



CS Issac Raj P.G.
Chairman

Chairman's Page

"It is Health that is real Wealth and not pieces of gold and silver"

-Mahatma Gandhi

Health and Wealth:

Keeping up good health and maintaining work-life balance is important for everyone and more so for professionals like us who are in pursuit of creation of wealth and also looking for maintenance of the heat. The Arabian proverb- "He who has health has hope and he who has hope has everything". Apropos to commemorating the World Health Day on 7th April 2015, the Hyderabad Chapter has organized a Free multi-specialty health check up Camp at Chapter premises well partnered by CARE Hospitals for the benefit of Members and the residents of Ananda Nagar Colony. It was well attended and the programme was graced by Sri. Chintala Ramachandra Reddy, MLA of Khairatabad Assembly Constituency. I appreciate the members and others who were part of this event.

National and Regional Level Programmes and Request for Participation:

We are amidst several institute programs.

There has been very good support to the Chapter's initiative to have the series of programmes on Secretarial Audit and so far four programmes could be organized successfully and many more in the offing. The forth coming programs are:

- Our Hyderabad chapter is organizing a unique programme on Happy Life - To Destress and Lead Peaceful and effective life in collaboration with 'The Art of Living' on 5th- 7th June 2015 at their Gandipet Ashram.
- The National Conference of Practicing Company Secretaries – a much awaited annual congregation of our members in Practice is coming up at Kochi on 13th -14th August 2015 and
- The Southern - 40th Regional Conference of Company Secretaries is slated for 19th- 20th June 2015 at The Capitol Hotel, Bengaluru.

I request all the members and students to take active participation in all the events and programmes being organized by our Hyderabad Chapter.

The month of May had beehive activity amidst the blazing summer the IPL 2015 has gone President visit was through All these though were for a short while had good nemesis. I see that the regulatory agencies too had been very active and unleashing several rules, regulations and amendments to the Act etc., which have kept the role of professionals very challenging to cope up and at the same time throwing several opportunities.

We, as professionals, need to take up the challenges boldly and at the same time make good use of the opportunities coming up. I am sure you will do.

Thanking you,

With Best Wishes,



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Chairman, The ICSI – Hyderabad Chapter
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Annual Participation Scheme 2015-16

We are delighted to announce the continuation of The ICSI- Hyderabad Chapter Annual Participation Scheme (APS) for the financial year 2015-16. Apart from the commitment of minimum coverage of programmes enlisted below, we wish to organize many more events which will be contemporary, comprehensive & important to the profession. Welfare, Social and community events shall also be a vibrant part of the year.

Background

As you all are aware that the concept of APS for Professional Development Programmes was started by the ICSI - Hyderabad Chapter in the year 2006 and the same is in continuation. The concept was appreciated and well received by the Members, Practicing Company Secretary (PCS) and Corporates as it is convenient to make payment / take approval at onetime to attend different Professional Development Programmes throughout the year. The scheme has been devised suitably over the years based on the feedback / suggestions from the Members. We have made the scheme most beneficial to the members and made it more attractive and useful to the members.

Importance of APS

In order to acquire new competencies and skills, learning and training are sine qua non for professional competence. Therefore, The ICSI - Hyderabad Chapter intending to organize various professional development programmes, which will be focused on the parameters like - Optimization of Learning Process; Value Addition to the working knowledge; Initiation to Multi-skilling. *The way to development is through purposeful activity. The scheme shall strive for the professional excellence.* Therefore, enrolling to the APS assumes great significance and importance.

Annual Fee

Category	Details	Total Rs. (inclusive of all Taxes)
I	Corporate Member [allowed 1 person]	12,500
II	Corporate Non-Member [allowed 2 persons]	17,000
III	PCS Firms [allowed 1 person]	10,000
IV	PCS Firms [allowed 2 persons]	15,000
V	Individual PCS or Members of the Institute [only registered member is allowed]	7,500

Validity

APS is valid from 1.4.2015 to 31.3.2016.

APS Benefits

- To attend all the seminars, conferences, programmes organized by The ICSI - Hyderabad Chapter free of charges throughout the Financial Year ended 31.3.2016.
- Firms, Corporate Members may depute any person from their organization to attend the programme who need not be a member.
- Members registered under Category V will not be allowed to deputy any other person.
- All the categories of members will be entitled to receive the background material if provided in the concerned program.
- Concession delegate or participation fee for all other workshops, special programmes organized by the ICSI - Hyderabad Chapter and joint professional programmes organized with the other Chapters, SIRC or other Regional Councils, Head quarters, ICSI - New Delhi and other

APS + Scheme

New APS+ scheme also available for all corporate entities with a Fee of Rs.50,000 per annum till 31st March, 2016 with the Following features

- May nominate Five authorised persons from their organization / company to attend the programme who need not be a member.
- The Banner with company name and logo will be placed at every paid program organized by ICSI- Hyderabad Chapter during the year F.Y 1.4.2015 to 31.3.2016 or Company's logo will be placed at the conspicuous place of program organized by the ICSI Hyderabad Chapter.
- Concession delegate or participation fee (excluding accommodation cost for Residential programs) for all other workshops, special programmes organized by the ICSI - Hyderabad Chapter and joint professional programmes organized with the other Chapters, SIRC or other Regional Councils, Head quarters, ICSI - New Delhi and other Institutions like FAAPCI, NI-MSME etc.
- The Accommodation Charges or cost for all residential programs will be charged separately based on nature of

Mode of payment

The fee may be paid by way of cash or D. D. / cheque drawn in favour of "**Hyderabad Chapter of Company Secretaries**" at the earliest to avail the facility right from 1st April, 2015.

- **Online Transfer A/C No. ICICI : 000801203504;**
- **IFSC Code: ICIC0000008**
- Payment made through online to be informed by email to hyderabad@icsi.edu along with application form.

Corporates are requested to opt for multiple registrations under the scheme. Intimation about the programs will be sent to the members by the e-mail/ SMS in advance and the person concerned shall have to confirm his/her attendance 2 days before the programme to enable the Chapter to make appropriate arrangements.

Disclaimer:

For proper appreciation of issues and legal position, readers are advised to read full text of the judgments cited before placing reliance on them. Due to space limitation, entire facts and issues of the cases could not be discussed. The points reproduced / highlighted need to be understood in the totality of discussions contained in the relevant judgments. Legal Scan is not responsible in any manner.



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LEGAL SCAN

Ref. to statute	Case law – points held
<p>Effect of Repeal of previous provisions / Act and saving of pending lis – General Clauses Act – Sec. 6</p>	<p>Citation: Vedeocon International Ltd. vs. SEBI (2015) 4 SCC 33</p> <p>Issue: Whether a vested substantive right can be taken away by an amendment when the said amendment expressly or by necessary intendment does not provide.</p> <p>Points held: The Hon’ble Supreme Court, inter alia, held that :</p> <ol style="list-style-type: none"> I. The general principle is that a law which brought about a change in the forum, would not affect pending actions, unless the intention to the contrary was clearly shown. II. The amendment of a statute, which is not retrospective in operation, does not affect pending proceedings, except where the amending provision expressly or by necessary intendment provides otherwise. Pending proceedings are to continue as if the unamended provisions is still in force. III. When a lis commences, all rights and obligations of the parties get crystallised on that date, and the mandate of Section 6 of General Clauses Act, simply ensures, that pending proceedings under the unamended provision remain unaffected. <p>(ref. para 44)</p>
<p>Compensation for breach of contract – Sec. 74 of Indian Contract Act, 1872</p>	<p>Citation: Kailash Nath Associates v. Delhi Development Authority 2015 (2) ALD 189 (SC)</p> <p>Issue: Forfeiture of earnest money in auction sales.</p> <p>Points held: The Hon’ble Supreme Court, inter alia, declared that the law on compensation for breach of contract under Section 74 can be stated to be as follows:</p> <ol style="list-style-type: none"> 1. Where a sum is named in a contract as a liquidated amount payable by way of damages, the party complaining of the breach can receive as reasonable compensation such liquidated amount only, if it is a genuine pre-estimate of damages fixed by both the parties and found to be such by the Court. In other cases, where a sum is named in a contract as a liquidated amount payable by way of damages, only reasonable compensation can be awarded not exceeding the amount so stated. Similarly, in cases where the amount fixed is in the nature of penalty, only reasonable compensation can be awarded not exceeding the penalty so stated. In both cases, the liquidated amount or penalty is the upper limit beyond which the Court cannot grant reasonable compensation.

