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# STUDENT COMPANY SECRETARY

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**Pages 1-48**

**April 2009**

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**THE INSTITUTE OF  
Company Secretaries of India**  
IN PURSUIT OF PROFESSIONAL EXCELLENCE  
Statutory body under an Act of Parliament

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## GUIDELINES FOR SEEKING EXTENSION OF REGISTRATION

### EXECUTIVE PROGRAMME EXAMINATION

No extension of registration will be allowed to any student if he/she has not passed/completed the Executive Programme (Inter) examination during the validity of registration period. All such students will have to seek registration *de novo* only.

### PROFESSIONAL PROGRAMME EXAMINATION

- Students whose registration expires between 28th/29th February and 31st May and between 31st August and 30th November will be allowed extension of time without payment of extension of registration fee for the limited purpose of appearing in the ensuing June or December examination, respectively, as the case may be.
- Registration of a student may be extended beyond a period of five years on year-to-year basis for appearing in the Professional Programme (Final) examination:
  - if he/she has completed postal/oral coaching and has been issued with coaching completion certificate for all **modules** (groups) of the Professional Programme examination (Final) under new syllabus during the validity of the previous registration period or has passed at least **one module** (group) of the Professional Programme (Final) examination under the New Syllabus during the validity of the previous registration period as the case may be; and
  - makes an application for extension of registration period along with requisite fee within six months from the date of expiry of registration or within six weeks of the declaration of results of the last examination in which he/she appeared, whichever is later.
- Extension of registration shall be granted for one year at a time on payment of extension of registration fee of Rs. 500 per annum, arrears of fee, if any, under the previous registration and service charges @ Rs. 150 per module (group) for which the student has not been issued with the coaching completion certificate for the Professional Programme (Final).
- On the student's application for extension of registration being accepted by the Institute, the extended period will be counted in continuation of his previous registration. He/she will also continue to bear the same registration number.
- No candidate will be allowed more than two extensions including the extension, if any, already availed under old/new syllabus for completing Professional Programme (Final) examination under the new syllabus.
- A student who completes the Professional Programme (Final) examination (of the Institute) during the extended period of registration will be required to comply with the practical experience and practical training requirements as stipulated under Company Secretaries Regulations, 1982 and guidelines framed there under in this regard.
- Study material will not again be supplied on seeking extension of registration. However, it can be had on payment of Rs. 160 per subject.
- A student, on being granted extension of registration, shall be eligible to get the 'Student Company Secretary' from the month next to the month in which his application for extension of registration is accepted by the Institute.
- The Secretary - on being satisfied that application of any of the guidelines cause undue hardship to a candidate - may relax any of the said guidelines by recording reasons in writing.

## GUIDELINES FOR REGISTRATION DE NOVO

(Registration *de novo* pursuant to regulation 22 read with sub-regulation (2) of regulation 24.)

### (A) Guidelines for candidates seeking registration *de novo* within two years of the expiry of previous registration.

- A person whose registration has been cancelled on expiry of five-years period or otherwise may within two years of cancellation of former registration seek registration *de novo* on payment of the following fees:
  - Registration fee: Rs.1500 (w.e.f. 1.4.2008)
  - (a) Where a student has not completed coaching for both modules (Group) of Executive Programme (Intermediate) all modules (Group) of Professional Programme (Final), balance of Rs.5,000 of the postal tuition fee if enrolled for Executive Programme (Intermediate) or balance of Rs. 7,500, if enrolled for Professional Programme (Final), as the case may be, after adjusting the amount paid on this

account earlier. However, credit for having completed coaching in a particular module (Group) may be given if the coaching completion certificate has not been issued due to invalid registration or any other reason.

