupendra Sheth    | ACS - 29468 | WIRC |
| 174 | Ms. Shilpa H R                | ACS - 29469 | SIRC |
| 175 | Ms. Ashish A Parmar           | ACS - 29470 | SIRC |
| 176 | Mr. Love Kumar                | ACS - 29471 | NIRC |
| 177 | Ms. Prasanna Naganur          | ACS - 29472 | SIRC |
| 178 | Mr. Alpesh Gordhanbhai Rana   | ACS - 29473 | WIRC |
| 179 | Mr. S Bala Kumar              | ACS - 29474 | SIRC |
| 180 | Ms. Swapna Naphade            | ACS - 29475 | WIRC |
| 181 | Ms. Madhushri Dhoot           | ACS - 29476 | SIRC |

182 Ms. Ruchi Gupta ACS - 29477 NIRC

## RESTORED\*

|     |                                  |           |      |
|-----|----------------------------------|-----------|------|
| 1.  | Sh. Amit Kumar Periwal           | ACS-25371 | EIRC |
| 2.  | Sh. Akshar Krishnakumar Biyani   | ACS-17260 | WIRC |
| 3.  | Sh. Aniruddha Shukla             | ACS-24273 | WIRC |
| 4.  | Sh Pawan Sachdeva                | ACS-19847 | NIRC |
| 5.  | Sh. Santanu Banerjee             | FCS-3661  | EIRC |
| 6.  | Sh. B Amaranatha Sastry          | ACS-9572  | SIRC |
| 7.  | Sh. Murali Satish Kumar Sureddi  | ACS-18342 | SIRC |
| 8.  | Sh. C J Rao                      | ACS-6599  | SIRC |
| 9.  | Sh. Vivek Goel                   | ACS-12927 | WIRC |
| 10. | Ms. Sonal Vyapak                 | ACS-14111 | NIRC |
| 11. | Ms. Archana Bhateja              | ACS-14112 | NIRC |
| 12. | Ms. Anju Vyapak                  | ACS-15478 | WIRC |
| 13. | Sh. Mukesh Kumar                 | ACS-17925 | NIRC |
| 14. | Sh. Rajat Kumar Jalan            | ACS-14895 | EIRC |
| 15. | Sh. G A Pushparaj                | FCS-1934  | SIRC |
| 16. | Sh. Jatinder Kumar Kalra         | FCS-5326  | NIRC |
| 17. | Sh. Ashok Kumar Arora            | FCS-4148  | NIRC |
| 18. | Sh. S Nagarajan                  | ACS-5442  | SIRC |
| 19. | Ms. Meetu                        | ACS-15431 | NIRC |
| 20. | Ms. Reena Gupta                  | ACS-9851  | NIRC |
| 21. | Sh. Mahendra Shankar Rao Murkute | ACS-18764 | WIRC |
| 22. | Ms. Himani Dua                   | ACS-23076 | NIRC |
| 23. | Ms. Leena Narang                 | ACS-14159 | NIRC |
| 24. | Sh. B Mohan                      | ACS-12689 | SIRC |
| 25. | Sh. E A Subramanian              | ACS-1183  | SIRC |
| 26. | Sh. S Uma Shankar                | FCS-3496  | SIRC |
| 27. | Mr. Rahul Prabhakar Dandavate    | ACS-23914 | WIRC |
| 28. | Sh. Sameer Sham Wagh             | ACS-17065 | WIRC |
| 29. | Ms. Sayali Vidyadhar Bhide       | ACS-21898 | WIRC |
| 30. | Sh. Tukaram Yadav Thok           | FCS-4061  | WIRC |
| 31. | Ms. Poyini H Bhatt               | FCS-4598  | WIRC |
| 32. | Sh. Rajesh Kumar Somani          | ACS-9903  | SIRC |
| 33. | Sh. Balachandra Sunku            | FCS-5496  | SIRC |
| 34. | Sh. A B Panchapakesan            | FCS-3052  | SIRC |
| 35. | Sh. Khurshed Nariman Patel       | FCS-382   | WIRC |
| 36. | Ms. Reena Mishra                 | ACS-16418 | NIRC |
| 37. | Sh. Jai Shanker Prasad Bansal    | ACS-4612  | WIRC |
| 38. | Sh. Abhay Kumar Chandalia        | ACS-20197 | NIRC |
| 39. | Ms. G Lata                       | ACS-8571  | SIRC |
| 40. | Sh. R S Chamadia                 | ACS-4918  | WIRC |
| 41. | Sh. Sheo Kishore Tripathi        | FCS-5154  | WIRC |
| 42. | Sh. N Krishna Murthy             | ACS-16231 | SIRC |
| 43. | Sh. Lesley Joseph                | ACS-10766 | SIRC |
| 44. | Sh. Pawan Kumar Goyal            | FCS-2338  | NIRC |

\* Restored from 21<sup>st</sup> December 2011 to 20<sup>th</sup> January, 2012



|     |                                   |           |      |      |                                   |           |      |
|-----|-----------------------------------|-----------|------|------|-----------------------------------|-----------|------|
| 45. | Sh. Siddhartha Sankar<br>B Boruah | ACS-15132 | EIRC | 95.  | Sh. Devakumar P S                 | ACS-17380 | SIRC |
| 46. | Sh. Ravendra Pratap Singh         | ACS-25261 | NIRC | 96.  | Sh. Anil Kumar Kohli              | FCS-2829  | NIRC |
| 47. | Sh. Jagat Bahadur Singh           | ACS-15450 | NIRC | 97.  | Ms. Mythili Girish                | ACS-9029  | SIRC |
| 48. | Sh. Santosh Kumar                 | ACS-15625 | WIRC | 98.  | Sh. J Girishankar                 | ACS-11306 | SIRC |
| 49. | Sh. Nilay Mehta                   | ACS-24115 | WIRC | 99.  | Sh. Arvind Kumar Singhal          | ACS-10332 | NIRC |
| 50. | Ms. Vidya Bhavani Suresh          | ACS-12269 | SIRC | 100. | Sh. R S Agarwal                   | ACS-5927  | NIRC |
| 51. | Ms. Bhawna Sangwan                | ACS-20988 | NIRC | 101. | Sh. Prabhat Gupta                 | ACS-11727 | NIRC |
| 52. | Sh. Sandesh Dayaghan<br>Sawant    | ACS-15925 | WIRC | 102. | Sh. Raj Kumar Sehgal              | FCS-5213  | NIRC |
| 53. | Sh. Arvind Singh Chawla           | ACS-25967 | WIRC | 103. | Ms. Richa Kalra                   | ACS-18887 | NIRC |
| 54. | Sh. Ashok Khanna                  | ACS-5066  | SIRC | 104. | Sh. R Sriraman                    | FCS-2302  | WIRC |
| 55. | Sh. T V Srivathsan                | FCS-3273  | SIRC | 105. | Mr. Manish Kumar Naraniwal        | ACS-23495 | WIRC |
| 56. | Ms. Leena M Satyanarayanan        | ACS-13009 | SIRC | 106. | Sh. Ravindra Padmakar<br>Sarawate | ACS-7981  | WIRC |
| 57. | Sh. Bhaskar Chandran              | ACS-8595  | WIRC | 107. | Sh. S N Madhavan                  | FCS-3846  | SIRC |
| 58. | Sh. Roopendra Narayan Roy         | ACS-664   | EIRC | 108. | Ms. Rajni R Pamnani               | ACS-8956  | WIRC |
| 59. | Sh. Gurjit Singh Anand            | ACS-16793 | NIRC | 109. | Sh. Ashok Kataruka                | ACS-9394  | EIRC |
| 60. | Sh. Nitin Vishnoi                 | FCS-3632  | NIRC | 110. | Sh. Mahendra Kumar Pandey         | ACS-10818 | EIRC |
| 61. | Sh. Vaibhav Mrinal Kher           | ACS-20509 | NIRC | 111. | Sh. Cyrus Raja                    | FCS-3138  | SIRC |
| 62. | Sh. S Sridhara Rao                | ACS-3485  | SIRC | 112. | Ms. Ratti Wahal                   | ACS-23716 | NIRC |
| 63. | Ms. Monika Chalotra               | ACS-15291 | SIRC | 113. | Ms Nipa Hasmukh Savla             | ACS-21422 | WIRC |
| 64. | Ms. Sridevi Nitta                 | ACS-25309 | SIRC | 114. | Sh. Ravindra Om Prakash<br>Gupta  | ACS-18282 | WIRC |
| 65. | Sh. S. Srinivasan                 | FCS-2049  | SIRC | 115. | Sh. Pradeep Kumar Sachdev         | ACS-8063  | NIRC |
| 66. | Sh. Anirban Deb Ray               | ACS-16685 | EIRC | 116. | Ms. Supriya Mohta                 | ACS-15859 | WIRC |
| 67. | Sh. Pinaki Sircar                 | ACS-7479  | EIRC | 117. | Sh. Nirmal Kumar Raychaudhuri     | ACS-217   | EIRC |
| 68. | Sh. Jagadish Chander<br>Agarwala  | ACS-1098  | EIRC | 118. | Sh. Govind Kumar Agarwal          | ACS-17659 | EIRC |
| 69. | Sh. Ajay Kumar                    | FCS-4681  | NIRC | 119. | Sh. R Ramanathan                  | ACS-10981 | SIRC |
| 70. | Sh. Sunil Kumar Wadhwa            | FCS-4706  | NIRC | 120. | Ms. S. Geetha Joshi               | ACS-12886 | SIRC |
| 71. | Mr. Maneesh Srivastava            | ACS-21539 | NIRC | 121. | Sh. Jayaraj T. Thannimangalam     | ACS-18012 | SIRC |
| 72. | Sh. Dushyant Sharma               | ACS-7789  | NIRC | 122. | Sh. S Venkataraman                | ACS-5687  | SIRC |
| 73. | Sh. Vipul Agarwal                 | ACS-12086 | NIRC | 123. | Sh. B P Jhunjhunwala              | ACS-16616 | SIRC |
| 74. | Sh. Kapish Jain                   | ACS-16329 | WIRC | 124. | Sh. K. Rajagopal                  | ACS-12818 | SIRC |
| 75. | Sh. Asim Choudhary                | ACS-15173 | NIRC | 125. | Sh. A Ramarao                     | ACS-4750  | SIRC |
| 76. | Sh. Ashok Kumar Dugar             | FCS-3908  | NIRC | 126. | Sh. J Krishnamohan                | ACS-12599 | SIRC |
| 77. | Sh. Ashok Jain                    | ACS-5699  | NIRC | 127. | Sh Manik Kumar Patwari            | ACS-20269 | SIRC |
| 78. | Ms. Meenakshi Gupta               | ACS-17782 | NIRC | 128. | Sh. P B Subramaniyan              | FCS-5049  | SIRC |
| 79. | Mrs. Smita Vinay Varadkar         | ACS-26332 | WIRC | 129. | Ms. Saranya Padmanaban            | ACS-18117 | NIRC |
| 80. | Sh. Vikas Goela                   | ACS-12713 | NIRC | 130. | Sh. B. Kishore                    | ACS-13523 | SIRC |
| 81. | Sh. D K Sundar                    | ACS-8244  | NIRC | 131. | Mr. Rajeev Toshniwal              | ACS-22055 | WIRC |
| 82. | Sh. Ranjan Balkrishna Prabhu      | ACS-17384 | WIRC | 132. | Ms. Shilpa Burman Roy             | ACS-14413 | WIRC |
| 83. | Sh. Sunil Gupta                   | ACS-12766 | NIRC | 133. | Sh. Surendra Joshi                | ACS-12024 | EIRC |
| 84. | Sh. Rajiv Sharma                  | ACS-20985 | NIRC | 134. | Ms. G Meera                       | ACS-17224 | SIRC |
| 85. | Sh. C Rajendra Varma              | ACS-16481 | SIRC | 135. | Sh. Gautam H Rathor               | ACS-12099 | WIRC |
| 86. | Sh. Anant Gajanan Awasare         | FCS-4255  | WIRC | 136. | Ms. N Buvaneshwari                | ACS-17669 | SIRC |
| 87. | Ms. Vanaja Krishnan               | ACS-25780 | SIRC | 137. | Ms. Kumari Shrity                 | FCS-6303  | EIRC |
| 88. | Sh Abhay Kumar Chandalia          | ACS-20197 | NIRC | 138. | Sh. Kanti Mohan Rustagi           | ACS-4978  | NIRC |
| 89. | Sh. Lalit Kumar                   | ACS-15120 | NIRC | 139. | Sh. T S K Menon                   | FCS-2932  | SIRC |
| 90. | Sh. Jayaraman M                   | ACS-11876 | WIRC | 140. | Sh. Parvez Ahmad Nangroo          | ACS-10331 | NIRC |
| 91. | Sh. Ajay V K                      | ACS-19729 | NIRC | 141. | Sh. Raman Garg                    | ACS-12985 | NIRC |
| 92. | Sh. S V Ramani                    | ACS-3000  | EIRC |      |                                   |           |      |
| 93. | Sh. Bharat Goel                   | FCS-4641  | NIRC |      |                                   |           |      |
| 94. | Sh. Jack Kuriyakku Thalakkottur   | ACS-19069 | WIRC |      |                                   |           |      |



# News from the Institute

|      |                                |           |      |
|------|--------------------------------|-----------|------|
| 142. | Sh. M. Ramesh Babu             | ACS-13791 | SIRC |
| 143. | Ms. Chandreyee Banerjee        | ACS-16773 | EIRC |
| 144. | Ms Piyush Gargieya             | ACS-20152 | NIRC |
| 145. | Ms. Shipra Taneja              | ACS-16822 | NIRC |
| 146. | Ms. Nivya Mandawat             | ACS-27566 | NIRC |
| 147. | Sh. V D Gode                   | FCS-1676  | WIRC |
| 148. | Sh. V. Radhakrishnan           | ACS-13047 | SIRC |
| 149. | Ms. Neha Batra                 | ACS-18263 | NIRC |
| 150. | Sh. R P Nangalia               | ACS-4513  | WIRC |
| 151. | Sh. Purushottam P. Chitre      | ACS-3109  | WIRC |
| 152. | Sh. N A Seshadri               | ACS-732   | NIRC |
| 153. | Sh. Shailesh Kumar Kumath      | ACS-14232 | WIRC |
| 154. | Sh. M Rama Subba Rao           | ACS-11944 | SIRC |
| 155. | Sh. S Venkatesh                | ACS-14760 | WIRC |
| 156. | Sh. Khalid Hussain             | ACS-11640 | NIRC |
| 157. | Tanuj Kothiyal                 | ACS-15382 | NIRC |
| 158. | Upendra Kumar Pathak           | ACS-21441 | WIRC |
| 159. | Sh. B H Bharucha               | ACS-1551  | WIRC |
| 160. | Sh. M Venkatraman Iyer         | ACS-15531 | SIRC |
| 161. | Sh. Ashwin Sethi               | ACS-16184 | WIRC |
| 162. | Dr. Jitender Kumar Singh       | FCS-4346  | NIRC |
| 163. | Sh. S M Sundaram               | FCS-3807  | NIRC |
| 164. | Sh. Manvinder Singh            | ACS-14395 | NIRC |
| 165. | Sh. Harvinder Singh            | ACS-16419 | NIRC |
| 166. | Ms. Chanchal Bansal            | ACS-12238 | NIRC |
| 167. | Sh. S P Manglani               | FCS-4529  | WIRC |
| 168. | Ms. Rajashree Nagesh Daftardar | ACS-11312 | WIRC |
| 169. | Sh. Kamal Bhatia               | ACS-15803 | NIRC |
| 170. | Ms. Sangita Navin Pahwa        | ACS-9099  | WIRC |
| 171. | Sh. P R Narayanan Nair         | FCS-1339  | SIRC |
| 172. | Sh. Rajesh Kumar Vashishtha    | ACS-20672 | NIRC |
| 173. | Sh. Naveen Kumar Pahwa         | FCS-2908  | WIRC |
| 174. | Sh. Prashant Kirit Kampani     | ACS-22703 | WIRC |

|    |                                 |             |      |       |
|----|---------------------------------|-------------|------|-------|
| 5  | Ms. Shampa Ghosh                | ACS - 16737 | EIRC | 10505 |
| 6  | Ms. Arathy P Nair               | ACS - 24840 | SIRC | 10506 |
| 7  | Mrs. Shilpa Rao                 | ACS - 25424 | WIRC | 10507 |
| 8  | Ms. Shilpi Bhardwaj             | ACS - 24444 | NIRC | 10508 |
| 9  | Ms. Rupali Nitin Abhyankar      | ACS - 24504 | WIRC | 10509 |
| 10 | Sh. Arun Goyal                  | ACS - 29223 | NIRC | 10510 |
| 11 | Ms. Abha Mehta                  | ACS - 29124 | WIRC | 10511 |
| 12 | Ms. Aditi Agarwal               | ACS - 28878 | NIRC | 10512 |
| 13 | Ms. Zankhana Bhansali           | ACS - 28965 | WIRC | 10513 |
| 14 | Mrs. Payal Garg                 | ACS - 23128 | WIRC | 10514 |
| 15 | Ms. Saras Goyal                 | ACS - 27141 | WIRC | 10515 |
| 16 | Mr. Jasbir Singh                | ACS - 29182 | NIRC | 10516 |
| 17 | Mr. Mukesh Jain                 | ACS - 28959 | NIRC | 10517 |
| 18 | Sh. Ananth Prabhu               | ACS - 2463  | WIRC | 10518 |
| 19 | Ms. Ishleen Kaur Juneja         | ACS - 29185 | NIRC | 10519 |
| 20 | Ms. Seema Manglunia             | ACS - 28738 | EIRC | 10520 |
| 21 | Mr. Ashish Goyal                | ACS - 29026 | NIRC | 10521 |
| 22 | Mrs. Neha Tulsyan               | ACS - 29161 | EIRC | 10522 |
| 23 | Mr. Amit Aggarwal               | ACS - 28783 | NIRC | 10523 |
| 24 | Sh. Aalhad Anil Mahabal         | ACS - 21741 | WIRC | 10524 |
| 25 | Sh. Vinod Kumar                 | ACS - 27394 | NIRC | 10525 |
| 26 | Mr. Rajesh Kumar Srivastava     | ACS - 27770 | NIRC | 10526 |
| 27 | Ms. Smitha Singh                | ACS - 14288 | WIRC | 10527 |
| 28 | Mr. Amol Bhalchandra Godbole    | ACS - 29170 | WIRC | 10528 |
| 29 | Ms. Nishi Talwar                | ACS - 24056 | NIRC | 10529 |
| 30 | Mr. Deepak Pratap Singh         | ACS - 29140 | WIRC | 10530 |
| 31 | Mr. Neeraj Sharma               | ACS - 29021 | NIRC | 10531 |
| 32 | Mr. Aditya Agarwal              | ACS - 29074 | EIRC | 10532 |
| 33 | Ms. Anindita Bhattacharya       | ACS - 18040 | EIRC | 10533 |
| 34 | Ms. Ruchitra Joshi              | ACS - 28865 | NIRC | 10534 |
| 35 | Mrs. Sanam Rishi Puri           | ACS - 23411 | WIRC | 10535 |
| 36 | Ms. Tannu Mehta                 | ACS - 27945 | NIRC | 10536 |
| 37 | Ms. Richa Kapur                 | ACS - 19488 | NIRC | 10537 |
| 38 | Mr. Hrishikesh Ravindra Kale    | ACS - 28860 | WIRC | 10538 |
| 39 | Ms. Sharmila Moreshwar Kulkarni | ACS - 28811 | WIRC | 10539 |
| 40 | Mr. Amit Bharti                 | ACS - 28993 | EIRC | 10540 |
| 41 | Mrs. Swati Bharat Dongare       | ACS - 29217 | WIRC | 10541 |
| 42 | Mr. Sumit Gupta                 | ACS - 29247 | NIRC | 10542 |
| 43 | Mr. Sumit Kumar Gururani        | ACS - 22421 | NIRC | 10543 |
| 44 | Mr. Bhupendra Kumar Jain        | ACS - 29242 | WIRC | 10544 |
| 45 | Sh. Aniruddha Ashok Dekhane     | ACS - 29290 | WIRC | 10545 |
| 46 | Ms. Swati Abhishek Chaudhary    | ACS - 28676 | WIRC | 10546 |
| 47 | Mr. Abhishek Kumar Lakhotia     | ACS - 29285 | WIRC | 10547 |
| 48 | Ms. Anchal Agarwal              | ACS - 29288 | EIRC | 10548 |

## CERTIFICATE OF PRACTICE

| Sl. No. | Name | ACS/FCS No. | Region | CP No. |
|---------|------|-------------|--------|--------|
|---------|------|-------------|--------|--------|

### ISSUED\*

|   |                           |             |      |       |
|---|---------------------------|-------------|------|-------|
| 1 | Ms. Prabhleen Kaur        | ACS - 29131 | NIRC | 10501 |
| 2 | Sh. Alok Pandya           | ACS - 12529 | NIRC | 10502 |
| 3 | Sh. Ajay Aggarwal         | ACS - 16183 | NIRC | 10503 |
| 4 | Ms. Devika Sathyanarayana | ACS - 16617 | SIRC | 10504 |

\* During the month of December, 2011

February  
2012



CHARTERED SECRETARY

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|    |                             |             |      |       |
|----|-----------------------------|-------------|------|-------|
| 49 | Mr. Avinash Soni            | ACS - 28662 | NIRC | 10549 |
| 50 | Ms. Kajal Rajnikant Desai   | ACS - 28757 | WIRC | 10550 |
| 51 | Ms. Shilpi Kalika           | ACS - 28587 | EIRC | 10551 |
| 52 | Ms. Disha Ben M Shah        | ACS - 29050 | WIRC | 10552 |
| 53 | Mrs. Amisha Ritesh Jain     | ACS - 28773 | WIRC | 10553 |
| 54 | Mr. Nitin Rawat             | ACS - 28809 | NIRC | 10554 |
| 55 | Sh. K. Satya Nagu           | ACS - 16713 | SIRC | 10555 |
| 56 | Mr. Kalpesh Harilal Solanki | ACS - 28826 | WIRC | 10556 |
| 57 | Mr. Rajib Kumar Das         | ACS - 29195 | EIRC | 10557 |
| 58 | Ms. Tanvi Rastogi           | ACS - 28953 | NIRC | 10558 |
| 59 | Ms. Ritu Jhunjunwala        | ACS - 25392 | EIRC | 10559 |

## CANCELLED\*

|     |                                    |           |      |       |
|-----|------------------------------------|-----------|------|-------|
| 1.  | Mr. Vineet Malhotra                | ACS-28833 | NIRC | 10474 |
| 2.  | Mr. Amardeep Singh Duggal          | ACS-28559 | WIRC | 10369 |
| 3.  | Ms. Archana Garhewal               | ACS-27868 | WIRC | 9979  |
| 4.  | Sh. Rajesh Kumar K Pillai          | ACS-19800 | SIRC | 9598  |
| 5.  | Sh. Atul Jain                      | ACS-25697 | NIRC | 10301 |
| 6.  | Ms. Kalpana Jain                   | ACS-25600 | NIRC | 9319  |
| 7.  | Sh. L M Chandna                    | FCS-2000  | SIRC | 2642  |
| 8.  | Sh. Abhishek Shukla                | ACS-27253 | NIRC | 10028 |
| 9.  | Mr. Vikas Kumar                    | ACS-28967 | NIRC | 10478 |
| 10. | Mr. Iranna Nagappa Pattanshetti    | ACS-25599 | SIRC | 9667  |
| 11. | Ms. Sakina Dickenwala              | ACS-28747 | WIRC | 10364 |
| 12. | Sh. Sai Viswanath Bhatlapenumarthi | ACS-25311 | SIRC | 9571  |
| 13. | Sh. Gaurang Kashinath Tambulwadkar | ACS-24793 | WIRC | 9630  |
| 14. | Ms. Rupali Modi                    | ACS-25467 | WIRC | 9128  |
| 15. | Sh. Abhay Kumar Sharma             | ACS-20939 | NIRC | 10354 |
| 16. | Ms. Neha Gupta                     | ACS-24408 | NIRC | 8880  |
| 17. | Sh. Dinesh Kumar                   | FCS-4726  | NIRC | 10221 |
| 18. | Mr. Rajeev Kumar Nayak             | ACS-28795 | NIRC | 10433 |
| 19. | Ms. Deepali Goel                   | ACS-28197 | NIRC | 10477 |
| 20. | Sh. Sudarsan Pahi                  | FCS-6262  | NIRC | 10211 |

## LICENTIATE ICSI

| Sl. No. | Name | Licentiate No. | Region No. |
|---------|------|----------------|------------|
|---------|------|----------------|------------|

## ADMITTED\*\*

|    |                     |      |       |
|----|---------------------|------|-------|
| 1. | Ms. Aisharyaa V.    | 6299 | WEST  |
| 2. | Anand Gaggar        | 6300 | WEST  |
| 3. | Varun Kumar         | 6301 | NORTH |
| 4. | Ankit Patwari       | 6302 | EAST  |
| 5. | Chain Prakash Kabra | 6303 | WEST  |
| 6. | Ms. Pooja Tayal     | 6304 | NORTH |
| 7. | Ms. Parul           | 6305 | NORTH |
| 8. | Ms. Sheerin Banu S. | 6306 | SOUTH |
| 9. | Pramod Agarwal      | 6307 | EAST  |

\* During the month of December, 2011

\*\* During the period 12.12.2011 to 30.12.2011

## Payment of Annual Membership and Certificate of Practice Fee

The names of members who could not remit their annual membership fee for the year 2011-12 by the last extended date i.e. **31<sup>st</sup> August, 2011** stand removed from the Register of Members w.e.f. **1<sup>st</sup> September, 2011**. They may pay the fee and get their names restored by making an application in Form 'BB' with the entrance fee (Associate members Rs. 1500/- & Fellow members Rs. 1000/- respectively) alongwith restoration fee of Rs. 250/-. Form-BB is available on the web-site of the Institute and also published else where in this issue.

The Certificate of Practice of the members who could not remit their annual Certificate of Practice fee for the year 2011-12 by the specified date i.e. on or before **30<sup>th</sup> September, 2011** stand cancelled w.e.f. **1<sup>st</sup> October, 2011**. They may restore their Certificate of Practice by making an application in Form 'D' with the restoration fee of Rs. 250/-. Form-D is available on the web-site of the Institute and also published else where in this issue.

The membership and Certificate of Practice fee is as follows:-

- 1 ] Annual Associate Membership fee Rs. 1125/-
- 2 ] Annual Fellow Membership fee Rs. 1500/-
- 3 ] Annual Certificate of Practice fee Rs. 1000/-(\*)

### For queries,

If any, the members may please contact Mr. D.D. Garg, Desk Officer and/or Mrs. Vanitha Dhanesh, Sr. Assistant on telephone nos. 45341062/64 or on mobile no. 9868128682 or through e-mail id's at [dd.garg@icsi.edu](mailto:dd.garg@icsi.edu), [cp@icsi.edu](mailto:cp@icsi.edu) or [member@icsi.edu](mailto:member@icsi.edu)

### Mode of Remittance of Fee

The fee can be remitted by way of :

- i] On-Line (through payment Gateway of the Institute's web-site ([www.icsi.in](http://www.icsi.in))).
- ii] Credit card at the Institute's Headquarter at Lodi Road, New Delhi or Regional Offices located at Kolkata, New Delhi, Chennai and Mumbai.
- iii] Cash/ local cheque drawn in favour of 'The Institute of Company Secretaries of India', payable at New Delhi at the Institute's Headquarter or Regional/ Chapter Offices located at Kolkata, New Delhi, Chennai, Mumbai and Chandigarh, Jaipur, Bangalore, Hyderabad, Ahmedabad, Pune respectively. Out Station cheques will not be accepted. However, at par cheques will be accepted.
- iv] Demand draft / Pay order drawn in favour of 'The Institute of Company Secretaries of India', payable at New Delhi (indicating on the reverse name and membership number).