	<ol style="list-style-type: none"> 2. Reasonable compensation will be fixed on well known principles that are applicable to the law of contract, which are to be found inter alia in Section 73 of the Contract Act. 3. Since Section 74 awards reasonable compensation for damage or loss caused by a breach of contract, damage or loss or caused is sine qua non for the applicability of the Section. 4. The Section applies whether a person is a plaintiff or a defendant in a suit. 5. The sum spoken of may already be paid or be payable in future. 6. The expression “whether or not actual damage or loss is proved to have been caused thereby” means that where it is possible to prove actual damage or loss, such proof is not dispensed with. It is only in cases where damage or loss is difficult or impossible to prove that the liquidated amount named in the contract, if a genuine pre-estimate of damage or loss, can be awarded. 7. Section 74 will apply to cases of forfeiture of earnest money under a contract. Where, however, forfeiture takes place under the terms and conditions of a public auction before agreement is reached, Section 74 would have no application. <p>(ref. para 43)</p>
<p>Unregistered document for collateral evidence u/s 49 of Registration Act, 1908 – 5 principles</p>	<p>Citation: Annamadevulu Chandrarao v. M. Veera Raghavullu and others 2015 (2) ALD 625</p> <p><u>Issue:</u></p> <p>Can an unregistered document affecting immovable property can be admitted in evidence?</p> <p><u>Points held:</u></p> <p>The Hon’ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh, inter alia, held that an unregistered document affecting immovable property can be admitted in evidence of any collateral transaction not required to be effected by the registered document.</p> <p><u>(ref. para 8)</u></p> <p>While on this, the Hon’ble High Court also referred to the 5 principles laid down by Hon’ble Supreme Court in K.B. Saha and Sons (P) Ltd. v. Development Consultant Ltd. (2008) 8 SCC 564, as under(which would make the law more clear):</p> <ol style="list-style-type: none"> 1. A document required to be registered if unregistered is not admissible into evidence under Section 49 of the Registration Act. 2. Such unregistered document can however be used as an evidence of collateral purpose as provided in the proviso to Section 49 of the Registration Act. 3. A collateral transaction must be independent of, or divisible from, the transaction to effect which the law required registration. 4. A collateral transaction must be a transaction not itself require to be effected by a registered document, that is, a transaction creating, etc., any right, title, or interest in immovable property of the value of one hundred rupees and upwards. 5. If a document is inadmissible in evidence for want of registration, none of its terms can be admitted in evidence and that to use a document for the purpose of proving an important clause would not be using it as a collateral purpose.” <p>(ref. para 9)</p>

INTRICATE ISSUES UNDER RELATED PARTY TRANSACTIONS



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1) Proviso below Section 2(76)(vii) provides a relaxation for any advice, directions or instructions given in a professional capacity, what is the meaning of acting in a 'professional capacity'?

The position was similar under the old Act, where section 7 clarified that except where stated otherwise, only by reason of providing advice in a professional capacity, a person would not be classified as a person in accordance with whose directions or instructions the Board of a company is accustomed to act.

The scope of professional capacity can be evinced from the recommendation of the *Company law committee: 'In order to safeguard the position of professional advisers like solicitors, auditors and others, and to limit their liability, we consider it desirable to incorporate a sub-section (2) of Section 455 of the English Companies Act, 1948, with the proviso that this sub-section should apply except where the Act otherwise prescribes'. However where the professional goes beyond the province of a company's professional advisor and acts in a manner as to make him either a shadow director or a de facto director, he shall not be protected by the Section**.

Any advice or service rendered by a person (a) engaged in rendering professional services in a particular field and possessing the relevant qualifications; and (b) acting in his capacity as a professional; and (c) exercising his professional skill with reasonable care and caution, can be said to be rendering professional advice or service, e.g. service/advice from a lawyer, doctor, CA, CS etc. the acts of such a person in direct relation to rendering of such professional advice or service can be said to be acting in a 'professional capacity'.

However, the protection of acting in a 'professional capacity' may be lost if (a) the advisor gives directions or instructions to the directors which goes beyond the status of purely professional advice and the directors hold a view that the advisor's guidance amounts to directions or instructions, (b) the professional advisor crosses the line so that he becomes the dominant influence on the directors, (c) the directions or instructions are non-professional advice i.e. not strictly arising from his or her professional qualification or expertise.

*A Ramaiya, *Guide to the Companies Act, 17th edition 2010, Vol. I, P. 203*

***Re Tasbian Ltd. (No. 3), Official Receiver v. Nixon [1993] BCLC 297*

2) Section 2(76) (vi) applies to 'body corporate'. Does the term 'body corporate' include a trust or a mutual fund?

Circular No. 8(26)/2(7)/63-PR, dated 13-03-1963, issued by the Department of Corporate affairs under the Old Act, has clarified that generally it would consider that any corporate body i.e., a body which has been or is incorporated under some statute and which has a perpetual succession, a common seal and is a legal entity apart from the members constituting it, will come within the definition of the term 'body corporate'.

The Supreme Court of India, in Daman Singh and ors. V. State of Punjab and ors AIR 1985 SC 973, while posing the question as to what is a corporation, answered it with the statements contained in HALSBURY 4thEdn., Vol.9, Para 1201 as – 'A corporation may be defined as a body of persons or an office which is recognized by the law as having a personality which is distinct from the separate personalities of the members of the body or the personality of the individual holder for the time being of the office, in question*.

On the other hand a trust literally means a confidence which one reposes in another**. Creation of a trust is regulated by the Indian trust Act, 1882. The courts of India in various decisions have held that the instrument of registration does not by itself and legal entity to a trust. In Duli Chand v Mahabir Prasad Trilok Chand Charitable Trust AIR 1984 Del 145 (DB) the court observed that 'It is well known that a trust is not a legal entity as such.....it is not like a corporation which has a

legal existence of its own and therefore, can appoint an agent. A trust is not in this sense a legal entity. It is the trustees who are the legal entities....it is possible for some of the trustees to authorize the others to file a suit but this could only be done by the execution of a power of attorney'.***

Regulation 2(q) of the SEBI (Mutual Funds) Regulation 1996, defines a mutual fund as 'a fund established in the form of a trust....'

Therefore, a trust or mutual fund would not be considered a 'body corporate' for the purposes of the Act.

