



THE INSTITUTE OF
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IN PURSUIT OF PROFESSIONAL EXCELLENCE
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CS NITOR

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PRESIDENT MESSAGE

Dear Professional Colleagues,

“Inclusive growth should not be a mere slogan but a fundamental driving force for sustainable development.”

- Pranab Mukherjee, The President of India

Today, sustainability and inclusive growth are the corner stone for overall development of any nation; particularly in the context of India where emerging social, economic, environmental and governance themes have become the main focus for the businesses and professionals. These trends mean a lot for exploring the opportunities and enhancing the competitiveness of the profession of Company secretary.

Corporate Governance is prominent among all as it plays an indispensable role in ensuring sustainability of businesses and is a pre-requisite for improving economic efficacy and engendering long term value for the society at large. Thus, strong governance framework with focus on aspects like accountability, transparency, social responsibility and fairness is critical for promoting inclusive growth and creating a sustainable edifice.

Company Secretaries, being the torch bearers of Governance are expected to be versatile and strategic resource that can act as co-creators of value. We need to cherish our significance; endeavor to harness the full potential in all spheres by not only updating ourselves but also understanding and acting upon the prevailing forces of change; reinforce ourselves with strength to adapt such changes and aim at ensuring best quality of professional services. Friends, ICSI is constantly making efforts to nurture profession through various initiatives; one such initiative being e-CS Nitor. With the hope that it is serving the purpose, I present before you this issue of the CS Nitor. I am sure you will find it enriching.

Regards,

CS Atul H. Mehta

President
president@icsi.edu

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- **15th London Global Convention, 2015 : 07-09 October, London (UK)**
- **43rd National Convention of Company Secretaries : 17-19 December at Kempinski Ambience Hotel, Delhi**
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- **Compliances under Foreign Regulation Contribution Act, 2010 (FCRA)**
- **Circulars, Notifications, Orders, Amendments**
- **Become an ICSI Counsellor**

Glimpses



Meeting with Shri Piyush Goyal, Hon'ble Minister of State with Independent Charge for Power, Coal and New & Renewable Energy on 26th August, 2015

From L to R : CS Ranjeet Kumar Pandey, Council Member ICSI; CS Vineet K Chaudhary, Council Member ICSI; Shri Piyush Goyal, Hon'ble Minister of State with Independent Charge for Power, Coal and New & Renewable Energy; CS Atul H Mehta, President ICSI and CS Rajeev Bajaj, Council Member ICSI.



Meeting with Shri Rajnath Singh, Hon'ble Union Minister of Home Affairs on 25th August, 2015

From L to R : CS Satwinder Singh, Council Member ICSI; CS Vineet K Chaudhary, Council Member, ICSI; CS Sutanu Sinha, Chief Executive & Officiating Secretary, ICSI; CS Atul H Mehta, President ICSI and Shri Rajnath Singh, Hon'ble Union Minister of Home Affairs.



Meeting with Shri Bandaru Dattatreya, Hon'ble Minister of State (I/C) of Labour & Employment on 19th August, 2015

From L to R : CS Sutanu Sinha, Chief Executive & Officiating Secretary, ICSI; CS Vineet K Chaudhary, Council Member, ICSI; CS C Ramasubramaniam, Council Member, ICSI; Shri Bandaru Dattatreya, Hon'ble Minister of State (I/C) of Labour & Employment; CS Atul H Mehta, President, ICSI; CS Shyam Agrawal, Council Member, ICSI.



National Seminar on Companies Act, 2013: Secretarial Standards held on 8th August, 2015 at New Delhi

From L to R: CS Ranjeet Kumar Pandey, Council Member, ICSI; CS Pavan Kumar Vijay, Past President, ICSI & Chairman SSB, ICSI; CS Mamta Binani, Vice President, ICSI; CS Vineet K Chaudhary, Council Member ICSI; CS Alka Kapoor, Joint Secretary, ICSI; CS G P Madaan, Representative of ASSOCHAM.



National Seminar on Secretarial Standards held on 22nd August, 2015 at Kolkata

From L to R : Chief Guest Shri Dhan Raj Member (Technical) Company Law Board, Kolkata Bench; CS S K Agrawala, Council Member, ICSI; Shri Vijay Kumar Jhalani, Council Member, ICSI; CS Atul H. Mehta, President, ICSI; CS Mamta Binani, Vice-President, ICSI; CS Pavan Kumar Vijay, Past President, ICSI & Chairman SSB, ICSI and CS Sunita Mohanty, Chairperson, EIRC-ICSI.

Institute Of Directors, India presents
15th LONDON GLOBAL CONVENTION 2015
7 - 9 October, London (UK)

Theme: **Effective Corporate Governance and Sustainability: MANDATE OF THE BOARD**

15th International Conference on
CORPORATE GOVERNANCE & SUSTAINABILITY

at Millennium Hotel London Mayfair, 44 Grosvenor Square, London W1K 2HP on 8th - 9th October 2015

▲ **Global Business Meet**

at House of Lords, UK Parliament on 7th October 2015

▲ **Special Session on Finance Professional in Business & Welcome Reception**

at The Institute of Chartered Accountants in England and Wales on 7 October 2015



Also presentation of

Golden Peacock Awards

Corporate Governance, Sustainability, (both National & Global) & Innovation Management

GALAXY OF SPEAKERS



The Rt. Hon. Baroness Verma
Parliamentary Under Secretary of State, Department for International Development, Govt. of UK



The Rt Hon. Lord Swraj Paul
Founder & Chairman, The Caparo Group Plc., UK



Melanie McLaren
Executive Director Codes & Standards, Financial Reporting Council



Prof. Sir Andrew Ukkerman
Dean, London Business School



Ravi Parthasarathy
Chairman, Infrastructure Leasing & Financial Service Limited



Andrew Harding
Managing Director, CIMA



Dr. Tqyeb Kamal
former Vice Chancellor, Higher Colleges of Technology (HCT), UAE



CS Atul Hasmukhlal Mehta
President, The ICSI

▲ **CONFERENCE HIGHLIGHTS**

- Building Tomorrow's Boards for Leading Effective Corporate Governance and Sustainability
- Emerging Role of Company Secretaries in the Boardroom
- Global perspectives on Corporate Governance
- Measuring Board Effectiveness
- Stakeholder Paradigm and Shared Leadership issues in the Boardroom
- Path for Sustainable Business Development
- Case study presentations on Corporate Governance and Sustainability
- Embedding CSR and Ethical Ethos in the Boardroom

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Announcement

43rd National Convention of Company Secretaries

Days

Thursday-Friday-Saturday

Dates

17-18-19 December, 2015

Venue

Kempinski Ambience Hotel, Delhi

*Kindly block these dates in your diary.
Details being hosted on ICSI website.*

National Company Law Tribunal and National Company Law Appellate Tribunal – The Genesis and Challenges

*CS Lakshmi Arun **
Deputy Director, ICSI

Eradi Committee – The Beginning (1999)

In the year 1999, the Government of India set up a High Level Committee headed by Justice V.B.Eradi, to examine and make recommendations with regard to the desirability of changes in existing law relating to winding up of companies so as to achieve more transparency and avoid delays in the final liquidation of the companies; The Committee recognized after considering international practices that the law of insolvency should not only provide for quick disposal of assets but in Indian economic scene, it should first look at the possibilities of rehabilitation and revival of companies. The Committee also recommended that the jurisdiction, power and authority relating to winding up of companies should be vested in a National Company Law Tribunal instead of the High Court as at present. The Committee strongly recommended appointing Insolvency Professionals who are members of Institute of Chartered Accountant of India (ICAI), Institute of Company Secretaries of India (ICSI), Institute of Cost and Work Accountants of India (ICWAI), Bar Councils or corporate managers who are well versed in Corporate management on lines of U.K. Insolvency Act.