### For queries,

If any, the members may please contact the Membership Section on telephone Nos.011-45341047 or Mobile No.9868128682 / through e-mail ids: [annualfee@icsi.edu](mailto:annualfee@icsi.edu), [member@icsi.edu](mailto:member@icsi.edu)

## Application For Restoration Of Membership (Reg. 13)

To  
The Secretary to the Council of  
The Institute of Company Secretaries of India  
ICSI House, 22, Institutional Area  
Lodi Road  
NEW DELHI - 110 003

Sir,

I hereby apply for restoration of my name in the Register as an Associate/Fellow Member of the Institute of Company Secretaries Act, 1980, and Regulation made there under and declare that I am eligible for the membership of the Institute and am not subject to any disabilities stated in the Act or Regulations of the Institute. The required particulars are furnished below:

1. Name in full .....  
(in block letters) Surname Name
  
2. Address:  
 (i) Professional .....  
Designation  
 .....  
 .....  
  
Tel. No.(s)..... Fax No. ....  
Mobile No. .... E-mail Id .....  
  
 (ii) Residential : .....  
 .....  
 .....  
  
Tel.No ..... PAN no. ....
  
3. Date of admission as an Associate/ .....  
Fellow member of the Institute
  
4. Membership Number FCS/ACS .....
  
5. I hereby undertake that if re-admitted as an Associate/Fellow Member of the Institute, I will be bound by the Company Secretaries Act, 1980, and the Regulations made there under, as amended from time to time
  
6. I also undertake that such instances will not recur and I will make the payment of annual fee in future within the stipulated time (i.e. on or before 30th June of each year).
  
7. I send herewith a sum of Rs .....being the arrears of Annual Membership fee of Rs .....for the years ..... to ..... and restoration fee of 250/-
  
8. I solemnly declare that what I have stated above is true and correct.

Place

Yours faithfully,

Date

Signature

# APPLICATION FOR THE ISSUE/RENEWAL/RESTORATION\* OF CERTIFICATE OF PRACTICE

See Reg. 10, 13 & 14

To  
The Secretary to the Council of  
The Institute of Company Secretaries of India  
'ICSI HOUSE', 22, Institutional Area,  
Lodi Road, New Delhi - 110 003

Sir,  
I furnish below my particulars .....

(i) Membership Number FCS/ACS: .....

(ii) Name in full: .....  
(in block letters) ..... Surname ..... Name .....

(iii) Date of Birth: .....

(iv) Professional Address: .....

(v) Phone Nos. (Resi.) ..... (Off.) .....

(vi) Mobile No ..... Email id .....

(vii) Additions to or change in qualifications, if any: .....

1. Submitted for (tick whichever is applicable):  
(a) Issue ..... (b) Renewal ..... (c) Restoration .....
2. (a) Particulars of Certificate of Practice issued / surrendered/Cancelled earlier

| Sl. No. | Certificate of Practice No. | Date of issue of CP | Date of surrender / Cancellation of CP |
|---------|-----------------------------|---------------------|----------------------------------------|
|         |                             |                     |                                        |
|         |                             |                     |                                        |

3. i. I state that I am/shall be engaged in the profession of Company Secretary only on whole-time basis and not in any other profession, business, occupation or employment. I am not enrolled as an Advocate on the rolls of any Bar Council and do not hold certificate of practice from any professional body including ICAI and the ICWAI.
- ii. I state that as and when I cease to be in practice, I shall duly inform the Council and shall surrender forthwith the certificate of practice as required by the Company Secretaries Act, 1980, and the regulations made thereunder, as amended from time to time.
- iii. I hereby undertake that, I shall adhere to the mandatory ceiling of not more than eighty companies in aggregate in a calendar year in terms of the **Guidelines for Issuing Compliance Certificate and Signing of Annual Return** issued by the Institute on 27th November, 2007.
- iv. I state that I have issued / did not issue ..... advertisements during the year 20 - in accordance with the **Guidelines for Advertisement by Company Secretary in Practice** issued by the Institute\*.
- v. I state that I issued ..... Corporate Governance compliance certificates under Clause 49 of the listing agreement during the year 20.....-.....\*
- vi. I state that I have / have not undertaken ..... Audits under Section 55A of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 during the year 20.....-.....\*
- vii. I state that I have / have not maintained a register of attestation/certification services rendered by me/my firm in accordance with the **Guidelines for Requirement of Maintenance of a Register of Attestation/Certification Services Rendered by Practising Company Secretary/Firm of Practising Company Secretaries** issued by the Institute. \*
4. I send herewith Bank draft drawn on ..... Bank ..... Branch bearing No ..... for Rs ..... towards annual certificate of practice fee for the year ending 31st March .....
5. I further declare that the particulars furnished above are true and correct.

Yours faithfully,

(Signature)

Encl.

Place:

Date:

\* Applicable in case of renewal or restoration of Certificate of Practice



# News from the Institute



## List of Companies Registered for Imparting Training During the Month of November, 2011

| Region | Training Period | Stipend (Rs.) |
|--------|-----------------|---------------|
|--------|-----------------|---------------|

### Eastern

**Prayag Infotech Hi - Rise Ltd.**  
15, India Exchange Place,  
2<sup>nd</sup> Floor Kolkata-700  
E-mail : [info@prayaggroup.com](mailto:info@prayaggroup.com)

15 & 3 Months  
Training 4000

**Almas Industries Pvt. Ltd.**  
24 B, Raja Santosh Road,  
1<sup>st</sup> Floor, Kolkata- 700027  
E-mail : [info@almagroup.com](mailto:info@almagroup.com)

15 Months  
Training Suitable

**TTI Enterprises Ltd.**  
P- 4, new Howerah Bridge  
Approach Road,  
G-59, Nandgram Market  
Kolkata - 700001  
E-mail : [tti1711@gmail.com](mailto:tti1711@gmail.com)

15 Months  
Training 5000

### Northern

**MRK Pipes Limited**  
Parasrampur Chambers,  
Sikar Road, Opp Road No. 1  
Jaipur-13 (Raj.)  
E-mail : [mail@mrkpipes.com](mailto:mail@mrkpipes.com)

15Months  
Training Suitable

**Raj Buildcon Construction Ltd.**  
Welldone Techpark  
404, Sec-48, Sohna Road  
Gurgaon - 122002  
E-mail : [info@rajgroup.net](mailto:info@rajgroup.net)

15 Months  
Training Suitable

**Geodis Overseas Pvt. Ltd.**  
DLF Building No. 8,  
Tower A, 5<sup>th</sup> Floor,  
DLF City, Phase II, Sector 23  
Gurgaon -122002  
E-mail : [samdarshi.lamba@geodis.co.in](mailto:samdarshi.lamba@geodis.co.in)

15 months  
training 12,500-  
15000

**Mrs. Bector's Food Specialities Ltd.**  
Theing Road, Phillaur - 144410  
E-mail : [abajoria@mrsbectorfoods.com](mailto:abajoria@mrsbectorfoods.com)

15 Months  
Training 4000

**Sar Capital Private Limited**  
301, 2<sup>nd</sup> floor, Udyog Vihar,  
Phase II, Gurgaon -122016  
E-mail : [sheetal.singh@sar-group.com](mailto:sheetal.singh@sar-group.com)

15 Months  
Training Suitable

**Vistar Construction Pvt. Ltd.**  
C23, Greater Kailash Enclave  
Part I, New Delhi-110048  
E-mail : [cskaursimran@gmail.com](mailto:cskaursimran@gmail.com)

15 Months  
Training Suitable

**Lemon Tree Hotels Pvt. Ltd.**  
B6/17 Safdarjung Enclave  
New Delhi - 110029  
E-mail : [suman.singh@lemontreehotels.com](mailto:suman.singh@lemontreehotels.com)

15 Months  
Training 5000-  
10000

**General Cable Energy India Pvt. Ltd.**  
IRIS Tech Park,  
508-510 A, Sector 48, Sohna Road,  
Gurgaon - 122018

15 Months  
Training Suitable

**Duet India Hotels(Hyderabad) Pvt. Ltd.**  
801-802, Time Tower, 8<sup>th</sup> Floor  
Mehrauli, Gurgaon Road,  
Gurgaon - 122002

15 & 3 Months  
training Suitable

### Southern

**Photonix Solar Pvt. Ltd.**  
38/A, Sahakar Vrind Society  
Paud Road, Kothrud,  
Pune-411038  
E-Mail : [d.deshpande@photonixsolar.com](mailto:d.deshpande@photonixsolar.com)

15 Months  
Training 5000

**Equitas Micro Finance India P Ltd.**  
4<sup>th</sup> Floor, Temple Tower,  
672, Anna Salai, Nandanam  
Chennai - 600035  
E-mail : [corporate@equitas.in](mailto:corporate@equitas.in)

15 Months  
Training Suitable

**Malankara Plantations Limited,**  
Malankara Buildings,  
Kodimatha, Kotayam-686039

3 Months  
Training 3500

**Quest Global Manufacturing Pvt. Ltd.**  
Quest Special Economic Zone,  
Hattargi Village, Hukkeri Taluk,  
Belgaum

15 Months  
Training Suitable

### Western

**VV F Limited**  
109 Sion(E), Mumbai - 400022

15 Months  
Training Suitable

**Caregrowth Broking Pvt. Ltd.**  
Keyu Complex, 3rd Floor,  
Nr. G.P.O., M.G. Road,  
Rajkot-360001  
E-mail : [info@caregrowth.com](mailto:info@caregrowth.com)

15 & 3 Months  
Training Suitable

**CHEP India Pvt. Ltd.**  
3<sup>rd</sup> Floor, Aver Plaza  
Plot No. B-13, Opp. Citi Mall,  
New Link Road, Andheri(W)  
Mumbai-400053

15 & 3 Months  
Training Suitable

**Bhansali Engineering Polymers Limited.**  
Bhansali House, A-5 Veera Desai Road  
Andheri(W), Mumbai-400053  
E-mail : [abstron@bhansaliabs.com](mailto:abstron@bhansaliabs.com)

15 months  
training 6000-  
8000



|                                                                                                                                                                                                                                                       |                           |               |                                                                                                                                                                                                                                                                  |                           |          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|----------|
| <b>Gwalior Polypipes Limited.</b><br>Polypipe Estate, Malanpur Industrial Area,<br>Malanpur, Distt. Bhind - 477116 (M.P.)<br>E-mail : <a href="mailto:gpldelhi@gmail.com">gpldelhi@gmail.com</a>                                                      | 15 & 3 Months<br>Training | Suitable      | <b>ATC Telecom Tower Corporation Pvt Ltd.</b><br>403, 4 <sup>th</sup> Floor, Skyline Icon,<br>Near Mittal Estate<br>Andheri Kurla Road,<br>Andheri(E)<br>Mumbai - 400059                                                                                         | 15 Months<br>Training     | Suitable |
| <b>Auto &amp; Household Finance (India)Limited</b><br>702, Surya Building, Jangid Complex,<br>Mira Road (East) Thane - 401107<br>E-mail : <a href="mailto:rajvirendra.csarundash-associate@gmail.com">rajvirendra.csarundash-associate@gmail.com</a>  | 15 Months<br>Training     | 3500-<br>5000 | <b>SABIC Research &amp; Technology Pvt Ltd.</b><br>Plot No 5&6, Savli GIDC Estate<br>Savli Baroda Highway,<br>Manjusar - 391775<br>Vadodara, Gujarat                                                                                                             | 15 & 3 Months<br>Training | Suitable |
| <b>Anand Rathi Share &amp; Stock Brokers Ltd.</b><br>11 <sup>th</sup> Floor, Times Tower, Karnala City,<br>Senapati Bapat Marg, Lower Parel,<br>Mumbai - 400013                                                                                       | 15 months<br>Training     | Suitable      | <b>Deutsche Bank,</b><br>Kodak House,<br>222, Dr. D.N. Road Fort,<br>Mumbai-400001                                                                                                                                                                               | 15 Months<br>Training     | Suitable |
| <b>Prashasti Developers Pvt. Ltd.</b><br>603, Indrapuri C.H.S. Ltd.,<br>Jawahar Nagar, Goregaon(W)<br>Mumbai - 400062                                                                                                                                 | 15 Months<br>Training     | Suitable      | <b>Bharati Web Pvt. Ltd.</b><br>14/1 & 14/2-I <sup>st</sup> Floor,<br>IT Park, South,<br>Ambazari Road<br>Nagpur - 440020<br>E-mail : <a href="mailto:info@newsbharati.com">info@newsbharati.com</a>                                                             | 15 Months<br>Training     | Suitable |
| <b>Chanel (India) Pvt. Limited</b><br>25 Maker Chambers VI<br>Nariman Point, Mumbai - 400021                                                                                                                                                          | 15 Months<br>Training     | Suitable      | <b>Shradha Industries Ltd.</b><br>D-91, MIDC,<br>Jalgaon - 425001                                                                                                                                                                                                | 15 & 3 Months<br>Training | 5000     |
| <b>Dynacon Systems &amp; Solutions Ltd.</b><br>78, Ratnajyot Industrial Estate<br>Irla Lane, Vile Parle (W)<br>Mumbai - 400056<br>E-mail : <a href="mailto:sales@dynacons.com">sales@dynacons.com</a>                                                 | 15 Months<br>Training     | Suitable      | <b>Fourcee Infrastructure Equipments Pvt. Ltd.</b><br>Bharati Web Pvt. Ltd.<br>431, Laxmi Mall, Laxmi Industrial Estate<br>New Link Road, Andheri (W)<br>Mumbai -400053                                                                                          | 15 Months<br>Training     | Suitable |
| <b>Unity Infraprojects Limited</b><br>1252 Pushpanjali<br>Old Prabhadevi Road, Prabhadevi<br>Mumbai - 400025<br>E-mail : <a href="mailto:info@unityinfra.com">info@unityinfra.com</a>                                                                 | 15 Months<br>Training     | 4500-<br>6000 | <b>Sarthak Industries Ltd.</b><br>10/1 Alumina Tower,<br>South Tukoganj<br>Indore -452001<br>E-mail : <a href="mailto:sarthakindustries@yahoo.in">sarthakindustries@yahoo.in</a>                                                                                 | 15 & 3 Months<br>Training | Suitable |
| <b>Birla Shloka Edutech Limited</b><br>Melstar House,G-4,M.I.D.C.<br>Cross Road, A, Andheri (E)<br>Mumbai-400093<br>E-mail : <a href="mailto:marketing@shlokaybg.com">marketing@shlokaybg.com</a>                                                     | 15 Months<br>Training     | Suitable      | <b>Krishna Ventures Ltd.</b><br>Krishna Corporate Centre,<br>AK Road, Andheri(E)<br>Mumbai -400059<br>E-mail : <a href="mailto:krishnaventuresltd@gmail.com">krishnaventuresltd@gmail.com</a>                                                                    | 15 Months<br>Training     | Suitable |
| <b>Choice Capital Advisors Private Limited</b><br>Shree Shakambhari Corporate Park<br>156-158 Chakravarti Ashok Society,<br>J.B. Nagar, Andheri (E)<br>Mumbai - 400099<br>E-mail : <a href="mailto:sujata@choiceindia.com">sujata@choiceindia.com</a> | 15 Months<br>Training     | Suitable      | <b>Perfect Octave Media Projects. Ltd.</b><br>701, 704, 705 Crystal Plaza.<br>Opp. Solitaire Corporate Park,<br>Andheri Ghatkopar Link Road,<br>Andheri (E),<br>Mumbai - 400099<br>E-mail : <a href="mailto:companyadvice@gmail.com">companyadvice@gmail.com</a> | 15 Months<br>Training     | 5000     |
| <b>Atul Bioscience Ltd.</b><br>D-1 Down Colony<br>Atul - 396020, Valsad, Gujarat<br>E-mail : <a href="mailto:pi@atul.co.in">pi@atul.co.in</a>                                                                                                         | 15 & 3 Months<br>Training | Suitable      | <b>Gandhar Media . Ltd.</b><br>701,704,705 Crystal Plaza.<br>Opp. Solitaire Corporate Park,<br>Andheri Ghatkopar Link Road,<br>Andheri (E),<br>Mumbai -400099<br>E-mail : <a href="mailto:companyadvice@gmail.com">companyadvice@gmail.com</a>                   | 15 Months<br>Training     | 5000     |
| <b>Abans Securities Ltd.</b><br>11 & 12 ONGC Building No 3 ,<br>Opp. Lilavati Hospital<br>Bandra Reclamation,<br>Bandra (W), Mumbai- 400050<br>E-mail : <a href="mailto:info@abansecurities.com">info@abansecurities.com</a> ATC                      | 15 Months<br>Training     | 6000          |                                                                                                                                                                                                                                                                  |                           |          |
| <b>ATC India Tower Corporation Pvt Ltd.</b><br>4 <sup>th</sup> Floor, Skyline Icon,<br>Near Mittal Industrial Estate<br>Andheri Kurla Road, Andheri (E)<br>Mumbai - 400059                                                                            | 15 Months<br>Training     | Suitable      |                                                                                                                                                                                                                                                                  |                           |          |



# News from the Institute



## List of Practising Members Registered for The Purpose of Imparting Training During the Month of November, 2011

|                                                                                                                                                                       |            |                                                                                                                                                                            |            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| <b>AGATE JOSEPH EASOW</b><br>COMPANY SECRETARY IN PRACTICE<br>DOOR NO. 34/68D<br>SECOND FLOOR, GLADSON CENTER<br>NH BYPASS, EDAPALLY<br>ERNAKULAM<br>KERALA - 682 024 | PCSA -2775 | <b>SANJAY KUMAR MOHTA</b><br>COMPANY SECRETARY IN PRACTICE<br>5 <sup>TH</sup> FLOOR, N - BLOCK<br>FARISTA COMPLEX, G.E. ROAD<br>RAIPUR -492 001                            | PCSA -2783 |
| <b>ARANI GUHA</b><br>COMPANY SECRETARY IN PRACTICE<br>ROOM NO.-6, 4TH FLOOR<br>COMMERCE HOUSE<br>2A, G.C. AVENUE<br>KOLKATA - 700 013                                 | PCSA -2776 | <b>VIDYA HANAMANTASA PAWAR</b><br>COMPANY SECRETARY IN PRACTICE<br>CLIFF VILLA, 373/2, 3 <sup>RD</sup> 'C' MAIN<br>OMBR LAYOUT,<br>CHIKKA BANASWADI<br>BANGALORE - 560 043 | PCSA -2784 |
| <b>ANU NIJHARA</b><br>COMPANY SECRETARY IN PRACTICE<br>33, LGF, BABAR ROAD<br>NR. BENGALI MARKET<br>NEW DELHI- 110 001                                                | PCSA -2777 | <b>SWETA JAIN</b><br>COMPANY SECRETARY IN PRACTICE<br>C/O VIJAY JAIN, SHIVRAJ BHAWAN<br>KALI BABU STREET, UPPER BAZAR<br>RANCHI -834 001                                   | PCSA -2785 |
| <b>SHRENIK RAJ NAHATA</b><br>COMPANY SECRETARY IN PRACTICE<br>60, KOTHARI MARKET, D.B. ROAD<br>KANKARIA<br>AHMEDABAD - 380 022                                        | PCSA -2778 | <b>SHREYANS JAIN</b><br>COMPANY SECRETARY IN PRACTICE<br>107, A.S. DIAS BUILDING<br>268/272, DR. CAWASJI HORMASJI STREET<br>MARINE LINES<br>MUMBAI -400 002                | PCSA -2786 |
| <b>C.I. LAZAR</b><br>COMPANY SECRETARY IN PRACTICE<br>'ANURAG' DONBOSCO ROAD<br>KURIACHERA THRISSUR<br>KERALA -680 006                                                | PCSA -2779 | <b>BHARTI INANI</b><br>COMPANY SECRETARY IN PRACTICE<br>FLAT NO. -2, SURYAKIRAN BLDG.,<br>J.B. NAGAR, KANTI NAGAR<br>ANDHERI (E)<br>MUMBAI -400 059                        | PCSA -2787 |
| <b>ARUP KUMAR ROY</b><br>COMPANY SECRETARY IN PRACTICE<br>201, SARAT BOSE ROAD<br>KOLKATA - 700 029                                                                   | PCSA -2780 | <b>RAJESH KUMAR</b><br>COMPANY SECRETARY IN PRACTICE<br>10TH , 3 <sup>RD</sup> FLOOR, SATYA NIKETAN<br>NEW DELHI -110 021                                                  | PCSA -2788 |
| <b>POONAM SANGAL</b><br>COMPANY SECRETARY IN PRACTICE<br>R-61, 11ND FLOOR<br>EAST VINOD NAGAR<br>DELHI - 110 091                                                      | PCSA -2781 | <b>POOJA JAIN</b><br>COMPANY SECRETARY IN PRACTICE<br>TA - 33, FRIDAY MARKET<br>NEAR DMS DEPOT, UTTAM NAGAR<br>NEW DELHI - 110 059                                         | PCSA -2789 |
| <b>OOVESH MOHD. RAFIQUE SARA</b><br>COMPANY SECRETARY IN PRACTICE<br>201, /B, CHAUHAN CLASSIC<br>HILL PARK, JOGESHWARI (W)<br>MUMBAI - 400 102                        | PCSA -2782 | <b>B.V. KAMATH</b><br>COMPANY SECRETARY IN PRACTICE<br>NO-41, G -3, IST MAIN ROAD, 3 <sup>RD</sup> STAGE<br>VINAYAKA LAYOUT, VIJAYANAGAR<br>BANGALORE - 560 040            | PCSA -2790 |
|                                                                                                                                                                       |            | <b>PARUL KHOSLA</b><br>COMPANY SECRETARY IN PRACTICE<br>88 B, POCKET A, SUKHDEV VIHAR<br>NEW DELHI                                                                         | PCSA -2791 |
|                                                                                                                                                                       |            | <b>MEHUL ARVIND DARJI</b><br>COMPANY SECRETARY IN PRACTICE<br>C-22, CHANDRIKA BLDG., SHANKAR LANE<br>KANDIVALI (WEST)<br>MUMBAI - 400 067                                  | PCSA -2792 |
|                                                                                                                                                                       |            | <b>RAHUL DHUPAR</b><br>COMPANY SECRETARY IN PRACTICE<br>F-72, IIND FLOOR, BALI NAGAR<br>NEW DELHI - 110 015                                                                | PCSA -2793 |
|                                                                                                                                                                       |            | <b>DHOUNDIYAL ATMA</b><br>COMPANY SECRETARY IN PRACTICE<br>B-11, 2 <sup>ND</sup> FLOOR, SATYAM, M.G.ROAD<br>GHATKOPAR(EAST)<br>MUMBAI - 400 077                            | PCSA -2794 |



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| <b>ARTI RAWAT</b><br>COMPANY SECRETARY IN PRACTICE<br>539 K / 273, SHEKHPUR KAISHAILA<br>RAVINDRA PALII, INDIRA NAGAR<br>LUCKNOW - 226 016                                  | PCSA -2795 | <b>Forgings(India) Iron &amp; Steel Ltd.</b><br>P.O. Box - 2901, Kolkata-700001<br>E-mail : <a href="mailto:sales@forgingsworld.com">sales@forgingsworld.com</a>                                                                                 | 15 Months<br>Training     | 3500     |
| <b>PINKY SHRIVASTAVA</b><br>COMPANY SECRETARY IN PRACTICE<br>UG, -F-14, BCM CITY, NAVLAKHA SQUARE<br>INDORE                                                                 | PCSA -2796 | <b>Andal East Coal Company Pvt. Ltd.</b><br>8/2, Dr. U.N. Bramhachari Sarani<br>(Loudon Street) 4 <sup>th</sup> Floor, Flat 4C,<br>Kolkata-700017<br>E-mail : <a href="mailto:mukesh.andaleastcoal@gmail.com">mukesh.andaleastcoal@gmail.com</a> | 15 Months<br>Training     | 4000     |
| <b>SAKHAMURI KAVITHA RANI</b><br>COMPANY SECRETARY IN PRACTICE<br>8-3-229/1/B, B-4 <sup>TH</sup> FLOOR<br>M.G. RESIDENCY BESIDE<br>ST. MARY'S COLLEGE<br>HEDERABAD- 500 045 | PCSA -2797 | <b>Silicon Valley Infotech Ltd.</b><br>10, Princep Street, 2 <sup>nd</sup> floor,<br>Kolkata - 700072<br>E-mail : <a href="mailto:info@siliconvalleyinfo.net">info@siliconvalleyinfo.net</a>                                                     | 15 & 3 Months<br>Training | Suitable |
| <b>KAVITA ASHISH SHAH</b><br>COMPANY SECRETARY IN PRACTICE<br>FLAT NO. -8, SAMIR APARTMENT<br>KASTUR PARK, SHIMPOLI ROAD<br>BORIVLI (WEST)<br>MUMBAI -400 092               | PCSA -2798 | <b>Bluechip India Ltd.</b><br>10, Princep Street, 2 <sup>nd</sup> floor,<br>Kolkata - 700072<br>E-mail : <a href="mailto:info@bluechipindia.net">info@bluechipindia.net</a>                                                                      | 15 & 3 Months<br>Training | Suitable |
| <b>PRİYANKA SAXENA</b><br>COMPANY SECRETARY IN PRACTICE<br>P-39, 2 <sup>ND</sup> FLOOR (RREAR BLOCK)<br>SOUTH EXTENTION , PART -11<br>NEW DELHI -110 049                    | PCSA -2799 | <b>JMT Auto Ltd.</b><br>224, A.J.C. Bose Road<br>Krishna Building<br>9th Floor, Room No-902<br>Kolkata-700017<br>E-mail : <a href="mailto:jmtauto@jmtauto.com">jmtauto@jmtauto.com</a>                                                           | 15 Months<br>Training     | Suitable |
| <b>PRİYANKA MAHESHWARI</b><br>COMPANY SECRETARY IN PRACTICE<br>NEAR PRIVATE BUS STAND<br>OPP. SUBHASH UDYAN, AJMER - 305 001                                                | PCSA -2800 | <b>Jet Air Agencies (P) Ltd.</b><br>29 B,Rabindra Sarani<br>3 <sup>rd</sup> Floor, Room No 10 E<br>Kolkata-700073<br>E-mail : <a href="mailto:jetair05@rediffmail.com">jetair05@rediffmail.com</a>                                               | 15 Months<br>Training     | Suitable |
| <b>PONUGOTI SATHEESH RAO</b><br>COMPANY SECRETARY IN PRACTICE<br># 1-2-307/1/A, F.NO.-101<br>OPP. MURAHARI ENCLAVE<br>STREET NO. 6, GAGAN NAHAL ROAD<br>HYDERABAD - 500 029 | PCSA -2801 | <b>Bharat Seats Ltd.</b><br>Plot No. 1, Maruti Udyog<br>Joint Venture Complex<br>Gurgaon -122015<br>E-mail : <a href="mailto:seats@vsnl.net">seats@vsnl.net</a>                                                                                  | 15 & 3 Months<br>Training | Suitable |
| <b>MEGHA VI BHANSALI</b><br>COMPANY SECRETARY IN PRACTICE<br>1, B/H, GURUDWARA, SETHI COLONY<br>JAIPUR - 302 004                                                            | PCSA -2802 | <b>Haryana Power Generation Corporation Ltd.</b><br>C-7, Urja Bhawan Sector -6,<br>Panchkula                                                                                                                                                     | 15 Months<br>Training     | 4000     |
| <b>RAJESH BAHETI</b><br>COMPANY SECRETARY IN PRACTICE<br>D-22 DEV NAGAR, MURLIPURA<br>JAIPUR - 302 039                                                                      | PCSA -2803 | <b>Richa Global Exports Pvt. Ltd.</b><br>A41, Mayapuri Industrial Area<br>Phase I, New Delhi                                                                                                                                                     | 15 & 3 Months<br>Training | Suitable |
|                                                                                                                                                                             |            | <b>Tijaria Polypipes Ltd.</b><br>A-130(E), Road No 9-D<br>Vishwakarma Industrial Area<br>Jaipur - 13(Raj.)                                                                                                                                       | 15 & 3 Months<br>Training | Suitable |
|                                                                                                                                                                             |            | <b>Maverick Share Brokers Ltd.</b><br>211, Laxmi Complex<br>M.I. Road, Jaipur - 302001<br>E-mail: <a href="mailto:mantri@maverickgroup.in">mantri@maverickgroup.in</a>                                                                           | 15 & 3 Months<br>Training | Suitable |
|                                                                                                                                                                             |            | <b>S Tel Private Ltd.</b><br>1 <sup>st</sup> floor, Tower B<br>Unitech Cyberpark,<br>Sec - 39, Gurgaon - 122001                                                                                                                                  | 15 & 3 Months<br>Training | Suitable |