**The Supreme Court of India in Ashoka Marketing Ltd v. Punjab National Bank [(1990) 4 SCC 406] held that 'the expression 'body corporate' is used in legal parlance to mean a public or private corporation.'*

***Section 3 of Indian Trusts Act, 1882*

****The Supreme Court of India in W.O. Holdsworth and Others v. State of Uttar Pradesh AIR 1957 SC 887 (891) held that 'a trustee is thus the legal owner of the trust property and the property vests in him as such. He no doubt holds the trust property for the benefit of the beneficiaries but he does not hold it on their behalf.' In H.N. Bhiwaniwala v Zoroastrian Co-op. bank AIR 2001 Bom 267 the court held that, a suit against a trust was not maintainable as it is not a legal entity and therefore, all the trustees should be joined if a legal action is to be initiated against a trust.*

3) Section 188(1)(b) covers contract with respect to 'selling or otherwise disposing of, or buying, property of any kind'. Does this term 'property' cover only immovable property, or will it include immovable, movable, tangible, intangible properties as well?

The Supreme Court in, *JilubhaiNanbhaiKhachar v. State of Gujarat AIR 1995 SC 142*, held that 'property in legal sense means an aggregate of rights which are guaranteed and protected by law...Therefore, the word 'property' connotes everything which is subject of ownership, corporeal or incorporeal, tangible or intangible, visible or invisible, real or personal; everything that has an exchangeable value or which goes to make up wealth or estate or status.'

'Property' in Section 630(1)(a) of the Old Act (dealing with punishment for wrongful withholding of property) was interpreted in the case of *Beguram v. Jaipur Udhog Ltd [1987] 61 Comp. Cas. 744 (Raj.)* to include within its purview both movable as well as immovable property. The court further went on to state that 'there are no words, express or implied, in this section which can restrict the application of the word 'property' to only movable property. The words 'deliver up' very well apply to the delivering up of the possession of immovable property. These words are on the other hand, indicative of the fact that immovable properties are also covered in the scope of Section 630 of the 1956 Act.'

Further, the Supreme Court in multiple cases has held that the term 'any' includes 'all' or 'every' and 'some' or 'one', depending on the context and subject matter of the statute*.

Although Section 188 of the Act does not define the term 'property', the use of the term 'property of any kind' may indicate that all forms of property are intended to be covered by Section 188(1)(b). Further Section 44 of the Act states that the shares or debentures or other interest of any member in a company shall be movable property transferable in the manner provided by the AOA of the company.

**Lucknow Development Authority v. M.K Gupta, AIR 1994 SC 787; K. Prabhakaran v. P. Jayarajan, AIR 2005 SC 688. Supreme Court on Words and Phrases, 2nd Edition*

4) If the term 'property' includes 'securities' as well, would Section 188(1)(b) cover only 'sale' or would allotment of securities i.e., primary issue of securities also be covered?

'Shares or debentures or any interest of a member in a company' are considered as 'movable property' of the holder under Section 44 of the Act and Section 82 of the Old Act. Hence a RPT involving sale/purchase, of the existing securities allotted in the past will fall within Section 188(1)(b).

However, transactions involving fresh allotment/subscription of securities stand on a different footing. The shares, which are being allotted afresh, do not constitute property since:

- a) The Supreme Court has held that 'allotment' is not purchase and shares come into existence only upon allotment*- consequently, 'allotment' cannot be sale or disposal either; and

b) As a company cannot hold its own securities, it cannot transfer title to the allottee.

Hence, fresh allotment/subscription of securities would not trigger Section 188(1)(b).

*Sri GopalJalan v. Calcutta Stock Exchange Association Ltd. AIR 1964 SC 250 – ‘the words purchase’ cannot be applied to allotments. Until the share is issued, no such person exists. Putting it in a nutshell, the difference between the issue of a share to a subscriber and the purchase of a share from an existing shareholder is the difference between creation and the transfer of a chose in action.’

5) Section 188(1)(c) covers contract with respect to ‘leasing of property of any kind’, would the term ‘leasing’ include leave and license/right to use agreements as well?

Under the extant Indian laws, the terms ‘lease’ and ‘license’ have been defined in relation to immovable properties under the Transfer of Property Act, 1882 (“TP Act”), and the Indian Easements Act, 1882 (“Easements Act”) respectively. Section 105 of the TP Act defines a lease of immovable property as a transfer of a right to enjoy such property made for a certain time in consideration for a price paid or promised. As per section 102 of the Easements Act where one person grants to another, or to a definite number of other persons, a right to do, or continue to do, in or upon the immovable property of the grantor, something which would, in the absence of such right, be unlawful, and such right does not amount to an easement or an interest in the property, the right would be termed as a license. Whether an instrument creates a lease or license, is matter of substance rather than form and nomenclature is not regarded as the final proof of the creation of lease or license*.

The Supreme Court** has differentiated a ‘lease’ from a ‘license’ as follows:

- a) If the document creates an interest in the property, it is a lease; but if it only permits another to make use of the property, of which the legal possession continues with the owner, it is a license.
- b) If exclusive possession of property is granted then it is considered a lease; and
- c) If the instrument was made with intent to create an interest in the property, it amounts to lease.

In light of the above, it may be construed that, where the transferee is entitled to have exclusive possession of property, it is a lease, permission to use the land without right of exclusive possession results in creation of license.

Although the term ‘lease’ has been defined under the TP Act in relation to ‘immovable properties’, there is no corresponding definition for movable properties and lease of movable properties such as machines are common commercial arrangements entered into between two companies.

Given that the concept of ‘lease’ is different from the concept of ‘license’ or a mere ‘right to use’, the term ‘leasing’ in Section 188(1)(c) may not include leave and license or any right to use agreement. Having said this, the concept of lease and license are subject to various nuances and would need to be evaluated on a case to case basis.

*S. A. Pvt. Ltd v. Municipal Corporation of Greater Bombay, AIR 1990 Bom 338

**Sohan Lal Naraindas v. Laxmidas Raghunath Gadit, (1971) 1 SCC 276; Associated Hotels of India Ltd. V. R.N. Kapoor, AIR 1959 SC 1262, [1960] 1 SCR 368.

6) Would appointing or renewing the appointment of a MD/WTD constitute a RPTs under Section 188(1)(f) of the Act?

Section 188(1)(f) deals with a related party’s appointment to any office or place of profit in the company, its subsidiary company or associate company. The arrangement by which a person becomes a MD/WTD cannot be made subject to Section 188 as it is by virtue of this relation that the person is classified as a ‘related party’ (this is however subject to the assumption that no other relationship exists between the person and the company making them related parties).

Under the Old Act, the DCA had clarified* that a WTD is employed under Section 309(3) of the Old Act in his capacity as a director and not in any other capacity. When a WTD obtains from a company remuneration to which he is entitled to as a director and nothing beyond such remuneration, he cannot be aid to hold an ‘office or place of profit’ under the company as defined by Section 314(3)(a) of the Old Act, In absence of anything contrary in Act, this guidance may be relevant for understanding provisions of Act as well.

In light of the above, it may be construed that the appointment/renewal of appointment of a MD/WTD may not constitute a RPT under Section 188(1)(f) of the Act, provided the MD/WTD is not entitled to remuneration over and above that he is payable to him by virtue of being MD/WTD.

Even assuming that the appointment and remuneration of MD/WTD is treated as a RPT under Section 188(1)(f) of the Act, such appointment would be in the 'ordinary course of business' for a company and if the terms of remuneration are on 'arm's length', section 188 would not be applicable. Continuing with the assumption that MD/WTD appointment is treated as a RPT, Audit Committee approval would be required.

*Extracts from the Department's File No. 1(80) CI-1/65 cited at page 3878-3879 of A Ramaiya's. Guide to the Companies Act (Part 2) 17th Edition

7) Section 188 is not a 'non-obstante' section. If a transaction is covered under two sections of the Act, one of them being Section 188, which one would prevail?

As held by the Supreme Court in various cases¹, it is a cardinal principle of construction of a statute that effort should be made in construing the different provisions so that each provision will have its play and in the event of any conflict and not to render any provision of the Act or any authority created by the Act, superfluous². One provision cannot be used to defeat purposes of another provision. Therefore, the provisions will have to be reconciled³.