- Postal tuition fee of Rs 5,000 in the case of students who have passed the Executive Programme (Intermediate) examination but not enrolled for the Professional Programme (Final).
  - Arrears of postal tuition fee, if due, under former registration where the students have been issued with coaching completion certificate(s) for both modules (Group) of Executive Programme (Intermediate) all modules (Group) of Professional Programme (Final) as the case may be.
- On the student being registered *de novo* he will be given credit for the oral or postal tuition completed during the validity of his previous registration in the corresponding paper(s) of the new syllabus. Such a student shall not be supplied with the study material afresh. Study material can however be obtained on payment of Rs. 160 per subject. Student Company Secretary will be sent free of cost during the validity period of registration *de novo* from the month subsequent to the month in which the student was registered *de novo*.
- (B) Guidelines for candidates seeking registration *de novo* after two years of the expiry of previous registration.
- A person whose registration has been cancelled or has terminated on expiry of five-year period and has not sought registration *de novo* within two years of the expiry of former registration may seek registration *de novo* within 5 years of the cancellation/termination of his former registration on payment of the following fees:

(i) Registration fee	Rs. 1500
(ii) Exemption fee for	
(a) Foundation Programme	Rs. 500
(b) Executive Programme (Inter) Examination (if already passed)	Rs. 500
(iii) Paperwise exemption fee	
(a) Executive Programme (Inter)	Rs. 100 per paper
(b) Professional Programme (Final)	Rs. 100 per paper
  - Where a student has not completed coaching for both modules (Groups) of Executive Programme (Inter) all modules of Professional Programme (Final), balance of Rs. 5,000 of the postal tuition fee, if enrolled for Executive Programme (Inter) or balance of Rs. 7,500 if enrolled for Professional Programme (Final), as the case may be. However, credit for having completed the coaching in a particular module may be given if the coaching completion certificate has not been issued due to invalid registration or any other reason.
  - Rs. 7,500 in the case of students who have passed the Executive Programme (Inter) but not enrolled for the Professional Programme (Final).
  - Arrears of postal tuition fee, if due, under former registration where the students have been issued with coaching completion certificates for both modules (Group) of Executive Programme (Inter) all modules (Group) of Professional Programme (Final).
- On the student being registered *de novo*, he will be given credit for the oral or postal tuition completed during the validity of his previous registration in the corresponding paper(s) at the new syllabus. Such a student shall not be supplied with the study material afresh. Study material can however be obtained on payment @ Rs. 160 per subject. Student Company Secretary will be sent free of cost during the validity period of registration *de novo* from the month subsequent to the month in which the student was registered *de novo*.
  - The registration *de novo* will be valid for a period of five years from the month in which the student has been registered *de novo*.
- (C) **No candidate shall be registered as a student *de novo* if he applies after five years of the expiry of the former registration. He may seek fresh registration as a student and no credit for the fees paid or examination passed under the former registration will be admissible on his registration as a fresh student under any circumstances.**

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# ATTENTION STUDENTS

## SCHEDULE OF FEES W.E.F. 01.04.2008

PARTICULARS	FEES (RS.)	REMARKS
<b>FOUNDATION PROGRAMME</b>		
Admission Fee	1200	Total Fees → 3600
Postal Tuition Fee	2400	
<b>EXECUTIVE PROGRAMME</b>		
Registration Fee	1500	Total Fees → 7000 (For commerce graduates)
Foundation Examination Exemption Fee	500	
Postal Tuition Fee for Executive Programme	5000	Total Fees → 7750 (For others)
Postal Tuition Fee for Foundation Programme (payable by Non-Commerce Graduates who are seeking exemption from passing the Foundation Programme Examination under clause (iii) of Regulation 38)	750	
<b>PROFESSIONAL PROGRAMME</b>		
Postal Tuition Fee	7500	
Registration <i>De-Novo</i> Fee	1500	
Exemption from Foundation Examination Fee	500	
Exemption from Executive Programme Examination Fee	500	
<b>EXTENSION OF REGISTRATION</b>		
Extension of Registration Fee	500	
Service Charges for Extension of Registration	150	
<b>EXAMINATION FEE</b>		
Foundation Programme	875	
Executive Programme	900 (Per Module)	
Professional Programme	750 (Per Module)	
Late Fee for receipt of Examination Application	100	
Change of Examination Center/Module/Medium	100	
<b>OTHER FEES</b>		
Paper-wise Exemption Fee	100	
Issue of Duplicate Identity Card Fee	50	
Issue of Duplicate Pass Certificate Fee	50	
Verification of Marks Fee	100 (Per Subject)	