The Committee addressed and recommended the following key points:

- The Committee recognized after considering international practices that the law of insolvency should not only provide for quick disposal of assets but in Indian economic scene, it should first look at the possibilities of rehabilitation and revival of companies.
- The Committee noted that there are three different agencies namely,
 - (i) the High Courts, which have powers to order winding up of companies under the provisions of the Companies Act, 1956;
 - (ii) the Company Law Board to exercise powers conferred on it by the Act or the powers of the Central Government delegated to it and
 - (iii) Board for Industrial and Financial Reconstruction (BIFR) which deals with the references relating to rehabilitation and revival of companies.
- The committee revealed data of time taken to wind up a company – it may run on an average upto 25 years; Eastern region being the worst.

Recommendations By N L Mitra Advisory Group (2001)

The Advisory Group examined the details of conflicting decisions on tribunalisation of justice. Tribunalised justice is a special character of civil law system. In a common law culture, there is an emphasis on judicial form and formalities. The conflict between the two systems is nothing new in India. Both the systems, that is the common law and the civil law systems, are now coming closer, common law systems adopting structure of administrative authority including administrative justice for the management of various state functions; and the civil law system on the other hand, incorporating the principles of accusatorial system and judicial process. In India, we have under the present constitutional paradigm partially adopted tribunalised form of justice under article 323A and

* *The views expressed are personal views of the author and do not necessarily reflect those of the Institute.*

323B. But there are also judicial observations. It is true that in *L. Chandrakumar*, Supreme Court finally gave its nod in favour of tribunalised system of justice. But the reservation of judiciary against the erosion of judicial power especially at the High Court level is quite evident. It is not possible to oust the jurisdiction of the High Court under Articles 226 and 227 without amending the provision of Article 323B.

The Advisory Group discussed in details the possibility of avoiding the dualism in the system so that the whole process can be put into a straight line to avoid delay. In that context the following two methods have been discussed.

- Constituting a National Tribunal with benches at the jurisdiction of each High Court to receive and deal with all petitions for bankruptcy, restructuring and finally for insolvency with an appeal lying to the High Court and SLP to the Supreme Court; and
- Having a completely dedicated bench in each High Court dealing with the entire matter of bankruptcy; reorganisation(similar to reorganisation under Chapter 11 of the US code); and insolvency proceedings ensuring fast track liquidation, the only appeal being by way of a special leave petition to the Supreme Court.

The proposal (i) has two problems. Firstly, no question can be finalised at the stage of tribunal. Litigation may travel up and down in interlocutory matters. Secondly, it attracts a constitutional design in which avoidance of High Court's power is not possible without amending Article 323 B. Article 323B of the Constitution enables the appropriate Legislature to provide for adjudication or trial by Tribunals of disputes, complaints or offences with respect to all or any of the matters specified in clause (2). Clause (2) enumerates the matters in regard to which Tribunals can be constituted. The said list is exhaustive and not illustrative. The list does not provide for constitution of Tribunal for insolvency, revival and restructuring of the company. In the absence of any amendment to Article 323B providing for a National Tribunal for revival of companies and winding up companies, there is no legislative competence to provide for constitution of NCLT and NCLAT.

Another matter has to be seriously discussed. Tribunalised justice as envisaged in (i) has not been taken in India in the way as has been designed in civil law society. The tribunals in the civil law society not only comprise of legal experts but also have specified professional experts in it (like the structure of Income Tax Tribunal in India, which has been functioning satisfactorily). But unfortunately in India, tribunals are constituted with retired High Court judges. Therefore, these are as good or as bad as our court systems.

J J IRANI COMMITTEE RECOMMENDATIONS (2005)

- As per Companies (Second Amendment) Act, 2002, the National Company Law Tribunal (NCLT) is envisaged as the forum to address Insolvency issues. It is hoped that this forum is constituted speedily. The Committee however takes this opportunity to focus on some important aspects widely considered important for proper functioning of such a body.
- The Insolvency Tribunal should have a general, non-intrusive and supervisory role in the rehabilitation and liquidation process. Greater intervention of the Tribunal is required only to resolve disputes by adopting a fast track approach. The Tribunal should adopt a commercial approach to dispute resolution observing the established legal principles of fairness in the process.
- The Tribunal should set standards of high quality and be able to meet requisite level of public expectations of fairness, impartiality, transparency and accountability. Selection of President and Members of the Tribunal should be such so as to enable a wide mix of expertise for conduct of its work.
- The Tribunal will require specialized expertise to address the issues referred to it. The law should prescribe an adequate qualification criterion for appointment to the Tribunal as well as training and continuing education for judges/members.

- Rules should be made in such way that ensure ready access to court records, court hearings, debtors and financial data and other public information.
- Standards to measure the competence, performance and services of the Tribunal should be framed and adopted so that proper evaluation is done and further improvements can be suggested.
- The Tribunal should have clear authority and effective methods of enforcing its judgments. It should have adequate powers to deal with illegal activity or abusive conduct.

Decision of Supreme Court in Union of India Vs R. Gandhi, President, Madras Bar Association on constitutional validity of NCLT and NCAL – May 11, 2010

In the above case, Supreme court upheld the decision of the High Court that the creation of National Company Law Tribunal and National Company Law Appellate Tribunal and vesting in them, the powers and jurisdiction exercised by the High Court in regard to company law matters, are not unconstitutional and declared that constitution of NCLT and NCAL under Parts 1B and 1C of Companies (Amendment) Act, 2002 as presently structured, are unconstitutional. However, Parts IB and IC of the Act, may be made operational by making suitable amendments. This case discusses in detail about tribunalisation, points in favour of tribunalisation, difference between the court and tribunals etc.

Supreme Court Decision dated May 14, 2015 on NCLT and NCAL

Though the verdict came in the year 2010, upholding the creation of NCLT and NCLAT, these two bodies could not be created and made functional immediately thereafter and the matter got stuck in imbroglio of one kind or the other. Writ Petition No.267/2012 was also filed by this very petitioner and was pending consideration. Said writ petition was listed before this Bench along with the present writ petition (2013 petition on which supreme court gave its judgement in 2015) and arguments to some extent were heard in petition as well. However, since the issues raised in the said petition necessitate further response from the Union of India, with the consent of the parties, it was deemed proper to defer the hearing in that petition, awaiting the response.

Adverting to the present writ petition, it so happened that the Parliament has passed new company law in the form of Indian Companies Act, 2013 which replaces the earlier Act, 1956. In this Act, again substantive provisions have been made with regard to the establishment of NCLT and NCLAT. The cause for filing the present petition by the petitioner was the allegation of the petitioner that notwithstanding various directions given in 2010 judgment, the new provisions in the Act, 2013 are almost on the same lines as were incorporated in the Act, 1956 and, therefore, these provisions suffer from the vice of unconstitutionality as well on the application of the ratio in 2010 judgment. It is, thus, emphasized by the petitioner that these provisions which are contained in Sections 408, 409, 411(3), 412, 413, 425, 431 and 434 of the Act, 2013 are *ultra vires the provisions of the Constitution and*, therefore, warrant to be struck down as unconstitutional..

The issues

- (i) Challenge to the validity of the constitution of NCLT and NCLAT;
- (ii) Challenge to the prescription of qualifications including term of their office and salary allowances etc. of President and Members of the NCLT and as well as Chairman and Members of the NCLAT;
- (iii) Challenge to the structure of the Selection Committee for appointment of President/Members of the NCLT and Chairperson/ Members of the NCLAT.

Challenge to the validity of the constitution of NCLT and NCLAT

The Court specifically affirmed the decision of the High Court which held that creation of NCLT and NCLAT was not unconstitutional. In view of this, it is not open to the petitioner even to argue this issue as it clearly operate as *res judicata*.

Qualification/Rank of members of NCLT/NCLAT

It was pointed out that in the 2010 judgment, the Constitution Bench took the view that since the NCLT would now be undertaking the work which is being performed, *inter alia, by High Court, the technical Members of the NCLT/NCLAT should be selected from amongst only those officers who hold rank of Secretaries or Additional Secretaries and have technical expertise. Having regard to the aforesaid clear and categorical dicta in 2010 judgment, tinkering therewith would evidently have the potential of compromising with standards which 2010 judgment sought to achieve, nay, so zealously sought to secure. Thus, it was held that Section 409(3)(a) and (c) are invalid as these provisions suffer from same vice. Likewise, Section 411(3) as worded, providing for qualifications of technical Members, is also held to be invalid.*

Why only Secretaries and Additional Secretaries?