## List of Companies Registered for Imparting Training During the Month of December 2011

| Region                                                                                                                                                             | Training Period       | Stipend (Rs.) |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------|
| <b>Eastern</b>                                                                                                                                                     |                       |               |
| <b>GAR Consultants Ltd.</b><br>9, Mangoe Lane<br>Room No. -1,Kolkata - 700001<br>E-mail : <a href="mailto:gar.consultants@gmail.com">gar.consultants@gmail.com</a> | 15 Months<br>Training | Suitable      |



# News from the Institute

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| <b>JSEL Securities Ltd.</b><br>Stock Exchange Building<br>JLN Marg, Malviya Nagar<br>Jaipur - 302017<br>E-mail : <a href="mailto:jsels@dataone.in">jsels@dataone.in</a>                                               | 15 Months<br>Training     | Suitable | <b>Twilight Litaka Pharma Ltd.</b><br>16 A .,Himalaya Estate,<br>Shivaji Nagar,<br>Pune - 411005<br>E-mail : <a href="mailto:legal@tlpl.co.in">legal@tlpl.co.in</a>                                                                                | 15 Months<br>Training     | 3500          |
| <b>Frontier Alloy Steels. Ltd.</b><br>KM - 25/5 & 6, Kalpi Road<br>Rania, Kanpur Dehat- 209304<br>E-mail : <a href="mailto:frontieralloy@yahoo.co.in">frontieralloy@yahoo.co.in</a>                                   | 15 & 3 Months<br>Training | Suitable | <b>Total Oil India Pvt. Ltd.</b><br>3 <sup>rd</sup> Floor, The Leela Galleria<br>Andheri Kurla Road, Andheri (E)<br>Mumbai - 400059                                                                                                                | 15 & 3 Months<br>Training | Suitable      |
| <b>Southern</b>                                                                                                                                                                                                       |                           |          | <b>Tata Yazaki Autocomp Ltd.</b><br>Gat No. 93, Survey No.166,<br>High Cliff Industrial Estate,<br>Waigholi- Rahu Road<br>Kesnand,<br>Pune-412207                                                                                                  | 15 Months<br>Training     | Suitable      |
| <b>Infosys Ltd.</b><br>Electronic City, Hosur Road,<br>Bangalore-560100                                                                                                                                               | 15 Months<br>Training     | Suitable | <b>Excel Crop Care Ltd.</b><br>13/14 Aradhana Industrial<br>Development Corporation,<br>Near Virwani Industrial Estate,<br>Goregaon (East)<br>Mumbai-400063<br>E-mail : <a href="mailto:ary@excelcropcare.com">ary@excelcropcare.com</a>           | 15 months<br>Training     | suitable      |
| <b>High Energy Batteries(I)Ltd.</b><br>Esvin House, PB No - 5068<br>Perungudi, Chennai-600096<br>E-mail : <a href="mailto:hebcnn@md4.vsnl.net.in">hebcnn@md4.vsnl.net.in</a>                                          | 15 Months<br>Training     | 5000     | <b>Tikona Digital Networks Pvt Ltd.</b><br>3A,III <sup>rd</sup> Floor,"corpora",<br>L.B.S. Marg, Bhandup (West)<br>Mumbai - 400078<br>E-mail : <a href="mailto:abhijaat.sinha@tikona.in">abhijaat.sinha@tikona.in</a>                              | 15 & 3 Months<br>Training | 5000-<br>8000 |
| <b>Rajshree Sugars &amp; chemicals Ltd.</b><br>The Uffizi, 338 Avinashi Road<br>Peelamedu, Coimbatore - 641004,<br>Tamilnadu<br>E-mail : <a href="mailto:rscl@rajshreesugars.com">rscl@rajshreesugars.com</a>         | 3 Months<br>Training      | Suitable | <b>Kay Bouvet Engineering Pvt. Ltd.</b><br>B-54,OI MIDC Area<br>Satara - 415004<br>Maharashtra<br>E-mail : <a href="mailto:info@kaybouvet.com">info@kaybouvet.com</a>                                                                              | 15 & 3 Months<br>Training | Suitable      |
| <b>Infronics Systems Ltd.</b><br>2 <sup>nd</sup> Floor, Ektha Towers<br>Plot No. 2 & 3<br>White Fields, Kondapur,<br>Hyderabad - 500084                                                                               | 15 Months<br>training     | Suitable | <b>NHC Foods Ltd.</b><br>NHC House,<br>2/13, Anand Nagar,<br>SantaCruz (East),<br>Mumbai - 400055<br>E-mail : <a href="mailto:info@nhcgroup.com">info@nhcgroup.com</a>                                                                             | 15 & 3 months<br>Training | Suitable      |
| <b>Vaibhav Empire Private Ltd.</b><br>7A-9-21, Main Bazar,<br>West Godavari Dist.<br>Eluru-534001                                                                                                                     | 15 & 3 Months<br>Training | Suitable | <b>Birla Shloka Edutech Ltd.</b><br>Dalamal House.,1 <sup>st</sup> Floor, 206<br>J.B. Marg,Nariman Point<br>Mumbai - 400021<br>E-mail : <a href="mailto:marketing@shlokaybg.com">marketing@shlokaybg.com</a>                                       | 3 Months<br>Training      | Suitable      |
| <b>K.P.R. Fertilizers Ltd.</b><br>8-256,Tata Nagar,<br>Balabhadrapucam,East Godavari,<br>Andhra Pradesh - 533343                                                                                                      | 15 & 3 Months<br>Training | Suitable | <b>Emmbi Polyyarns Ltd.</b><br>601-604, Hari Om Chambers,<br>6 <sup>th</sup> Floor, Off new Link Road,<br>Andheri (W)<br>Mumbai - 400053<br>E-mail : <a href="mailto:ashwini.godbole@emmbi.com">ashwini.godbole@emmbi.com</a>                      | 15 Months<br>Training     | 5000          |
| <b>Capital and Retail Property Management India Private Ltd.</b><br>Level 4,Prestige Delta,<br>15/1,Residency Road<br>Bangalore - 560025                                                                              | 15 Months<br>Training     | Suitable | <b>Aditya BirlaRetail Ltd.</b><br>Skyline Icon, 5 <sup>th</sup> Floor,86/92,<br>Andheri, Kurla Road<br>Near Mittal Industrial Estate<br>Andheri(E), Mumbai-400059<br>E-mail : <a href="mailto:marketing@shlokaybg.com">marketing@shlokaybg.com</a> | 15 Months<br>Training     | Suitable      |
| <b>Tata Projects Ltd.</b><br>Mithona Towers -1,1-7-80 to 87,<br>Opp. Wasley Co-ed Jr. College<br>Prenderghast Road<br>Secundrabad - 500003<br>E-mail : <a href="mailto:tpl@tataprojects.com">tpl@tataprojects.com</a> | 15 Months<br>Training     | 7000     | <b>ICICI Lombard General Insurance Company Ltd.</b><br>ICICI Lombard House,<br>414,Veer Savarkar Marg, Prabhadevi,<br>Mumbai - 400025                                                                                                              | 15 & 3 Months<br>Training | Suitable      |
| <b>Western</b>                                                                                                                                                                                                        |                           |          |                                                                                                                                                                                                                                                    |                           |               |
| <b>N H D C Ltd.</b><br>NHDC Parisar<br>Near Hotel Lake View Ashoka<br>Shyamla Hills<br>Bhopal-462013                                                                                                                  | 15 & 3 Months<br>Training | 3500     |                                                                                                                                                                                                                                                    |                           |               |



## India Infoline Asset Management Company Ltd.

IIFLCentre, 3<sup>rd</sup> Floor, Annex,  
Kamala City,  
Senapati Bapat Marg,  
Lower Parel  
Mumbai - 400013

15 Months  
Training

Suitable

## PRASANNA S. RAO

COMPANY SECRETARY IN PRACTICE  
NO. 2, 2<sup>ND</sup> FLOOR, 5<sup>TH</sup> PHASE, 1<sup>ST</sup> STAGE  
NEAR VARIOR BAKERY  
W.O.C. ROAD, RAJAJI NAGAR  
BANGALORE - 560 044

PCSA -2809

## Swastika Investmart Ltd.

48, Jaora Compound, MYH Road  
Indore - 452001  
E-mail : [info@swastika.co.in](mailto:info@swastika.co.in)

15 Months  
Training

Suitable

## KAPIL DEV VASHISTH

COMPANY SECRETARY IN PRACTICE  
B-26, PART -C, 1<sup>ST</sup> FLOOR  
STREET NO. -2, ARUNA PARK, SHAKARPUR  
DELHI - 110 092

PCSA -2810

## Kanakia Spaces Pvt. Ltd.

215 Atrium, 10<sup>th</sup> Floor  
C.T.S No. 215,  
Andheri Kurla Road  
Andheri (E),  
Mumbai - 400059

15 & 3 Months  
Training

Suitable

## SURYAKANT KUMAR

COMPANY SECRETARY IN PRACTICE  
A-149, P.C. COLONY, KANKAN BAGH, PATNA

PCSA -2811

## ANURAG NAGAR

COMPANY SECRETARY IN PRACTICE  
82, RADHEY PURI , EXT - II, DELHI - 110 051

PCSA -2812

## BIMLENDU KUMAR

COMPANY SECRETARY IN PRACTICE  
43/2, ABOVE TO SBI BANK, SULTANPALYA MAIN ROAD,  
R.T.NAGAR, BANGALORE -560 032

PCSA -2813

## NAUTIYAL AMRITA DINESHCHANDRA

COMPANY SECRETARY IN PRACTICE  
1, BINA SHOPPING CENTRE, M.V.ROAD  
ANDHERI EAST, MUMBAI - 400 069

PCSA -2814

## JAYA BHARGAVA

COMPANY SECRETARY IN PRACTICE  
696, DOUBLE STORY, U.G.F.  
NEW RAJINDER NAGAR  
NEW DELHI -110 060

PCSA -2815

## SURUCHI MORE

COMPANY SECRETARY IN PRACTICE  
13, B.B. GANGULY STREET, 2<sup>ND</sup> FLOOR  
ROOM NO. 201, KOLKATA - 700 012

PCSA -2816

## VANDANA KHATUWALA

COMPANY SECRETARY IN PRACTICE  
1-B, D'NELLO APPARTMENT  
S.V.ROAD BEHIND VIJAY SALES  
GOREGAON (WEST)MUMBAI - 400 062

PCSA -2817

## AMIT DAVE

COMPANY SECRETARY IN PRACTICE  
2<sup>ND</sup> FLOOR, KRISHNA TOWER  
GOPALPURA BYE PASS, TONK ROAD  
JAIPUR - 302 018

PCSA -2818

## MEENU JAIN

COMPANY SECRETARY IN PRACTICE  
C-257, VIVEK VIHAR, DELHI - 110 095

PCSA -2819

## SONIA KAKANI

COMPANY SECRETARY IN PRACTICE  
A-403, SHILALEKH, OPP POLICE STADIUM  
SHAHIBAUG, AHMEDABAD - 380 004

PCSA -2820

## ABHISHEK JAYANT JAGDALE

COMPANY SECRETARY IN PRACTICE  
A-12, SHIVPRASAD COMPLEX  
ANAND NAGAR, SINHGAD ROAD  
PUNE - 411 051

PCSA -2821

## List of Practising Members Registered for The Purpose of Imparting Training During the Month of December, 2011



## MAMTA SURANGE

COMPANY SECRETARY IN PRACTICE  
301/303, RAJNIGANDNA  
GREEN GARDEN ESTATE  
CITY CENTRE  
GWALIOR

PCSA -2804

## PREMNARAYAN R. TRIPATHI

COMPANY SECRETARY IN PRACTICE  
201, SARTHIK SQUARE  
NR GNFC INFO TOWER, S.G. ROAD  
AHMEDABAD- 380 015

PCSA -2805

## PUSHKAR VINAYAK SHUKRE

COMPANY SECRETARY IN PRACTICE  
70/5, NAWALE NAGAR  
GULMOHAR ROAD, SAVEDI  
AHMEDNAGAR - 414 003

PCSA -2806

## NITESH JAIN

COMPANY SECRETARY IN PRACTICE  
A-15, MAHAVIR NAGAR  
CHOPRA COLONY  
RAIPUR - 492 006

PCSA -2807

## C. JAYASHREE

COMPANY SECRETARY IN PRACTICE  
IB, OAKLAND APARTMENTS  
17, MALONY ROAD,  
T.NAGAR  
CHENNAI - 600 017

PCSA -2808



# News from the Institute

**SANJAY KUMAR**  
COMPANY SECRETARY IN PRACTICE  
M- 2, M-BLOCK MARKET  
GREATER KAILASH -1  
NEW DELHI -110 048

PCSA -2822

**ANUJ JAIN**  
COMPANY SECRETARY IN PRACTICE  
115, BANK ENCLAVE,  
LAXMI NAGAR  
DELHI-110 092

PCSA -2825

**SATYA PUROHIT**  
COMPANY SECRETARY IN PRACTICE  
25, TAMBA KANTA, KALBADEVI ROAD  
PYDHONIE  
MUMBAI- 400 003

PCSA -2823

**CHARU GUPTA**  
COMPANY SECRETARY IN PRACTICE  
B-58 LOHIA NAGAR  
IIND FLOOR  
GHAZIABAD U.P

PCSA -2826

**TUSHAR SUDHIR PAHADE**  
COMPANY SECRETARY IN PRACTICE  
PLOT NO -12, HILL ROAD  
GANDHI NAGAR  
NAGPUR -440 010

PCSA -2824

**SANDHYA SURI**  
COMPANY SECRETARY IN PRACTICE  
VASUNAND, 791/A, 6<sup>TH</sup> CROSS,  
MAHALAKSHMI LAYOOT  
BANGALORE-560 086

PCSA -2827

## ATTENTION - MEMBERS IN PRACTICE

### Empanelment as a "Reviewer" (As per the Guidelines for Peer Review of Attestation Services by Practicing Company Secretaries)

The Council of the Institute approved the Guidelines for Peer Review of Attestation Services by Practicing Company Secretaries at its 202<sup>nd</sup> Meeting held on August 25-26, 2011 at New Delhi. A copy of the Guidelines is available on the ICSI website : (<http://www.icsi.edu/LinkClick.aspx?link=2242&tabid=2220&mid=4498>) and also published in the September, 2011 issue of the Chartered Secretary Journal.

The Guidelines have come into effect from October 1, 2011 and in the first phase 52 firms have been selected for being Peer Reviewed through random sampling. The Peer Review exercise has already commenced from January 4, 2012. The Peer Review Board has been organising extensive training programmes for Peer Reviewers at various locations throughout the country and many more programmes have been scheduled in the month of February, 2012.

The nature and complexity of peer review require the exercise of professional judgement. Accordingly, an individual serving as a reviewer shall:-

- Be a member;
- Possess at least ten years experience and
- Be currently in the practice as Company Secretary.

Members in practice are invited to empanel themselves as a Peer Reviewer under the Guidelines for Peer Review of Attestation Services by PCS if they fulfill the aforesaid qualifications for being empanelled as a Peer Reviewer.

The Proforma for Empanelment as a "Reviewer" is available on the webpage of the Peer Review Board (<http://www.icsi.edu/AppointmentReviewer/tabid/2240/Default.aspx>). The duly filled in proforma may be sent to- The Secretary, Peer Review Board, Institute of Company Secretaries of India, 22, Institutional Area, Lodi Road, New Delhi 110 003 (email: [sutanu.sinha@icsi.edu](mailto:sutanu.sinha@icsi.edu)) in order to be eligible to attend the Peer Reviewers Training Programmes being organized by the Institute at different places.

## ATTENTION MEMBERS !

### Compulsory Attendance of Professional Development Programmes by the Members

The Council of the Institute at its 200<sup>th</sup> Meeting held on March 18, 2011 at New Delhi amended the Guidelines for Compulsory Attendance of Professional Development Programmes by the Members to provide as under:

|    |                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                         |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Current block of three years                                                                                                                                                                             | April 01, 2011 to March 31, 2014                                                                                                                                                                                                                                                        |
| 2. | Min. number of Programme Credit Hours (PCH) to be acquired by Members in Practice                                                                                                                        | 15 PCH in each year or 50 PCH in a block of three years w.e.f April 01, 2011                                                                                                                                                                                                            |
| 3. | Min. number of PCH to be acquired by Members in Employment (i.e. members in whose name Form 32 has been filed to work as Company Secretary under the provisions of Sec. 383A of the Companies Act, 1956) | 10 PCH in each year or 35 PCH in a block of three years w.e.f April 01, 2011                                                                                                                                                                                                            |
| 4. | Min. number of PCH to be acquired by Members above the age of 60 years                                                                                                                                   | Presently the members of the age of 65 years are not required to obtain PCH. This age limit stands reduced to 60 years and 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 w.e.f April 01, 2011. |



## Company Secretaries Benevolent Fund

MEMBERS ENROLLED REGIONWISE AS LIFE MEMBERS OF  
THE COMPANY SECRETARIES BENEVOLENT FUND\*



| Reg. No. | LM No. | Name | Mem No. | City |
|----------|--------|------|---------|------|
|----------|--------|------|---------|------|

### EIRC

|   |      |                           |             |              |
|---|------|---------------------------|-------------|--------------|
| 1 | 8519 | Ms. Anchal Agarwal        | ACS - 29288 | Cuttack      |
| 2 | 8520 | Ms. Sunita Mohanty        | FCS - 5056  | Bhubaneswar  |
| 3 | 8529 | Sh. Manoranjan Mishra     | FCS - 4725  | Bhubaneswar  |
| 4 | 8548 | Ms. Sneha Lata Mishra     | ACS - 28014 | Bhubaneswar  |
| 5 | 8553 | Manoj Kumar Panda         | ACS - 25609 | Bhadrak Dist |
| 6 | 8554 | Sh. Pralay Kumar Banerjee | ACS - 4434  | Kolkata      |
| 7 | 8563 | Mr. Amarnath Tripathy     | ACS - 29453 | Bhubaneswar  |
| 8 | 8565 | Ms. Veena Hingarh         | ACS - 29429 | Kolkata      |

### NIRC

|    |      |                             |             |               |
|----|------|-----------------------------|-------------|---------------|
| 9  | 8514 | Mr. Saurabh Awasthi         | ACS - 27643 | Hardoi        |
| 10 | 8515 | Mr. Suman Kumar             | ACS - 27657 | Delhi         |
| 11 | 8522 | Sh. Sanjeev Kumar           | ACS - 22013 | Faridabad     |
| 12 | 8528 | Sh. Arunesh Kumar Dubey     | ACS - 22295 | Gurgaon       |
| 13 | 8530 | Sh. Kishan Maheswari        | ACS - 20281 | Ajmer         |
| 14 | 8533 | Mr. Arvind Kumar Srivastava | ACS - 29307 | New Delhi     |
| 15 | 8536 | Sh. Rohit Vashisth          | ACS - 14984 | New Delhi     |
| 16 | 8538 | Mr. Kailash Chandra Pandey  | ACS - 26568 | New Delhi     |
| 17 | 8539 | Ms. Shikha Allawadhi        | ACS - 26480 | Delhi         |
| 18 | 8540 | Ms. Priyanka Kohli          | ACS - 27928 | Delhi         |
| 19 | 8541 | Sh. Suresh Kumar            | ACS - 23811 | New Delhi     |
| 20 | 8542 | Mrs. Nandani Walia          | ACS - 17840 | New Delhi     |
| 21 | 8544 | Sh. Tathagata Mitra         | ACS - 29389 | New Delhi     |
| 22 | 8547 | Sh. Pankaj Goel             | ACS - 21766 | Jalandhar     |
| 23 | 8552 | Sh. Krishna Kumar Gaggar    | FCS - 6674  | Rajsamand     |
| 24 | 8555 | Sh. Virendra Kumar Garg     | ACS - 20485 | Gangapur City |

|    |      |                            |             |           |
|----|------|----------------------------|-------------|-----------|
| 25 | 8557 | Sh. Vishal Lochan Aggarwal | ACS - 20612 | Delhi     |
| 26 | 8560 | Sh. Punit Kumar Trivedi    | ACS - 17600 | Ghaziabad |
| 27 | 8561 | Ms. Disha Kant             | ACS - 23780 | Dehradun  |
| 28 | 8568 | Sh. Rohit Aggarwal         | ACS - 15824 | New Delhi |
| 29 | 8572 | Sh. Syed Qamar Ahmad       | FCS - 6445  | Noida     |
| 30 | 8573 | Ms. Khusbu Agarwal         | ACS - 28675 | New Delhi |
| 31 | 8575 | Ms. Hema Budhiraja         | FCS - 5516  | New Delhi |

### SIRC

|    |      |                               |             |                    |
|----|------|-------------------------------|-------------|--------------------|
| 32 | 8516 | Mr. Satish Krishnan B         | ACS - 29275 | Coimbatore         |
| 33 | 8517 | Sh. K. Degaleeswaran          | ACS - 22153 | Villupuram Dist    |
| 34 | 8518 | Sh. D. Praveen Kumar          | ACS - 12881 | Bangalore          |
| 35 | 8521 | Mr. Pradeep Kumar Saha        | ACS - 28935 | Bangalore          |
| 36 | 8524 | Sh. Sunil Kumar B G           | ACS - 24239 | Mysore             |
| 37 | 8526 | Ms. Runa Kumar                | ACS - 13721 | Hyderabad          |
| 38 | 8531 | Sh. Yugandhar Kopparthi       | ACS - 19315 | Hyderabad          |
| 39 | 8532 | Sh. Jackson David Chervathoor | ACS - 19533 | Thrissur Distt     |
| 40 | 8534 | Mr. K R Madhava Murthy        | ACS - 29308 | Bangalore          |
| 41 | 8537 | Sh. K P Shinod                | ACS - 21335 | Hyderabad          |
| 42 | 8543 | Ms. Ranjini Wariyar K         | ACS - 26634 | Thiruvananthapuram |

|    |      |                              |             |                    |
|----|------|------------------------------|-------------|--------------------|
| 43 | 8549 | Sh. Toli Mahadev Tirunagari  | ACS - 18968 | Hyderabad          |
| 44 | 8550 | Sh. Ashish Kumar Gaggar      | ACS - 19525 | Hyderabad          |
| 45 | 8551 | Ms. Parvati K R              | ACS - 23584 | Mysore             |
| 46 | 8558 | Ms. Durga Thota              | ACS - 29420 | Chennai            |
| 47 | 8559 | Ms. Karunalaiaam Sheeba Nair | ACS - 20560 | Kozhikode          |
| 48 | 8562 | Mr. Jaipal Talakatta         | ACS - 28546 | Hyderabad          |
| 49 | 8567 | Mr. Anil Xavier              | ACS - 29393 | Kochi              |
| 50 | 8569 | Sh. S Jegan                  | ACS - 26698 | Virudhunagar Distt |
| 51 | 8570 | Sh. Venkat Reddy Kupireddy   | ACS - 21016 | Secunderabad       |
| 52 | 8571 | Sh. G V Suresh Kumar         | ACS - 7513  | Hyderabad          |
| 53 | 8574 | Mr. Bharat Hegde             | ACS - 26857 | Bangalore          |

### WIRC

|    |      |                              |             |           |
|----|------|------------------------------|-------------|-----------|
| 54 | 8523 | Sh. Rajesh Gopal Das Parekh  | ACS - 8073  | Ahmedabad |
| 55 | 8525 | Sh. Kalpesh Dedhiya          | ACS - 22945 | Thane     |
| 56 | 8527 | Sh. Prashant Prakash Kamat   | ACS - 22424 | Kolhapur  |
| 57 | 8535 | Mr. Prashant Abhaykumar Maha | ACS - 29298 | Ahmedabad |
| 58 | 8545 | Ms. Namrata Mallesh Pai      | ACS - 28477 | Mumbai    |
| 59 | 8546 | Ms. Sarita Shridhar Phadke   | ACS - 19046 | Mumbai    |
| 60 | 8556 | Sh. Jitendra Kumar Lekhwani  | ACS - 25927 | Thane     |
| 61 | 8564 | Mr. Ishan Jain               | ACS - 29444 | Indore    |
| 62 | 8566 | Mr. Alpesh Gordhanbhai Rana  | ACS - 29473 | Ahmedabad |
| 63 | 8576 | Ms. Vinita Prakash Rathod    | ACS - 25400 | Mumbai    |
| 64 | 8577 | Ms. Yagya Turker             | ACS - 19493 | Raipur    |
| 65 | 8578 | Mr. Narendra Kumar Nagori    | ACS - 22303 | Mumbai    |

\* During the Period 21/12/2011 to 20/01/2012.



## News From the Regions

### EASTERN INDIA REGIONAL COUNCIL

#### Times Education Expo 2011

On 12 and 13.11.2011 the ICSI-EIRC participated in the Times Education Expo 2011 organized by Education Times (Times of India) at City Centre, Kolkata. The expo attracted a good influx of visitors and a good majority of them came to the ICSI stall and sought information about the CS course and the profession. The visitors were inquisitive about the CS course, time period of the course, the fee structure, the contents, the opportunities after becoming a CS professional, etc. The fair continued for two days and the attractive advertisements of the fair were carried out in Times of India and other publications thus attracting a swarm of visitors.

The fair was also participated by reputed colleges/universities like Amity University, The ICAI, ICWAI, Edwise Overseas Consultants other leading Colleges/ Educational Institutions from India and abroad. The ICSI was represented by S.Sreejesh, Desk Officer (Career Awareness), ICSI-EIRO, and CS Neha Moonka.

#### Half-Day Interactive Workshop on XBRL Filing

On 18.11.2011 the ICSI-EIRC organised a Half-Day Interactive Workshop on "XBRL Filing" at Merchants' Chamber of Commerce, Kolkata. The speakers were CA Vinay Pagaria, CWA Saryo Mahto and CA Pramod Dayal Rungta. The speakers in their deliberations said that certain class of companies are required to file their Balance Sheet and Profit and Loss Account in XBRL Format like Listed Companies and their subsidiaries, Companies having paid up capital of Rs. 5 Crores and above and Companies having turnover of Rs. 100 Crores and above but banking, insurance, power companies and NBFCs are exempt for XBRL Filing. They then explained the authentication of XBRL Document which include processes like creation of an XBRL instance document, then to start mapping Company's each financial statement element to a corresponding element in published taxonomy and after the documents are tagged, the next step is to create the instance document. An instance document is a XML file that contains business reporting information and represents a

collection of financial facts and report-specific information using tags from the XBRL taxonomy. They further said that MCA has provided Validation tool for the validation of generated XBRL instance document. Validating the instance document is a pre-requisite before attaching it with e-forms for filing the balance sheet and profit & loss account on MCA portal. The CS is required to download the tool from the MCA website and validate the instance document before uploading. Once the instance document is successfully validated from the tool, the next step is to pre-scrutinize the validated instance document with the help of the same tool. The next process is to attach instance document to Form 23AC and Form 23ACA and after this to submit it at the MCA portal. The workshop ended with a Q & A session by the delegates.