In VenkataramanaDevaru v. State of Mysore AIR 1958 SC 255, it was held by the Supreme Court that 'the rule of construction' is well settled that when there are in an enactment two conflicting provisions which cannot be reconciled with each other, they should be so interpreted that, if possible, effect could be given to both. This is what is known as the rule of 'harmonious construction'.

"A familiar approach in harmoniously interpreting conflicting provisions is to find out which of the two apparently conflicting provisions is more general and which is more specific and to construe the more general one as to exclude the more specific⁴. Thus if a special provision is made on a certain matter; such matter is excluded from the general provision⁵."

However, sometimes, a non-obstante language is appended to a section in the beginning with a view to give the enacting part of such section an overriding effect in the event of conflict with any other provision of a statute mentioned in the 'non-obstante' section. In light of the above, if a transaction would have to comply with the provisions of both the sections and be read harmoniously.

Further, if one section is a general section and the other special, then the provisions of the special section will override the general to the extent applicable. The Supreme Court in J.K. cotton Spinning & Weaving Mills Co. Ltd. V. State of Uttar Pradesh AIR 1961 SC 1170 held that 'the rule that general provisions should yield to specific provisions is not an arbitrary principle made by lawyers and judges but springs from the common understanding of men and women that when the

Type of section	Rules of interpretation
Both the sections are not non-obstante	Both sections should be so harmoniously interpreted unless one provision is special and the other general; in which case, special provision will override the general.
One of the section is non-obstante	Non-obstante section will prevail

same person gives two directions one covering a large number of matters in general and another to only some of them his intention is that these latter directions should prevail as regards these while as regards all the rest the earlier direction should have effect'.

Provided that in the event, one of the sections is a 'non-obstante' section, the same shall prevail. Following table summarizes rules of interpretation of law to be followed in case a transaction is covered under two sections of a statute:

1. *University of Allahabad v. AmritchandTripathi, AIR 1987 SC 57, Krishna Kumar v. State of Rajasthan, AIR 1992 SC 1789.*
2. *University of Allahabad v. Amrit Chand Tripathi (1986 (4) SCC 176).*

3. *Padma Ben Bhanushali v. YogendraRathore AIR 2006 SC 2167; Sultana Begum v. Prem Chand Jain AIR 1997 SC 1006.*
 4. *South India Corporation (P) Ltd. V. Secretary, Board of revenue, Trivandum, AIR 1964 SC 207 cited at page 146, Justice G.P. Singh, Principles of Statutory Interpretation, 2012 (13th Edition).*
 5. *Venkateshwar Rao v. Govt. of Andhra Pradesh, AIR 1966 SC 828 cited at page 146, Justice G.P. Singh, Principles of Statutory Interpretation 2012 (13th Edition).*
- 8) **What would be the implications of applicability of Section 188 to RPTs that are live on the date on commencement of this Section?**

Section 188(1) of the Act stipulates that 'no company shall enter into any contract or arrangement' with respect to specified transactions there under. Thus, the test of whether Section 188 is attracted is to be applied at the time of 'entering' into the contract or arrangement.

It is a cardinal principle of construction that every statute is Prima Facie prospective unless it is expressly or by necessary implication made to have retrospective operation*. As section 188 does not expressly or by necessary implication prescribe any retrospective application, it may be concluded that the provisions of Section 188 apply only prospectively to contracts executed after it has come into effect (i.e. April 1, 2014).

In addition, the interpretation given to Section 297 of the Old Act which also applied at the time of entering into contracts is relevant in this behalf. The view of the DCA (letter no 3/2/75-CL-XIV dated 9th July, 1975), under Section 297 of the Old Act ("DCA Circular"), was that 'the contracts already entered into by the companies before 1-2-1975, the date on which the companies (Amendment) Act 41 of 1974 was brought into force, would not require approval under the proviso to Sub Section (1). In case, however, any modification is made in the terms of contract or it is renewed after the expiry of its original period, approval of the Central Government would become necessary.'

Any modification in the nature, type or terms of any transaction or contract existing as of April 1, 2014 with related parties would trigger compliance with Section 188.

It would be pertinent to note that any modification to an existing related party transaction would also require Audit Committee approval as per Section 177(4)(iv) of the Act.

In respect of listed companies, paragraph 4.2 (Applicability) of the Revised Clause 49 expressly provides that all 'material related party contracts or arrangements as on date of the SEBI Circular which are likely to continue beyond March 31, 2015 shall be placed for approval of the shareholders in the first general meeting of a company subsequent to October 1, 2014. However, a company may choose to get such contracts approved by the shareholders even before October 1, 2014.

*Keshvan V. State of Bombay, AIR 1951 SC 128, C. Gupta v. GlaxoSmithkline Pharmaceutical Ltd., (2007) 7 SCC 171.

Valuable lesson learnt from a five year old.

Little girl: Why do we call the man who picks up garbage bag from our home everyday as "kachrawala" (garbage man)?

Mother: Because he collects kachra (garbage)!

Little girl: How come he is kachrawala (garbage man). He collects garbage and keeps the environment clean. He should be called "safaiwala" (cleanliness man) and it is we who spread more garbage so we should be called kachrawala (garbage man).

How many of us recognized that!





PREPARATION OF BOARD'S REPORT UNDER THE COMPANIES ACT, 2013



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With the implementation of almost more than half of the provisions under the Companies Act, 2013 (Act) including Section 134 of the Act w.e.f. 1st April, 2014, companies now need to develop a design a framework for reporting and disclosure of various information in its Board's Report which are now required additionally to some of the disclosures under the Companies Act, 1956. While The Ministry of Corporate Affairs has put in its efforts to replace the Act 1956 with Act 2013 to make a shift towards self-governance rather than the regulatory governance, the disclosure requirements under the Board's Report seems to be more of a regulatory compulsion than the self-governance.

Additional Disclosures in the Board's Report under the Companies Act, 2013

The disclosure of performance evaluation criteria of Directors, particulars of loans, guarantees or investment under Section 186 of the Act, remuneration and appointment policy for Directors would be challenges for the companies to disclose in the Report for Financial year ended March 2015. In certain circumstances, clarification from Ministry were awaited to ensure adequate and proper disclosure in the Board's report, eg – in case of a company where the Nomination and Remuneration Committee is constituted on 31st March 2015 itself (since the Ministry vide its amendment to the Companies (Meetings and Powers of Board) Rules, 2014 dated 12th June, 2014 permitted constitution of committee within one year from the commencement of these rules or appointment of independent directors by them, whichever is earlier), how the policy relating to the remuneration for Directors, Key Managerial Personnel (KMP) and other employees will be framed and can be recommended to the Board for its approval. Similarly for evaluation of every director's performance, the Committee would need to establish criteria, which in any case would be framed only after March 2015 in the above cases. Hence new reporting requirements under the Board's report may lead to piecemeal information in case of such a company.

In addition to the requirement under the Act, Revised Clause 49 of the Listing Agreement also mandate companies to make some more disclosures apart from those as were required under Clause 49. Nonetheless, these disclosure requirements as enacted under the Act and the Listing Agreement lead to an era of good governance and transparency. In order to ensure adherence to the above requirement, companies would need to compile many information to make adequate and statutory disclosure in its Board's Report.

The requirements under the Companies Act, 2013 are no longer similar to the requirements under the Companies Act, 1956, wherein the Section 217 of the Companies Act, 1956 contained the provisions relating to disclosures in the Board's Report.