As the NCLT takes over the functions of High Court, the members should as nearly as possible have the same position and status as high court judges. This can be achieved not by giving the salary and perks of a high court judge to the members but by ensuring that persons who are as nearly equal in rank, experience or competence to high court judges are appointed as members .

This issue pertains to the constitution of Selection Committee for selecting the Members of NCLT and NCLAT. Provision in this respect is contained in Section 412 of the Act, 2013. Sub-section (2) thereof provides for the Selection Committee consisting of:

- (a) Chief Justice of India or his nominee – Chairperson;
- (b) A Senior Judge of the Supreme Court or a Chief Justice of High Court Member;
- (c) Secretary in the Ministry of Corporate Affairs –Member;
- (d) Secretary in the Ministry of Law and Justice – Member; and
- (e) Secretary in the Department of Financial Services in the Ministry of Finance— Member.

The Court specifically remarked that instead of 5 members Selection Committee, it should be 4 members Selection Committee and even the composition of such a Selection Committee was mandated as follows;

- (a) Chief Justice of India or his nominee – Chairperson (with a casting vote);
- (b) A Senior Judge of the Supreme Court or Chief Justice of High Court – Member;
- (c) Secretary in the Ministry of Finance and Company Affairs - Member; and
- (d) Secretary in the Ministry of Law and Justice – Member.

There is a deviation in the composition of Selection Committee that is prescribed under Section 412 (2) of the Act, 2013. The deviations are as under:

Though the Chief Justice of India or his nominee is to act as Chairperson, he is not given the power of a casting vote. It is because of the reason that instead of four member Committee, the composition of Committee in the impugned provision is that of five members.

The Court had suggested one Member who could be either Secretary in the Ministry of Finance or in Company Affairs. Now, from both the Ministries, namely from the Ministry of Corporate Affairs as well as Ministry of Finance, one Member each is included. Effect of this composition is to make it a five members Selection Committee which was not found to be valid in 2010 judgment.

Out of these five Members, three are from the administrative branch/bureaucracy as against two from judiciary which will result in predominant say of the members belonging to the administrative branch, is situation that was specifically diverted from.

Supreme Court held that provisions of Section 412(2) of the Act, 2013 are not valid and direction is issued to remove the defect by bringing this provision in accordance with 2010 judgment.

Compliance under Foreign Contribution Regulation Act, 2010 (FCRA)

Chittaranjan Pal *
Assistant Education Officer, ICSI

Introduction

The Indian society has a well-established tradition of philanthropy. All philanthropic activities were undertaken by individual or through the voluntary sector. To encourage, enable and empower an independent, creative and effective voluntary sector, with diversity in form and function, so that it can contribute to the social, cultural and economic advancement of the people and upholds the legacy of philanthropy, the Article highlights some compliance issue under Foreign Contribution Regulation Act, 2010 (FCRA), which help the voluntary sector create an enabling effective environment and legitimately mobilize necessary financial resources from India and abroad.

The voluntary sector has contributed significantly to finding innovative solutions to poverty, deprivation, discrimination and exclusion, , health, disaster prevention and management, and social integration through means such as awareness raising, social mobilization, service delivery, training, research, and advocacy.

Objective of FCRA, 2010

The objective of the Foreign Contribution Regulation Act, 2010 is to regulate the acceptance and utilisation of foreign contribution or foreign hospitality by certain individuals or associations or companies and to prohibit acceptance and utilisation of foreign contribution or foreign hospitality for any activities detrimental to the national interest and for matters connected therewith or incidental thereto.

Sources of Funding under FCRA

- (i) The Government of any foreign country or territory and any agency of such Government;
- (ii) Any international agency, not being the United Nations or any of its specialized agencies, the World Bank, International Monetary Fund or such agency as the Central Government may, by notification, specify in this behalf;
- (iii) A foreign company;
- (iv) A corporation, not being a foreign company, incorporated in a foreign country or territory;
- (v) A multi-national corporation;
- (vi) A company within the meaning of the companies Act,1956, and more than one-half of the nominal value of its share capital is held, either singly or in the aggregate, by one or more of the following, namely:-
 - (a) The government of a foreign country or territory;
 - (b) The citizens of a foreign country or territory;
 - (c) Corporation incorporated in a foreign country or territory;

* *The views expressed are personal views of the author and do not necessarily reflect those of the Institute.*

- (d) Trusts, societies or other associations of individuals (whether incorporated or not), formed or registered in a foreign country or territory;
- (e) Foreign company:
- (vii) A trade union in any foreign country or territory, whether or not registered in such foreign country or territory;
- (viii) A foreign trust or a foreign foundation, by whatever name called, or such trust or foundation mainly financed by a foreign country or territory;
- (ix) A society, club or other association of individuals formed or registered outside India;
- (x) A citizen of a foreign country.

Foreign Contribution (FC)

- Any donation, delivery or transfer, generating from a Foreign Source, of
- Any currency, Indian or Foreign
- Any security
- Donation of any article on lease by foreign source without any consideration
- Any article, if the market value of the article is more than Rs.25,000
- Interest earned on FC
- Income generated from the assets created from FC
- Infusion of foreign share capital in a Company registered under Section 25 of the Companies Act
- Unsecured loans/ loans at subsidized rate from foreign source

Who cannot accept Foreign Contribution

- Candidate for election
- Correspondent, columnist, cartoonist, editor, owner, printer or publisher of registered newspaper
- Judge, Government Servant or employee of any Body controlled or owned by the Government
- Member of any legislature including Panchayat
- Political party or its office bearer
- Organization of political nature specified by the Government
- Association/ company engaged in production/ broadcast of audio/ audio visual news or current affairs programme through any mode of mass communication.

Compliance by Institution/Associations applying for grant of prior permission/registration under FCRA

- Association must registered under :
 - The Societies Registration Act, 1860; or
 - The Indian Trusts Act, 1882; or
 - Section 8 of the Companies Act, 1956 (Section 25 of the 1956 Act).
- Any Association/NGO wishing to receive foreign contribution (FC) must have a definite cultural, economic, educational, religious or social programme.

- It shall neither receive nor utilise any FC without obtaining either prior permission or registration from the Central Government.
- Details of FC received prior to obtaining either prior permission or registration should be mentioned clearly at the time of applying for prior permission or registration, as the case may be.
- Application for grant of registration is to be made online in Form FC – 3.
- Application seeking prior permission to accept foreign contribution is to be made online in Form FC – 4.
- The application should be complete in all respects and no column should be left blank.
- Each Prior permission application should be sent for receiving a specific amount, for a specific purpose and from a specific donor.
- Following documents should be enclosed with the application for grant of Registration:
 - (i) Hard-copy of the online application, duly signed by the Chief Functionary of the association;
 - (ii) Certified copy of registration certificate or Trust deed, as the case may be;
 - (iii) Details of activities during the last three years;
 - (iv) Copies of audited statement of accounts for the past three years (Asset and Liabilities, Receipt and Payment, Income and Expenditure);
 - (v) If functioning as editor, owner, printer or publisher of a publication registered under the Press and Registration of Books Act, 1867, a certificate from the Registrar of Newspaper for India that the publication is not a newspaper in terms of section 1(1) of the said Act;
 - (vi) A copy of the PAN, if issued by Income Tax authorities;
 - (vii) Fee of by means of demand draft or banker's cheque in favour of the "Pay and Accounts Officer, Ministry of Home Affairs", payable at New Delhi.
- The hard copy of the on-line application along with all the documents mentioned above must reach the Ministry of Home Affairs, Foreigners Division (FCRA Wing) within thirty days of the submission of the on-line application, failing which the request of the person for grant of registration or prior permission, as the case may be, shall be deemed to have ceased.