## From The President



*He Who Knows Not And Knows Not That He Knows Not Is A Fool — Shun Him;  
He Who Knows Not But Knows That He Knows Not Is Innocent — Teach Him;  
He Who Knows But Knows Not That He Knows Is Sleeping — Wake Him;  
He Who Knows And Knows That He Knows Is Genius — Follow Him.*  
Arabian Proverb

Dear students,

We live and work in a business environment where changes are taking place very frequently. New policies are introduced that lead to the introduction of new laws. New ideas and approaches emerge. New problems arise and new solutions are sought. The world of work is therefore a constantly moving and evolving one. We have to keep ourselves constantly on the learning curve to be professionally successful. If we don't keep constantly learning, then it becomes difficult for professionals to appreciate the demands of the modern working world. Hence, we become obsolete.

The maxim "Learning never ends" goes even well today than perhaps ever before. Every day is a learning experience for all of us. In fact, learning is an unending, abstract and invisible process that permeates everyone's life, whether one is young or old, rich or poor, educated or illiterate. Let me mention that one of the most fascinating and mysterious properties of the brain is its capacity to learn, or its ability to change in response to experience and to retain that knowledge throughout the lifetime of a human being. The ability to learn and to establish new memories is fundamental to our very existence. Thus it is important for you to develop an attitude for learning while pursuing your CS Course. Completing your studies and getting the certificate is not the cessation of learning for you. In your future professional life, you will have to keep yourselves acquainted with the latest developments taking place not only around you but in the whole world.

Let me point out here that in colleges and universities, a lot of emphasis is placed these days on acquiring self-learning skills and maturing a life-long learning attitude. This attitude must be nurtured and you should try to enrich and update yourselves from time to time through new books, journals, latest materials from internet, professional discussions with peers, superiors and subordinates.

Learning does not mean that we must keep up-to-date with developments in our particular field only. It is also an important source of motivation, stimulation and job satisfaction. For instance, if a person works in a particular place for three years and during that time he continues to learn, grow and develop, he is likely to experience far greater job satisfaction than the person who stays in the same post for three years, simply repeating the basic tasks in the same way without any growth or development over that time. Learning also helps to keep us on our toes to make sure that we do not become blasé and thus more likely to make mistakes. Learning should therefore be seen as something positive and worthwhile in its own right, not as an additional burden or just something that we have to do to meet other people's expectations of us.

Getting a job for the first time after completing your CS Course and other requisite formalities, depends upon your competence. But as you proceed on the ladder of responsibilities, you will crucially need "soft skills" for your upward mobility and professional success. These soft skills include communication and presentation skills, interpersonal skills, organizational ability, negotiation skills, decision-making acumen and knowledge of the imponderables of business and government. If you want to excel in your professional career, you need to concentrate on and acquire these soft skills while continuing to retain your professional expertise in the relevant field.

## From The President

Keeping with demands of knowledge era, the Institute has introduced the e-learning portal, in addition to the existing postal and oral coaching. Students from any part of the world can avail this 24x7 hours on-line facility. In fact, the experience, so far has been encouraging. I am pleased to inform that a combo offer comprising all modules for WBT (Web Based Training), VBT (Video Based Training) and LVC (Live Virtual Classroom) for the Foundation Programme and WBT for the Executive Programme is being finalized and the same would be formally launched shortly.

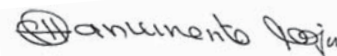
As you are aware, National Convention is an important annual event of the Institute. It has been decided that this year the 37th National Convention will be held on November 5-7, 2009 at Hyderabad. I advise you to ensure your participation at the Convention as a delegate.

Professionals have to communicate at various forums while discharging their professional responsibilities. So they should be capable of communicating their viewpoint clearly and effectively. Taking cognizance of this desirable necessity, the Institute through its Chapters and Regional Councils organises various competitions/programmes to enable the students to hone their communication skills. In this context, I am pleased to inform you that NIRC of The ICSI is organizing the 8th<sup>All</sup> India Elocution Competition on the topic "Professional Ethics – Success Mantra in Economic Turbulence" on July 29, 2009 at New Delhi. The details of this competition have been published elsewhere in this bulletin.

To conclude let me state that so far you are concentrating on theory only. You will gain vast practical exposure about the professional world when you join the profession. There you will acquire professional judgment by properly using your knowledge as well as by learning from your co professionals. Thus, your knowledge and practical exposure will enable you to guide and help the corporates to turn their dreams into reality.