The Act 2013 has shaped an enclave of various requirement under various relevant provisions to be disclosed in the Board's Report for the financial year 31st March. 2015 onwards. In context of the above, a brief summary of the requirement under the Act as well as the Listing Agreement is stated below:

Additional Disclosures for Companies other than LISTED Companies, under the Companies Act, 2013:

The additional disclosures which are required now under the Companies Act, 2013 may be summarised as follows:

1. Number of Board Meetings held during the year;
2. Composition of Audit Committee (In case the companies are covered under Section 177);
3. Composition of CSR Committee (In case the companies are covered under Section 135);
4. Extract of Annual return as prescribed in Form MGT 9;
5. Additional information in Directors' Responsibility Statement relating to the statement that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and



- operating effectively and in case of listed companies, statement that directors had laid down internal financial controls and such controls are adequate and operating effectively;
6. Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made— (i) by the auditor in his report; and (ii) by the company secretary in practice in his secretarial audit report (if applicable);
 7. Statement on the company's affairs;
 8. Disclosing the amounts, if any, which it proposes to carry to any reserves;
 9. Disclosing the amount, if any, which it recommends should be paid by way of dividend;
 10. Statement on material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report;
 11. Statement on the conservation of energy, technology absorption, foreign exchange earnings and outgo;
 12. The financial summary or highlights;
 13. The names of companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year;
 14. Change in the nature of business, if any;
 15. Disclosures relating to Directors / KMP :
 - Details of Directors or KMP appointed or resigned during the year
 - Statement on declaration given by Independent Directors (IDs) (In case the companies are covered under Section 149)
 - Policy on appointment of Directors (In case the companies are covered under Section 178)
 - In case of re-appointment of IDs disclosure of such appointment (In case the companies are covered under Section 149)
 - Receipt of commission by whole time Director / Managing Director from its holding / subsidiary company, if any.
 16. Disclosures relating to policies:
 - Policy relating to the remuneration of the Directors, KMP and other employees (In case the companies are covered under Section 178)
 - Statement indicating development and implementation of Risk Management Policy
 - Details about the CSR policy developed and implemented as well as CSR report as per prescribed format (In case the companies are covered under Section 135)
 - Details of establishment of vigil mechanism (In case the companies are covered under Section 177)
 17. Criteria for determining qualifications, positive attributes and independence of a Director (In case the companies are covered under Section 178)
 18. Disclosures on related party transactions – particulars of contracts or arrangement with related parties in prescribed form AOC 2.
 19. Disclosure of particulars of loans, guarantees or investments made under Section 186 of the Act.
 20. Disclosure of a report on the performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement is presented. Names of companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year.
 21. Disclosures relating to Deposits - Deposits accepted, remained unpaid or unclaimed at the end of a year and the details of deposits which are not in compliance with the requirements of Chapter V of the Act.
 22. Disclosures on ESOP - options granted, options vested, options exercised, the total number of shares arising as a result of exercise of option, options lapsed, the exercise price, variation of terms of options, money realized by exercise of options , total number of options in force and employee wise details of options granted to KMP, specified employees.
 23. Secretarial Audit Report. (In case the companies are covered under Section 204)

24. Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future;
25. Statement showing the name of every employee of the company, who- (i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than sixty lakh rupees; (ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month; (iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company;
26. The number of cases filed, if any and their disposal under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 in the annual report of his organisation or where no such report is required to be prepared, intimate such number of cases, if any, to the District Officer (if applicable)

Additional Disclosures for Listed Companies as required under the Companies Act, 2013

1. Statement in Directors Responsibility Statement on Internal Financial Control and details - in respect of adequacy of internal financial controls with reference to the Financial Statements;
2. Disclosures on performance evaluation of the Board, its committees and individual directors;
3. Disclosures on remuneration of Directors / KMP / Employees;
 - The ratio of the remuneration of each director to the median remuneration of the employees
 - The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year
 - The percentage increase in the median remuneration of employees in the financial year, the number of permanent employees
 - The explanation on the relationship between average increase in remuneration and company performance
 - Comparison of the remuneration of the Key Managerial Personnel against the performance of the company
 - Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year
 - Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration
 - Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company
 - The key parameters for any variable component of remuneration availed by the directors
 - The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and affirmation that the remuneration is as per the remuneration policy of the company.

Additional Disclosures for LISTED Companies as required under the Listing Agreement:

1. Web link providing details of familiarisation programmes for IDs.
2. Web link for accessing the policy for determining material subsidiaries.
3. Web link for accessing the policy dealing with related party transactions.
4. Evaluation criteria for performance as established by Nomination and Remuneration Committee.



Penalty for non-compliances

With an intent to make the Board more responsible and transparent, the Act prescribes hefty penalty for non-compliance. It is Rs.50,000/- for a company which may extend up to Rs.25 lakhs and for every officer of the Company who is in default, the Act prescribes an imprisonment for a term which may extend to 3 years or with fine of minimum Rs.50,000/- which may extend up to Rs.5 lakhs or both.

Conclusion

Though the compilation of all these information pertaining to the disclosures to be made in the Board's Report would be a herculean task for many companies at the initial stage but these disclosures in the Board's Report are certainly required to ensure accountability of the Board and to build up transparency in reporting norms. The disclosures as required under the Companies Act, 2013 would also align the reporting norms and responsibilities of the Board with the standard global practices followed by foreign countries.

APPEAL TO MEMBERS

Dear Member,

The Annual Membership Fee and Certificate of Practice fee for the year 2015-16 has become due for payment w.e.f. 1st April, 2015. The last date for payment of fee is 30th June, 2015. The ICSI Hyderabad Chapter requests you to remit the same at the earliest.

The membership and certificate of practice fee payable 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/- (**)

· * A member who is of the age of sixty years or above and is not in any gainful employment or practice can claim 50% concession in the payment of Associate/Fellow Annual Membership fee and a member who is of the age of seventy years or above and is not in any gainful employment or practice can claim 75% concession in the payment of Associate/Fellow Annual Membership fee subject to the furnishing of declaration to that effect.

· **The certificate of practice fee must be accompanied by a declaration in form D duly completed in all respects and signed. The requisite form 'D' is available on the website of Institute www.icsi.edu.

MODE OF REMITTANCE OF FEE

The fee can be remitted by way of:

- i. Online (through payment gateway of the Institute's website (www.icsi.edu))
- ii. Cash/Cheque at par/Demand draft/Pay order payable at New Delhi (indicating on the reverse name and membership number) drawn in favour of 'The Institute of Company Secretaries of India' at the Institute's Headquarter or Regional/Chapter offices.