Compliance under FCRA

- Association is must registered under
 - The Societies Registration Act, 1860; or
 - The Indian Trusts Act, 1882; or
 - Section 8 of the Companies Act, 1956 (Section 25 of the 1956 Act).
- The office bearers/trustees including the chief functionary is of Indian origin.
- The association does not have a single office bearer/member.
- The association have not been formed for personal gain or for diversion of the funds for undesirable purposes.
- The association is not found to be fictitious or 'benami' in nature.
- The credibility of any member of the governing body is of no doubt.
- The association has not close links with another association which has been refused registration under FCRA or prohibited under FCRA or violated the provisions of FCRA.

- The association is not links with any banned organizations.
- The principal office bearers of the association have not been convicted by any court of law under any act or if a prosecution for any offence is pending against them.
- The principal office bearers of the association have not been found guilty of diversion or mis-utilisation of funds of the said association or any other association in the past.
- The activities of the association are not found to be aimed at conversion through inducement or force, either directly or indirectly, from one religious faith to another.
- The association is not found to propagate sedition or to advocate violent methods to achieve its ends.
- The association is not found to be creating communal tensions or disharmony.
- The source of foreign contribution is not found to be adverse to the interests of the country.
- The acceptance of foreign contribution by the association is not likely to be prejudicial to (a) the sovereignty and integrity of India; (b) free and fair elections to any Legislature or House of Parliament; (c) public interest; (d) friendly relations with a foreign state; or (e) harmony between any religious, social, linguistic, regional groups, caste or community.
- The association has not defaulted filed its annual returns of receipt and utilization of foreign contribution received with prior permission, within the stipulated period.
- The association has not violated any provisions of the Act or Rules in the preceding three years and the said violation has not been remedied or rectified. Additional grounds for rejection of applications for Registration.
- The association has been in existence for three years from the date of its registration under the Societies Registration Act, 1860 or the Indian Trusts Act, 1882 or Section 8 of the Companies Act, 2013(section 25 of the 1956 Act).
- The application is accompanied by the 'commitment letter' of the donor.

The illustrative programs permitted under FCRA to be carried out by voluntary associations are indicated below:

1. Educational

- Construction and maintenance of school/college.
- Construction and running of hostel for poor students.
- Grant of stipend/Scholarship/assistance in cash and kind to poor/deserving children.
- Purchase and supply of educational material-books, notebooks etc.
- Conducting adult literacy programs.
- Conducting Research.
- Education/Schools for the mentally challenged.
- Non-formal education projects/coaching classes.
- Any other activities related to the above.

2. Economic

Following activities (Not being commercial or profit making activities)

- Micro-finance projects, including setting up banking co-operative and self-help groups.
- Self-sustaining income generation projects/Schemes.

- Agricultural activity.
- Rural Development.
- Animal husbandry projects.
- Setting up and running handicraft centre/cottage and khadi industry/social forestry projects.
- Vocational training, tailoring, motor repairs, computers etc.
- Any other activities related to the above, not being commercial activities.

3. Social

- Construction/Running of Hospital/dispensary/clinic.
- Construction of community halls etc.
- Construction and Management of old age home.
- Welfare of the aged widows.
- Construction and Management of Orphanage.
- Welfare of the orphans.
- Construction and Management of dharamshala /shelter.
- Holding of free medical/health/family welfare/immunisation camps.
- Supply of free medicine, and medical aids, including hearing aids, visual aids, family planning aids etc.
- Provision of aids such as Tricycles, callipers etc. to the handicapped.
- Treatment/Rehabilitation of drug addicts.
- Welfare/Empowerment of women.
- Welfare of children.
- Provision of free clothing/food/to the poor. Needy and destitute.
- Relief/Rehabilitation of victims of natural calamities.
- Help to the victims of riots/other disturbances.
- Digging of bore wells.
- Sanitation including community toilets etc.
- Awareness camp/Seminar/workshop/meeting/conference.
- Providing free legal aid/Running legal aid centre.
- Holding sports meet.
- Awareness about Acquired Immune Deficiency Syndrome (AIDS)/Treatment and rehabilitation of persons affected by AIDS.
- Welfare of the physically and mentally challenged.
- Welfare of the Schedules Castes.
- Welfare of the Scheduled Tribes.
- Welfare of the Backward Classes.
- Environmental programs.
- Survey for Socio-economic and other welfare programs.

- Preservation & maintenance of Wild Life.
- Preservation of Natural Resources.
- Awareness against social evils.
- Rehabilitation of victims of heinous crimes.
- Rehabilitation of beggars, bootleggers, child labour etc.
- Creating awareness of Government schemes & Law to general public.
- Any other activities related to the above.

4. Cultural

- Celebration of national events (Independence / Republic day / festivals).
- Theatre/Films etc.
- Maintenance of places of historical and cultural importance.
- Preservation of ancient/tribal art forms.
- Preservation & promotion of Cultural Heritage & Literature of India.
- Cultural shows.
- Any other activities related to the above.

5. Religious

- Celebrations of religious functions/festivals etc.
- Construction/repair/maintenance of places of worship, religious schools.
- Education of priests and preachers; (dissemination of the message of good will etc. from their holy books).
- Publication and distribution of religious books/ literature.
- Maintenance of priests / preachers / other religious functionaries.
- Any other activities related to the above.

Conclusion

Since the Foreign Contribution (Regulation) Act, 2010 is national security legislation; associations are required to exercise extreme care and caution in dealing with foreign contribution from the time of its receipt to its final utilization.

To bring Accountability, Responsibility and Transparency (ART) in the association receiving foreign contribution and for taking due care and caution, compliance is vital under FCRA, which give comfort to the Home Ministry and 'do no harm' by identifying, minimizing and where possible mitigating or preventing the negative impacts and risks resulting from their activities, and 'proactively do good' by optimizing the positive development impacts, local value creation and multipliers from these activities.

As the Company Secretary knowledgeable governance professional and well equipped in compliance management in various laws applicable to corporate sector. Company Secretary can provide proper guidance to the Companies, Associations, Trusts received foreign contribution for its smooth function and who are either applying for grant of prior permission / registration or who have been granted prior permission / registration under FCRA, 2010.

Circulars, Notifications, Orders, Amendments

**[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY,
PART II, SECTION 3, SUB-SECTION (i)]**

Ministry of Corporate Affairs

Notification

New Delhi, the, 2015

G.S.R.(E).- In exercise of the powers conferred by section 469 read with section 414 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules, namely:-

1. Short title and commencement:- (1) These rules may be called the National Company Law Appellate Tribunal (Salaries, Allowances and other Terms and Conditions of Service of Chairperson and other Members) Rules, 2015.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. Definitions:-

(1) In these rules, unless the context otherwise requires, -

(a) 'Act' means the Companies Act, 2013 (18 of 2013);

(b) 'Chairperson' means the Chairperson of the Appellate Tribunal appointed under sub-section (1) of section 412 of the Act;

(2) Words and expressions used in these rules and not defined, but defined in the Act shall have the meanings respectively assigned to them in the Act.

3. Pay. - (1) The Chairperson shall be entitled to a monthly pay of Rs. 90,000/- (fixed) and such other allowances as are admissible to an officer in the Cabinet Secretary's Scale of Rs.90,000/- (fixed).

(2) A Judicial Member and Technical Member shall be paid salary in the pay scale of Rs. 80,000/- (fixed) and such other allowances as are admissible to an officer in the Apex Scale of Rs.80,000/-(fixed).

(3) In case a person appointed as the Chairperson or a Member, as the case may be, is in receipt of any pension, the pay of such person shall be reduced by the gross amount of pension drawn by him.

4. Pension, Gratuity or Provident Fund. – (1) In case a serving Judge of the Supreme Court or a High Court, or a serving Judicial Member of the Tribunal or a person in the service of the Government is appointed to the post of Chairperson or Judicial Member or Technical Member, as the case may be, the service rendered in the Appellate Tribunal shall count for pension to be drawn in accordance with the rules of the service to which he belongs and he shall be governed by the provisions of the General Provident Fund (Central Services) Rules, 1960.

(2) In all other cases, the Members shall be governed by the provisions of the Contributory Provident Fund (India) Rules, 1962.

(3) Additional pension and gratuity shall not be admissible for service rendered in the Appellate Tribunal.