With best wishes,

Yours sincerely,



Hyderabad  
April 14, 2009

(CS DATLA HANUMANTA RAJU)  
president@icsi.edu

## 10<sup>TH</sup> NATIONAL CONFERENCE OF STUDENTS

*at Nagpur*

Hosted by Western India Regional Council jointly with Nagpur and Raipur Chapters

Dates: 3<sup>rd</sup> and 4<sup>th</sup> July, 2009

**VENUE:**

Indian Medical Association Hall, South Ambazari Road, Nagpur 400 010

Students are requested to kindly take a note of the above said National Conference at Nagpur.

Details of the entire Conference will be published in the next issue.

## ACADEMIC GUIDANCE

### STUDY UPDATES

## SLRFM(OS)/SECURITIES LAWS & COMPLIANCES (NS)<sup>1</sup>

### A. Recent trends in capital market

#### 1. Resource Mobilisation

During 2008-09 (April – December), there were 20 public issues which mobilized Rs.2,058.51 crore and 21 rights issues which mobilized Rs.11,997.31 crore as compared to 74 public issues which mobilized Rs.38,153.20 crore and 22 rights issues which mobilized Rs.13,446.68 crore during 2007-08 (April – December).

During 2008-09 (April – December), 310 preferential allotments with issue value of Rs.2,06,761.52 crore were listed at BSE and 236 preferential allotments with issue value of Rs.39,268.17 crore were listed at NSE.

During April – December (2008-09), the total amount of private placement of corporate debt reported was Rs.1,21,129.82 crore through 775 issues as compared to Rs.94,391.29 crore through 719 issues during the April – December (2007-08).

	April-December 2008		April-December 2007	
	No. of Issues	Resource Mobilization (Rs. In Crore)	No. of Issues	Resource Mobilization (Rs. In Crore)
Public Issues	20	2059	74	38153
Right Issues	21	11997	22	13447
Private Placement of Debt Issues	775	121129	719	94391

#### 2. BSE Sensex and NIFTY

BSE Sensex closed at 9647.31 on December 31, 2008, as against 9092.72 on November 28, 2008, registering a rise of 554.59 points (6.10%). In terms of closing value, Sensex recorded a high of 10099.91 on December 19, 2008 and a low of 8739.24 on December 02, 2008.

S&P CNX Nifty closed at 2959.15 on December 31, 2008, as against 2755.10 on November 28, 2008, registering a rise of 204.05 points (7.41%). In terms of closing value, Nifty recorded a high of 3077.50 on December 19, 2008 and a low of 2656.45 on December 03, 2008.

The market capitalization of BSE, was higher by 11.56% from Rs.28,18,964.33 crore as on November 28, 2008 to Rs.31,44,766.89 crore as on December 31, 2008. The market capitalization of NSE was also higher by 9.93% from Rs.26,53,281.28 crore as on November 28, 2008 to Rs.29,16,768.42 crore as on December 31, 2008.

#### Stock Market Indicators

	2005-06	2006-07	2007-08	As on March 31, 2009
1	2	3	4	
<b>A. Indices</b>				
BSE Sensex	11280	13072	15944	9708
S&P CNX Nifty	3403	3822	4734	3020
S&P CNX 500	2910	3145	3825	2294
<b>B. Market Capitalization (Rs. crore)</b>				
BSE	30,22,189	35,45,041	51,38,014	6,96,050
NSE	28,13,201	33,67,350	48,58,121	18,94,086

(Source : SEBI Bulletin & Newspapers)

1. Prepared by Sonia Bajjal, Assistant Director, The ICSI.

### B. SEBI (DIP) Guidelines, 2000

#### 1. Reduction in timelines for rights issue

In order to mitigate market risks and to enable listed companies to raise funds from its shareholders in a more time effective manner, SEBI has reduced the current timelines, starting from the notice period required for calling a board meeting of the issuer to consider the rights issue up to the period stipulated for completion of allotment and commencement of listing and trading of the shares so issued. The number of days for the notice period for a Board Meeting has been reduced from 7 days to 2 working days; the notice period for record date has been reduced from 15/21/30 days to 7 working days for all scrips; issue period has been reduced from minimum 30 days to minimum 15 days with a maximum of 30 days and the time period for completion of post issue activity has been reduced from 42 days to 15 days. The following table gives an overview of the changes in timelines related to Right Issue as follows:

No. of days	Earlier time Period	Revised time Period
Notice period for Board Meeting	7 working days	2 working days
Notice period for record Date	15/21/30 days	7 working days
Issue Period	Minimum 30 days	Minimum 15 days to maximum 30 days
Completion of Post issue	42 days	15 days

#### 2. Minimum net worth requirement for Portfolio Managers enhanced

SEBI has decided to enhance the minimum net worth requirement for registration as a portfolio manager from the existing Rs. 50 lakh to Rs. 2 crores to give effect to the requirement of maintaining continuous net worth separately for portfolio management activities. The existing portfolio managers, whose net worth is less than Rs.2 crores will have to increase it to at least Rs. One crore within a period of six months and thereafter to the prescribed networth of Rs. 2 crore in the next six months from the date of notification of amendment to the SEBI (Portfolio Managers) Regulations, 1993. Portfolio Managers should not float a scheme or pool the resources of the client in a way which is akin to mutual fund activity. Accordingly, Portfolio Managers will not be permitted to float a scheme or pool the resources of the clients. They would be required to keep assets of each client separately and not in a pooled manner. A time frame of 6-months from the date of notification has been given to convert their operations managed on pooled basis to individual basis.

#### 3. SEBI (Issue and Listing of Debt Securities) Regulations, 2008

SEBI notified SEBI (Issue and Listing of Debt Securities) Regulations, 2008. The Regulations are applicable to public issue of debt securities and listing of debt securities issued through public issue or on private placement basis on a recognized stock exchange.

#### 4. Reporting of information by RTI/STA on a quarterly basis

The existing format to submit information pertaining to their activities on a quarterly basis by Registrars to Issue/Share Transfer Agents has been modified. All Registrars to Issue/Share Transfer Agents shall henceforth submit the information in the revised format for every calendar quarter beginning with the quarter April 1, 2008 to June 30, 2008 within 15 days of the expiry of the quarter. The reports shall be duly certified by the Whole Time Director/ Company Secretary/ Managing Partner/Sole Proprietor/Compliance Officer with date. It has also been decided that beginning from the quarter ended June 30, 2008, Registrars to Issue/Share Transfer Agents shall submit the quarterly reports to SEBI in electronic form only and the submission of such reports in hard copy shall be dispensed with. The quarterly reports



## Academic Guidance

in the revised format shall be submitted by e-mail to SEBI in pdf and excel format. Thus, Registrars to Issue/Share Transfer Agents shall submit two files by e-mail – one file in pdf format and the other in excel format on a quarterly basis.

### 5. (a) Qualified Institutional Buyers (QIBs)

SEBI has amended the definition of Qualified Institution Buyers. The definition includes:

- a) a public financial institution as defined in section 4A of the Companies Act, 1956;
- b) a scheduled commercial bank;
- c) a mutual fund registered with the Board;
- d) a foreign institutional investor and sub-account registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual;
- e) a multilateral and bilateral development financial institution;
- f) a venture capital fund registered with SEBI;
- g) a foreign venture capital investor registered with SEBI;
- h) a state industrial development corporation;
- i) an insurance company registered with the Insurance Regulatory and Development Authority (IRDA);
- j) a provident fund with minimum corpus of Rs. 25 crores;
- k) a pension fund with minimum corpus of Rs. 25 crores;
- l) National Investment Fund set up by Government of India.

### (b) Qualified Institutions Placement (QIP)

At present, the eligibility criteria for listed companies desirous of making QIP include a condition that the equity shares of the same class of such companies should be listed on a stock exchange having nationwide terminals, for a period of at least one year as on the date of issuance of notice to shareholders for considering the QIP. However, it was observed by the regulator that companies, which have been listed during the preceding one year pursuant to approved scheme(s) of merger/ demerger/ arrangement entered into by such companies with companies which have been listed for more than one year in such stock exchange(s), are not able to use the QIP route for raising funds. In order to enable such companies to raise funds through QIP route, SEBI has decided that for the purpose of fulfillment of the abovementioned eligibility criterion, such companies may take into account the listing history of the listed companies with which they have entered into the approved scheme(s) of merger/ demerger/ arrangement.