#### Regional Conference of Company Secretaries

On 17.12.2011 the ICSI-EIRC organised its 22<sup>nd</sup> Regional Conference of Company Secretaries on "Good Morning East Inclusive Growth through Responsible Governance" at Hotel Hyatt Regency, Kolkata and on 18.12.2011 at "Panchmukhi Residency", Madhyamgram.





On the first day of the Conference, CS Anjan Kumar Roy, then Chairman ICSI-EIRC in his address said that the members' conference is the forum where the members review their position in the corporate world. He said that the topic "Good Morning East Inclusive Growth through Responsible Governance" was chosen after much thought, and it was chosen to bring forth the resurgence of the eastern part of this country and to restore it to its former glory and which is possible by bringing in the change through responsible governance. He spoke about the Competition law, its importance, the introduction of XBRL and also the Companies Bill which was tabled at Parliament and the benefits and changes it would bring for Company Secretaries. CS Ranjeet Kanodia, then Vice-Chairman, ICSI-EIRC and CS Arun Khandelia, then Treasurer, ICSI-EIRC addressed the delegates about the relevance of the theme.

The Chief Guest of the inaugural session was Dr. Manas Ranjan Bhunia, Hon'ble Minister for MSME, Irrigation & Water Resources, Govt. of West Bengal and Guests of Honour were Dipak Banerjee, Chairman, Shristi Infrastructure Development Corporation Limited and CS Sanjay K. Jain, Managing Director, TT Limited.

Dr. Manas Ranjan Bhunia, in his address said that inclusive growth is one of the biggest opportunities for corporates in the near future. He said that continuous innovation is critical in providing inclusive and stable economic growth and this can be achieved by integrating low income and geographically remote communities into the value chain and enlisting public private partnerships in the effort. He also said that business leaders could build a national culture of inclusive innovation by providing incentives and the requisite infrastructure.

Dipak Banerjee spoke on the global perception of Bengal and where she stands today. He said that Bengal is in the lowest ranks of development index as presented by recognized agencies etc. and she should focus on getting into a better position by providing opportunities in industry, agriculture, infrastructure etc. He spoke about value systems and trust factor which is essential for nurturing inclusive growth.

CS Sanjay K. Jain in his address said that Bengal economy is more agro based so state and private entities should come forward to create guarantee programmes with the help of partnerships etc. to generate employment, upgrade skill levels, usher literacy and bring on overall development for the state. This type of initiatives would bring not only wealth but also bring in encouragement for the people to pursue innovative breakthroughs.

The first plenary was chaired by CS Subhasis Mitra, Vice-President & Company Secretary, CESC Limited. The Guest Speakers were Sanjiv Nandwani, IAS, Development Commissioner, Falta Special Economic Zone and S P Yadav, IFS, Executive Director, West Bengal Industrial Development Corporation (WBIDC) and the topic of the session was "Prospects for growth in the East and Importance of

Governance Issues". The esteemed speakers stressed on the point that being laidback in our attitude would not take us far in this dynamic competitive world and we should be adaptive to change and focus on good governance by ensuring that those in the lowest strata of the society are also benefitted. We should learn from the past mistakes and look ahead for better, progressive opportunities. A presentation on Importance of Competition and Anti-Trust aspects of Business Planning and Operation was given by Dr. K. D. Singh from Competition Commission of India (CCI).

The Guest Speakers of the second plenary were Subrata Gupta, IAS, Managing Director, Kolkata Metro Rail Corporation Limited, CS (Dr.) Navrang Saini, Regional Director (East), Ministry of Corporate Affairs, Govt. of India and Satyabrata Sahoo, General Manager, CSE. The topic of the session was "Necessity of Good Governance for Inclusive Growth" where the esteemed speakers said that the key for inclusive growth is continuous innovation. Improving India's capacity to innovate is critical to provide inclusive and stable economic growth and high economic growth is a necessary condition for self-sustaining development, and that needs to be accompanied with accountable & transparent public administration, efficient delivery of services, and appropriate public investment in physical and intellectual capital - to ensure that the gains of economic growth are shared widely by citizens.

The sessions were followed by "Late Shyamal Sen Memorial Lecture" where CS Anjan Kr Roy, made a PowerPoint presentation of the photographs of Late Shyamal Sen that were with the Institute. CS S Gangopadhyay, Past President ICSI spoke on the theme "Our profession in retrospect" where he talked about the day to day functioning of ICSI since its birth and the efforts put in by various people to take the institute to the position to what it is today. CS S. N Ananthasubramanian, Council Member the ICSI spoke on the theme "Shaping our profession in future" where he talked about the Companies Bill that has been tabled in the Parliament and the immense opportunities for Company Secretaries.

The conference on the first day wound up with a meditation session by CS Vishal Mittal and a lucky draw for the delegates. The conference was covered extensively in the English dailies - The Bengal Post and The Statesman and the Hindi Daily - Dainik Jagaran. A snippet of the program was carried in the afternoon news by ETV Bangla.

The conference on the second day was organized at "Panchmukhi Residency", Madhyamgram. The programme began with stress management session by CS Vishal Mittal. After the session light programmes were arranged for the delegates to unwind themselves after two days power packed session before conclusion of the conference. ■



## Northern India Regional Council

### Seminar on Foreign Exchange Management - Emerging Issues and Recent Developments

On 24.12.2011 NIRC-ICSI organized a seminar on Foreign Exchange Management - Emerging Issues and Recent Developments at Hotel Le Meridien, New Delhi. At the Inaugural Session, the Annual Legal & Compliance Referencer of NIRC, 2012 was released by P K Mittal, Central Council Member, the ICSI and the NIRC Members present on the occasion. The awards of the Research Paper Competition 2011 were also distributed to the winners and the participants in the Inaugural session. Around 300 participants including Regional Council Members and Past Chairmen were present in the seminar.

*Inaugural session:* Manish Gupta anchored the inaugural session of the seminar. Ranjeet Pandey in his welcome address mentioned that the topic of the seminar Foreign Exchange Management - Emerging Issues and Recent Developments is very relevant for the professionals. It is always an intent and objective of the Government of India to attract and promote foreign direct investment, in order to supplement domestic capital, technology and skills, for accelerated economic growth. Government has put in place a policy framework on Foreign Direct Investment, ODI, Portfolio Investment etc. These policies are very transparent, predictable and easily comprehensible. The framework is embodied in the Circular on Consolidated FDI Policy, which may be updated every six months, to capture and keep pace with the regulatory changes. He also mentioned that very recent consolidation of FDI Policy subsumes and supersedes all Press Notes / Press Releases / Clarifications / Circulars issued by DIPP up to 30th September, 2011.

NPS Chawla anchored the release of Annual, Legal & Compliance Referencer of NIRC 2012. He briefly highlighted the contents of the Referencer and their usefulness for the professionals. Rajiv Bajaj arranged the distribution of prizes of the Research Paper Competition.

P K Mittal in his address suggested not to be limited to only Company Law as Company Secretary is the Principal Officer

of the company and can't limit himself to Company law. He shared his experience and quoted the example of few successful Company Secretaries.

*First Technical Session:* Deepak Kukreja anchored the first technical session. Ravi Shingari, Director-Tax & Regulatory, KPMG spoke on "FDI in Regulated Sector - Retail, Real Estate and Insurance". He discussed the transformation of India. He also discussed Foreign Direct Investment Policy. He mentioned that the objective of FDI Policy is to encourage FDI to promote Industrial & Socio-Economic Development, supplement domestic capital/technology etc. He also mentioned that administrative & compliance aspects of FDI are monitored by the Reserve Bank of India. He discussed in detail the FDI in Retail, Real Estate & Insurance Sector.

M Vedavalli, Deputy General Manager (Retd.), Reserve Bank of India spoke on "Contraventions and Compounding". She started with the background of FERA and then discussed the objectives for introducing FEMA. She also discussed the various provisions of FEMA. She dealt with the entire process of Contraventions and Compounding under the provisions of FEMA. After the first technical session a number of queries were raised by the delegates which were suitably replied by the speakers.

*Second Technical Session:* Rajiv Bajaj anchored the second technical session. Manvinder Singh, Partner, J Sagar Associates, Advocates & Solicitors spoke on "Foreign Direct Investment in India: Recent Developments". He discussed the Regulatory framework for FDI in India, Sector specific policy, entry routes for FDI, types of instruments for FDI and pricing guidelines etc. He also discussed the various recent developments in FDI regime.

Sandhya Iyer, Partner, Vaish Associates, spoke on "Outbound Investment". She mentioned that Reserve Bank of India is given powers to regulate outward investment under FEMA. She also discussed the important provisions of the Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations 2004. She also discussed in detail the different modes of investment viz. Direct investment outside India by Corporates/Body Corporates/Partnership, Investment abroad by Individuals, Investments in Foreign Securities other than by way of direct investment.

Vijay Gupta, Company Secretary spoke on "FIPB Approval-Case Study". He discussed in detail the Constitution of FIPB, Level of approval for cases under Government route, Cases which do not require fresh approval etc. He discussed in detail the entire procedure for obtaining approval from FIPB and also informed the post approval compliances.

After the second technical session a number of queries were raised by the delegates which were ably replied by the speakers.

### Seminar on Rise & Shine - Sky is the Limit

On 14.1.2012 NIRC-ICSI organized a seminar on "Rise &



Shine - Sky is the Limit" at Hotel Intercontinental Eros, New Delhi. Dr. Naresh Trehan, Chairman & Managing Director, Medanta - The Medicity was the Chief Guest on the occasion. Past Chairmen and approx. 350 participants were present in the seminar.

*Inaugural session:* Rajiv Bajaj anchored the inaugural session of the seminar. Dr. Naresh Trehan, while addressing the gathering mentioned that we are running in turbulent times. The environment is very tempting these days which lead to happening of the various scams like Satyam. He said that the Company Secretary plays a very important role in preventing the happening of these scams. While speaking on Sky is the limit he said that the discipline, ethics and value system etc. are essentially required to be taught to the child from the very beginning at home and school level. He said that being honest is not a disadvantage and suggested to stick to what is right. He shared his success story with the delegates. He also suggested three things to be followed for being stress free viz. Regular Exercise, Balanced diet and Yoga/Meditation etc.

*First Session:* NPS Chawla anchored the first session. Vijay Batra of THINK INC. was the guest speaker who addressed on "Personality traits of a successful professional" and "Break the Barriers to Rise & Shine". While addressing Batra asked as to why do we work? He said that we work to become a better person as empty pockets never hold any one back rather it is only empty heads and empty heart which can do that. He advised to resolve the conflict and not to turn every conflict into a contest. He further said that Character + Cognitive skills + Communication Skills + Creditability are the personality traits of a successful professional. Speaking on Breaking the Barriers to Rise and Shine, Batra advised to do with what you have which will make all the difference. He also advised to differentiate between commitment and compulsions, Important and difficult, design and default, investing and spending of time, learn and blame, puzzle and problem for rise and shine. He further advised the participants to daily recite following lines: I am successful I believe I create I am a winner. The session was very lively and interesting.

Ranjeet Pandey while addressing the gathering mentioned that it is his last address as Chairman, NIRC-ICSI. He briefed about all the activities/programmes done throughout the year 2011 viz. Webcast of the programmes to the Chapters, Strengthening of Infrastructure & Manpower of Regional Offices/Chapters, visit to Chapters, Students' Services & Oral Tuition, Foundation Day Celebration & Cultural Evening, revamping of the NIRO child portal, helpdesk at NIRC, renovation of ICSI - NIRC Building, CSBF, Syllabus Review etc. He also discussed the way forward. At the end, he expressed his sincere gratitude to one and all for their whole hearted support throughout his tenure.

*Second Session:* Manish Gupta anchored the session. At this session the practicing Company Secretaries were the special invitees. K S Ahluwalia, Executive Coach and

Mentor, Excalibre Inc. spoke on "Networking Skills". He highlighted various skills to be followed for networking and explained the benefits of networking both for the Practicing Company Secretaries and the members in employment.

Suneel Keswani, Corporate Trainer spoke on "Advantage Effective Communication". He discussed various ways of effective communication and suggested to think before speaking and use positive words to express. He also informed the power of body language and gestures. Members enjoyed the sessions of both the speakers.

## Two-day Capacity Building Workshop for PCS

On 3-4.12.2011 the Regional Council organized a two day Capacity Building Workshop for PCS. CS Pavan Kumar Vijay, CS Atul Mittal, CS Sumit Pahwa, CS Girish Narang, Samir Agarwal, Director, Marketing, Ocean Technocrats, CS S Kumar, CS Sanjay Grover, CS Nesar Ahmad, CS Saurabh Kalia and H.L. Tikku, Senior Advocate were the speakers.

## Rajasthan State Conference on Managing Knowledge Dynamics & Creating Professional Avenues

On 10.12.2011 the Regional Council organized Rajasthan State Conference on Managing Knowledge Dynamics & Creating Professional Avenues: Prof. V.K. Goswami, Vice-Chancellor, Sangam University was the chief guest. B B Pradhan, Unit Head, Jindal Saw Ltd. was the guest of honour. The speakers were CS Vikas Khare, CS P.K. Mittal, CS Pavan Kumar Vijay, CS Hitender Mehta and CS Saurabh Kalia.

## East Zone Study Group Meeting on Critical Analysis of MCA Circulars

On 17.12.2011 at the East Zone Study Group Meeting on Critical Analysis of MCA Circulars CS Rajiv Goel was the speaker.

## West Zone Study Group Meeting on an Overview of GST

On 17.12.2011 at the West Zone Study Group Meeting on An Overview of GST CS Gopal Mandal was the speaker.

## Meeting of Company Secretaries in Practice on Analysis of Balance Sheet with Special Reference to New Schedule - VI Requirements

On 19.12.2011 at a Meeting of Company Secretaries in Practice on Analysis of Balance Sheet with Special Reference



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to New S schedule - VI Requirements, CS Yogesh Gupta, Past Chairman, NIRC ICSI was the speaker.

## **Mega Study Circle Meeting on Discover the Hidden Power**

On 23.12.2011 at the Mega Study Circle Meeting on Discover the Hidden Power P.S. Rathore, Author & Motivational Speaker was the speaker.

## **North Zone Study Group Meeting on New Takeover Regulations**

On 25.12.2011 at the North Zone Study Group Meeting on New Takeover Regulations CS Pankaj Jain was the speaker.

## **New Year Eve Celebration**

On 30.12.2011 at the New Year Eve Celebrations & Dinner CS Ranjeet Pandey, CS Nesar Ahmad, CS Harish K Vaid, CS Deepak Kukreja, CS Ashu Gupta, CS Dhananjay Shukla, CS Manish Gupta, CS NPS Chawla, CS Rajiv Bajaj and other members & their families were present.

## **Investor Awareness Programme**

On 24.12.2011 an Investor Awareness Programme on Investment Opportunities in Capital Market was held at Intex Technologies (India) Ltd., Okhla, New Delhi. CS J K Bareja, (Associate Professor, University of Delhi) & CS Pawan Kumar Bhardwaj were the speakers.

## **Career Awareness Programmes**

NIRC organised 15 Career Awareness Programs during the month of December, 2011. CS J K Bareja, CS Pradeep Debnath, CS Ranjeet Verma, CS Prashant K Kesharwani, T. R Mehta, Sanjeet Kumar and Himanshu Sharma addressed in the Career Awareness Programmes. The students were apprised about the mode of registration in the course, syllabus, structure of the course and also the avenues available after completion of the Company Secretary ship Course both in employment and in practice. Pamphlets of Career in Company Secretary ship Course were distributed to the students.

## **JAIPUR CHAPTER**

### **Career Awareness Programmes**

On 7.1.2012 the Jaipur Chapter of ICSI organized 5 Career Awareness Programmes at Excellence English Academy Ringas, Govt. Sr. Sec. School, Khatushyamji, Govt. Sr. Sec. School, Ringas, Bhartiya Sr. Sec. School, Ringas and Tagore Public Sr. Sec. School, Ringas of Sikar District. Girish Goyal,

Chapter Chairman elaborated the students in detail about the C.S. Course and the procedure, its scope, enrolment criteria, examination procedure, future prospects in Company Secretary ship and other allied issues. More than 350 students participated in the programmes with full enthusiasm. Brochures containing brief details of the CS Course were distributed to the students. Frequently asked queries such as how to take admission in Foundation Programme as well Executive Programme, about the procedure for getting admission to the oral classes conducted by the chapter, about the new training programmes etc. were very well replied by Dr. Girish Goyal. He also said that various opportunities are available in the global market for the CS profession.

## **KANPUR CHAPTER**

### **Investor Awareness Programmes**

On 11.12.2011 an Investor Awareness Programme was organized by Kanpur Chapter of NIRC of The ICSI in association with U.P. Stock Exchange Ltd. Kanpur at Town Hall, Karvi, Chitrakoot (U.P). CS M.P.Shah, RoC, UP & Uttarakhand, CS B.K.Nadhani, Managing Director, U P Stock Exchange Ltd. Kanpur, CS Manish Shukla, then Chairman, Kanpur Chapter, CS Jitendra Awasthi, then Chairman, Awareness Campaign Committee of the Chapter and CS Umang Mehrotra. The programme was attended by senior citizens, Govt. employees, businessmen, students and general public who expressed gratitude to the ICSI, UP Stock Exchange Ltd. as well as Ministry of Corporate Affairs Govt. of India for the initiative taken having far-reaching effect with regard to Investor awareness in the small town.

Again a chain of Investor Awareness Programmes were organized by the Chapter in association with U.P. Stock Exchange Ltd. Kanpur. The details of the programmes organized during the month of November, 2011 are as under: On 06.11.2011 the programme was held at "Vikas Bhawan Sabhagar", Fatehgarh, Farrukhabad; On 12.11.2011 at Chaudhary Palace: Unnao. On 13.11.2011 at Ram Shyam Guest House, Fatehpur. On 20.11.2011 at Vikas Bhawan Sabhagar, Kannuj. On 26.11.2011 at Vikas Bhawan Sabhagar, Hamirpur. On 27.11.2011 at Hindi Bhawan, Akbarpur, Rambhai Nagar, Kanpur Dehat. The speakers were one or the other of the following; Dr. A.S. Bhatnagar, Dean, Faculty in Law, CSJM University, Kanpur; J. K. Dixit, Asst. GM UP Stock Exchange Ltd.; CS Jitendra Awasthi, then Chairman, Awareness Campaign Committee, Kanpur; Chapter; Dr. B. K.Tiwari, Programme Coordinator Farrukhabad; K. D. Gupta (IRS-Retd.) Chairman U.P. Stock Exchange Ltd. Kanpur; CS M.P.Shah, ROC, UP & Uttarakhand Kanpur; Abhishek Dave, Manager, National Stock Exchange; Dr. U. N. Shukla, Dean, Faculty in



Commerce, CSJM University, Kanpur; R.C. Katiyar, Director, M.K.R. Centre, CSJM University Kanpur Prof. A. K. Mittal, Deptt. of Industrial & Management Engg. Indian Institute of Technology, Kanpur; K. N. Lal, C.D.O. Hamirpur; CS B.K.Nadhani, MD-UP Stock Exchange Ltd. Kanpur; CS Manish Shukla, then Chairman Kanpur Chapter and CS Umang Mehrotra, Volunteer. The programmes were attended by the senior citizens, Govt. employees, businessmen, students and general public.

## Study Circle Meeting on Recent Developments in Corporate Laws

On 17.12.2011 a Study Circle Meeting was organized by the Chapter at its premises at Kanpur on the above topic. CS Bharat Kumar Sajnani, Vice-Chairman & CS Jitendra Awasthi, ex-Chairman of the Chapter welcomed the participants and the discussion was held in detail on the latest circulars and notifications issued by MCA including the Companies Bill, 2011 and practical difficulties in XBRL filing. Discussion paper regarding XBRL filing, prepared by CS Ankur Srivastava was also circulated. The meeting was attended by a large number of members.

## Career Awareness Programmes

From 12.12.2011 to 17.12.2011 and 22.12.2011 a Career Awareness week was organised by the Chapter in the following schools & colleges : On 16.12.2011 at Theosophical Inter College, Panchayatiraj Mahila Mahavidyalaya, Govt. Girls Inter College and Sanatan Dharm Inter College, Etawah. Santosh Srivastava and Sudhir Mishra were the speakers. On the same day the programmes were held at Nivedita Singh Girls Degree College, Thakur Yugraj Singh Law College, Maharishi Vidya Mandir, Fatehpur. CS Umang Mehrotra and Vijendra Kumar Vishwakarma were the speakers. On 22.12.2011 the Career Awareness Programmes were held at Govt. Girls Degree College, Vidya Mandir Inter College, Islamia Inter College and Govt. Inter College Hamirpur. K.L. Kushwaha, Santosh Srivastava and Vijendra Kumar Vishwakarma were the speakers. The students were addressed about the CS course, syllabus, admission and examination procedure, importance of training, role of company secretary in employment and practice. Students raised queries which were replied by the ICSI Career awareness team. Again on 25.11.2011 a Career Awareness Programmes was organized at Kanpur Vidya Mandir Mahila Degree College, Swaroop Nagar, Kanpur. About 400 students attended the said programme. Career Awareness team comprising CS Hemant Kumar Sajnani, CS Ashish Tiwari, K. L. Kushwaha, Santosh Srivastava and Ram Lakhan visited the above institution and addressed the students. Pamphlets explaining career in Company Secretary ship were also distributed among the students. Students raised queries which were replied by the ICSI Career awareness team. ■

## Southern India Regional Council

### Study Circle Meeting on e-voting - Investors' Empowerment

On 10.1.2012 the ICSI-SIRC organized a Study Circle Meeting on e-voting - Investors' empowerment at ICSI-SIRC House, Chennai. AR Vasudevan, Regional Manager, Central Depository Services [India] Limited [CDSL], Chennai was the speaker. Earlier Dr. CS Ravi B, then Chairman, ICSI-SIRC introduced the theme of the study circle meeting. Vasudevan started his speech with a brief outline on the CDSL. The speaker informed the members that initially the CDSL was registered with SEBI as a Depository in August 1998 and its promoters were BSE and leading banks such as State Bank of India, Bank of India, Bank of Baroda, HDFC Bank, Canara Bank, Union Bank, Bank of Maharashtra, etc. He also informed that CDSL has 7.8 million depository accounts and has 3.5 million transactions per day. He also spoke on CDSL's effect on Capital Market.

Vasudevan, while speaking on e-voting explained that it is an internet based facility which enables investors to cast their votes anytime from anywhere. It is an automated system which records votes and gives results instantaneously and it is a cost efficient model as compared to physical postal ballot. He quoted the provisions in the proposed new Companies Bill and MCA circulars which authenticates the e-voting. Vasudevan said that the process of the companies to register themselves for e-voting is that they should sign the agreement and create login IDs. Then the companies have to set up e-voting schedule, upload register of members and password generation. Finally, the companies have to dispatch notices along with passwords, both electronically and through post. The speaker also asserted that under e-voting system, the shareholder can participate in the decision making process of the company from anywhere and can vote easily on any number of resolutions for any number of companies. Members actively participated in the discussion with the speaker after the conclusion of his presentation.

### One Day Seminar on Recent Developments in Corporate Law

On 12.1.2012 the ICSI-SIRC jointly with Kanchi Shri Krishna College of Arts and Science, Kanchipuram, Tamilnadu,



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organized a one day seminar on Recent Developments in Corporate Law at the auditorium of the Kanchi Shri Krishna College, Kanchipuram.

Dr. CS Ravi B, then Chairman, ICSI-SIRC inaugurated the seminar and delivered the speech on the recent developments in corporate law. Sarah Arokiaswamy, Joint Director, ICSI-SIRO elaborated about the scope of the profession of company secretaries, how to join, the opportunities available, fee concession to the SC/ST/ physically challenged students, scholarship to the meritorious candidates, fee concession to the students who are economically backward, etc. The Joint Director also made a power point presentation and clarified the queries raised by the students. Around 250 students including faculty members participated in the seminar.

## Second Career Awareness Week - 2011

From 3.1.2012 to 6.1. 2012 the ICSI-SIRO organized the 2nd Career Awareness Week-2011 at Virudhunagar district in Tamilnadu. The ICSI-SIRO conducted 17 Career Awareness Programmes at rural and semi urban areas at Virudhunagar district. The Career Awareness Programmes were addressed by Sreejith.P, Desk Officer [Career Awareness], ICSI-SIRO. Nearly 2000 students taken together from various schools and colleges at Virudhunagar district attended the Career Awareness Programmes. During the Career Awareness Programmes, Career Opportunities of the CS course in detail and its importance in the current economic scenario were explained. Enrolment procedure in the CS Foundation Programme, syllabus and cut off dates were also informed. The details of various schemes and fee concession for economically backward students and academically bright students, viz. 'Education Student Fund Trust' and fee concession for SC/ST/Physically Challenged students were also explained. The academic facilities available to the students in the form of oral coaching classes in chapters and Public private partnership centres/collaboration centres in rural/semi urban areas were also informed. The faculties of the respective institutions evinced interest in orienting their students to the course. The respective school administration provided very good support in organizing the Programme. The film 'company secretary' was screened during the career awareness programmes. ICSI teacher's Kits, brochures, pamphlets, posters were distributed at all these programmes. The message regarding CS course reached the students and lecturers in rural and semi urban areas of Virudhunagar district.

## BANGALORE CHAPTER

### Meeting of Practising Company Secretaries

On 3.12.2011 the Bangalore Chapter of the ICSI organised a Meeting of Practising Company Secretaries at the Institute of

Agricultural Technologists, Bangalore. CS Gopalakrishna Hegde, Member, Central Council, The ICSI addressed the members present and stated that the meeting of Practising Company Secretaries was held to facilitate PCS to bring up issues and problems being faced with respect to ROC, MCA and Companies Bill 2011. There was a lively discussion and interaction by the 29 members present.

## Career Awareness Programme

On 14.12.2011 the Bangalore Chapter of SIRC of the ICSI conducted Career Awareness Programme at Christ College. Sangeetha Flora, Assistant Director, Bangalore Chapter of the ICSI explained in detail the course offered by the Institute and the criteria for eligibility for the course, examination, requirements of training etc., the role of a Company Secretary and importance of the profession of Company Secretaries in the changing economic scenario. She then highlighted the opportunities available to those who complete the Company Secretaries course. Further she enumerated the emerging areas of practice and the changing role of Company Secretary. She also focused on what would be the mind set and preparation required from a student who wanted to pursue the Company Secretaries Course.

## Bhoomi Pooja and Stone Laying Ceremony for the new Premises of the Bangalore Chapter

On 24.12.2011 the Bangalore Chapter of the ICSI organised the Bhoomi Pooja and Stone Laying Ceremony for the New Premises of the Chapter. Dr. M Veerappa Moily, Union Minister for Corporate Affairs, Government of India was the Chief Guest. CS Anil Murarka, then President; CS Nesar Ahmad, then Vice President, and N K Jain, Secretary and CEO, the ICSI were also present. The Ceremony started with an invocation song and CS Gopalakrishna Hegde, Member, Central Council, The ICSI and Chairman, Building Committee of Bangalore Chapter of the ICSI welcomed the Chief Guest and all the Members and Students present for the Bhoomi Pooja and Stone Laying Ceremony.