5. Leave. – (1) The Chairperson and every other Member shall be entitled to thirty days of Earned Leave for every year of service.

(2) The payment of leave salary during leave shall be governed by rule 40 of the Central Civil Services (Leave) Rules, 1972.

(3) The Chairperson and Members shall be entitled to encashment of leave in respect of the Earned Leave standing to his credit, subject to the

condition that maximum leave encashment, including received at the time of retirement from previous service shall not in any case exceed the prescribed limit under the Central Civil Service (Leave) Rules, 1972.

6. Leave sanctioning authority. - In the case of the Chairperson, the competent authority to sanction the leave shall be the President of India and in the case of Members, the Chairperson shall be the leave sanctioning authority.

7. Travelling allowances.- (1) The Chairperson while on tour within India or on transfer (including the journey undertaken to join the Appellate Tribunal or on the completion of his tenure with the Tribunal to proceed to his home town) shall be entitled to the travelling allowance, daily allowance, transportation of personal effects and other similar matters at the same rates as are admissible to the officer of the Central Government in the equivalent grade of Rs. 90,000/- (fixed).

(2) The Member while on tour within India or on transfer (including the journey undertaken to join the Appellate Tribunal or on the completion of his tenure with the Appellate Tribunal to proceed to his home town) shall be entitled to the travelling allowance, daily allowance, transportation of personal effects and other similar matters at the same rate as are admissible to the officer of the Central Government in the Apex Scale of Rs.80,000/-(fixed).

8. Official visits abroad. - (1) Official visits abroad by the Chairperson shall be undertaken in accordance with orders issued by the Central Government and he shall be entitled to draw such allowances in respect of such visits as are applicable to the officer of the Central Government in the equivalent grade of Rs. 90,000 (fixed).

(2) Official visits abroad by Member shall be undertaken in accordance with orders issued by the Central Government and he shall be entitled to draw

such allowances in respect of such visits as are applicable to officers of the Central Government in the Apex Scale of Rs.80,000/-(fixed).

9. Leave Travel Concession. – (1) The Chairperson shall be entitled to Leave Travel Concession on the same terms as are applicable to officers of the Central Government in the equivalent pay grade of Rs. 90,000 (fixed).

(2) The Member shall be entitled to Leave Travel Concession on the same terms as are applicable to officers of the Central Government in the Apex Scale of Rs.80,000/-(fixed).

10. Facility for medical treatment.- The Chairperson and other Members shall be entitled to the medical facilities as provided in the Central Services (Medical Attendance) Rules, 1944.

11. Accommodation.- The Chairperson or Judicial Member or Technical Member shall have the option of claiming house rent allowance in accordance with the rates prescribed by the Central Government for Group 'A' officers of equivalent grade pay or scale:

Provided that he shall not be eligible for house rent allowance in case he is declared eligible for General Pool Residential Accommodation and occupy Government accommodation allotted to him.

12. Facility of conveyance.- The Chairperson or a Judicial Member or Technical Member shall be entitled to the facility of staff car for journeys for official and private purposes in accordance with the facilities provided to Government servants in the corresponding pay grade as per Staff Car Rules, as amended from time to time.

13. Telephone facility- The Chairperson, Judicial Member and Technical Member shall be eligible for telephone facilities as admissible to a Group 'A' officer of the Central Government drawing an equivalent pay.

14. Conditions of service of Chairperson.- Where a serving or retired judge of the Supreme Court or a serving or retired Chief Justice of a High Court is appointed as the Chairperson, the service conditions unless specifically provided for in these rules, shall be as contained in the Supreme Court Judges (Salaries and Conditions of Service) Act, 1958, or the High Court Judges (Salaries and Conditions of Service) Act, 1954, as the case may be, and the rules made thereunder.

15. Conditions of service of Judicial Member.- Where a serving judge of a High Court is appointed as a Judicial Member, the service conditions, unless specifically provided for in these rules, shall be as contained in the the High Court Judges (Salaries and Conditions of Service) Act, 1954, as the case may be, and the rules made thereunder:

Provided that the service conditions, other than specifically provided in these rules , after his due date of retirement from service as a Judge of the High Court or expiry of the lien period, whichever is later, for the remaining period of his term of office shall be same as may, for the time being, be applicable to other employees of the Government of India of a corresponding status.

16. Oath of office and secrecy: - Every person appointed as the Chairperson or a Member, as the case may be, shall, before entering upon his office, make and subscribe an oath of office and secrecy, in Form-I and Form-II annexed to these rules.

17. Declaration of financial or other interest:-Every person, on his appointment as the Chairperson or Member, as the case may be, shall give a declaration in Form-III annexed to these rules, to the satisfaction of the Central Government, that he does not have any such financial or other interest as is likely to affect prejudicially his functions as Chairperson or Member.

18. Residuary provisions. – Matters relating to the terms and conditions of service of the President and Members with respect to which no express provision has been made in these rules, shall be same as may, for the time being, be applicable to other employees of the Government of India of a corresponding status.

19. Powers to relax:-The Central Government shall have power to relax any provision of these rules with respect to any class or category of persons.

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY,

PART II, SECTION 3, SUB-SECTION (i)]

Ministry of Corporate Affairs

Notification

New Delhi, the, 2015

G.S.R.(E).- In exercise of the powers conferred by section 469 read with section 414 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules, namely:-

1. Short title and commencement.- (1) These rules may be called the National Company Law Tribunal (Salary, Allowances and other Terms and Conditions of Service of President and other Members) Rules, 2015.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. Definitions.- (1) In these rules, unless the context otherwise requires, -

(a) "Act" means the Companies Act, 2013 (18 of 2013);

(b) "President" means the President of the Tribunal appointed under section 408 of the Act;

(2) Words and expressions used in these rules and not defined, but defined in the Act shall have the meanings respectively assigned to them in the Act.

3. Pay.- (1) The President shall be entitled to a monthly pay of Rs. 80,000/- (fixed) and other allowances as are admissible to a Government Servant in the Apex grade of Rs. 80,000 (fixed).

(2) A Judicial Member and Technical Member shall be paid salary in the pay scale of Rs. 67000-79000/- (annual increment at 3%) and other allowances as are admissible to a Government Servant in Higher Administrative Grade of Rs. 67000-79000/-.

(3) In case a person appointed as the President or a Judicial Member or a Technical Member, as the case may be, is in receipt of any pension, the pay of such person shall be reduced by the gross amount of pension drawn by him.

4. Pension, Gratuity or Provident Fund. – (1) In case a serving judge of a High Court or a person in the service of the Government is appointed to the post of President or Judicial Member or Technical Member, as the case may be, the service rendered by him in the Tribunal shall count for pension, to be drawn in accordance with the rules of the service or office to which he belongs, and he shall also be governed by the provisions of the General Provident Fund (Central Services) Rules, 1960.

(2) In all other cases, the Members shall be governed by the provisions of the Contributory Provident Fund (India) Rules, 1962.

(3) Additional pension and gratuity shall not be admissible for service rendered in the Tribunal.

5. Leave. – (1) The President and every other Member shall be entitled to thirty days of Earned Leave for every year of service.

(2) The payment of leave salary during leave shall be governed by rule 40 of the Central Civil Services (Leave) Rules, 1972.

(3) The President and Members shall be entitled to encashment of leave in respect of the Earned Leave standing to his credit, subject to the condition that maximum leave encashment, including received at the time of retirement from previous service shall not in any case exceed the prescribed limit under the Central Civil Service (Leave) Rules, 1972.

6. Leave sanctioning authority. - In the case of the President, the competent authority to sanction the leave shall be the President of India and in the case of Members, the President shall be the leave sanctioning authority.

7. Travelling allowances.- (1) The President while on tour within India or on transfer (including the journey undertaken to join the Tribunal or on the completion of his tenure with the Tribunal to proceed to his home town) shall be entitled to travelling allowance, daily allowance, transportation of personal effects and other similar matters at the same rates as are applicable to the officers of the Central Government in Apex Grade (Rupees eighty thousand (fixed)).