### (c) Pricing norms for QIP

To facilitate eligible listed companies to raise funds through QIP route, the pricing guidelines for QIP have been modified by bringing the issue price of the securities offered closer to their market price. This has been effected through change in the floor price formula and definition of relevant date. Floor price is based on the two weeks average for making a QIP or for making preferential allotment to QIBs. Relevant date for QIP is the date on which the Board of the company or the Committee of Directors duly authorized by the Board of the company meets to take the decision to open QIP. No change is contemplated in relevant date for preferential allotment as the resolution for preferential allotment is valid only for 15 days as against one year for QIP.

### (d) Pricing norms for preferential allotment to QIBs

To facilitate eligible listed companies to raise funds from QIBs without having to go through the elaborate documentation process required for QIP, the modified pricing guidelines of QIP have been made applicable to preferential allotment to QIBs, provided that the number of QIB allottees in such preferential allotment does not exceed five.

### (e) Lock-in on shares on exercise of warrants issued on preferential basis

At present, the guidelines on preferential allotment, warrants issued

on preferential basis are subject to lock-in for a period of one year or three years, as the case may be and lock-in on shares allotted on exercise of such warrants is reduced to the extent such warrants have already been locked-in. It has been decided that the warrants issued on pre functional basis shall be subject to lock-in period of one year or three years, as the case may be, from the date of allotment of such shares.

### (f) Filing of offer documents at SEBI Regional Offices

Draft offer documents of issue size up to Rs.50 crores can be filed by lead merchant bankers with such Regional Office of SEBI under the jurisdiction of which the registered office of the issuer company falls. Earlier this limit was Rs.20 crores.

### 6. Preferential Allotment

- a) At present, the SEBI (DIP) Guidelines provide that warrants can be allotted on preferential basis, subject to the allottees paying upfront, an amount equivalent to at least 10% of the price fixed, at the time of allotment of warrants. It has now been decided to enhance the upfront amount payable from 10% to 25%.
- b) Certain clarifications regarding lock-in requirements of instruments allotted on preferential basis have also been made.
- c) It has been decided that an issuer, which has been granted relaxation by the Board in terms of regulation 29A of the SEBI (Substantial Acquisitions of Shares and Takeovers) Regulations, 1997, shall be exempted from certain provisions of Chapter XIII of DIP Guidelines, subject to the condition that in the explanatory statement to the notice for the general meeting of the shareholders, the issuer gives adequate disclosures about the details of the plan including the process proposed to be followed by it for identification of the allottees in addition to the disclosures required in other applicable laws.

### 7. Introduction of ASBA

In its continuing endeavor to make the existing public issue process more efficient, SEBI has introduced a supplementary process of applying in public issues, viz., the "Applications Supported by Blocked Amount (ASBA)" process.

The ASBA process is available in all public issues made through the book building route. It shall co-exist with the current process, wherein cheque is used as a mode of payment. ASBA is an application for subscribing to an issue, containing an authorization to block the application money in a bank account.

The main features of ASBA process are as follows:

**SCSB:** Self Certified Syndicate Bank (SCSB) is a bank which offers the facility of applying through the ASBA process. A bank desirous of offering ASBA facility shall submit a certificate to SEBI as per the prescribed format for inclusion of its name in SEBI's list of SCSBs. A SCSB shall identify its Designated Branches (DBs) at which an ASBA investor shall submit ASBA and shall also identify the Controlling Branch (CB) which shall act as a coordinating branch for the Registrar to the Issue, Stock Exchanges and Merchant Bankers. The SCSB, its DBs and CB shall continue to act as such, for all issues to which ASBA process is applicable. The SCSB may identify new DBs for the purpose of ASBA process and intimate details of the same to SEBI, after which SEBI will add the DB to the list of SCSBs maintained by it. The SCSB shall communicate the following details to Stock Exchanges for making it available on their respective websites; these details shall also be made available by the SCSB on its website:

- (i) Name and address of the SCSB
- (ii) Addresses of DBs and CB and other details such as telephone number, fax number and email ids.
- (iii) Name and contact details of a nodal officer at a senior level from the CB.