The Chief Guest Inaugurated the Bhoomi Pooja Ceremony by lighting the Lamp. Rituals of Bhoomi Pooja were performed and the Chief Guest unveiled the foundation stone on the momentous occasion in presence of President, Vice President, Secretary and CEO, The ICSI, other Central/Regional Council Members and dignitaries and guests.

The President and the Vice President addressed the gathering and shared the initiatives being taken by the Institute for both members and students.

Thereafter, Dr. M Veerappa Moily, the Chief Guest addressed the gathering wherein he highlighted the various pioneering projects upcoming under political ecology and stated that the global economy policies are changing for good of the country. He then touched upon some crucial aspects/issues of a developing



country and how the concept of civilization originated and then requested one and all for selfless contribution towards growth and prosperity of people and the society at large.

CS Gopalakrishna Hegde acknowledged the unstinting support and participation of members of the Managing Committee, Building Committee, Directorates of Institute, and Staff of SIRC and Bangalore Chapter of the ICSI in the endeavour of realising the long-time dream of having better premises for the Bangalore Chapter.

## Half Day Seminar on Critical Analysis on Transfer and Transmission of Shares

On 30.12.2011 the Bangalore Chapter of SIRC of the ICSI organised a Half Day Seminar on Critical Analysis on Transfer and Transmission of Shares at the Institution of Agricultural Technologists, Bangalore. CS A.M. Sridharan, Practicing Company Secretary Bangalore was the Speaker. K.K. Balu, Former Vice-Chairman, Company Law Board was the Special Guest. K K Balu in his introductory remarks gave an overview of the topic and shared the practical aspects of transfer and transmission of shares under private and public limited company. He also highlighted the interim powers under penal provisions under sections 111 and 112. He then brought up the procedure of appeal in Company Law Board for transfer of shares.

Thereafter CS A M Sridharan in his presentation on "Critical Analysis on Transfer and Transmission of Shares" highlighted the regulated articles on transfer of shares with respect to pledging and mortgaging and the imposed stamp duties on such transfers. He also explained in detail the right of transferee and transferor and also mentioned the provision under Section 108 related to refusal of share transfer from company and remedies for such refusals. Application of limitation Act of CLB was also dealt with in brief. There was lively interaction by the 63 Members present.

## HYDERABAD CHAPTER 5<sup>th</sup> Residential Programme on Personality & Professionalism

On 3 and 4.12.2011 the Chapter organised the 5<sup>th</sup> Residential Programme on Personality & Professionalism at Divya Resorts. Dayanand, Executive and Performance Coach and Trainer and Manisha, Psychological Counsellor, Behavioural Analyst and Trainer were the speakers who spoke on Effective Communication & Leadership, Interpersonal Relations and Psychological Counselling and Behavioural Analysis, Trekking and other adventure sports and cultural programmes were also organized for the members.

## 1<sup>st</sup> Southern India Regional Conference of Women Company Secretaries

On 10 & 11.12.2011 the Chapter organised jointly with SIRC, a

unique programme, first of its kind, namely 1st Residential Southern India Women Conference of Company Secretaries at Ameerpet. The conference was exclusively for Women Company Secretaries. Delegates from Chennai, Coimbatore, Madurai, Pune, Mumbai, Bangalore and Hyderabad attended the conference. CS P. Chiranjeevulu in his welcome address gave the introductory remarks on the subject. Thereafter S.S. Marthi, then Vice Chairman, SIRC-ICSI addressed the gathering and complimented the Hyderabad Chapter for conducting such programme. C. Sudhir Babu, Central Council Member addressed the gathering and informed the members about the top successful Women in India. Thereafter the Chief Guest, Sister B. Sheela from Bramhakumaris addressed the gathering and impressed upon the need to maintain emotional balance at work and home. Thereafter, CS. A. Shyamala, former SIRC Chairman, CS Lalit Mohan Chandna, former Chairman, Hyderabad Chapter, CS A.V. Rao, member, SIRC and CS Ahalada Rao, former Chairman, Hyderabad Chapter addressed the gathering. The sessions deliberated on the two days of the conference were: Role of Women-Opportunities and Threats, Gender inequalities-rights and remedies, Success Women Stories and their learning experiences, Balancing Family life v. professional life, Women in Employment & Practice, Scouting for rights & actions to implement the same, Dominating male ego with love, Technology Drive Advantages.

## CSBF Cultural Evening

On 30.12.2011 the Chapter organized CSBF Cultural Evening 2011 at APSRTC Kalabhavan. The evening featured performances by Raghala Ramesh, Music Director, upcoming Singers, Little Champs from Zee Telugu Saregamapa [Finalists] and Sita Kalyanam - Bharatanatyam Dance Drama By disciples of Geeta Ganesan, Uttaraa Center For Performing Arts. Donations for the pioneering programme poured in despite the economic recession and global melt down. With the active participation of various members, the Chapter also brought out a Souvenir to mark the occasion for which 33 practising company secretaries donated Rs. 5000/- each. The programme was attended by about 900 persons from various walks of life including officers from ROC, bank officials, etc. Sponsors were immensely satisfied with the turnout and enthusiasm of the overwhelming crowd. Many TV Channels and media covered the event.

## MYSORE CHAPTER Interactive Meeting with Central Council Member

On 6.12.2011 an Interactive Meeting with Central Council Member CS. R Sridharan was held wherein R Sridharan while addressing the students and members spoke about the



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importance of team work, shared his experiences as the chairman of Building Committee and also shared about the recent developments in ICSI.

## Meeting of Chapter Members with the President and the Secretary, ICSI

On 16.12.2011 an interactive meeting was organized at Hotel Royal Inn wherein the members of the Chapter interacted with the then President, CS. Anil Murarka and the Secretary and CEO, the ICSI CS. N K Jain over dinner. CS. Sridharan, Central Council Member was also present. The Members shared their views about the profession, new opportunities and also about the course structure and training requirements.

## Puja at the New Building

On 17.12.2011 to seek the blessings of the almighty, puja was performed at the Chapter's new Building. CS. Anil Murarka, the then President; CS. Nesar Ahmed, then Vice President and now President, The ICSI; Secretary & CEO CS. N K Jain, Central Council Members CS. R Sridharan and CS. Narasimhan, Regional Council member CS. Baiju Ramachandran were present during the puja along with the members, students and staff of Mysore Chapter.

Planting of Saplings by the Dignitaries : On 17.12.2011 as a green initiative, a programme of planting of saplings was conducted at the Chapter premises. The dignitaries present on the occasion including the President, the Vice President and the Secretary & CEO planted saplings. The name boards of the person planting the sapling was put before each sapling planted.

## Press Conference

On 17.12.2011 a press Conference was organised by the Chapter at Mysore. CS. Anil Murarka, then President, CS. Nesar Ahmed, then Vice President and now President; Secretary & CEO CS. N K Jain and the Chairperson of the Chapter CS. Srilatha T G participated in the press meet. The media people of various newspapers and TV Channels were addressed and informed about CS Course and the importance of Company Secretaries in present day corporate scenario.

## Inauguration of the Chapter's new Building by Hon'ble Minister of Corporate Affairs

On 17.12.2011, the new Building of Mysore Chapter was inaugurated by Veerappa Moily, Hon'ble Minister of Corporate Affairs. The President, Vice President, Secretary and CEO, Central Council Members, Chairman-SIRC, Regional Council Members, Members and Students of ICSI, Local Industrialists, Fellow Professionals from ICAI and ICWAI and members from Press were present during the grand ceremony.

*Hoisting of the Institute's Flag:* On 17.12.2011 the then

President of ICSI, CS. Anil Murarka hoisted the Institute's Flag at the New Building of Mysore Chapter in the presence of the then Vice President, Secretary and CEO, Central Council Members, Chairman - SIRC, Regional Council Members, Members and Students of ICSI.

*Release of Flash Bulletin:* To commemorate the inauguration of the Chapter's dream building, a special Flash Bulletin was published by the Editorial Team of the Mysore Chapter's News Letter. The then President of the institute CS. Anil Murarka released the Flash Bulletin which was bundled with the best wishes from various dignitaries of ICSI including past Presidents and office bearers of various Chapters, and the report on the inauguration programme along with the story of realizing the Chapter's dream of having their own building.

## Interactive Session with Members and Students

On 17.12.2011 an Interaction Programme for Members and Students of the Chapter with the President, Vice President, Secretary and CEO and SIRC Chairman CS B. Ravi was held in the evening. A number of queries raised by the students as well as the members were clarified by the dignitaries present.

## Seminar on Capital Market Issues

On 18.12.2011 a Seminar on Capital Market Issues was held at the auditorium of the Chapter's new Building. CS. B Narasimhan, Central Council Member, the ICSI addressed the participants about the Basic Concept of IPO through Book Building and SME - An opportunity for Company Secretaries. The participants were members and students from Bangalore, Chennai and Mysore. Bhagya M G coordinated the programme.

## Career Awareness Programmes

On 3, 8 and 21.12.2011 the Chapter arranged 6 Career Awareness Programmes at 6 different colleges in Mysore, Kalatmadu, Virajpet and Gonikoppa. During these programmes, the students were addressed by CS. Anshuman A S and were given an insight into the Company Secretaries Course and the Career Prospects for CS. Pamphlets explaining the CS Course were distributed to the participants.

## Thanks giving Programme

The Construction of new building has earned a lot of appreciation for the Chapter's Managing Committee and the Committee thought to thank the persons whose hard work made it possible to have a state of the art Building within the record time of ten months. To thank all the masons, contractors, electricians, plumbers, fabricators and all other workers, a program was organised on 25.12.2011. An interaction programme was conducted in the Chapter's Auditorium where CS. Srilatha T G, CS. Anshuman A S and Gopal G, Civil Contractor thanked all for the team work. The participants also shared their experience. ■



## Western India Regional Council

### Talk on Commodity Trading and its Regulation

The programme was held on 8.12.2011 at Bajaj Hall. Ramesh Abhisekh, Chairman, FMC, Sanjay Saxena, Chief Knowledge Officer, ICEX, Kamlesh Gujar, VP -Legal, ICEX, Jaiprakash Mukherjee, Asst. Manager Training, ICEX deliberated on the theme of Regulatory Framework, Current Issues and Risk Management and Trading Strategies. The programme was attended by more than 110 delegates.

### Seminar on Takeover Code

The programme was held on 29.12.2011 at Maharashtra Chamber of Commerce. Shaileshree Bhaskar, Ex AGM, SEBI and Yogesh Chande addressed the participants on recent changes and its implications. The programme was attended by around 180 delegates.

### Series of Investor Awareness Programmes under the aegis of MCA

A series of Investor Awareness Programmes in various colleges in Mumbai were organised. N P Pandya, AGM, SEBI, Paresh Nagda, Dy Manager, SEBI provided insight of investment and practical inputs to the investors. The interactive programmes were moderated by Sudipto Pal, Joint Director, WIRC who highlighted rights of investors. The programmes were well attended by the participants who were from various walks of life, and keen on investment in capital market.

## PUNE CHAPTER

### Study Circle Meeting on Implementation of e-Voting Facility

On 26.11.2011 the Chapter organized a Study Circle Meeting on Implementation of e-Voting Facility at Pune. In all 46 delegates were present for the seminar. Anand Tirodkar, was the eminent speaker for the programme. The participants discussed various aspects regarding the implementation of e-voting and was of great importance to them.

### Open Forum Discussion on Referencer on e-forms

On 3.12.2011 the Pune Chapter had organized an Open Forum Discussion on "Referencer on e-Forms" at the Chapter Premises. The main purpose of organizing this Open Forum Discussion was to seek inputs / suggestions from all members on Draft Referencer & compilation of all suggestions received for forwarding it to the ICSI Central Council. In all 29 members were present for the programme. The programme was well received by the members.

### Investor Awareness Programme (IAP)

On 15.12.2011 the Chapter Jointly with BSE and CDSL organised an Investor Awareness and Education Programme. Ajit Manjure and Vivek Sadhale were the faculties for the programme. Around 350 + delegates attended the programme which was well appreciated by the gathering. Maharashtra Herald, the daily was the media partner for the programme and the programme was sponsored by Reliance Securities.

### Workshop on FEMA

On 17.12.2011 the Chapter organized a Workshop on Intricacies of Inbound and Outbound Investments under FEMA at Pune. In all 79 delegates attended the workshop. Vishwas Pathak, Ex Manager, RBI was the speaker for the programme. The programme was divided into three sessions, the first session was a presentation by the Faculty on the inbound and outbound Investments. The second session was for discussion on posers collected from the members and the third session was a question-answer session.

### Celebrations for Members

Pune Chapter won the award for the Best A Grade Chapter for consecutive two years 2009 and 2010. The team members of the Managing Committee of Pune Chapter received the Award at the National Convention of the Institute held recently at Agra on behalf of all the members of the Pune Chapter. Year 2009 and 2010 were splendid years with contributions from each and every member of the Chapter. The Chapter organised many programmes including few national and regional events. The support of all the members was important for making these programmes a great success and all the members are the real winner of these awards which the Chapter bagged. To celebrate the winning of these awards, Pune Chapter organised a Dinner Party for all the members at Hotel Multi Spice, Pune. There were few special events like release of "Special Issue of Sanhita" which was a compilation of the memories of last thirty years and which



showed the journey of Pune Chapter. The Special Issue was published at the hands of CS Anil Murarka, then President, the ICSI. All the past Chairmen of Pune Chapter and Managing Committee Members for the year 2009 and 2010 were honoured and their efforts were acknowledged by the then President of the Institute.

## Career Awareness Programmes

On 26.11.2011, 2, 5 and 9.12.2011 the Pune Chapter organized various Career Awareness Programmes at Millennium School, BMCC, ILS Law College, Siddhivinayak College (for Ist, IInd & IIIrd Year Students) to apprise them about Career as a Company Secretary. CS Amit Atre, CS Vivek Sadhale, CS Vikas Agarwal, CS Neha Limaye, CS Shridhar Kulkarni, CS Soumitra Dole, CS Neha Rapatwar and CS Smita Jaju were the faculties for the sessions. More than 500 students attended the career awareness programmes. Brochures explaining the CS course were also distributed to the students.

## RAIPUR CHAPTER

### Study Circle Meeting on XBRL - Practical Aspects

On 25.12.2011 the Raipur Chapter of WIRC of the ICSI organized an interactive Study Circle Meeting on XBRL - Practical Aspects. Speaker CS S.K. Batra, then Chapter Treasurer elaborated the topic with the help of power point presentation. At the outset CS S.K. Batra presented a case law relating to a claim made by a section of employees of a company for release of payment of the amount deposited by the company before the Debt Recovery Tribunal in which the amount deposited by the company itself was disputed by the said employees before the Higher Judicial Forum. After taking the opinion of all the members present in the Study Circle Meeting, CS Batra finally narrated the actual verdict of the Court giving justification for the same. Later on after introduction of the main topic for the Study Circle Meeting, he gave a brief detail of companies to whom XBRL filing was applicable. Further, he informed about various software companies which are providing XBRL software, basic utilities used in software, preparatory steps, documents required before feeding the inputs and problems one faces during data entry. He then highlighted some important points that one should take care of when working in XBRL software. He referred to specific cases where validation errors could not be resolved even after referring to MCA helpdesk. He provided solutions to such validation problems. The session was very interactive, as the participants raised various queries and the speaker clarified them thoroughly. The experience on the subject was shared extensively.

## ICSI-CCGRT

### Programme on Valuation

On 18 and 19.11.2011 the ICSI-CCGRT organised a Programme on Valuation at its premises at CBD Belapur, Navi Mumbai. The speakers for the workshop were Ramesh Lakshman, Practising Chartered Accountant, Ramesh Lakshman & Co, Mumbai and Vikram Jain, Associate Director, SSPA & Co., Mumbai. While the former covered various aspects of valuation like Importance and Approaches to valuation, Tools for Valuation, Cash flow discounting valuation etc. the latter covered topics including Comparative Valuation Methods, Valuation for Mergers and Amalgamations, Recent judicial decisions etc.

### Programme on Risk Management

On 25.11.2011, the ICSI-CCGRT conducted a programme on Risk Management at its premises at CBD Belapur, Navi Mumbai in collaboration with IIBF. The speakers were R Bhaskaran, CEO of IIBF (Indian Institute of Banking and Finance), Abhay Gupte, Senior Director, Deloitte Touche Tohmatsu India Pvt. Ltd., G. R. Rao, Consultant with IIBF, Chalpathi Rao, Consultant Faculty and S. Muralidharan, Joint Director, Department of Academic Affairs, who covered in detail various aspects of Risk Management. Dr. R Balachandran, Deputy CEO, IIBF delivered the concluding remarks.

### Programmes on the New Companies Bill, 2011

On 24.12.2011, ICSI-CCGRT conducted a programme on the New Companies Bill, 2011 at its premises at CBD Belapur, Navi Mumbai. The Chief Guest for the programme was Henry Richard, RoC, Mumbai. The speakers were S. V. Subramanian, Chairman, Secretarial Standards Board, the ICSI, K Sethuraman, Group Company Secretary & Chief Compliance Officer, Reliance Industries Limited and Shashikala Rao, Practising Company Secretary.

The programme was inaugurated by Henry Richard, RoC, Mumbai, who gave an overview of the significant changes proposed in the Bill.

S.V. Subramanian made the participants aware about the Secretarial Standards issued by the ICSI. K Sethuraman and Shashikala Rao discussed in detail various provisions of the New Companies Bill, 2011.

Again on 28.12.2011 the programme was repeated at Indian Merchants' Chamber, Churchgate, Mumbai for the benefit of members and professionals from Mumbai. The speakers were Henry Richard, RoC, Mumbai, P R Barpande, Chartered Accountant, K Sethuraman, Shashikala Rao and Sanjay Buch, Advocate, Mumbai.



ADP-16

PCH -8

**Announces  
TWO Day Program on**

**CORPORATE RESTRUCTURING THROUGH MERGERS &  
AMALGAMATIONS AND TAKEOVERS**

|                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Introduction</b>              | Corporate restructuring implies reorganising company's business or system, total makeover of business structure and financial restructuring. Restructuring may be by Compromise, Arrangement (merger/ amalgamation/ demerger/ takeovers/ buyback), Reconstruction and Reorganisation. Corporate restructuring has enabled many organizations around the world to respond more quickly and effectively to new opportunities and unexpected pressures, thereby re-establishing their competitive advantage. |
| <b>Objective</b>                 | The program is designed to help company secretaries, other professionals, managers and students to learn to identify and respond to potential restructuring opportunities through mergers, amalgamations and takeovers. The participants should obtain an understanding of the methods for creating value through restructuring and various aspects of Valuation                                                                                                                                          |
| <b>Days, Dates &amp; Timings</b> | Saturday, 11 <sup>th</sup> & 18 <sup>th</sup> February, 2012 09.30 a. m.-05.30 p. m.                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Venue</b>                     | ICSI-CCGRT, Plot No. 101, Sector 15, Institutional Area, CBD Belapur, Navi Mumbai – 400 614                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Focus of Coverage</b>         | <ul style="list-style-type: none"> <li>• Modes of Restructuring</li> <li>• Legal and Regulatory aspects of Mergers and Amalgamations</li> <li>• Takeovers</li> <li>• Valuation for Mergers and Amalgamations</li> <li>• Due Diligence</li> </ul>                                                                                                                                                                                                                                                          |
| <b>Speakers</b>                  | Eminent speakers with practical exposure to the subject will address the participants.                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Participant Mix</b>           | Directors, Company Secretaries, Chartered Accountants, Cost Accountants, other professionals, Consultants and students of various professional courses.                                                                                                                                                                                                                                                                                                                                                   |
| <b>Fees</b>                      | <p>3200/- for Members of ICSI</p> <p>4000/- for others</p> <p>2400 /- for Students</p> <p>2700/- for Annual Members of ICSI-CCGRT</p> <p>to cover the cost of program kit, background material, lunch and other organizational expenses</p>                                                                                                                                                                                                                                                               |

**For Registration**

**Registration :** The Fees maybe drawn by way of D.D / local cheque payable at Mumbai in favour of "ICSI-CCGRT A/c" and sent to **Shri Gopal Chalam**, Dean, ICSI-CCGRT, Plot No. 101, Sector -15, Institutional Area, CBD Belapur, Navi Mumbai – 400 614

☎ 022-27577814, 4102 1515, **email:** ccgrt@icsi.edu



**PCH - 4**

**PDP - 8**

## **Corporate Governance – A Way Forward**

|                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Day, Date and Time</b>                        | Wednesday, March 21, 2012<br>from 09.30 a.m. to 05.30 p.m.<br>with lunch and background material                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Venue</b>                                     | ICSI-CCGRT, Training Hall, Plot No. 101, Sector 15, Institutional Area, CBD Belapur, Navi Mumbai – 400 614                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Proposed Coverage</b>                         | <ul style="list-style-type: none"> <li>❖ Corporate Governance in India – Case study</li> <li>❖ Revisiting Ethics- The Substratum of CG</li> <li>❖ Board Role in Sustainability</li> <li>❖ CSR – A Good business for all</li> <li>❖ Governance influence on Corporate Accountability</li> <li>❖ CG – Beyond Regulatory Compliance</li> <li>❖ Corporate Responsibility and Triple bottom line</li> <li>❖ Emerging Corporate Governance practices in India</li> <li>❖ Corporate Governance – Comparative Perspective</li> <li>❖ Contemporary issues in Corporate Governance</li> </ul> |
| <b>Methodology</b>                               | The methodology will primarily be by way of presentation of selected papers on the subject by the participants.                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Fees :</b>                                    | <p>1200/- per participant for Students</p> <p>1600/- per participant for Others</p> <p>to cover the cost of backgrounder material, consisting of selected papers, program kit, lunch and other organisational expenses.</p>                                                                                                                                                                                                                                                                                                                                                         |
| <b>Way Forward</b>                               | <p>Participants interested in submitting papers may send the abstracts of their papers, comprehensively covering the sub-theme they intend to cover.</p> <p>The abstract (800-1000 words) along with 5-8 key words and details of author (name, designations, organization, email address, contact no.) in MS word's doc/docx. File (font size of 12, Times Romans) should be sent to ccgrt@icsi.edu. All abstracts of registered participants will be circulated in the program.</p>                                                                                               |
| <b>Submission Guidelines and Important Dates</b> | <p>Last date for receipt of abstract is 29<sup>th</sup> February, 2012</p> <p>Selected authors will be invited for a presentation on March 21, 2012.</p> <p>Notification to authors will be given within a week of receipt of abstract</p> <p>Full papers not exceeding 4000 words should be submitted by Wednesday, March 14, 2012.</p> <p>The best presenters will be invited to a workshop the next day at IMC, Churchgate on "Integrity at work" being conducted by <b>Mr. Kevin Moore</b>, Chartered MCSI, Director, Global Business Development, CISI, London.</p>            |

**For Registration :** The Fees may be drawn by way of D.D / local cheque payable at Mumbai in favour of **"ICSI-CCGRT A/c"** and sent to The Dean, ICSI-CCGRT, Plot No. 101, Sector -15, Institutional Area, CBD Belapur, Navi Mumbai – 400 614.

☎ 022 - 41021510, 022 - 2757 7814/15, Fax : 022 - 27574384, email : ccgrt@icsi.edu



**Announces  
Program on**

**PCH – 2**

**PDP – 4**

**COMPLIANCE OF LISTING AGREEMENT**

|                   |                                                                                                                                                                                                                                                                       |
|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Day & Date        | Thursday, March 22, 2012                                                                                                                                                                                                                                              |
| Time              | 09.30 a.m. to 02.00 p.m.<br>(followed by lunch)                                                                                                                                                                                                                       |
| Venue             | Walchand Hirachand Hall (4th Floor), Indian Merchants' Chamber, IMC Building, IMC Marg, Churchgate, Mumbai – 400 020                                                                                                                                                  |
| Focus of Coverage | <ul style="list-style-type: none"> <li>❖ Compliance of Listing Agreement</li> <li>❖ Regulatory Overview</li> <li>❖ Industry Perspective</li> <li>❖ Practitioners' Role with</li> <li>❖ Time Based Compliances and Event Based Compliances</li> </ul>                  |
| Faculty           | Speakers with practical exposure to the subject will address the participants.                                                                                                                                                                                        |
| Fees :            | 1600/- per participant for Members of ICSI<br>1800/- per participant for Others<br>1000/- per participant for Students<br>1200/- per participant for Annual Members of ICSI-CCGRT<br>To cover the cost of backgrounder, kit, lunch and other organisational expenses. |

**FOLLOWED BY  
Workshop on**

**INTEGRITY AT WORK**

**Jointly with**



**PCH – 2**

**PDP – 4**

|                   |                                                                                                                      |
|-------------------|----------------------------------------------------------------------------------------------------------------------|
| Day & Date        | Thursday, March 22, 2012                                                                                             |
| Time              | 04.30 p.m. to 07.30 p.m.<br>(followed by High Tea)                                                                   |
| Venue             | Walchand Hirachand Hall (4th Floor), Indian Merchants' Chamber, IMC Building, IMC Marg, Churchgate, Mumbai – 400 020 |
| Proposed Coverage | Workshop on Integrity of Work                                                                                        |
| Speakers          | <b>Kevin Moore</b> , Chartered MCSI, <b>Director</b> Global Business Development, CISI, London                       |
| Fees :            | 750/00 per participants<br>To cover the cost of backgrounder, kit, High Tea and other organisational expenses.       |

**For Registration :** The Fees may be drawn by way of D.D / local cheque payable at Mumbai in favour of **"ICSI-CCGRT A/c"** and sent to The Dean, ICSI-CCGRT , Plot No. 101, Sector -15, Institutional Area, CBD Belapur, Navi Mumbai – 400 614.

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**THE INSTITUTE OF  
Company Secretaries of India**  
IN PURSUIT OF PROFESSIONAL EXCELLENCE  
Statutory body under an Act of Parliament

**CENTRE FOR  
CORPORATE  
GOVERNANCE,  
RESEARCH &  
TRAINING (CCGRT)**

**PCH – 4**

**PDP – 8**

Jointly with



**INDIAN INSTITUTE OF MATERIALS MANAGEMENT**  
National Headquarters  
Program on

**LEGAL ASPECTS OF  
SUPPLY CHAIN MANAGEMENT**

|                                   |                                                                                                                                                                                                                                                                                                                                                                                     |
|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Day, Date &amp; Time</b>       | Saturday, 17 <sup>th</sup> March, 2012<br>09.30 a.m. – 05.30 p.m.<br>with lunch and background material                                                                                                                                                                                                                                                                             |
| <b>Venue</b>                      | ICSI-CCGRT Training Hall, Plot No. 101, Sector 15, Institutional Area, CBD Belapur, Navi Mumbai – 400 614                                                                                                                                                                                                                                                                           |
| <b>Proposed Focus of Coverage</b> | <ul style="list-style-type: none"> <li>• Introduction to Supply Chain Management</li> <li>• Legal aspects of Supply Chain Management</li> <li>• Supply contract management</li> <li>• Imports management</li> <li>• Supply chain risk management including insurance</li> </ul>                                                                                                     |
| <b>Faculty include</b>            | <p><b>Shri C Subbakrishna</b>, National President, Indian Institute of Materials Management has kindly agreed to inaugurate the program</p> <p><b>Shri M V Phadke</b>, Chief General Manager (Legal), IDBI Bank Ltd.</p> <p><b>Shri R Balakrishnan</b>, Company Secretary, Pune</p> <p><b>Shri Arvind K Salvi</b>, Former Deputy General Manager, Reserve Bank of India, Mumbai</p> |
| <b>Fees :</b>                     | <p>1200/- per participant for Members of ICSI &amp; IIMM</p> <p>1600/- per participant for Others</p> <p>1000/- per student (if self sponsored)</p> <p>to cover the cost of program kit, background materials, lunch and other organizational expenses.</p>                                                                                                                         |

**For Registration :** The Fees may be drawn by way of D.D / local cheque payable at Mumbai in favour of **"ICSI-CCGRT A/c"** and sent to The Dean, ICSI-CCGRT , Plot No. 101, Sector -15, Institutional Area, CBD Belapur, Navi Mumbai – 400 614.