(2) The Members while on tour within India or on transfer (including the journey undertaken to join the Tribunal or on the completion of his tenure with the Tribunal to proceed to his home town) shall be entitled to the travelling allowance, daily allowance, transportation of personal effects and other similar matters at the same rate as are applicable to the officers of the Central Government in Higher Administrative Grade (Rs. 67000-79000).

8. Official visits abroad. – (1) Official visits abroad by the President shall be undertaken in accordance with orders issued by the Central Government and he shall be entitled to draw such allowances in respect of such visits as are applicable to officers of the Central Government in Apex Grade (Rupees eighty thousand-fixed).

(2) Official visits abroad by Member shall be undertaken in accordance with orders issued by the Central Government and he shall be entitled to draw such allowances in respect of such visits as are applicable to officers of the Central Government in Higher Administrative Grade Rs. 67000-79000.

9. Leave Travel Concession. - (1) The President shall be entitled to Leave Travel Concession on the same terms as applicable to officers of the Central Government in Apex Grade (Rupees eighty thousand (fixed)).

(2) The Members shall be entitled to Leave Travel Concession on the same terms as are applicable to officers of the Central Government in Higher Administrative Grade (Rs. 67000-79000).

10. Facility for medical treatment. - The President and other Members shall be entitled to the medical facilities as provided in the Central Service (Medical Attendance) Rules, 1944.

11. Accommodation. - The President and Members shall have the option of claiming house rent allowance in accordance with the rates prescribed by the Central Government for Group 'A' officers of equivalent grade pay or scale:

Provided that he shall not be eligible for house rent allowance in case he is declared eligible for General Pool Residential Accommodation and occupy Government accommodation allotted to him.

12. Facility of conveyance. - The President and Members shall be entitled to the facility of staff car for journeys for official and private purposes in accordance with the facilities provided to Government servants in the corresponding pay grade as per Staff Car Rules, as amended from time to time.

13. Telephone facility.- The President and Members shall be eligible for telephone facilities as admissible to a Group 'A' officer of the Central Government drawing an equivalent pay.

14. Conditions of service of President.- Where a serving or retired judge of a High Court is appointed as President, the service conditions, unless specifically provided in these rules, shall be as contained in the High Court Judges (Salaries and Conditions of Service) Act, 1954 and the rules made thereunder.

15. Conditions of service of Judicial Member. - Where a serving Judge of a High Court is appointed as a Judicial Member, the service conditions, unless specifically provided in these rules, shall be as contained in the High Court Judges (Salaries and Conditions of Service) Act, 1954 and the rules made thereunder:

Provided that the service conditions, other than specifically provided in these rules, after his due date of retirement from service as a Judge of the High Court or expiry of the lien period, whichever is later, for the remaining period of his term of office shall be same as may, for the time being, be applicable to other employees of the Government of India of a corresponding status.

16. Applicability of rules:- Chairman and Members of the Company Law Board, who fulfill the qualifications and requirements provided under the Act for being appointed respectively as the President and Members of the Tribunal shall be so appointed after following the selection procedure for these posts in the manner laid down in section 412 of the Act.

17. Oath of office and secrecy. - (1) Every person appointed as the President or Member, as the case may be, shall, before entering upon his office, make and subscribe an oath of office and secrecy respectively, in Form I and Form II annexed to these rules.

18. Declaration of financial or other interest.- Every person, on his appointment as the President or Member, as the case may be, shall give a declaration in Form III annexed to these rules, to the satisfaction of the Central Government, that he does not have any such financial or other interest as is likely to affect prejudicially his functions as President or Member.

19. Residuary provisions. – Matters relating to the terms and conditions of service of the President and Members with respect to which no express provision has been made in these rules, shall be same as may, for the time being, be applicable to other employees of the Government of India of a corresponding status.

20. Powers to relax.- The Central Government shall have power to relax any provision of these rules with respect to any class or category of persons.

Form - I
(See rule 17)

Form of oath of office for President or Members of the National Company Law Tribunal

"I,, having been appointed as President or member of the National Company Law Tribunal

do solemnly affirm

swear in the name of God

that I will faithfully and conscientiously discharge my duties as President or member to the best of my ability, knowledge and judgment, without fear or favour, affection or ill-will."

Signature:

(Name of the President/ Judicial/
Technical Member)

Designation:

National Company Law Tribunal

Dated:

Place:

Form - II

(See rule 17)

Form of oath of secrecy for President or Members of the National Company Law Tribunal

"I,, having been appointed as President or member of the National Company law Appellate Tribunal

do solemnly affirm

swear in the name of God

that I will not directly or indirectly communicate or reveal to any person or persons any matter which shall be brought under my consideration or shall become known to me as President or member of the said Tribunal except as may be required for the due discharge of my duties as President or Member."

Signature:

(Name of the President/ Judicial/
Technical Member)

Designation:

National Company Law Tribunal

Dated:

Place:

Form - III

(See rule 18)

Declaration against acquisition of any adverse financial or other interest

I,, having been appointed as the President or Member (cross out portion not applicable) of the National Company Law Tribunal, do solemnly affirm and declare that I do not have, nor shall have in future any financial or other interest which is likely to affect prejudicially my functioning as the President or Member (cross out portion not applicable), of the National Company Law Tribunal.

Signature:

(Name of the President/ Judicial/
Technical Member)

Designation:

National Company Law Tribunal

Dated:

Place:

[File No. 1/30/2013-CL.V – Part -I]

()
Joint Secretary to the Govt. of India



भारत का राजपत्र The Gazette of India

असाधारण

EXTRAORDINARY

भाग II—खण्ड 3—उप-खण्ड (i)

PART II—Section 3—Sub-section (i)

प्राधिकार से प्रकाशित

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नई दिल्ली, सोमवार, अगस्त 17, 2015/श्रावण 26, 1937

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NEW DELHI, MONDAY, AUGUST 17, 2015/SHRAVANA 26, 1937

कारपोरेट कार्य मंत्रालय

अधिसूचना

नई दिल्ली, 17 अगस्त, 2015

सा.का.नि. 634(अ).—केन्द्रीय सरकार, कंपनी सचिव अधिनियम, 1980 (1980 का 56) की धारा 10ख की उप-धारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए और कंपनी सचिव (निर्वाचन अधिकरण) नियम, 2006 के नियम 3 के अनुसरण में, भारत के राजपत्र, असाधारण, भाग-II, खंड 3, उप-खंड (i) तारीख 23 अप्रैल, 2015 में, अधिसूचना संख्यांक सा.का.नि. 315(अ), तारीख 23 अप्रैल, 2015 द्वारा प्रकाशित, कारपोरेट कार्य मंत्रालय की अधिसूचना में निम्नलिखित संशोधन करती है, अर्थात् :-

2. उक्त अधिसूचना में—

- (i) पैरा 1 में, "संयुक्त सचिव और विधि सलाहकार" के स्थान पर "अपर सचिव" रखा जाएगा;
- (ii) पैरा 2 का लोप किया जाएगा।

[फा. सं. 3(3)/प्रकीर्ण/2015/पीआई]

मनोज कुमार, संयुक्त सचिव

टिप्पण : मूल अधिसूचना भारत के राजपत्र, असाधारण, भाग-II, खंड 3, उप-खंड (i) में, संख्यांक सा.का.नि. 315(अ), तारीख 23 अप्रैल, 2015 द्वारा प्रकाशित की गई थी।

MINISTRY CORPORATE AFFAIRS

NOTIFICATION

New Delhi, the 17th August, 2015

G.S.R. 634(E).—In exercise of the powers conferred by sub-section 1 of section 10B of the Company Secretariat Act, 1980 (56 of 1980), and in pursuance of Rule 3 of the Company Secretaries (Election Tribunal) Rules, 2006, the Central Government hereby makes the following amendments in the notification of the Ministry of Corporate Affairs notification under G.S.R. 315(E), dated the 23rd April, 2015 published in the Gazette of India, Extra-ordinary, Part II, Section 3, Sub-section (i), dated the 23rd April, 2015, namely :—

2. In the said notification,—

- (i) in paragraph 1, for “Joint Secretary and Legal Advisor” substitute “Additional Secretary”;
- (ii) Paragraph 2 shall be omitted.