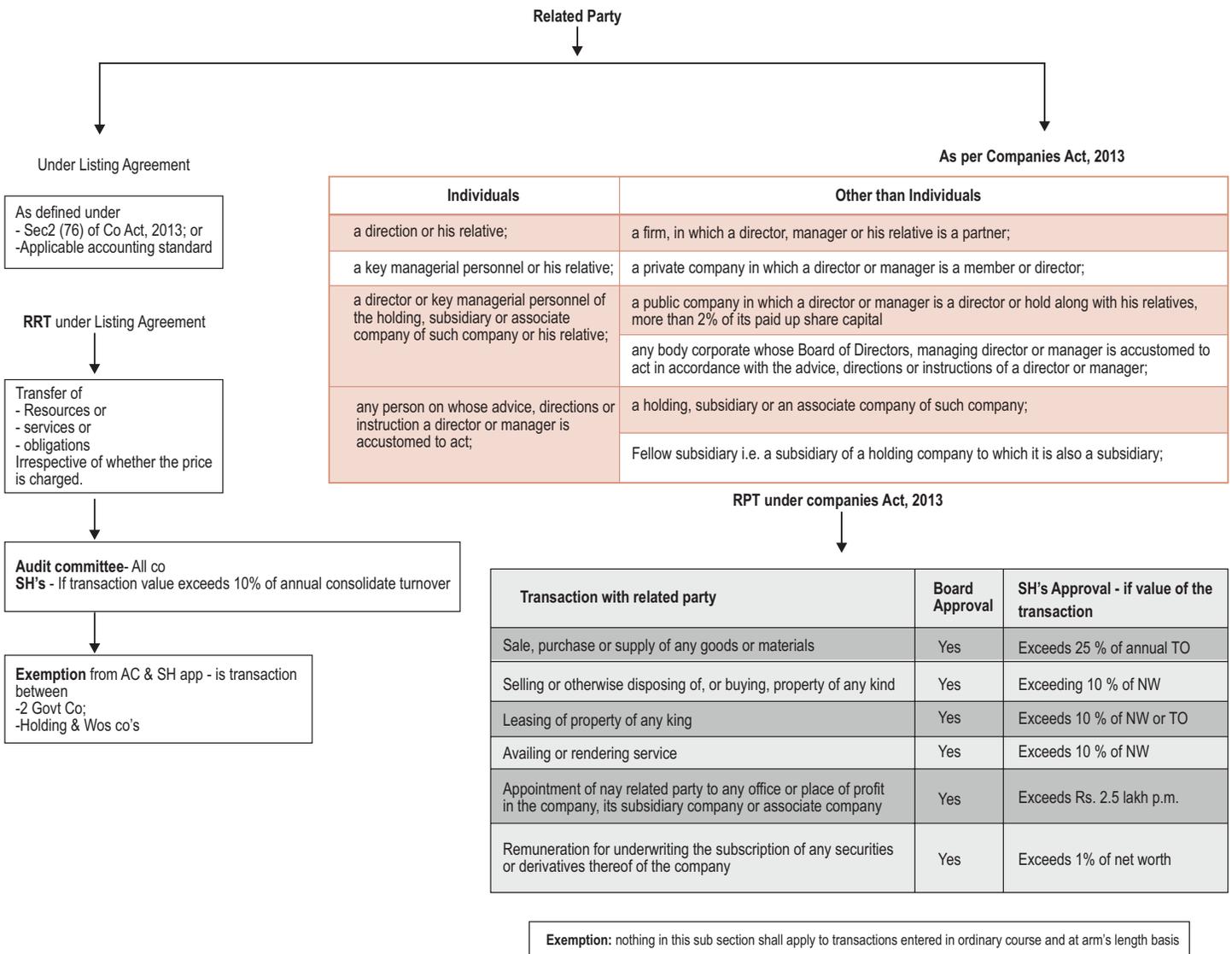
For queries, if any, the members may please get in touch with Mr. J.S.N. Murthy, Executive Officer or email to hyderabad@icsi.edu.

QUICK GLANCE - RELATED PARTY TRANSACTIONS

CS Mona Rajora

Company Secretary

Email: monarajora03@gmail.com





Corporate Secretary



CS Namita Vemulakonda
Company Secretary
Email: namita456@gmail.com

Summer means holidays and mangoes. But from the year 2008, summer has a new definition. The Indian Premiere League (IPL) started in the year 2008. It promises cricket coupled with entertainment. Now summer means IPL! These matches begin after office hours - so more finding excuses to bunk work for cricket. It comprises of 20-20 matches – no day long matches!! All in all, it comes as a complete entertainment package – a powerhouse of action and entertainment.

BOLLYWOOD TADKA

We are a nation which idolizes both our cricketing and celluloid stars. And when both of them come together, it's nothing but icing on the cake! Nail biting finishes, power plays, super overs – to top it all, we have stars from Bollywood too cheering the players. In fact, few of our stars are co-owners of some of the franchises. Kolkata Knight Riders(KKR) is co-owned by Shah Rukh Khan and Juhi Chawla while Preity Zinta has a stake in the Kings XI Punjab (KXIP) team. Upto 2013, Shilpa Shetty was a co-owner of Rajasthan Royals (RR)

COMMON TERMS ASSOCIATED WITH IPL

- Orange Cap: given to the player who scores the highest number of runs. Sachin Tendulkar became the first Indian player to win the orange cap for his 618 runs in the 2011 edition.
- Purple Cap: It's given to the player who takes the most number of wickets.
- Play Off: Four teams reach the final which is called "Play Offs". It was introduced in 2011.

IPL TRIVIA

- CSK is the most successful team in the IPL. They have won the title twice and have qualified for the play-offs 5 out of 8 times (including this season)
- IPL was hosted outside the country twice. In 2009, the tourney was held at South Africa owing to the general elections in India . In 2013, the early part of the tournament was conducted at UAE due to elections.
- KKR also won the IPL title twice – in 2012 and 2014
- Gayle of RCB scored 175 off 80 balls in the 2013 edition – highest score so far!
- Since 2011, the team finishing second in the table during playoffs has always won the title!

CONTROVERSIES

- Can there be cricket without its share of controversies? IPL has been involved in many controversies. Some of them are:
- **Kochi Tuskers Kerala** made its debut in 2011. However, the bid for this franchise turned controversial which led to the resignation of Mr. Shashi Tharoor as the Union Minister. Later, this franchise was scrapped.
- In 2013, spot fixing raised its ugly head and it ultimately led to the elimination of Sreesanth. He is now banned from all forms of cricket. Controversy is never new to him though....in the inaugural edition too, he was involved in "Slap gate" controversy with Harbhajan Singh



- **Deccan Chargers** was terminated by the IPL Council and later it was bought by Sun Network. It has been renamed the **Sunrisers Hyderabad**
- Till 2015 IPL began, there was a cloud of doubt regarding the inclusion of CSK in the tourney.

As the saying goes, **“THE SHOW MUST GO ON”**.....IPL has steered ahead each time a controversy struck and it is here to stay!

IPL 2015 – THE 8th EDITION

Team India put up a terrific show at the World Cup 2015. But alas! We couldn't win the Cup. Soon after the World Cup IPL started and we began to be hooked to cricket all over again! Till then the players who were in one team start to compete against each other. Captain Cool MS Dhoni plays for Chennai, his deputy in the ODI squad Virat Kohli plays for Bangalore, Yuvi is in Delhi, dashing opener Sehwag plays for Punjab. Likewise, there are 8 teams in the IPL!

This season has been most exciting. It took the last two matches of the league stage to determine the last two teams to make it to the knock-outs. It was thought Kolkata was certain to make it to the top 4 but a magical knock by Watson from Rajasthan saw them progressing to the play-offs. IPL is said to be a batsman's game! A few innings worth mentioning are:

- The 'Gayle storm'- Gayle hit a 58 ball 117 to register a 138 run victory over Kings X1 Punjab – the highest victory margin ever
- Gayle's RCB teammate AB de Villiers recorded the highest individual score in a match, plundering a 59-ball 133 not out against Mumbai Indians
- Sunrisers played their first home game against Chennai at Hyderabad. Sunrisers captain David Warner scored a 28-ball 61 to take his team to a 22 run victory! He was awarded the Man-of-the-match three times in this tourney.
- Harbhajan Singh or the 'Turbunator' scored the fastest IPL 50 when he hit 64 off 24 balls when Mumbai Indians took on KX1P.
- Another player who took the cricketing world by surprise was the 17-year-old Sarfaraz Khan. The IPL's youngest player hit an unbeaten 21-ball 45 to take the RCB to the 200 mark. Although the match was washed out by rain, Sarfaraz's innings is one of the finest this season.