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**Three days Workshop on**  
**One Stop Professional Advisory Services to MSMEs**  
with  
**Certificate of Participation**

| Objective                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>The MSMEs are the best vehicle for inclusive growth, to create local demand and consumption and also to fight with the global meltdown. In a developing economy, the MSMEs play a vital role and if India were to have a growth rate of 8-10 percent for the next couple of decades, it needs a strong micro, small and medium sector and for that micro entrepreneurs need to be nurtured. A micro enterprise of today will be a big enterprise of tomorrow, and might well become a multinational enterprise eventually, if given the support in finance and capacity building.</p> <p>In order to provide better, focused and cost effective financing service to the SMEs, SEBI has decided to encourage promotion of dedicated exchanges and/or dedicated platforms of the exchanges for listing and trading of securities issued by SMEs.</p> <p>In view of the above and to equip the company secretaries with requisite skills enabling them to render one stop professional advisory services to MSMEs, ICSI-CCGRT is organising this three days workshop on 'One Stop Professional Advisory Services to MSMEs'.</p> |                                                                                                                                                                                                                                                                 |
| Days & Dates                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Time                                                                                                                                                                                                                                                            |
| Thursday, March 01 to Saturday, March 03, 2012                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 10.00 am – 05.30 pm                                                                                                                                                                                                                                             |
| Venue                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                 |
| ICSI-CCGRT, Plot No. 101, Sector 15, Institutional Area, CBD Belapur, Navi Mumbai – 400 614                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                 |
| Focus of Coverage                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                 |
| <ul style="list-style-type: none"> <li>Setting up of MSMEs</li> <li>Guidance on Incentives available to MSMEs</li> <li>Funding Options for MSMEs</li> <li>Advisory Services to MSMEs                             <ul style="list-style-type: none"> <li>Selection of organizational structure,</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <ul style="list-style-type: none"> <li>Legal setting up of MSMEs (PAN, TAN, Profession Tax, VAT, Service tax, Excise, Labour Law registration and any other special registration),</li> <li>Corporate Governance for MSMEs</li> <li>Listing of MSMEs</li> </ul> |
| Faculty                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                 |
| Eminent Faculty with practical exposure to the subject are being requested to address the participants.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                 |
| Fees                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                 |
| Residential (Limited) on twin sharing basis                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Non-Residential                                                                                                                                                                                                                                                 |
| 5250/- for Members of ICSI                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 3750/- for Members of ICSI                                                                                                                                                                                                                                      |
| Program Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Program Co-ordinator                                                                                                                                                                                                                                            |
| Shri Vikas Khare,<br>Central Council Member (CCM)<br>Cell: 09881231509                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Shri Atul Mehta,<br>CCM and Chairman, ICSI-CCGRT M.C<br>Cell: 09820223978                                                                                                                                                                                       |

**Registration :** The Fees may be drawn by way of D.D / local cheque payable at Mumbai in favour of "ICSI-CCGRT A/c" and sent to **Shri Gopal Chalam**, Dean, ICSI-CCGRT, Plot No. 101, Sector -15, Institutional Area, CBD Belapur, Navi Mumbai – 400 614.

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**Prior registration is desirable for the program, in view of limited seats.**

*'Give a man fish; he will eat for a day. Teach a man to fish; he will eat for life'*



# Foundation Programme New Syllabus

## ICSI Notification No.1 of 2012

### Introduction of New Syllabus for the Foundation Programme of the Company Secretaryship Course

The Council of the Institute of Company Secretaries of India in exercise of the powers vested under clause (a) of sub-section (2) of Section 15 of the Company Secretaries Act, 1980, as amended by the Company Secretaries (Amendment) Act, 2006 has approved, on the recommendations of its Syllabus Review Committee, the detailed contents for the four papers of 100 marks each for Foundation Programme under the new syllabus.

#### 2. The revised syllabus shall be applicable w.e.f. February 1, 2012.

2.1 The Council further decided the following:-

- i. The first examination for Foundation Programme under the new syllabus would be held from December, 2012 session under the Optical Mark Recognition (OMR) system.
- ii. The students pursuing Foundation Programme under existing syllabus would be given option to change over to new syllabus without any exemption.
- iii. Existing students would be provided two attempts to complete the Foundation Programme under the existing syllabus unless they switch-over to the new syllabus.
- iv. The last examination for Foundation Programme under the existing syllabus would be held in June, 2013.
- v. The students shall be eligible for appearing in examinations on the basis of self study. The requirement of coaching completion certificate shall be discontinued and no suggested answers would be provided to students of Foundation Programme under new syllabus.
- vi. Study material shall have two test papers containing multiple questions, the key answers and the specimen OMR Sheet appended at the end of the study material for Foundation Programme, for self study.
- vii. Students registering for Foundation Programme under new syllabus shall be provided exemption as in the existing system, e.g., a student securing 60% or above marks to be exempted to appear in the same paper in next attempts under new syllabus.
- viii. There will be no negative marking under OMR based examination for Foundation Programme under new syllabus.

ix. The first examination for Foundation Programme under new syllabus shall be held in two days, each day having two sessions of two hours.

2.2 The detailed contents for each of the four papers of the Foundation Programme under the new syllabus as approved by the Council are as under:

### COURSE CONTENTS FOR FOUNDATION PROGRAMME

#### PAPER : 1 BUSINESS ENVIRONMENT AND ENTREPRENEURSHIP

##### Level of Knowledge: Basic knowledge

**Objective:** To give orientation about different forms of organizations, functions in organizations, business strategies and environment, along with an exposure to elements of business laws and entrepreneurship.

#### PART A: BUSINESS ENVIRONMENT (30 MARKS)

##### 1. Business Environment:

- ◆ Introduction and Features
- ◆ Concepts of Vision & Mission Statements
- ◆ Types of Environment:
  - ◆ Internal to the Enterprise
    - ◆ Value System, Management Structure and Nature, Human Resource, Company Image and Brand Value, Physical Assets, Facilities, Research & Development, Intangibles, Competitive Advantage
  - ◆ External to the Enterprise
    - ◆ Micro: Suppliers, Customers, Market Intermediaries
    - ◆ Macro: Demography, Natural, Legal & Political, Technological, Economy, Competition, Socio-cultural and International
  - ◆ Business Environment with reference to Global Integration

##### 2. Forms of Business Organization

Concept and Features in relation to following business models:

- ◆ Sole Proprietorship
  - ◆ Partnership
  - ◆ Company
  - ◆ Statutory Bodies and Corporations
  - ◆ HUF and Family Business
  - ◆ Cooperatives, Societies and Trusts
  - ◆ Limited Liability Partnership
  - ◆ Other Forms of Organizations
- ##### 3. Scales of Business
- ◆ Micro, Small And Medium Enterprises



- ◆ Large Scale Enterprises and Public Enterprises
- ◆ MNCs

#### 4. Emerging trends in business- Concepts, Advantages and Limitations

- ◆ Network Marketing
- ◆ Franchising
- ◆ Business Process Outsourcing (BPO)
- ◆ E-Commerce
- ◆ M-Commerce

#### 5. Business Functions

- ◆ Strategic: Planning, Budgetary Control, R&D, Location of a Business, Factors affecting location, Decision Making and Government Policy
- ◆ Supply Chain: objectives, importance, limitations, steps, various production processes
- ◆ Finance: nature, scope, significance of financial management, financial planning (management decisions - sources of funds, investments of funds, distribution of profits)
- ◆ Marketing: concept, difference between marketing and selling, marketing mix, functions of marketing
- ◆ Human Resources: Nature, Objectives, Significance
- ◆ Services: Legal, Secretarial, Accounting, Administration, Information and Communication Technology

### PART B: BUSINESS LAWS (40 MARKS)

#### 6. Introduction to Law

- ◆ Meaning of Law and its Significance; Relevance of Law to Modern Civilized Society; Sources of Law; Legal Terminology and Maxims; Understanding Citation of Cases

#### 7. Elements of Company Law

- ◆ Meaning and Nature of Company; Promotion and Incorporation of a Company; Familiarization with the Concept of Board of Directors, Shareholders and Company Meetings; Company Secretary; E-governance

#### 8. Elements of Law relating to Partnership

- ◆ Nature of Partnership and Similar Organizations - Co-Ownership, HUF; Partnership Deed; Rights and Liabilities of Partners: New Admitted, Retiring and Deceased Partners; Implied Authority of Partners and its Scope; Registration of Firms; Dissolution of Firms and of the Partnership

#### 9. Elements of Law relating to Contract

- ◆ Contract - Meaning; Essentials of a Valid Contract; Nature and Performance of Contract; Termination and Discharge of Contract; Indemnity and Guarantee;

Bailment and Pledge; Law of Agency

#### 10. Elements of Law relating to Sale of Goods

- ◆ Essentials of a Contract of Sale; Sale Distinguished from Agreement to Sell, Bailment, Contract for Work and Labour and Hire-Purchase; Conditions and Warranties; Transfer of Title by Non-Owners; Doctrine of Caveat Emptor; Performance of the Contract of Sale; Rights of unpaid seller

#### 11. Elements of Law relating to Negotiable Instruments

- ◆ Definition of a Negotiable Instrument; Instruments Negotiable by Law and by Custom; Types of Negotiable Instruments; Parties to a Negotiable Instrument - Duties, Rights, Liabilities and Discharge; Material Alteration; Crossing of Cheques; Payment and Collection of Cheques and Demand Drafts; Presumption of Law as to Negotiable Instruments

### PART C: ENTREPRENEURSHIP (30 MARKS)

#### 12. Entrepreneurship

- ◆ Introduction to Concept of Entrepreneurship, Traits of Entrepreneur, Entrepreneurship: who is an entrepreneur, why entrepreneurship
- ◆ Types of Entrepreneurs - idealist, optimizer, hard worker, sustainer, improver, advisor, superstar, artiste, visionary, analyst, fireball, juggler, hero, healer.
- ◆ Distinction Between Entrepreneur and Manager
- ◆ Entrepreneurship and Intrapreneurship: definition, features, examples and difference

#### 13. Entrepreneurship - Creativity and Innovation

- ◆ Entrepreneurial Venture Initiation: Sensing Entrepreneurial Opportunities, Environment Scanning, Market Assessment
- ◆ Assessment of Business Opportunities: Identification of Entrepreneurial Opportunities, Selection of an Enterprise, Steps in setting up of an Enterprise
- ◆ Entrepreneurial Motivation: Meaning and concept, process of Achievement Motivation, Self-efficacy, Creativity, Risk Taking, Leadership, Communication and Influencing Ability, Mentoring and Planning Action Developing Effective Business Plan

#### 14. Growth & Challenges of Entrepreneurial Venture

- ◆ Strategic planning for emerging venture: Entrepreneurial opportunities in contemporary business environment
- ◆ Financing the Entrepreneurial Business: Resource Assessment -Financial and Non - Financial, Fixed and Working Capital Requirement, Funds Flow, Sources and Means of Finance.



# Foundation Programme New Syllabus

- ◆ Managing the Growing Business: Effecting Change, Modernization, Expansion, and Diversification.

## **PAPER : 2** **BUSINESS MANAGEMENT, ETHICS AND COMMUNICATION**

### **Level of Knowledge: Basic knowledge**

**Objective:** To acquaint with the basic principles of management, ethics and communication techniques.

### **PART A:** **BUSINESS MANAGEMENT (40 MARKS)**

#### **1. Nature of Management and its Process**

- ◆ Meaning, Objectives, Importance; Nature of Management- Science, Art Profession; Management Approaches; Management Functions- Planning, Organizing, Personnel Management, Directing and Control; Principles of Management- Fayol's and Taylor's Principles; Managerial Skills; Task and Responsibilities of Professional Manager

#### **2. Planning**

- ◆ Concept, Features, Importance, Limitations; Planning process; Types of Plans - Objectives, Strategy, Policy, Procedure, Method, Rule, Budget; Plan vs. Programme, Policies and Procedures; Decision-Making

#### **3. Organisation**

- ◆ Concept, Features, Importance, Limitations; Organizing Process; Types of Organisation; Structure of Organisation; Centralisation and De-Centralisation; Delegation; Growth in Organisation

#### **4. Human Resource Management**

- ◆ Concept, Features, Importance, Limitations; Recruitment Process- Selection; Training and Development- Methods; Functions of Personnel Manager; Performance Appraisal

#### **5. Direction and Co-ordination**

- ◆ Direction: Concept, Features, Importance, Limitations; Elements of Direction: Elements of Directing - Supervision, Motivation, Leadership, Communication;
- ◆ Co-ordination: Concept, Features, Importance, Limitations; Types- Internal and External; Co-ordination- the Essence of Management

#### **6. Controlling**

- ◆ Concept, Features, Importance, Limitations; Control

Process; Essentials of a Good Control System; Techniques of Control- Traditional and Non-Traditional Control Devices; Relationship between Planning and Controlling; Change Management

#### **7. Recent Trends in Management**

- ◆ Change Management
- ◆ Crisis Management
- ◆ Total Quality Management
- ◆ Risk Management
- ◆ Global Practices

### **PART B:** **BUSINESS ETHICS (20 MARKS)**

#### **8. Business Ethics**

- ◆ Genesis, Concepts, Elements, Ethics in Business
- ◆ Challenges of business ethics and corporate leadership
- ◆ Ethical principles in business - Indian perspective

### **PART C:** **BUSINESS COMMUNICATION (40 MARKS)**

#### **9. Business Communication**

- ◆ Concept, Features, Importance, Limitations; Means of Communication- written, oral, visual, audio-visual
- ◆ Principles and Essentials of Business Communication
- ◆ Process of Communication
- ◆ Barriers to Communication

#### **10. Essentials of Good English**

Grammar and usage; enriching vocabulary, words - multiple meaning, single word for a group of words - choice of words - words frequently mis-spelt; punctuations, prefix and suffix; parts of speech; articles; synonyms and antonyms; tenses; idioms and phrases; foreign words and phrases commonly used; abbreviations and numerals; pronunciation. Latin, French and Roman words which are used in abbreviated form like "e.g., RSVP, viz. etc."

#### **11. Business Correspondence**

- ◆ Human Resource: Preparation of Resume, Job application, Drafting Of Interview Letters, Call Letters and Offer of Appointment, Provisional and Final Appointment Orders; Goodwill Messages, Condolence Letters
- ◆ Purchase: Requests for Quotations, Tenders, Samples and Drawings; Purchase Order, Order acceptance, Complaints and Follow-Up
- ◆ Sales: Drafting of Sales Letters, Circulars, Preparation of Sale Notes, Sales Reports, Sales Promotion Matters, Customers' correspondence - Regarding Dues, Follow up Letters
- ◆ Accounts: Correspondence with Various Agencies; Banks - Regarding Over-Drafts, Cash Credits and



Account Current, Insurance Companies - Regarding Payment, Renewal of Insurance Premium, Claims and their Settlement

- ◆ Secretarial: Correspondence With Shareholders And Debenture-Holders Pertaining To Dividend And Interest, Transfer And Transmission, Stock Exchanges, Registrar Of Companies And Various Authorities Like Reserve Bank Of India, SEBI
- ◆ Introduction to Preparation of Agenda and Minutes for Meetings

## 12. Administration

- ◆ Drafting of Messages; Messages through Electronic Media; Public Notices and Invitations; Representations to Trade Associations, Chambers of Commerce and Public Authorities

## 13. Inter-departmental Communication

- ◆ Internal memos; Office Circulars; Office Orders; Office Notes; Representation to Chief Executive and Replies thereto; Communication with Regional/Branch Offices

## 14. Preparation of Press Releases

## 15. E Correspondence

### PAPER 3: BUSINESS ECONOMICS

#### Level of Knowledge: Basic knowledge

**Objective:** To familiarize the basic concepts and theories of economics, elementary statistics and mathematics.

#### PART A: ECONOMICS (70 MARKS)

##### 1. Nature and Scope of Economics

- ◆ Economics : Definition, Nature and Scope; Micro and Macro Economics; Positive and Normative Economics; Central Problems of an Economy; Production Possibility Curve and Opportunity Cost; Working of Economic Systems (Capitalistic Economy, Socialistic Economy, Mixed Economy); Economic Cycles; Inflation and recession

##### 2. Theory of Demand and Supply

- ◆ Utility Analysis - Total Utility and Marginal Utility; Law of Diminishing Marginal Utility; Law of Equi-Marginal Utility; Consumers' Equilibrium; Law of Demand & Elasticity of Demand; Law of Supply & Elasticity of Supply; Demand and Supply Equilibrium; Theory of Consumer's Behaviour - Marshallian Approach and Indifference Curve Approach

##### 3. Theory of Production, Costs and Revenue

- ◆ Meaning of Factors of Production; Returns to Factor

and Returns to Scale; Cost Concepts and Cost Curves; Revenue Concepts and Revenue Curves; Producers' Equilibrium

##### 4. Forms of Markets and its Equilibrium

- ◆ Forms of Markets - Meaning and Characteristics
- ◆ Price and Output Determination - Equilibrium for Firm and Industry under
  - ◆ Perfect Competition
  - ◆ Monopoly
  - ◆ Monopolistic Competition

##### 5. Money and Banking

- ◆ Concept of Money - Its Functions; Quantity Theory of Money; Credit Creation
- ◆ Central Bank (Reserve Bank of India) - Role and Functions
- ◆ Commercial Banks - Role and Functions
- ◆ Monetary Policy in India

##### 6. Basic Characteristics of Indian Economy

- ◆ Development Initiatives through Five Year Plans
- ◆ Agriculture
  - ◆ Causes of Low Productivity
  - ◆ Farm Size Productivity Debate
  - ◆ Land Reforms: Meaning, Importance and Evaluation
  - ◆ Green Revolution and Its Effects
  - ◆ Globalisation and Indian Agriculture
- ◆ Industry
  - ◆ Development Policies and Experience
  - ◆ Industrial Policy Resolutions
  - ◆ New Industrial Policy 1991

##### 7. Selected Areas of Indian Economy

- ◆ Population - Its Size, Rate of Growth and Its Implication for Growth
- ◆ Poverty - Absolute and Relative Poverty and Main Programs for Poverty Alleviation
- ◆ Unemployment - Types, Causes and Incidence of Unemployment
- ◆ Infrastructure - Energy, Transportation, Communication, Health and Education

#### PART B: ELEMENTARY STATISTICS (30 MARKS)

##### 8. Statistics: An Overview

- ◆ Definition and Functions of Statistic; Statistical Techniques Commonly used in Business Activities; Law of Statistics; Limitations of Statistics

##### 9. Collection and Presentation of Statistical Data

- ◆ Primary and Secondary Data; Classification and



# Foundation Programme New Syllabus

Tabulation of Data; Frequency Distribution of Data; Diagrams and Graphs

## 10. Measures of Central Tendency

- ◆ Mean
- ◆ Median
- ◆ Mode
- ◆ Standard Deviation

## 11. Mathematics of Finance

- ◆ Simple Interest
- ◆ Compound Interest
- ◆ Present Value & Future Value of an Annuity

## 12. Probability

- ◆ Sample Spaces, Events and Probability
- ◆ Set Theory: Union, Intersection, and Complement of Events
- ◆ Conditional Probability, Intersection, and Expected Value
- ◆ Random Variable, Probability Distribution, and Expectation

## 13. Index Numbers and Time Series Analysis

Familiarization with the Concepts Relating to Index Numbers and Time Series (Simple Numerical Problems)

## PAPER 4: FUNDAMENTALS OF ACCOUNTING AND AUDITING

### Level of Knowledge: Basic knowledge

**Objective:** To familiarize and develop an understanding of the basic aspects of accounting, auditing concepts and their principles.

### PART A: FUNDAMENTALS OF ACCOUNTING (70 MARKS)

#### 1. Theoretical Framework

- ◆ Meaning and Scope of Accounting; Accounting Concepts; Accounting Principles, Conventions and Standards - Concepts, Objectives, Benefits; Accounting Policies; Accounting as a Measurement Discipline - Valuation Principles, Accounting Estimates

#### 2. Accounting Process

- ◆ Documents & Books of Accounts : Invoice, Vouchers, Debit & Credit Notes, Day books, Journals, Ledgers and Trial Balance
- ◆ Capital and Revenue : Expenditures and Receipts; Contingent Assets and Contingent Liabilities
- ◆ Rectification of Errors

#### 3. Bank Reconciliation Statement

- ◆ Meaning; Causes of difference between Bank Book Balance and Balance as per Bank Pass Book / Bank Statement; Need of Bank Reconciliation Statement; Procedure for Preparation of Bank Reconciliation Statement

#### 4. Depreciation Accounting

- ◆ Methods, computation and accounting treatment of depreciation; Change in depreciation methods

#### 5. Preparation of Final Accounts for Sole Proprietors

- ◆ Preparation of Profit & Loss Account, Balance Sheet

#### 6. Partnership Accounts

- ◆ Goodwill  
Nature of and Factors Affecting Goodwill  
Methods of Valuation : Average Profit, Super Profit and Capitalization Methods  
Treatment of Goodwill
- ◆ Final Accounts of Partnership Firms  
Admission of a Partner  
Retirement/Death of a Partner
- ◆ Dissolution of a Partnership Firm

#### 7. Introduction to Company Accounts

Issue of Shares and Debentures; Forfeiture of Shares; Re-Issue of Forfeited Shares; Redemption of Preference Shares

### PART B: FUNDAMENTALS OF AUDITING (30 MARKS)

#### 8. Auditing

- ◆ Concepts and Objectives
- ◆ Principles of Auditing
- ◆ Types of Audit
- ◆ Evidence in Auditing
- ◆ Audit Programmes

#### 9. Audits and Auditor's Reports

- ◆ Internal Audit
- ◆ Statutory Auditor : Appointment, Qualification, Rights and Duties
- ◆ Secretarial Audit: An overview
- ◆ Cost Audit: An overview
- ◆ Auditor's Report : Meanings, Contents, Types, Qualifications

By order of the Council

**N.K. JAIN**  
Secretary & CEO

# Online Services available to Members



## Attention Members !

Members of the Institute are informed that online services are already available to members for making applications/ requests for Membership and other related issues. The process of ACS/FCS admission has since been made online and the members can generate their letter of admission on their own through Institute's portal [www.icsi.in](http://www.icsi.in). The details of the same are given below:

**A) Facility for making Online applications/requests on the following is available through institute's portal [www.icsi.in](http://www.icsi.in):**

- ◆ Admission as an ACS/FCS
- ◆ Issue of Certificate of Practice
- ◆ Change of Address
- ◆ Duplicate I-Card for Members
- ◆ Request of Issue of Chartered Secretary
- ◆ Restoration/Cancellation of Membership
- ◆ Renewal/Restoration/Cancellation of Certificate of Practice
- ◆ Approval of Proprietorship Concern/Partnership Firm Name of Company Secretaries in Practice
- ◆ Enrolment as Life Member of CSBF
- ◆ Issue of Transcripts

**B) Facility for acceptance of payment online from the Members is available through Institute's portal [www.icsi.in](http://www.icsi.in)**

- ◆ Annual Membership fee
- ◆ Certificate of Practice fee
- ◆ Restoration fee and Entrance Fee
- ◆ CSBF subscription

**C) Online change of address by the members on their own through Institute's portal [www.icsi.in](http://www.icsi.in).**

The members can change their professional/residential address/contact details through Institute's portal [www.icsi.in](http://www.icsi.in) by following the steps given below:

- i. Login to portal [www.icsi.in](http://www.icsi.in)
- ii. Login to self profile by entering the membership number and password
- iii. Once logged in, the member has to click on the Link 'Change of Address'
- iv. A window will be displayed with the buttons 'Professional' and 'Residential'
- v. Click on the relevant Button i.e. Professional or Residential and change the details and click on 'go' button
- vi. A screen will be displayed with the options 'Existing details as per records' and 'Enter change details'
- vii. Change the details as required and press on 'submit' button
- viii. The details will be automatically updated once authenticated by Membership Section

**D) Automation of ACS/ FCS admission letters**

The newly admitted ACS/FCS members can generate their letter of admission confirming their ACS/FCS number and date of admission at Institute's portal [www.icsi.in](http://www.icsi.in) by following the steps given below:

- i. Login to portal [www.icsi.in](http://www.icsi.in)
- ii. Login to your profile by entering the membership number and password
- iii. Once logged in, the member has to click on the Link 'Letters'
- iv. A window will be displayed with the dropdown list 'ACS/FCS Letter'
- v. Click on the relevant option i.e. 'ACS/FCS Letter and press on 'Submit' button
- vi. Letter in PDF format will be displayed (Make sure that pop up blocker is not on in Internet Explorer Browser)

Members are requested to utilize the aforesaid online services available on institute's portal [www.icsi.in](http://www.icsi.in) for availing realtime services and provide their feedback on the same to Meenakshi Gupta, Joint Director at email id [meenakshi.gupta@icsi.edu](mailto:meenakshi.gupta@icsi.edu) or Santosh Kumar Jha, Programmer at email id [santosh.jha@icsi.edu](mailto:santosh.jha@icsi.edu). In case of any difficulty in availing the online services, please contact the said officials on telephone numbers 011- 45341048/62/24636467.



THE INSTITUTE OF  
Company Secretaries of India  
IN PURSUIT OF PROFESSIONAL EXCELLENCE

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REGD. NO. D. L.-33004/99

  
**भारत का राजपत्र**  
**The Gazette of India**

असाधारण

EXTRAORDINARY

भाग III—खण्ड 4

PART III—Section 4

प्राधिकार से प्रकाशित

PUBLISHED BY AUTHORITY

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नई दिल्ली, सोमवार, जनवरी 30, 2012/माघ 10, 1933

No. 13]

NEW DELHI, MONDAY, JANUARY 30, 2012/MAGHA 10, 1933

**MINISTRY OF CORPORATE AFFAIRS**  
**THE INSTITUTE OF COMPANY SECRETARIES OF INDIA**  
(Constituted Under the Company Secretaries Act, 1980)

**NOTIFICATION**

New Delhi, the 30th January, 2012

No.710/1(M)/1: The following draft of certain regulations, further to amend the Company Secretaries Regulations, 1982 which the Council of the Institute of Company Secretaries of India proposes to make, in exercise of the powers conferred by sub-section (1) of section 39 of the Company Secretaries Act, 1980 (56 of 1980), and with the prior approval of the Central Government, is hereby published, as required by sub section (3) of section 39 of the said Act for information of all persons likely to be affected thereby and notice is hereby given that the said draft will be taken into consideration after the expiry of the period of forty five days from the date on which copies of the Official Gazette containing this notification are made available to the public.

Any person desiring to make any objection or suggestion in respect of the said draft regulations, may forward the same for consideration by the Council of the Institute within the period so specified above to the Secretary, the Institute of Company Secretaries of India, ICSI House, 22, Institutional Area, Lodi Road, New Delhi 110 003.

Any objection or suggestion, which may be received from any person with respect to the said draft regulations before the expiry of the period so specified, will be considered by the Council.

**DRAFT REGULATIONS**

1. (1) These regulations may be called 'The Company Secretaries (Amendment) Regulations, 2012.
- (2) They shall come into force on the date of their final publication in the Official Gazette.

2. In the Company Secretaries Regulations, 1982 (hereinafter referred to as the said regulations), in regulation 11, in sub-regulation (1), after clause (d), the following clause shall be inserted, namely:-

- “(e) A member has not complied with the guidelines issued by the Council from time to time”.