[F. No. 3/(3)/Misc./2015/PI]

MANOJ KUMAR, Jt. Secy.

Note : The Principal Notification was published in the Gazette of India, Extraordinary, Part-II, Section 3, Sub-section (i) vide G.S.R. No. 315(E), dated 23rd April, 2015.

[To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)]

GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS

Notification

New Delhi, the 25th August, 2015

G.S.R. (E).—In exercise of the powers conferred under sub-section (1) of section 88, sub-section (4) of section 88, sub-section (1) of section 89, sub-section (2) of section 89, sub-section (6) of section 89, sub-section (1) of section 91, sub-section (2) of section 92, sub-section (3) of section 92, section 93, sub-section (1) of section 94, sub-section (4) of section 100, sections 101, 102, 105, 108, sub-section (5) of section 109, Sections 110, 112, 113 sub-section (2) of section 114, section 115, sub-section (1) of section 117, sub-section (1) of section 118, sub-section (2) of section 119, section 120 and sub-section (1) of section 121 and sub-section (3) of section 186, read with sub-sections (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Management and Administration) Rules, 2014, namely:—

1. **Short title and commencement.**—(1) These rules may be called the Companies (Management and Administration) Amendment Rules, 2015.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Companies (Management and Administration) Rules, 2014,—

(i) in rule 23, in sub-rule (1) for the words "not more than five lakh rupees", the words 'not less than five lakh rupees' shall be substituted.

(ii) For Form No. MGT-7, the following form shall be substituted, namely:—

FORM NO. MGT-7

[Pursuant to sub-section(1) of section 92 of the Companies Act, 2013 and, sub-rule (1) of rule 11 of the Companies (Management and Administration) Rules, 2014]

**Annual Return**

Form language English Hindi

Refer the instruction kit for filing the form.

I. REGISTRATION AND OTHER DETAILS

(i) *Corporate Identification Number (CIN) of the company **Pre-fill**
 Global Location Number (GLN) of the company

(ii) (a) Name of the company
 (b) Registered office address

(c) *email-ID of the company

(d) *Telephone number with STD code

(e) Website

(iii) Date of Incorporation

(iv) Type of the Company	Category of the Company	Sub-category of the Company
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

(v) Whether company is having share capital Yes No

(vi) *Whether shares listed on recognized Stock Exchange(s) Yes No

(a) Details of stock exchanges where shares are listed

S. No.	Stock Exchange Name	Code
1	<input type="text"/>	<input type="text"/>
2	<input type="text"/>	<input type="text"/>

(b) CIN of the Registrar and Transfer Agent **Pre-fill**

Name of the Registrar and Transfer Agent

Registered office address of the Registrar and Transfer Agents

(vii) *Financial year From (DD/MM/YYYY) To (DD/MM/YYYY)

(viii) *Whether Annual General Meeting (AGM) held Yes No

(a) If yes, date of AGM

(b) Due date of AGM

(c) Whether any extension for AGM granted Yes No

(d) If yes, provide the Service Request Number of the application form filed for extension

(e) Extended due date of AGM after grant of extension

Pre-fill

(f) Specify the reasons for not holding the same

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

*Number of business activities

S. No.	Main Activity group code	Description of Main Activity group	Business Activity Code	Description of Business Activity	% to total turnover of company
1					
2					

III. PARTICULARS OF HOLDING, SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES

*No. of Companies for which information is to be given

Pre-fill All

S. No.	Name of the company	CIN / FCRN	Holding/ Subsidiary/ Joint Ventures/ Associate	% of shares held
1				
2				

IV. SHARE CAPITAL, DEBENTURES AND OTHER SECURITIES OF THE COMPANY

(i) *SHARE CAPITAL

(a) Equity share capital

Particulars	Face Value	Authorized Capital	Issued capital	Subscribed capital	Paid Up capital
Total number of equity shares					
Total amount of equity shares (in rupees)					

Number of classes

Class of shares <input type="text"/>	Authorized Capital	Issued capital	Subscribed Capital	Paid Up capital
Number of equity shares				
Nominal value per share (in rupees)				
Total amount of equity shares (in rupees)				

(b) Preference share capital

Particulars	Authorized Capital	Issued capital	Subscribed capital	Paid Up capital
Total number of preference shares				
Total amount of preference shares (in rupees)				

Number of classes

Class of shares <input type="text"/>	Authorized Capital	Issued capital	Subscribed capital	Paid Up capital
Number of preference shares				
Nominal value per share (in rupees)				
Total amount of preference shares (in rupees)				

(c) Unclassified share capital

Particulars	Authorized Capital
Total amount of unclassified shares	

(d) Break-up of paid-up share capital

Class of Shares	Number of shares	Total Nominal Amount	Total Paid-up amount	Total premium
Equity shares				
At the beginning of the year				
Increase during the year				
i. Public Issues				
ii. Rights issue				
iii. Bonus issue				
iv. Private Placement/ Preferential allotment				
v. ESOPs				
vi. Sweat equity shares allotted				
vii. Conversion of Preference share				
viii. Conversion of Debentures				
ix. GDRs/ADRs				
x. Others, Specify <input type="text"/>				

Decrease during the year				
i. Buy-back of shares				
ii. Shares forfeited				
iii. Reduction of share capital				
iv. Others, Specify <input type="text"/>				
At the end of the year				
Preference shares				
At the beginning of the year				
Increase during the year				
i. Issues of shares				
ii. Re-issue of forfeited shares				
iii. Others, Specify <input type="text"/>				
Decrease during the year				
i. Redemption of shares				
ii. Shares forfeited				
iii. Reduction of share capital				
iv. Others, Specify <input type="text"/>				
At the end of the year				

(ii) Details of stock split/consolidation during the year (for each class of shares)

Class of shares		(i)	(ii)	(iii)
Before split / Consolidation	Number of shares			
	Face value per share			
After split / consolidation	Number of shares			
	Face value per share			

(iii) Details of shares/Debentures Transfers since closure date of last financial year (or in the case of the first return at any time since the incorporation of the company) *

Nil

[Details being provided in a CD/Digital Media] o Yes o No o Not applicable

Separate sheet attached for details of transfers o Yes o No

Note: In case list of transfer exceeds 10, option for submission as a separate sheet attachment or submission in a CD/Digital Media may be shown.

Date of Previous AGM

Date of Registration of Transfer of Shares

Type of Transfer

1 - Equity, 2- Preference Shares,3 - Debentures, 4 - Stock

Number of Shares/ Debentures Transferred

Amount per Share (in Rs.)

Ledger Folio of Transferor

Transferor's Name

Surname

Middle Name

First Name

Ledger Folio of Transferee

Transferee's Name

Surname

Middle Name

First Name

Date of Registration of Transfer of Shares

Type of Transfer

1 - Equity, 2- Preference Shares,3 - Debentures, 4 - Stock

Number of Shares/ Debentures Transferred

Amount per Share (in Rs.)