IPL 8 has been an unpredictable journey – exciting nevertheless! It's been a sensational tourney... The tournament's journey has been filled with its share of ups and downs.

RCB AND THE COMPANIES ACT

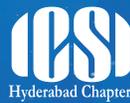
Since 2013, ever since the concept of “Corporate Social Responsibility” has been introduced in the Companies Act, RCB has been donning green jerseys for one match to show their support to the cause. It is a franchise owned by Vijay Mallaya of Kingfisher.

SOMETHING FOR EVERYONE

IPL is a talent pool. Players are selected across countries; at the same time domestic players are not neglected. The rules ensure that each team plays a maximum of 4 overseas players in a single game. It's a cash-rich game which assures each player of rich financial benefits as well as immense popularity. Not to forget the exposure they get facing top bowlers.

Each team is coached and mentored by the best names in the game. Mumbai Indians appointed Ricky Ponting as their coach while one of the best fielders of all time Jonty Rhodes is the fielding coach.

Coming to the public, it's a complete fun package. Also, based on the IPL, many fantasy leagues have come up making it very lucrative. We not only get to watch matches but predict the scores, runs, wickets etc thereby winning attractive gifts.



MANAGE YOUR PRE-PRESENTATION ANXIETY



CS Suryanarayana S V
Practising Company Secretary
Email: cs@suryanarayana.com

If you don't get even a little "NERVOUS" before giving a presentation, you should really be worried. The adrenaline from presentation anxiety fuels you with the energy you need to be at your best as a presenter. Extreme anxiety may work against you by generating more energy than you can release effectively through communicating. Unspent energy rapidly converts to tension, fidget, dry mouth, tight throat and can completely disable the body (and mind also sometimes) of the presenter. Here are some techniques to help you to better manage your pre-presentation anxiety.

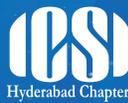
1. Prepare thoroughly - Leave nothing to chance. The best tool for managing your anxiety is good preparation. Start with a good plan. Your goal during the preparation process is to prepare so well that you feel comfortable and confident of your ability to deliver a successful presentation. Define a clear and specific outcome and find the best way to lead your audience to it. This means knowing how to effectively analyze your audience with the specific goals of your presentation in mind. From this process, you can create specific messages that will address their concerns to bring them to your goal. This will enable you to think positively about your presentation and carry that positive attitude into your actual presentation. Thorough preparation coupled with a large dose of a positive attitude is the best vaccine for preventing anxiety.

2. Rehearse the presentation - Rehearsal enables spontaneity by helping you internalize your message. Once you know what you're saying and have some "muscle memory" from saying it several times, you will be free to deliver the message more powerfully and with a closer connection to your audience. Best way is to rehearse in the actual space with the exact equipment and settings you will have at the actual event. In addition to the physical rehearsal, you can use specific visualization techniques to perform cognitive rehearsals. These will augment the impact of the physical rehearsal on your presentation just as a skier's visualization of a ski run improves race performance.

3. Arrive early - The best reason to arrive early is to avoid the stress associated with being late. Forget your fear of presenting, worrying about making it there on time, rushing around before a presentation, or starting before you've had time to adequately prepare the room or yourself--will produce enough anxiety to stress out the most calm presenter. If you need more proof that arriving early is anxiety reducing, then consider this. Most of the common problems that can occur before a presentation such as forgetting something, missing equipment, improper room set-up, technical problems, etc. can be cured with just a little more time. With a few extra minutes, you can take care of these issues and most importantly, stay RELAXED.

4. Warming up - Just prior to the presentation, warm up. Walk or stroll or stride or work out with little exercises at the venue or do something that gets your whole body moving (try to avoid doing this within eyeshot of the audience). It's also very important to specifically warm up the muscles of your voice. There are vocal and breathing exercises that can dramatically improve the power, tone, and feeling of your voice. Warming up your voice also serves to protect it. As most people have learned the hard way, speaking loudly without the proper vocal warm-ups and techniques can cause hoarseness or even permanent vocal damage.

5. Meet and Greet - Meet your audience informally before your presentation. Fear of the unknown is much greater than fear of the known. If you can look around the facility and perhaps chit chat with some of the audience members in advance of the presentation--you will naturally become more comfortable and relaxed. There is nothing more anxiety reducing than some friendly conversations with your audience before a presentation. Get to know your audience and then focus your energy on meeting your audience's needs and your nervousness will fade into the background—right where it belongs! Your goal is to get to the presentation early enough to get set up, meet and greet your audience.



6. Adjust to surroundings - The more adjusted to your environment you are, the more comfortable you'll feel. Make sure to spend some in the room where you will be delivering your presentation. If possible, practice with the microphone and lighting, make sure you understand the seating, and be aware of any distractions potentially posed by the venue (e.g., a noisy road outside).

7. Use Positive Visualization - When you imagine a positive outcome to a scenario in your mind, it's more likely to play out the way you envision. Instead of thinking "I'm going to be terrible out there" and visualizing yourself throwing up mid-presentation, imagine yourself getting tons of laughs while presenting with the enthusiasm. Positive thoughts can be incredibly effective--give them a shot.

8. Smile - Smiling increases endorphins, replacing anxiety with calm and making you feel good about your presentation. Smiling also exhibits confidence and enthusiasm to the crowd. Just don't overdue it--no one enjoys the maniacal clown look.

9. Drink Water - Dry mouth is a common result of anxiety. Prevent cottonmouth blues by staying hydrated and drinking plenty of water before your presentation (just don't forget to hit the bathroom before starting). Keep a bottle of water at arm's reach while presenting in case you get dry mouth while chatting up a storm.

10. Take Deep Breaths - At the moment you are about to begin your presentation, take one full deep "belly" breath. Focus your eyes on someone towards the back of the room. And begin! This should get you off to a great start.

When considering presentation anxiety, remember to separate how it feels from how it looks. Anxiety may feel bad, but it doesn't necessarily look bad to the audience. The truth is, most signs of anxiety aren't even noticeable to your audience.

And finally, remember that the audience isn't concentrating on your nervousness at all, they are focused on whether or not your presentation is going to meet their needs. To them, it is less about you and your nervousness, and more about THEM and their needs.

'Presentation that Works' is a regular feature published in this Newsletter that contains series of articles on Presentation Tips being contributed by CS Suryanarayana SV, Former Chairman (1996) – Hyderabad Chapter of ICSI and a veteran presenter of workshops and training sessions on Communication & Presentation Skills topics.

Appeal to Members Updation of Members Particulars on ICSI Portal

We wish to draw your kind attention to Regulation 3 of the Company Secretaries Regulations, 1982, according to which every member of the Institute is compulsorily required to communicate to the Institute any change of professional address within one month of such change.

Further the contravention of the same amounts to professional mis-conduct under clause (1) of part II Second Schedule read with section 21 and 22 of the Company Secretaries Act, 1980 which provides as under:-

A member of the Institute, whether in practice or not, shall be deemed to be guilty of professional misconduct, if he---

1. Contravenes any of the provisions of this Act or the regulations made thereunder or any guidelines issued by the Council;

In view of the above, we request you to update your address including email Ids and telephone numbers on www.icsi.edu to facilitate effective communication with you.



ACTIVITY REPORTS

1. REPORT ON THE VALEDICTORY SESSION OF THE 12TH MSOP HELD ON 2ND APRIL 2015

On 2nd April 2015, Chapter has organized the Valedictory Session of the 12th MSOP at Chapter Premises. CS Issac Raj P G, Chairman of the Chapter welcomed the participants and congratulated them on their successful completion of MSOP at Hyderabad Chapter. The Chairman said that the MSOP students are the finished products of ICSI. He further requested the students to stay connected with the Chapter and also informed them about the benefits of becoming a member of Company Secretaries Benevolent Fund (CSBF). The Chairman read out a brief report of the MSOP to the Chief Guest, Shri E V Narasimha Reddy, Executive Director of TSIIC. The Chairman concluded by advising the students to relish their success and at the same time to work for others and not only for themselves.