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CHARTERED SECRETARY



February  
2012



# From the Government

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3. In the said regulations,

- (1) after the words "Intermediate Examination" wherever they occur, the words "or Executive Programme Examination" shall be inserted;
- (2) after the words "Final Examination" wherever they occur, the words "or Professional Programme Examination" shall be inserted;

4. In regulation 20 of the said regulations, after sub-regulation (2), the following sub-regulation shall be inserted, namely:-

(2A) "A person who has appeared or enrolled himself for appearing in the degree examination in any discipline other than the Fine Arts or an examination recognised by the Central Government as equivalent thereto may be provisionally enrolled for undergoing coaching for the Executive Programme:

Provided that the provisional enrolment for undergoing coaching for the Executive Programme shall be confirmed after satisfactory proof of having passed the aforesaid examination has been furnished by him to the Secretary within a period of six months from the date of provisional enrolment:

Provided further that if such a person fails to produce such proof within the aforesaid period, his provisional enrolment shall be cancelled and no tuition or any other fee paid by him shall be refunded and no credit shall be given for the coaching undergone by him".

5. After Chapter IV of the said regulations, the following Chapter shall be inserted, namely:-

## "Chapter IV A Corporate Compliance Executive Certificate - ICSI

### 28A. Corporate Compliance Executive Certificate

- (1) A registered student of the Institute who has passed the Foundation examination and such papers of the Intermediate examination or Executive programme as may be decided by the Council from time to time or exempted therefrom and has completed the training requirements and attended the professional development programmes or such other programmes as may be decided by the Council from time to time may apply for award for the Corporate Compliance Executive Certificate and on his application being accepted by the Secretary and on payment of the requisite fee as may be determined by the Council from time to time, may be awarded Corporate Compliance Executive Certificate of the Institute and shall be entitled to use the descriptive letters 'Corporate Compliance Executive'.
- (2) The student shall have to complete the course of Corporate Compliance Executive Certificate including the training requirements within the registration period.
- (3) The person having awarded the Corporate Compliance Executive Certificate may continue to pursue the regular Company Secretaryship course if he so desires.
- (4) Except to the extent provided in this Chapter or as decided by the Council from time to time, regulations in Chapter IV and VI relating to 'Registered Students' and 'Examinations' shall *mutatis-mutandis* apply to the 'Corporate Compliance Executive Certificate Course'.
- (5) A student after having awarded the Corporate Compliance Executive Certificate shall secure such number of Programme Credit Hours (PCSH) as the Council may determine from time to time, for renewal of Corporate Compliance Executive Certificate.

### 28B. Status of holder of Corporate Compliance Executive Certificate

The grant of certificate under regulation 28A shall not confer on the Corporate Compliance Executive the rights of a member, nor entitle him to claim membership of the Institute".

6. In regulation 38 of the said regulations, ---

- (1) for sub-clause (ii), the following sub-clause shall be substituted, namely :-

"(ii) Pass in the Foundation Examination of the Institute of Cost and Works Accountants of India or Common Proficiency Test (CPT) of the Institute of Chartered Accountants of India or any other Institution in India or abroad recognised as equivalent thereto by the Council; or"



- (2) in sub-clause (iii), for the proviso, the following proviso shall be substituted namely:-

"Provided that a candidate who is seeking exemption from the Foundation Examination under clause (iii) above before becoming eligible for undergoing coaching for the Executive programme or such other equivalent programme or course as may be prescribed by the Institute of Company Secretaries of India from time to time may be required to produce a certificate from the head of the coaching administration (by whatever name designated) to the effect that he has undergone satisfactorily a course of postal or oral tuition (inclusive of electronic mode) for those subject of the Foundation examination which he had not studied at the graduate or post graduate level."

7. In regulation 39 A of the said regulations, for sub-regulation (2), the following sub-regulation shall be substituted, namely:-

"(2) The syllabus for the Foundation examination shall be such as may be approved by the Council from time to time".

8. In regulation 40 of the said regulations, after clause (b) the following clause shall be inserted, namely:-

"(bb) a student registered for Executive Program on or after the 1<sup>st</sup> September, 2009 shall successfully complete within a period of six months of his registration Student Induction Program for seven days in such manner as may be provided by the Council from time to time or may be exempted there from".

9. In regulation 41B of the said regulations, for sub-regulation (2), the following sub-regulation shall be substituted, namely:-

"(2) The syllabus for the Executive Programme Examination shall be such as may be approved by the Council from time to time".

10. In regulation 44B of the said regulations, for such-regulation (2), the following sub-regulation shall be substituted, namely:-

"(2) The syllabus for the Professional Programme Examination shall be such as may be approved by the Council from time to time."

11. In regulation 48(d) of the said regulations, after clause (c), the following clause shall be inserted, namely:-

"(d) a candidate registered for Executive Programme on or after 01<sup>st</sup> September 2009 and is required to undergo training under clause (b) or (c) of regulation 48, shall attend and complete successfully Executive Development Programme for eight days and attend Professional Development Programmes for twenty five hours or for such hours as may be approved by the Council from time to time or exempted therefrom".

12. In regulation 50 of the said regulations, in clause (b), for the words "Secretarial modular training programme", occurring at both the places, the words "management skills orientation programme" shall be substituted.

13. In regulation 55A of the said regulations, for the words "Secretarial modular training programme", the words "management skills orientation programme" shall be substituted.

14. In regulation 55S of the said regulations, after Course B, the following Courses shall be inserted, namely:-

"Course C: Competition Law Course

- (1) The Competition Law Course shall comprise of following two parts namely-

- (a) Part I of the Course shall consist of four papers of 400 marks, and  
(b) Part II of the Course shall consist of Training for 100 Hours in the manner and areas specified by the Council under a Competition Law practitioner, Legal Department of Large Companies particularly Multi National Companies or Practising Company Secretaries firms engaged in Competition Law practice, as may be approved by the Council from time to time.

- (2) The Candidates for Part I examination shall be examined in four subjects consisting of the following papers, namely:-

Paper I                      Concept and Economics of Competition                      (100 marks)



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|           |                                                    |             |
|-----------|----------------------------------------------------|-------------|
| Paper II  | Anti-competitive Agreements and Abuse of Dominance | (100 marks) |
| Paper III | Regulation of Combinations                         | (100 marks) |
| Paper IV  | Competition Compliance Programme                   | ( 50 marks) |
| Paper V   | Case Study                                         | ( 50 marks) |

(3) The syllabus for the Part I of Competition Law Course shall be as provided in Schedule F.

(4) A candidate successfully completing the Competition Law Course shall be awarded a Diploma Certificate to that effect in the appropriate form by the Institute and shall be entitled to use the descriptive letters and bracket "DCL (ICSI)" to indicate that he has been awarded "Post Membership Diploma in Competition Law" by the Institute of Company Secretaries of India.

## Course D: Corporate Restructuring and Insolvency

- (1) The Corporate Restructuring and Insolvency shall comprise of following two modules namely -
  - (a) Module A of the Course shall consist of four papers of 100 marks, and
  - (b) Module B of the Course shall consist of Compulsory Workshop of one day organised in the manner specified by the Council before the written examination in June or December wherein the candidates shall be required to make presentation on case studies assigned in advance and interact with experts and clarify their doubts about the study during the workshop.
- (2) The Candidates for 'Module A' examination shall be examined in four papers consisting of the following papers, namely:-

|         |                                                                 |           |
|---------|-----------------------------------------------------------------|-----------|
| Paper 1 | Corporate Restructuring, Rescue and Insolvency                  | 100 marks |
| Paper 2 | Strategic Options for Corporate Restructuring                   | 100 marks |
| Paper 3 | Cross Border Insolvency Practice and Procedure                  | 100 marks |
| Paper 4 | Professional and Ethical Practices for Insolvency Practitioners | 100 marks |

- (3) The syllabus for the Module A of Corporate Restructuring and Insolvency shall be as provided in Schedule G.
- (4) A candidate successfully completing the Corporate Restructuring and Insolvency shall be awarded a Diploma Certificate to that effect in the appropriate form by the Institute and shall be entitled to use the descriptive letters and bracket "DCRI (ICSI)" to indicate that he has been awarded "Post Membership Diploma in Corporate Restructuring and Insolvency" by the Institute of Company Secretaries of India;"

15. In regulation 55N of said regulations, after the proviso, the following proviso shall be inserted, namely:-

"Provided further that the Council may provide for any other training, workshop or completion of any other requirement in part II of the Post Membership Qualification Courses in addition or in lieu of Dissertation or project report as specified in sub-regulation (1)".

16. After regulation 149 of the said regulations, the following regulation shall be inserted, namely:-

"149A (1) Before the beginning of the next financial year, the Secretary shall cause the annual financial statement (the Budget) prepared including therein all anticipated income and expenditure for the financial year and place the same before the Council for approval.

(2) The Secretary shall take into consideration the requirements of the Regional Council and Chapters while preparing the annual financial statement (the Budget).

(3) The Council shall consider the annual financial statement (the Budget) placed before it and shall approve the same with or without modification before the commencement of the next financial year".

17. For regulation 151 of the said regulations, the following regulation shall be substituted, namely:-

(1) "151(1) the annual accounts of the Institute shall be audited by a Chartered Accountant or the firm or Chartered Accountants.



- (2) The Council shall, not less than two months before thirtieth September of each year deliver to the auditor the accounts of the previous year and the auditor shall examine such accounts and report thereon, not later than one month before thirtieth September of that year.
- (3) The auditor shall be entitled to ask for any information or explanation regarding the accounts from the Secretary and such information and explanation shall be supplied to him in so far as may be available at that time."
18. After regulation 155 of the said regulations, the following regulation shall be inserted, namely:-
- "155A (1) In the event it is brought to the notice of the Council that the accounts of the Institute do not represent a true and actual view of the Institute's finances, the Council shall itself cause special audit to be conducted.
- (2) If the information that the accounts of the Council do not represent a true and fair view of its finances is sent to the Council by the Central Government, then, the Council may, wherever appropriate cause a special audit or take such action as it considers necessary and shall furnish an Action Taken Report on it to the Central Government".
19. After regulation 157 of the said regulations, the following regulation shall be inserted, namely:-
- "157A The employees of the Council and the Institute shall be governed by the Institute of Company Secretaries of India Employees terms and Conditions of Service specified in Schedule F".
20. In the said regulations, after SCHEDULE E, the following Schedules shall be inserted, namely:-

## "SCHEDULE F

the Institute of Company Secretaries of India Service Rules, 1979 as amended by the Council from time to time".

## SCHEDULE G

### Syllabus for Part I Post Membership Diploma in Competition Law

1. Overall objective and scope:
2. Capacity building of Company Secretaries in the area of legal, procedural and practical aspects of Competition Law and matters related thereto.
3. The objectives of the Post Membership Qualification Course in Competition Law are that the members who complete the Post Membership Qualification Course in Competition Law should
  - Appreciate various concepts of competition, economics of Competition including economic theories and policies that influence the aspects of Competition in the market and operation of Competition Law.
  - Gain acumen, insight and thorough knowledge of law governing competition in India, and major overseas jurisdictions.
  - Understand and appreciate the interface between Competition Commission of India and Sectoral Regulators.
  - Understand the Competition Law in practice and in particular procedures involved in various aspects of administration of competition law in India including dealing with Competition Commission of India and Competition Appellate Tribunal.
  - Understand and appreciate the importance and structure of Competition Compliance Programme; its effective implementation, monitoring and evaluation.
  - Be able to apply the knowledge of Competition Law in commercial context.
4. The papers I to IV shall be of three hours duration and shall carry 100 marks each.
5. The medium of writing the examination shall be in English:



Provided that it shall be competent to the Council to permit the use of Hindi as a medium of writing any particular papers.

## SYLLABUS FOR PMQ COURSE IN COMPETITION LAW

### Part I – Papers (I, II, III and IV)

#### PAPER I CONCEPTS AND ECONOMICS OF COMPETITION LAW (100 MARKS)

1. Definition, nature, rationale and objective of Competition and Competition Law; relation between Competition Law and Policy
2. Theory of Competition : Perfect Competition : Benefits of perfect Competition - Allocative Efficiency; Productive Efficiency; Dynamic Efficiency; Harmful Effect of Monopoly;
3. Economies of Scale and Natural Monopolies : Network effects; Two sided markets; Network Effect and Competition Policy; Particular Sectors; Beneficial restriction of Competition; Ethical issues;
4. Market Definition and Market Power : Market definition; Relevant Product Market; Relevant Geographic Market; Market Power, Market Share and Market Concentration;
5. Development of Competition Law in India: History of Competition Law in India including constitutional provisions and reports of relevant Committees;
6. Institutional Framework under Competition Act, 2002 : Competition Commission of India (CCI); Duties, Powers and Functions of Competition Commission; Competition Appellate Tribunal; Powers of Appellate Tribunal; Right to Legal Representation; Appeal to Supreme Court; Powers of Central Government; Extra Territoriality and Effect Doctrine;
7. Interface between Competition Commission with Sectoral Regulators: Competition as underlying principle for regulation; Competition Authority and Sectoral Regulator in select jurisdictions; Regulatory framework under Competition Act and laws governing sectoral regulators;
8. History of Competition Law and Competition Law in select countries – US, UK, European Union.

#### PAPER II ANTI-COMPETITIVE AGREEMENTS AND ABUSE OF DOMINANCE (100 MARKS)

##### Anti-Competitive Agreements

- Definition of agreement; Agreements and Scope thereof; Prohibition on Anti-Competitive Agreements; Per se and Rule of Reason.
- Types of anti-competitive Agreements : Horizontal Agreements including cartels, Presumption in case of certain Horizontal agreements
- Vertical Agreements
- Procedure for Inquiry by Competition Commission of India
- Exceptions- Joint Ventures; Intellectual Property Rights; Export Exemption
- Orders By Competition Commission and Penalties for Contravention
- Leniency Programme for Cartels

##### Abuse of Dominant Position

- Definition and determination of Dominance
- Abuse of dominance- exclusionary abuses and exploitative abuses;
- Procedure for Inquiry by Competition Commission of India into Abuse of Dominant Position
- Remedies against abuse of dominant position

#### PAPER III REGULATION OF COMBINATIONS (100 MARKS)

- Definition of Combinations; types of combinations including mergers, acquisitions, amalgamations, acquisition of control
- Jurisdiction of Competition Commission of India
- Jurisdictional Test – Turnover, Asset, domestic nexus, exemptions
- Notification of Combinations
- Procedure for Inquiry into Combinations



- Test of Appreciable Adverse Effect
- Remedies and Orders in case of Combinations

**PAPER IV COMPETITION COMPLIANCE PROGRAMME (50 MARKS)**

- Objectives and advantages of Competition Compliance Programme
- Components of Competition Compliance Programme for Enterprises
- Compliance Programme for trade associations
- General Guidelines for Devising a Compliance Programme
- Competition Compliance Programmes in UK, USA and European Union
- Implementation of Compliance Programme – Training, Monitoring and Evaluation.

**CASE STUDY (50 MARKS)<sup>1</sup>**

**Anti-Competitive agreements**

1. Ahlstrom Osakeyhtio v. Commission (Wood Pulp) [1993] ECR I-1307, ECJ
2. European Commission v. Volkswagen, Case C-74/04 P
3. Consten and Grundig v. Commission [1966] ECR 299, ECJ
4. Bayer AG v. Commission [2000] ECR II-3383, [2001] 4 CMLR 126
5. Stergios Delimitis v. Henninger Brau AG [1991] ECR I-935, ECJ
6. Federal Trade Commission v. Indiana Federation of Dentists, 476 U.S. 447 (1986)
7. Leegin Creative Leather Products Inc. v. PSKS Inc. 551 U.S. 877 (2007)
8. GTE Sylvania Inc. v. Continental TV Inc. 433 U.S. 36 (1977)
9. E.I. duPont de Nemours Co. v. FTC 729 F.2d 128 (2d Cir. 1984)
10. Tata Engineering and Locomotive Co. Ltd., Bombay Vs. The Registrar of the Restrictive Trade Agreement, New Delhi, AIR 1977 SC 973
11. Director General (I & R) v. Universal Cylinders Ltd. RTP enquiry

**Abuse of Dominance**

12. Hoffmann-la Roche and Co. AG v. Commission, Case 85/76, [1979] ECR 461, ECJ; [1979] 3 C.M.L.R. 211.
13. Europemballage Corp. v. Commission (Continental Can), Case 6/72, [1973] ECR 215.
14. United Brands Co. v. Commission, Case 27/76, [1978] ECR 207, ECJ.
15. Istituto Chemioterapico Italiano SPA v. Commission (Commercial Solvents), Cases 6, 7/73, [1974] ECR 223, ECJ.
16. Radio Telefis Eireann v. Commission (Magill), Cases C-241/91P & C-242/91P, [1995] ECR I-743, ECJ.
17. Microsoft Corp. v. Commission, Case T-201/04, [2007] ECR II-1491, CFI.
18. Tetra Pak International SA v. Commission (Tetra Pak II), Case C-333/94P, [1996] ECR I-5951, [1997] 4 CMLR 662.
19. France Telecom SA v. Commission (Wanadoo), Case T-340/03, [2007] ECR II-00107, CFI.
20. Intel Corporation v. Commission, Case COMP/C-3/37.990 – Intel.
21. Verizon Communications Inc. v. Law Offices of Curtis V. Trinko, 540 U.S. 398 (2004).
22. Northern Pacific Railway Co. v. United States, 356 U.S. 1 (1958)

**Combinations**

23. Boeing / McDonnell Douglas (Case No IV/M.877- 97/815/EC)
24. Airtours v. Commission, Case T-342/99, [2002] ECR II-2585, CFI.
25. Bertelsmann AG v. Commission (Impala) Case C-413/06 P, [2008] ECR I-4951 (10<sup>th</sup> July 2008), ECJ.
26. Tetra Laval BV v. Commission, Cases C-12/03 and C-13/03 P, [2005] ECR I-1113, ECJ.
27. General Electric v. Commission, Case T-210/01, [2005] ECR II-5575, CFI.
28. Federal Trade Commission v. Staples, Inc Civil No. 97-701 (TFH)
29. Hindustan Lever Employees' Union Vs. Hindustan Lever Limited AIR 1995 SC 470

**PART II**

100 Hours Training in the manner and areas specified by the Council from time to time.\*

**SCHEDULE H**

Syllabus for Post Membership Course in Corporate Restructuring and Insolvency

1. Overall objective and scope:

<sup>1</sup> The List is illustrative



# From the Government

THE GAZETTE OF INDIA : EXTRAORDINARY

[PART III—SEC. 4]

2. Capacity building of Professionals in the area of legal, practical and application oriented aspects of corporate restructuring, rescue and insolvency and matters related thereto.
  - To enable the candidates to gain acumen, insight and thorough knowledge relating to various aspects of corporate restructuring rescue and insolvency.
  - To provide thorough knowledge of the legal and regulatory framework dealing with corporate rescue and insolvency with help of case studies.
  - To provide expert knowledge and skill sets in management and administration of restructuring process with the help of case studies.
  - To provide thorough insight into legal, procedural and applied aspects of corporate rescue with reference to international best practices.
  - To provide knowledge of global trends and practices so as to have an integrated view of the entire framework for corporate restructuring and insolvency.
  - To equip the candidates with the technical, analytical and application oriented skills in corporate restructuring and insolvency.
  - To provide professional skills to anticipate and provide practical solutions to legal and technical issues involved in restructuring, rescue and insolvency process.
  - To enable candidates to understand and fully appreciate the responsibilities and accountability as insolvency practitioner.
  - To set standards of ethics and best practices.
3. The Papers I to IV shall be of three hours duration and shall carry 100 marks each.
4. The medium of writing the examination shall be in English:

Provided that it shall be competent to the Council to permit the use of Hindi as a medium of writing any particular paper.

Syllabus for Post Membership Course in Corporate Restructuring and Insolvency

Module A – Papers (I, II, III and IV)

Paper 1 Corporate Restructuring, Rescue and Insolvency

(100 marks)

- The concept of Corporate Restructuring, Rescue and Insolvency : Concept of Insolvency, historical developments, basic concepts and definitions
- Origin of law relating to Corporate Insolvency: History of Bankruptcy Laws in USA, UK and India, Companies Act, 1956, Sick Industrial Companies(Special Provisions) Act, 1985, Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 Companies Bill, 2009 and any other law.
- Revival, Rehabilitation and Restructuring of Sick Companies : Sick companies and their revival with special reference to the law and procedure relating to sick companies.
- Securitisation and Debt Recovery : Overview of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002; process; participants; Special Purpose Vehicle (SPV), Asset Reconstruction Companies (ARCs), Qualified Institutional Buyers(QIB).
- Debt Recovery Act: Overview of the Recovery of Debts Due to Banks and Financial Institutions Act, 1993; Tribunal, Procedure; compromise and arrangements with banks and creditors.
- Winding up : Concept; modes of winding up; administrative machinery for winding up. Winding up process and procedure; managing stakeholders and parties in liquidation; conducting meetings of shareholders/creditors etc.; dealing with contracts; managing estate; Consequences of winding up; winding up of unregistered companies; dissolution.

Paper 2 Strategic Options for Corporate Restructuring

(100 marks)

Changing World and its effect on Restructuring : Globalisation; Dominance of Services economy; technological and communication advancement; Expansion of Financing opportunities and Financial Innovations; Expanding role of professionals

Corporate Restructuring in Challenging Times : Financial Mis-governance; Liquidity Crunch, Sub Prime Crises; Global Recession; Solutions for Business Failures.



**Concepts and Strategies :** Meaning of corporate restructuring, need, scope and modes of restructuring, historical background, global scenario, national scenario.

**Planning, formulation and execution of various corporate restructuring strategies - mergers, acquisitions, takeovers, disinvestments and strategic alliances, demergers and hiving off.**

**Mergers and Amalgamations :** Concept; legal, procedural, economic, accounting, taxation and financial aspects of mergers and amalgamations including stamp duty and allied matters; interest of small investors; merger aspects under competition law; jurisdiction of courts; filing of various forms; Amalgamation of banking companies and procedure related to Government companies; Cross border mergers.

**Takeovers :** Meaning and concept; types of takeovers; legal aspects - SEBI takeover regulations; procedural, economic, financial, accounting and taxation aspects; stamp duty and allied matters; payment of consideration; bail out takeovers and takeover of sick units; takeover defences; cross border takeovers.

**Corporate Demergers and Reverse Mergers :** Concept of demerger; modes of demerger - by agreement, under scheme of arrangement; demerger and voluntary winding up; legal and procedural aspects; tax aspects and reliefs; reverse mergers - procedural aspects and tax implications.

**Out of Court Restructuring :** Corporate Debt Restructuring Mechanism (CDRM), RBI Guidelines for CDRM and other procedural aspects.

**Role and Responsibilities of Directors :** General fiduciary duties, actions potentially giving rise to liability for directors, Role of Board of Directors under SICA, Companies Act, 1956, Insolvency related liabilities of directors, misconduct in winding up etc., criminal and civil liability of directors.

**Funding of Mergers and Takeovers :** Financial alternatives; merits and demerits; funding through various types of financial instruments including equity and preference shares, options and securities with differential rights, swaps, stock options; External Commercial Borrowings, funding through financial institutions and banks; rehabilitation finance; management buyouts/leveraged buyouts.

**Financial Restructuring:** Reduction of capital; reorganisation of share capital, Buy-back of shares - concept and necessity; procedure for buy-back of shares by listed and unlisted companies.

**Valuation of Shares and Business :** Introduction; need and purpose; factors influencing valuation; methods of valuation of shares; corporate and business valuation.

**Post Merger Re-organisation :** Factors in post merger reorganization: integration of businesses and operations, financial accounting, taxation, post merger valuation, human and cultural aspects; assessing accomplishment of post merger objectives; measuring post merger efficiency.

**Governance Aspects of Restructuring and Insolvency :** Domestic and International trends relating to governance practices pertaining to Corporate Restructuring and Insolvency. Shareholder democracy in restructuring process, role of investors, creditors, role of non-executive directors in restructuring process, regulatory compliances including compliances under the Companies Act, 1956, Securities Exchange Board of India Regulations, Listing Agreement etc. Case studies on governance failures and restructuring. Practical cases in Corporate Restructuring, approaches to prevent liquidation and insolvency;

Paper 3 Cross Border Insolvency Practice and Procedure

(100 Marks)

Cross Border Insolvency; United Nations Commission On International Trade Model Law on Cross Border Insolvency; United Nations Commission On International Trade Legislative Guide to Insolvency Law; World Bank Principles for Effective Insolvency and Creditor, Rights System; Asian Development Bank Principles of Corporate Rescue and Rehabilitation.

Paper 4 Professional and ethical practices for Insolvency Practitioners

(100 Marks)

**Responsibility and Accountability of Insolvency Practitioners :** Functions of Insolvency Practitioners; Duties of Insolvency Practitioners; Permissible or not permissible activities, Professional accountability with respect to mandatory requirements and recommendatory requirements, obligation as fiduciaries, responsibility over properties, fair assessment of competing interest of the stakeholders, statutory or investigatory or reporting obligations, independence, integrity and objectivity in business decisions etc.; Code of Conduct and Ethics.



# From the Government

THE GAZETTE OF INDIA : EXTRAORDINARY

[PART III—SEC. 4]

## Module B

**Compulsory one day Workshop for candidates in the manner and areas as approved by the Council from time to time."**

By Order of the Council

N. K. JAIN, Secy. & CEO

[ADVT. III/4/121/11/Exty.]

**Note :** The principal regulations were published in the Gazette of India vide notification ICSI No.710/2 (1) dated the 16<sup>th</sup> September, 1982 and subsequently amended vide :

- i) Notification No. ICSI/710/2/M (1) dated 30.03.1984
- ii) Notification No. ICSI/710/2/M (1) dated 03.05.1984
- iii) Notification No. ICSI/710/2/M (1) dated 30.12.1985
- iv) Notification No. ICSI/710/2/M (1) dated 09.09.1986
- v) Notification No. ICSI/710/2/M (1) dated 23.02.1987
- vi) Notification No. ICSI/710/2/M (1) dated 09.03.1987
- vii) Notification No. ICSI/710/2/M (1) dated 22.08.1988
- viii) Notification No. ICSI/710/2/M (1) dated 23.08.1988
- ix) Notification No. ICSI/710/2/M(18) dated 20.08.1993 and 24.11.1993
- x) Notification No. 710/1/M/(17) dated 21.02.1995
- xi) Notification No. ICSI/710/2/M(20) dated 28.11.1996
- xii) Notification No. ICSI/710/2/M(26) dated 10.08.2001
- xiii) Notification No.710/1/(M)/1 dated 03-05-2006
- xiv) Notification No.710/1/(M)/1 dated 26-06-2006
- xv) Notification No. 710/1(M)/1 dated 23-07-2010

## Clarification on regulation of interest rates for Small Savings Schemes

- As per the decision of the Government on the recommendations of the Committee for Comprehensive Review of National Small Savings Fund (NSSF), the rate of interest on small savings schemes will be aligned with G-Sec rates of similar maturity with a spread of 25 basis points (bps), with two exceptions. The spread on 10 year National Savings Certificate (NSC) will be 50 bps and on Senior Citizens Savings Scheme, 2004 (SCSS, 2004) 100 bps. The interest rates for every financial year will be notified before April 01st of that year. Notifications on changes in the interest rates, in various small savings schemes with effect from December 01, 2011 have already been issued by Government of India. We have also, vide our circular No. RBI/2011-12/291 dated December 05, 2011 circulated Government's Notification dated November 25, 2011 indicating change in the interest rate on Public Provident Fund Scheme, 1968 (PPF, 1968).
- It is observed that news items are appearing in certain sections of the press, which convey an impression that the interest rates on small savings schemes linked to G-Sec rates, are floating in nature and will undergo change depending on the yields on G-Sec during the currency of an instrument.
- As per the rules of small savings schemes, the rate of interest on an investment made in all schemes except PPF, 1968 on a particular date, remains unchanged for the entire duration of the investment, till maturity, irrespective of the revisions in subsequent years.
- The above clarification may be brought to the notice of the branches of your bank operating the PPF Scheme, 1968 and SCSS, 2004 advising them to display the same on their notice boards.