Ledger Folio of Transferor

Transferor's Name

Surname

Middle Name

First Name

Ledger Folio of Transferee

Transferee's Name

Surname

Middle Name

First Name

(iv) *Indebtedness including debentures (Outstanding as at the end of financial year)

Particulars	Number of units	Nominal value per unit	Total value
Non-convertible debentures			
Partly convertible debentures			
Fully convertible debentures			
Secured Loans excluding deposits			
Unsecured Loans excluding deposits			
Deposit			
Total			

Details of debentures

Class of Debentures	Outstanding as at the beginning of the year	Increase during the year	Decrease during the year	Outstanding as at the end of the year
Non-convertible debentures				
Partly convertible debentures				
Fully convertible debentures				

(v) Securities (other than shares and debentures)

Type of Securities	Number of Securities	Nominal Value of each Unit	Total Nominal Value	Paid up Value of each Unit	Total Paid up Value
Total					

V. *Turnover and net worth of the company (as defined in the Companies Act, 2013)

(i) Total Turnover

(ii) Net worth of the Company

VI. (a) *SHARE HOLDING PATTERN - Promoters

S. No.	Category	Indian		Foreign	
		Number of shares	Percentage	Number of shares	Percentage
1.	Individual/HUF				
	(i) Indian				
	(ii) Non-resident Indian (NRI)				

	(iii) Foreign national (other than NRI)				
2.	Government				
	(i) Central Government				
	(ii) State Government				
	(iii) Government companies				
3.	Insurance companies				
4.	Banks				
5.	Financial institutions				
6.	Foreign institutional investors				
7.	Mutual funds				
8.	Venture capital				
9.	Body corporate (not mentioned above)				
10.	Others <input type="text"/>				
	Total				

Total number of shareholders

(b) *SHARE HOLDING PATTERN – Public

S. No.	Category	Indian		Foreign	
		Number of shares	Percentage	Number of shares	Percentage
1.	Individual/HUF				
	(i) Indian				
	(ii) Non-resident Indian (NRI)				
	(iii) Foreign national (other than NRI)				
2.	Government				
	(i) Central Government				
	(ii) State Government				
	(iii) Government companies				
3.	Insurance companies				
4.	Banks				
5.	Financial institutions				
6.	Foreign institutional investors				
7.	Mutual funds				
8.	Venture capital				
9.	Body corporate (not mentioned above)				
10.	Others <input type="text"/>				
	Total				

Total number of shareholders

Total number of shareholders (Promoters + Public)

(c) *Details of Foreign institutional investors' (FIIs) holding shares of the company

Name of the FII	Address	Date of Incorporation	Country of Incorporation	Number of shares held	% of shares held

VII. *NUMBER OF PROMOTERS, MEMBERS, DEBENTURE HOLDERS

Details	As at beginning of the year	Addition during the year	Cessation during the year	As at end of the year
Promoters				
Members (other than promoters)				
Debenture holders				

VIII. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(A) *Composition of Board of Directors

Category	Number of directors at the beginning of the year		Number of directors at the end of the year		Percentage of shares held by directors as at the end of year	
	Executive	Non-executive	Executive	Non-executive	Executive	Non-executive
A. Promoter						
B. Non-Promoter						
(i) Non-Independent						
(ii) Independent						
C. Nominee Directors representing						
(i) Banks & FIs						
(ii) Investing institutions						
(iii) Government						
(iv) Small share holders						
(v) Others						
Total						

Number of Directors and Key managerial personnel (who is not director) as on the financial year end date

(B) (i) *Details of directors and Key managerial personnel as on the closure of financial year

Name	DIN/PAN	Designation	Number of equity shares held	Date of cessation (after closure of financial year : If any)

(ii) Particulars of change in director(s) and Key managerial personnel during the year

Name	DIN/PAN	Designation at the beginning / during the financial year	Date of appointment / change in designation/ cessation	Nature of change (Appointment/ Change in designation/ Cessation)

IX. MEETINGS OF MEMBERS/CLASS OF MEMBERS/BOARD/COMMITTEES OF THE BOARD OF DIRECTORS

A. MEMBERS/CLASS /REQUISITIONED/CLB/NCLT/COURT CONVENED MEETINGS

Number of meetings held

Type of meeting	Date of meeting	Total Number of Members entitled to attend meeting	Attendance	
			Number of members attended	% of total shareholding

B. BOARD MEETINGS

*Number of meetings held

S. No.	Date of meeting	Total Number of directors as on the date of meeting	Attendance	
			Number of directors attended	% of attendance
1				
2				

C. COMMITTEE MEETINGS

Number of meetings held

S. No.	Type of meeting	Date of meeting	Total Number of Members as on the date of meeting	Attendance	
				Number of members attended	% of total shareholding
1					

D. *ATTENDANCE OF DIRECTORS

S. No.	Name of the Director	Board Meetings			Committee Meetings			Whether attended last AGM held on [] (Y/N/NA)
		No of Meetings which were entitled to attend	No. of Meetings attended	% of attendance	No. of Meetings Held	No. of Meetings attended	% of attendance	
1								

X. *REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL Nil

Number of Managing Director, Whole-time Directors and/or Manager whose remuneration details to be entered []

S. No.	Name	Designation	Gross salary	Commission	Stock Option/Sweat equity	Others	Total Amount
1.							
	Total						

Number of CEO, CFO and Company secretary whose remuneration details to be entered []

S. No.	Name	Designation	Gross salary	Commission	Stock Option/Sweat equity	Others	Total Amount
1.							
	Total						

Number of other directors whose remuneration details to be entered []

S. No.	Name	Designation	Gross salary	Commission	Stock Option/Sweat equity	Others	Total Amount
1.							
	Total						

XI. MATTERS RELATED TO CERTIFICATION OF COMPLIANCES AND DISCLOSURES**A. CERTIFICATION OF COMPLIANCES**

Whether company has made all compliances and disclosures during the year Yes No

If No, give details along with the reasons and supporting documents

XII. PENALTY AND PUNISHMENT – DETAILS THEREOF**(A) DETAILS OF PENALTIES / PUNISHMENT IMPOSED ON COMPANY/DIRECTORS /OFFICERS** Nil

Name of the company/ directors/ officers	Name of the court/ concerned Authority	Date of Order	Name of the act and section under which penalized / punished	Details of penalty/ punishment	Details of appeal (if any) including present status

(B) DETAILS OF COMPOUNDING OF OFFENCES Nil

Name of the company/ directors/ officers	Name of the court/ concerned Authority	Date of Order	Name of the act and section under which offence committed	Particulars of offence	Amount of compounding (in rupees)

XIII. Whether complete list of shareholders, debenture holders has been enclosed as an attachment Yes No

(In case of 'No', submit the details separately through method specified in instruction kit)

XIV. COMPLIANCE OF SUB-SECTION (2) OF SECTION 92, IN CASE OF LISTED COMPANIES

In case of a listed company or a company having paid up share capital of Ten Crore rupees or more or turnover of Fifty Crore rupees or more, details of company secretary in whole time practice certifying the annual return in form MGT-8.

Name Whether associate or fellow Associate FellowCertificate of practice number **I/We certify that:**

- (a) The return states the facts, as they stood on the date of the closure of the financial year aforesaid correctly and adequately.
- (b) Unless otherwise expressly stated to the contrary elsewhere in this Return, the Company has complied with all the provisions of the Act during the financial year.
- (c) The company has not, since the date of the closure of the last financial year with reference to which the last return was submitted or in the case of a first return since the date of the

incorporation of the company, issued any invitation to the public to subscribe for any securities of the company.

(d) Where the annual return discloses the fact that the number of members, (except in case of a one person company), of the company exceeds two hundred, the excess consists wholly of persons who under second proviso to clause (ii) of sub-section (68) of section 2 of the Act are not to be included in reckoning the number of two hundred.

Declaration

I am authorized by the Board of Directors of the company vide resolution no. dated (DD/MM/YYYY) to sign this form and declare that all the requirements of the Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. I further declare that:

1. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the company.
2. All the required attachments have been completely and legibly attached to this form.

Note: Attention is also drawn to the provisions of Section 447, section 448 and 449 of the Companies Act, 2013 which provide for punishment for fraud, punishment for false statement and punishment for false evidence respectively.

To be digitally signed by

Director DSC BOX

DIN of the director

To be digitally signed by DSC BOX

- Company Secretary
- Company Secretary in practice

Membership number Certificate of practice number

Attachments

1. list of share holders, debenture holders;
2. Approval letter for extension of AGM;
3. Copy of MGT-8;
4. Optional Attachment(s), if any.

List of attachments

This eForm has been taken on file maintained by the registrar of companies through electronic mode and on the basis of statement of correctness given by the company

[F. No. 01/34/2013-CL-V- Part-I]


28/08/2015

(AMARDEEP S. BHATIA, Jt. Secy.)

Note:—The principal notification was published in the Gazette of India, *vide* No. G.S.R. 260(E), dated the 31st March, 2014, subsequently amended *vide* No. G.S.R. 415(E), dated the 23rd June, 2014 and lastly amended *vide* No. G.S.R. 537(E) dated 24.07.2014.



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