CS R. Ramakrishna Gupta, Member of ICSI-SIRC speaking on the occasion, informed the students that there are plenty of opportunities available to the Company Secretaries. He also mentioned that sky is the limit and advised the students to improve upon their individual strengths. He further encouraged the students by saying that one should be very proud to be a CS. He further stressed upon the students to exhibit professional qualities and maintain decorum. He concluded by advising the students to enrich their knowledge which will help them to progress and reach new heights in their career.

C S Mahadev Tirunagari, Vice Chairman of ICSI-Hyderabad Chapter introduced the Chief Guest, Shri E V Narasimha Reddy, ED of TSIIC to the participants.

The Chief Guest praised the students for their successful completion and for their rigorous phases of knowledge gain. The Company Secretaries will have to deal with various organizations and thereby have to exhibit high level of professionalism. He further advised the students to grab every opportunity to excel in their professional career. He also stressed upon the students to be eminent as a Company Secretary has a lot of scope to be eminent. He further emphasized that once the students become professionals they will have lot of challenges to face and one should make the right choice when there are several directions. The Chief Guest advised the students to put their talent to best use and concluded by saying that the globe is open and hoped to see all the participants as eminent personalities.

The participants have also shared their experiences during the training sessions.

The Chief Guest awarded the certificates to the participants.

CS R. Venkata Ramana, Secretary of the ICSI-Hyderabad Chapter proposed a Vote of Thanks.

2. FREE HEALTH CHECK-UP CAMP ON 7.4.2015 [WORLD HEALTH DAY]

On 7th April 2015, the Hyderabad Chapter of ICSI organized a Free Health Check-up Camp to commemorate the World Health Day at Chapter Premises. Super specialists from Care Hospitals have provided their valuable services.

Members and their families, Students and residents of Anand Nagar colony and Venkataramana Colony around 140 persons have availed the facility. CS R Venkata Ramana, Secretary of the Chapter welcomed the participants to the health camp. CS Issac Raj P G, Chairman of the Chapter in his opening remarks has pointed out that prevention is better than cure. He also mentioned that health is wealth and hence utmost care must be taken regarding health. CS V Ahalada Rao Central Council Member spoke on the occasion and said that people spend lot of time on accumulating wealth when they are young and spend all that money on their health in the later part of their life. CS Mahadev Tirunagari Vice-Chairman of the Chapter mentioned that we have many properties like Wealth property, Intellectual property and Health property and so on. It is important that we should maintain a proper balance between all of them. CS Ravi Kumar Mandaville also spoke on the occasion and emphasized the need for all of us to maintain good health.

The Health Camp was inaugurated by Lighting of the lamp by the members of the Institute. Sri Chintala Ramachandra Reddy, MLA, Khairatabad Constituency was the Chief Guest for the occasion. The MLA visited the Chapter and addressed the participants. He mentioned that 7th April 2015 is observed as World Health Day by all people across the world. He also spoke on the advancements in medical field like Heart transplantations etc. He further congratulated the ICSI-Hyderabad Chapter and CARE Hospital doctors and management for organizing such a noble event.

Subsequently the MLA has also planted a sapling at the ICSI-Hyderabad Chapter premises, Anand Nagar Colony, Khairatabad.



3. HALF DAY SEMINAR ON DEMYSTIFYING SESSION ON SECRETARIAL AUDIT

On 24th April, 2015, the Hyderabad Chapter of ICSI organized a Half Day Seminar on “Demystifying Session on Secretarial Audit (Prog. 1). CS Issac Raj P G Chairman of the Chapter in his welcome address spoke of the importance of secretarial audit and introduced the speakers to the participants.

CS V Ahalada Rao, Central Council Member was the first speaker. The Council Member in his presentation gave a detailed view on secretarial audit procedures involved i.e. compliances with the provisions of various laws and rules/regulations/procedures, maintenance of books, records etc. He further mentioned that Secretarial Audit is essentially a mechanism to monitor compliances with the requirements of stated laws and processes. The speaker further focused on the essential requirements of Secretarial Audit in terms of provisions, rules, reports to be attached according to different applicable laws related to their respective industry. He further emphasized on the benefits relating to secretarial audit such as quantification of risks, identification of controls, third party assurance etc. He dealt with the powers and duties of Company Secretary such as right to access books of accounts, seek information, etc. and the General principles and guidelines to be followed such as Adhere to Directives and Guidance issued by ICSI from time to time. He concluded by explaining the right way of reporting.

The second speaker CS Bhavani Raj, Partner, R & A Associates, spoke on the compliances relating to pharma sector which are to be followed. The speaker dealt with various market segments such as formulation, contract research, whole sale/retail outlets, etc. She emphasized on various laws that are applicable to pharma industries such as Drugs and Cosmetics Act, Drugs and Magic Remedies Act 1954, Pharmacy Act 1948, etc. in terms of rules and regulations to be followed. She further gave an overview of Secretarial Audit points for pharma companies to be noted in order to comply various licenses/registrations to be taken for various activities involved by giving examples on import, sale, stock, repacking etc. She concluded by prescribing the minimum standards of education and approved courses of study and examinations of various pharma related acts.

The third speaker Shri R Sirish Kumar, Executive Director & Co-Founder RA Chem Pharma Ltd elucidated about the various statutory compliances and regulatory compliances to be followed in pharma industry. He further mentioned that growth has been increasing in Indian pharmaceuticals year after year in terms of revenue and volume. He dealt on the business models and business strategies involved in the pharma industries. He gave a broad description regarding various compliances with statutes such as obtaining NOC, licenses, registrations etc. He concluded by discussing about commercial and legal aspects like global supply agreements, product quality agreements, IPR agreements etc.

CS R. Venkata Ramana, Secretary of the ICSI-Hyderabad Chapter proposed a Vote of Thanks.

VOLUNTARY SERVICES EXTENDED BY THE MEMBERS DURING THE MONTH OF APRIL 2015

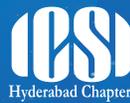
The Chairman and Managing Committee of the ICSI - Hyderabad Chapter profoundly congratulate the following well wishers of ICSI for their inspiring support. Hyderabad Chapter wishes to record their sincere appreciation for their contribution.

S. No.	Name of the Member	Nature of Support / Services rendered
1.	CS M Siva Satyanarayana Reddy Company Secretary, TSIIIC	For his valuable services in arranging for the Chief Guest Shri E V Narasimha Reddy, ED of TSIIIC for the valedictory session of the 12th MSOP.
2.	CS K Manoj Kumar Practicing Company Secretary M/s AGR & Co.	For his valuable services for arranging for the Chief Guest Mr. Chintala Rama Chandra Reddy, MLA for the Free Health Check up Camp on 7th April, 2015.
3.	CS Nidjelli Anjaneyulu Company Secretary Quality Care India Limited	For his valuable services in arranging for the Doctors from Care Hospital for the Free Health Check up Camp.



Group Pic with Participants of 12th Management Skills Orientation Programme (MSOP) organised by the ICSI- Hyderabad Chapter between 17th March, 2015 and 02nd April, 2015





Hyderabad Chapter

Corporate Secretary

Glimpses of Half Day Seminar on Demystifying Sessions [Prog-1] on Secretarial Audit held on 24.4.2015 at Katriya Hotels & Towers



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