(P S Ranga Rao)

Assistant General Manager



# CONTRACTUAL ENGAGEMENT AT MCA-21 FOR XBRL WORKS

## XBRL IMPLEMENTATION SETUP AT MCA

**M**inistry of Corporate Affairs proposes to establish a manpower setup under e-governance Cell for successful implementation of XBRL initiative and is looking for dynamic and result oriented Company Law professionals to be selected through the Institute of Company Secretaries of India for its e-governance cell, at New Delhi.

### QUALIFICATIONS

Candidate must be a Member of the Institute of Company Secretaries of India. The candidate must have 5-6 years post membership working experience with adequate knowledge of taxonomy creation and/ or legal provisions of Companies Laws in various jurisdictions which have implemented XBRL.

### NUMBER OF POST(S)

Two

### JOB REQUIREMENTS

To successfully implement the XBRL initiative, the following responsibilities shall be discharged by the paraprofessionals including:

- a. Taxonomy Review and release of its updates.
- b. Training to MCA officials on usage of XBRL data.
- c. Helpdesk facility for XBRL filings to stakeholders for
  - i. Accounting Concepts Related queries
  - ii. Taxonomy/ Software Related queries
  - iii. Policy related queries
  - iv. Suggestions/feedbacks on XBRL implementation
- d. Identification of defective/incorrect XBRL filings to MCA
- e. Monitoring of Software Development by TCS
  - i. XBRL Preparation Tool, MCA Validation Tool, Business Analytics Tool

### PERIOD

The position shall be offered on Contractual basis for a period of one year.

### COMPENSATION

Negotiable

### EXPERIENCE

5-6 year post membership working experience with adequate knowledge of taxonomy creation and/ or legal provisions of various companies laws.

### AGE

Not exceeding 50 years (as on 01.01.2012)

*Relaxation in the age may be considered at the discretion of the Selection Committee in case of otherwise suitable candidates.*

### CLOSING DATE FOR SUBMISSION OF APPLICATION

Last date for submission of application is 15.02.2012.

### APPLICATION PROCEDURE

Eligible candidates sent their application containing details of qualification and experience to the DIRECTOR (Human Resource), THE INSTITUTE OF COMPANY SECRETARIES OF INDIA, 'ICSI HOUSE', 22, INSTITUTIONAL AREA, LODI ROAD, NEW DELHI-110003.

### GENERAL CONDITION

1. The "ICSI" also reserves the right to alter / modify / relax any of the aforesaid eligibility criteria / conditions for deserving candidates.
2. Mere submission of application / fulfilment of eligibility conditions will not confer any right on the candidate to be shortlisted / called for written test/ interview. The "ICSI" reserves the right to reject any or all the applications without assigning any reason thereof.
3. No TA/DA shall be paid to the candidates for attending the interview.
4. The "ICSI" shall not be responsible for any postal delay or nonreceipt of application.
5. Canvassing in any form will straightway disqualify the candidature.

[ NOTE: APPLICATION WHICH IS VAGUE { i.e. NOT ATTACHING DETAILS RELATING TO QUALIFICATONS / EXPERIENCE WILL BE REJECTED SUMMARILY. ]



## Mergers, Acquisitions and Corporate Restructuring - Strategies and Practices, By

Rabi Narayan Kar

The book, *Mergers, Acquisitions and Corporate Restructuring – Strategies and Practices*, arranged into 21 chapters covering wide-ranging aspects of corporate restructuring will be a useful guide to practitioners, students and those who wish to have a quick and broad overview of the subject in India. The author, Dr. Rabi Narayan Kar, FCS, an experienced teacher and Associate Professor at a college of University of Delhi, brings his vast teaching, research and professional experience to present the implications of different instruments and practices. The multiple case studies help in better understanding of the developments in India as also some international experiences. The annexures serve the purpose of ready reckoners. Each chapter is neatly summarised at the end to give a gist of the topic covered.

Without in any way minimising the useful contribution made by the author, one would like to make some observations that could, in our opinion, enhance the publication's utility. Corporate actions are products of managements' ingenuity in response to public policy provisions. It is not necessary that the policies are always well formulated. Even if they are well intended, their objectives could be scuttled in the process of implementation. As is well recognised, the Indian corporate scenario is vastly different from the western situation from which many instruments and practices are adopted. In India the listed companies are generally dominated by family ownership and management. Ironically in the post-liberalisation period, the families have strengthened their control with the help of favourable official policies. Also, the Indian stock market is not that well developed and has been subject to scams, vagaries of international investors and national and global events. In such a situation, drawing conclusions regarding the effects of mergers and divestitures on the basis of share price changes would be somewhat risky. Many of the mergers in the pre-liberalisation period were among group companies where there was practically no change in the management. These were often also influenced by the available fiscal benefits. The development financial institutions also had a role because of their concern to safeguard/recover their investments. In such situations market logic could have little role to play. Thus those were more of marriages of convenience rather than aimed at bringing in additional managerial inputs and efficiency. At best change in management was among family members following family splits. The explanations proffered

by family managements either for mergers or divestitures are routine explanations without carrying much conviction. To that extent the observed post-merger/demerger performance could not be expected to continue for a long time. Regarding buyback as a form of restructuring there could be standard arguments following from the western literature and experience. However, in India, there is no denying the fact that share buybacks helped the family managements to consolidate their hold on the companies they manage without bringing in additional investment of their own.

One hoped that the author, due to his abiding interest in the subject would have brought in more recent experiences and some overall picture of the M&A scenario in India. Terming of Wiltech's case as a 'recent one' is obviously unconvincing. (p. 244) Similar is the case with terming 1999 as 'lately' in respect of problems in strategic alliances and joint ventures. (p. 293). The case also illustrates how the business group first reverse merged Wiltech into Asian cables and within a few years undid the same and sold away the unit. A question that could have been discussed is whether the business group took advantage of the tax benefits provided under Section 72 of the Income Tax Act which provides for a carry forward of the losses for not more than eight assessment years. Continuing on the strategic alliances and JVs, the treatment to policy is rather cursory and there is a lot of scope for more information. For instance, it is extremely relevant to note that the objective of Press Note 18 of 1988 was to protect

the interests of the existing Indian joint venture partners and technology licensees as it required the foreign partner/collaborator to obtain NOC from them. The government, however, withdrew this provision in 2005 to facilitate greater inflow of foreign investment. This fact

should have found a place in the presentation. Lastly, care should have been taken to go over the manuscript for mistakes like two million instead of two billion (page 109) and 11 SAD instead of 115 AD (footnote 59 on page 110). The references given at the end sometimes do not match those given in the text. For instance, some of the references cited in Chapter 1 do not find a place in the respective list of references given on pages 536-537. In case of some, the years do not match. As the book is going to be used especially by students, it is necessary to make them better aware of corporate realities instead of merely exposing them to text book scenarios and analysis. Direct references to official source material would be useful as the users can check for themselves the latest developments. There is considerable scope and need for making the analysis more realistic. One hopes that the book will carry more critical analysis of the subject minus the inaccuracies in its future editions.

Dr. K S Chalapati Rao

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New Delhi 110 002  
**Pages :** 578  
**Price :** Rs.445/-

# COMPANY SECRETARIES BENEVOLENT FUND

## HOW TO BECOME THE LIFE MEMBER

Safeguarding and caring for your well being



Application for life membership of CSBF has to be submitted in the prescribed Form-A (available on the website of the Institute i.e. [www.icsi.edu](http://www.icsi.edu)) and should be accompanied by Demand Draft or Cheque (payable at par) for **Rs. 5,000/-** drawn in favour of “**Company Secretaries Benevolent Fund**” payable at New Delhi and the same can be deposited in the offices of any of the Regional Councils located at Delhi, Kolkata, Chennai and Mumbai. However for immediate action, the applications should be sent to **The Secretary & CEO, The Institute of Company**

**Secretaries of India, 22, Institutional Area, Lodi Road, New Delhi-110 003.**

The members can also apply online.

For further information/clarification please contact Mrs. Meenakshi Gupta, Joint Director or Mr. J.S.N. Murthy, Administrative Officer on telephone **No.011-45341047 / 45341049**, mobile No. **9868128682** or through e-mail [ids@csbf.icsi.edu](mailto:ids@csbf.icsi.edu) or [member@icsi.edu](mailto:member@icsi.edu).

Following benefits are presently provided by the CSBF:

### Financial Assistance in the event of Death of a member of CSBF:-

#### **Upto the age of 60 years**

- Group Life Insurance Policy for a sum of **Rs. 2,00,000;** and
- **Upto Rs. 1,00,000** in deserving cases on receipt of request subject to the Guidelines approved by the Managing Committee from time to time.

#### **Above the age of 60 years**

- **Upto Rs. 1,00,000** in deserving cases on receipt of request subject to the Guidelines approved by the Managing Committee from time to time.

**Other benefits subject to the Guidelines approved by the**

### Managing Committee from time to time:-

#### *Reimbursement of Medical Expenses*

- **Upto Rs. 40,000**

#### *Financial Assistance for Children's Education (one time)*

- **Upto Rs. 10,000** per child (maximum for two children) in case of the member leaving behind minor children.

**THE MANAGING COMMITTEE OF THE COMPANY SECRETARIES BENEVOLENT FUND (CSBF) IN ITS MEETING HELD ON 29TH SEPTEMBER 2011 HAS DECIDED TO INCREASE THE FINANCIAL ASSISTANCE FROM RS. 3.00 LAKHS TO RS.5.00 LAKHS TO THE NOMINEE(S) OF THE DECEASED MEMBERS OF THE FUND UPTO THE AGE OF 60 YEARS (W.E.F. 1ST APRIL 2012).**

**THE COMMITTEE HAS ALSO DECIDED TO INCREASE THE LIFE MEMBERSHIP SUBSCRIPTION FOR ENROLMENT AS A MEMBER FROM RS. 5,000 TO RS. 7,500 W.E.F. 1ST APRIL, 2012.**

**THE MEMBERS WHO ARE NOT THE MEMBERS OF THE CSBF ARE REQUESTED TO BECOME THE MEMBERS OF THE FUND.**

**FOR FURTHER DETAILS PLEASE VISIT: [www.icsi.edu/csbf](http://www.icsi.edu/csbf)**

## Refund of Statutory Fees Paid for Certain Services

The Ministry of Corporate Affairs has decided to refund the statutory fees paid for certain services. Earlier there was no process in MCA21 for refund of fees wrongly paid by the stakeholder while availing various services at MCA 21. New refund e-Form needs to be filed by the stakeholder applying for refund and upon processing of the same the refund request shall be approved or rejected.

The refund of MCA21 fees is available in the following cases: a) Multiple Payments of Form 1, Form 5; b) Incorrect Payments and c) Excess Payment

Refund process is not applicable for certain services/ e-Forms like Public Inspection of documents, Request for Certified Copies, Payment for transfer deeds, Stamp duty fee (D series SRN), IEPF Payment, STP Forms, DIN e-Form, etc.



## OBITUARY

With deep sense of sadness we express our heartfelt condolences on the untimely demise of Shri Bipin S Acharya, a Fellow Member and Past Council Member of the Institute of Company Secretaries of India (ICSI) on 28<sup>th</sup> January, 2012 at Ahmedabad.

Born in 1940, Shri Acharya was one of the most senior members of the Institute, contributed enormously in the growth and development of the profession. He has been, throughout his professional career of more than 40 years, deeply involved in the activities of the Western India Regional Council of the ICSI and was instrumental in the foundation and development of the Ahmedabad Chapter, one of the most vibrant Chapters of the Institute in terms of professional development activities and value added services to the members and students.

Shri Bipin S Acharya became an Associate Member of the Institute as early as 1st June, 1971 and a Fellow Member of the Institute w.e.f. 12<sup>th</sup> April, 1979 and was holding Certificate of Practice (CP No.8) w.e.f. 1<sup>st</sup> April, 1979. During



Shri Bipin S Acharya

the span of more than four decades, as a Member of the Institute, he held various positions including Chairman, WIRC (1988) and Member of the Council of the Institute and its various Committees for four terms (1989-1991, 1992-1994, 1998-2000 and 2004-2006).

Shri Bipin S Acharya, one of the legends of the profession of Company Secretaries was a mentor and coach par excellence in guiding several students and members in shaping their professional career. An articulate, passionate and energetic Shri Acharya will hold a unique place in the annals of the profession of Company Secretaries.

In his demise the profession of Company Secretaries has lost a trusted friend, philosopher and guide.

May the Almighty give courage and strength to the family members and near and dear ones to bear this irreparable loss.

**May the departed soul rest in eternal peace.**

## EXPOSURE DRAFT ON PROPOSED NEW SYLLABUS FOR EXECUTIVE AND PROFESSIONAL PROGRAMMES OF THE COMPANY SECRETARYSHIP COURSE

The revision of syllabus is a process in continuum, to nurture the students in terms of capacity building, knowledge grinding and skills development. The evolving corporate environment and regulatory regime including expansion of globalization and the advancement in technology necessitated the revision of syllabus to make it contemporary. It was in this backdrop that the Council of the Institute constituted Syllabus Review Committee with the objective to evaluate the existing syllabus from the perspective of demands and expectations of the corporates, regulators and other stakeholders and re-draw the syllabus to make it more robust, and highly focused to bring it at par with the emerging global trends in professional education.

In this direction, the Committee made a conscious effort to design the syllabus in such a manner that the expectations of members, students and other stakeholders are met and it is in alignment with the ICSI Vision 2020.

Before formulating the syllabus, the Committee sought and

considered the views and suggestions from Regional Councils, Chapters, Oral Tuition faculty and subject experts and formulated the draft syllabus which was considered by the Council of the ICSI. The Council approved in principle the syllabus for Executive and Professional Programmes and decided to publish it as Exposure Draft soliciting views and suggestions from members, students and all other stakeholders. The Exposure Draft is available on the website of the Institute [www.icsi.edu](http://www.icsi.edu).

We request members, students and all other stakeholders to send their views, comments and suggestions on the Proposed New Syllabus for Executive and Professional Programmes of the Company Secretaryship Course on or before **February 29, 2012**, to Dr. S.K. Dixit, Director (Academics) at [sudhir.dixit@icsi.edu](mailto:sudhir.dixit@icsi.edu).

**N K Jain**  
Secretary & CEO  
The ICSI

## THE STANDING AND OTHER COMMITTEES/BOARDS OF THE COUNCIL FOR THE YEAR 2012-2013

| S.No.    | Name                                                   | Designation     |  |  |
|----------|--------------------------------------------------------|-----------------|--|--|
| <b>1</b> | <b>EXECUTIVE COMMITTEE</b>                             |                 |  |  |
|          | Nesar Ahmad                                            | <b>Chairman</b> |  |  |
|          | S N Ananthasubramanian                                 | Member          |  |  |
|          | Anil Murarka                                           | Member          |  |  |
|          | Gopalakrishna Hegde                                    | Member          |  |  |
|          | Harish K Vaid                                          | Member          |  |  |
|          | B Narasimhan                                           | Member          |  |  |
|          | Renuka Kumar (Ms.)                                     | Member*         |  |  |
| <b>2</b> | <b>Finance Committee</b>                               |                 |  |  |
|          | Nesar Ahmad                                            | <b>Chairman</b> |  |  |
|          | S N Ananthasubramanian                                 | Member          |  |  |
|          | Ashok Kumar Pareek                                     | Member          |  |  |
|          | Atul H Mehta                                           | Member          |  |  |
|          | R Sridharan                                            | Member          |  |  |
|          | Umesh H Ved                                            | Member          |  |  |
|          | Saroj Punhani (Ms.)                                    | Member*         |  |  |
| <b>3</b> | <b>Examination Committee</b>                           |                 |  |  |
|          | Nesar Ahmad                                            | <b>Chairman</b> |  |  |
|          | S N Ananthasubramanian                                 | Member          |  |  |
|          | Atul H Mehta                                           | Member          |  |  |
|          | B Narasimhan                                           | Member          |  |  |
|          | Umesh H Ved                                            | Member          |  |  |
|          | Arun Balakrishnan                                      | Member*         |  |  |
| <b>4</b> | <b>Professional Development Committee</b>              |                 |  |  |
|          | Nesar Ahmad                                            | <b>Chairman</b> |  |  |
|          | Anil Murarka                                           | Member          |  |  |
|          | Atul Mittal                                            | Member          |  |  |
|          | Gopalakrishna Hegde                                    | Member          |  |  |
|          | Harish K Vaid                                          | Member          |  |  |
|          | B Narasimhan                                           | Member          |  |  |
|          | Vikas Y Khare                                          | Member          |  |  |
|          | Arun Balakrishnan                                      | Member*         |  |  |
| <b>5</b> | <b>Training &amp; Educational Facilities Committee</b> |                 |  |  |
|          | S N Ananthasubramanian                                 | <b>Chairman</b> |  |  |
|          | Ashok Kumar Pareek                                     | Member          |  |  |
|          | Atul H Mehta                                           | Member          |  |  |
|          | Pradeep K Mittal                                       | Member          |  |  |
|          | Sanjay Grover                                          | Member          |  |  |
|          | R Sridharan                                            | Member          |  |  |
|          | Sudhir Babu C                                          | Member          |  |  |
|          | Umesh H Ved                                            | Member          |  |  |
|          | Ardhendu Sen                                           | Member*         |  |  |
|          | U D Chaubey                                            | Member*         |  |  |
| <b>6</b> | <b>Practising Company Secretaries Committee</b>        |                 |  |  |
|          | Umesh H Ved                                            | <b>Chairman</b> |  |  |
|          | Anil Murarka                                           | Member          |  |  |
|          | Atul H Mehta                                           | Member          |  |  |
|          | Harish K Vaid                                          | Member          |  |  |
|          | B Narasimhan                                           | Member          |  |  |
|          | Sanjay Grover                                          | Member          |  |  |
|          | R Sridharan                                            | Member          |  |  |
|          | Sudhir Babu C                                          | Member          |  |  |
|          | Vikas Y Khare                                          | Member          |  |  |
| <b>7</b> | <b>PMQ Course Committee</b>                            |                 |  |  |
|          | Nesar Ahmad                                            | <b>Chairman</b> |  |  |
|          | S N Ananthasubramanian                                 | Member          |  |  |
|          | Atul H Mehta                                           | Member          |  |  |
|          | B Narasimhan                                           | Member          |  |  |

\* Govt. Nominee

\* Govt. Nominee

|    |                                                  |          |    |                              |                   |
|----|--------------------------------------------------|----------|----|------------------------------|-------------------|
|    | Umesh H Ved                                      | Member   |    | Gopalakrishna Hegde          | Member            |
|    | Arun Balakrishnan                                | Member*  |    | B Narasimhan                 | Member            |
|    |                                                  |          |    | Ardhendu Sen                 | Member*           |
| 8  | <b>Information Technology Committee</b>          |          | 13 | <b>Regulations Committee</b> |                   |
|    | Ashok Kumar Pareek                               | Chairman |    | Sanjay Grover                | Chairman          |
|    | Atul H Mehta                                     | Member   |    | Anil Murarka                 | Member            |
|    | Atul Mittal                                      | Member   |    | Gopalakrishna Hegde          | Member            |
|    | Gopalakrishna Hegde                              | Member   |    | Pradeep K Mittal             | Member            |
|    | B Narasimhan                                     | Member   |    | R Sridharan                  | Member            |
|    |                                                  |          |    | Sudhir Babu C                | Member            |
|    |                                                  |          |    | Umesh H Ved                  | Member            |
|    |                                                  |          |    | Vikas Y Khare                | Member            |
|    |                                                  |          |    | U D Chaubey                  | Member*           |
| 9  | <b>Coordination Committee</b>                    |          | 14 | <b>Board of Studies</b>      |                   |
|    | Nesar Ahmad                                      | Chairman |    | R Sridharan                  | Chairman          |
|    | S N Ananthasubramanian                           | Member   |    | Anil Murarka                 | Member            |
|    | N K Jain                                         | Member   |    | Atul Mittal                  | Member            |
| 10 | <b>Corporate Laws &amp; Governance Committee</b> |          |    | Gopalakrishna Hegde          | Member            |
|    | Gopalakrishna Hegde                              | Chairman |    | B Narasimhan                 | Member            |
|    | Ashok Kumar Pareek                               | Member   |    | Pradeep K Mittal             | Member            |
|    | Harish K Vaid                                    | Member   |    | Sudhir Babu C                | Member            |
|    | Pradeep K Mittal                                 | Member   |    | Vikas Y Khare                | Member            |
|    | R Sridharan                                      | Member   |    |                              |                   |
|    | Ardhendu Sen                                     | Member*  |    |                              |                   |
|    | Renuka Kumar (Ms.)                               | Member*  | 15 | <b>Peer Review Board</b>     |                   |
|    | Saroj Punhani (Ms.)                              | Member*  |    | S N Ananthasubramanian       | Chairman          |
| 11 | <b>Capital Markets Committee</b>                 |          |    | Ashok Kumar Pareek           | Member            |
|    | B Narasimhan                                     | Chairman |    | Sanjay Grover                | Member            |
|    | Ashok Kumar Pareek                               | Member   |    | R Sridharan                  | Member            |
|    | Atul H Mehta                                     | Member   | 16 | <b>Placement Committee</b>   |                   |
|    | Sanjay Grover                                    | Member   |    | Harish K Vaid                | Chairman          |
|    | R Sridharan                                      | Member   |    | Ashok Kumar Pareek           | Member            |
|    | Sudhir Babu C                                    | Member   |    | Atul H Mehta                 | Member            |
|    | Umesh H Ved                                      | Member   |    | Atul Mittal                  | Member            |
|    | U D Chaubey                                      | Member*  |    | Gopalakrishna Hegde          | Member            |
| 12 | <b>Election Reforms Committee</b>                |          | 17 | <b>Board of Discipline</b>   |                   |
|    | Harish K Vaid                                    | Chairman |    | Harish K Vaid                | Presiding Officer |
|    | Ashok Kumar Pareek                               | Member   |    | Umesh H Ved                  | Member            |
|    | Atul H Mehta                                     | Member   |    | N K Jain                     | Member            |
|    | Atul Mittal                                      | Member   |    |                              |                   |

\* Govt. Nominee

\* Govt. Nominee



# Our Members

## CONGRATULATIONS

**RAVI B.,** FCS, Company Secretary in Practice, Chennai on his being awarded the Ph.D. degree by the University of Madras for his research on "Corporate Governance and Board Management in India".

**GOPALAN V.,** ACS, Management Consultant, Chennai on his being awarded the Ph.D. degree by the University of Madras for his research on "Financial Implications and Outcome of Cross-border Outbound Acquisitions from India".

## ON THE MOVE

**AMIT K VYAS,** FCS, Director on The Board of Procter & Gamble Hygiene & Healthcare Limited, Mumbai. Earlier he was working as Sr. Legal Counsel & Company Secretary of the said Company.

## OBITUARIES

"Chartered Secretary" deeply regrets to record the sad demise of the following members:

**SHRI SANATKUMAR P. DAVE,** FCS (14.03.1928 - 15.01.2012), a Fellow Member of the Institute from Ahmedabad and held the position of Chairman, WIRC.

**SHRI TALLURI RAMESH BABU,** ACS (06.05.1973 - 23.12.2011), an Associate Member of the Institute from Hyderabad.

May the almighty give sufficient fortitude to the bereaved family members to withstand the irreparable loss.

**May the Departed Souls rest in peace.**

## ICSI-WIRC

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ON

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**Date:** 10<sup>th</sup> February, 2012

**Time:** 2 P.M. to 8.15 P.M.

## CS QUIZ

Prize query

**A** Financial institution made a loan to a company on the basis of a subscription agreement. The said agreement provided for the allotment of Non-convertible debentures by the company to the financial institution. The company neither allotted the Non-convertible debentures nor created any security for the repayment of the loan, in favour of the financial institution. The company went into winding up. The Financial institution approached the DRT and obtained a decree for the repayment of the amount and claimed before the official liquidator that it is a secured creditor. Is the claim of the Financial Institution correct in law?

### Conditions

- 1 ] Answers should not exceed one typed page in double space.
- 2 ] Last date for receipt of answer is 8<sup>th</sup> March, 2012.
- 3 ] Two prizes (a first and a second) in kind will be awarded to the best answers and the names of the contributors will be published in the journal.
- 4 ] The envelope should be superscribed 'Prize Query February, 2012 Issue' and addressed by name to :

**>> N. K. Jain, Editor**  
The Institute of Company Secretaries of India, 'ICSI House', 22, Institutional Area, Lodi Road, New Delhi-110003.

## NEW INITIATIVES UNDER MCA 21 SYSTEM

The Ministry of Corporate Affairs has established an added facility under MCA 21, integration with Trade Mark Authority recently. The added feature facilitates professional / public to cross verify Company name before applying for ROC approval.

In addition, the XBRL reporting format has been introduced for filing of financial statements [Balance Sheet and Profit & Loss Account] of select class of companies from FY 2010-11. The Ministry undertook several pro-active measures including monitoring the filing position on day-to-day basis and large scale campaign through messages on the websites of Ministry, Professional Institutes, Trade and Industry chambers. As a result, significant improvement in filings has been achieved. Over 21,500 companies have filed its financial statements in XBRL format so far, which is more than 12,500 companies in the previous month, i.e. November 2011. Efforts are being made to impart necessary training to regulators to be able to carry out necessary examination of filings in the XBRL mode.

[ MCA Release ID: 79844, dated 24.01.2012 ]



# Post Membership Qualification Course in Corporate Governance

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- To enable the members to gain acumen, insight and thorough knowledge relating to the various aspects of corporate governance.
- To provide thorough knowledge of the legal and regulatory framework in India vis-à-vis corporate governance as well as procedural, secretarial and documentation aspects.
- To provide thorough knowledge of the global trends and developments so as to have an integrated view of the entire framework for corporate governance within which the companies operate.
- To equip the candidates with the technical and analytical skills in corporate governance and decision-making.

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A person who is a member of the Institute is eligible for admission to the course.

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## REGISTRATION

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### Headquarters

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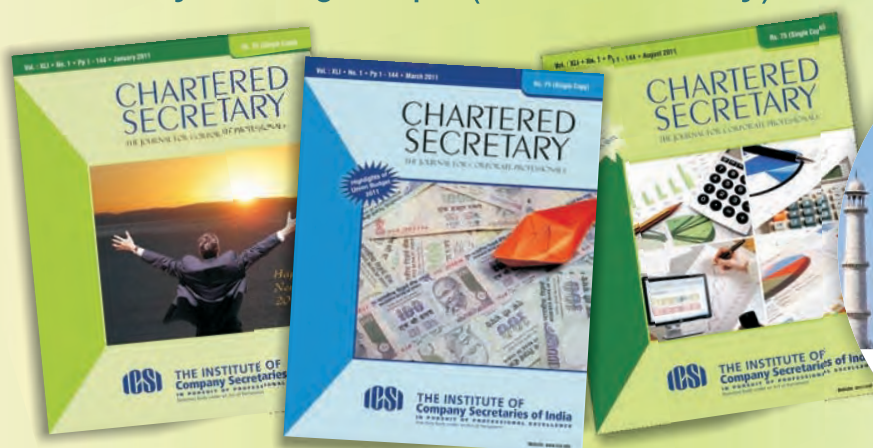
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