**Eligibility of Investors:** An Investor is eligible to apply through ASBA process, if he/ she:

- (i) is a "Resident Retail Individual Investor";



- (ii) is bidding at cut-off, with single option as to the number of shares bid for;
- (iii) is applying through blocking of funds in a bank account with the SCSB;
- (iv) has agreed not to revise his/her bid;
- (v) is not bidding under any of the reserved categories.

## **ASBA Process:**

An ASBA investor submits an ASBA physically or electronically through the internet banking facility, to the SCSB with whom the bank account to be blocked, is maintained. The SCSB then blocks the application money in the bank account specified in the ASBA, on the basis of an authorization to this effect given by the account holder in the ASBA. The application money remains blocked in the bank account till finalization of the basis of allotment in the issue or till withdrawal/failure of the issue or till withdrawal/ rejection of the application, as the case may be. The application data shall thereafter be uploaded by the SCSB in the electronic bidding system through a web enabled interface provided by the Stock Exchanges. Once the basis of allotment is finalized, the Registrar to the Issue sends an appropriate request to the SCSB for unblocking the relevant bank accounts and for transferring the requisite amount to the issuer's account. In case of withdrawal/failure of the issue, the amount shall be unblocked by the SCSB on receipt of information from the pre-issue merchant bankers.

## **Obligations of the Issuer:**

The issuer shall ensure that adequate arrangements are made by the Registrar to the Issue to obtain information about all ASBAs and to treat these applications similar to non-ASBA applications while finalizing the basis of allotment, as per the procedure specified in the Guidelines.

## **Applicability of ASBA process:**

ASBA process is applicable to all book-built public issues which provide for not more than one payment option to the retail individual investors. The details of the role and responsibilities of Stock Exchanges, intermediaries, viz., Registrars to the issue, Merchant Banker(s) and Stock Exchanges in the ASBA process have also been prescribed by SEBI.

## **8. Validity period of observations**

- a) The validity period of the observations issued by SEBI has been enhanced from the existing period of three months to twelve months.
- b) Before opening of the issue, every issuer shall be required to file an updated offer document with SEBI, highlighting all changes made in the document.
- c) Where updation include significant changes in the offer document, such an updated Red herring prospectus/ prospectus or letter of offer shall be filed with SEBI at least one month before filing the same with Registrar of Companies or with Designated Stock Exchange as the case may be. SEBI would specify the procedure for submitting such updated documents including what will constitute "significant changes", "additional fees" separately.

## **9. Timelines for bonus issues**

At present, in terms of the SEBI (DIP) Guidelines, a listed company is required to complete a bonus issue within a maximum period of six months from the date of approval of the issue by the board of directors of the company. The amendment reduces the timeline for completion of bonus issues. Accordingly, where no shareholders' approval is required as per the Articles of Association of the issuer, the bonus issue shall be completed within fifteen days from the date of the approval by the board of directors of the issuer in this regard. However, where shareholders' approval is required for capitalization of profits or reserves as per the Articles of Association of the issuer, the bonus issue shall be completed within 2 months from the date of the meeting of board of directors where-in bonus was announced subject to shareholders' approval.

## **10. Price Band**

At present, the floor price or price band in an initial public offer through the book building process is required to be disclosed in the Red Herring Prospectus registered with the Registrar of Companies, before the issue opening date. The amended DIP Guidelines permit the issuer making an initial public offer to announce the floor price or price band after the date of registration of the Red Herring Prospectus with the Registrar of Companies, at least two working days before the issue opening date. Further, where the floor price or price band is announced after the date of registration of the Red Herring Prospectus with the Registrar of Companies, every issuer making a public issue, whether initial public offer or further public offer, shall ensure wide dissemination of the floor price or price band through various means, including newspaper advertisement. While announcing the floor price or price band, the issuer shall also disclose details of the relevant financial ratios used for justification of the floor price or price band. In case of a price band, such financial ratios shall be calculated for both upper and lower end of the price band.

## **11. Policy on relaxation from strict enforcement of rule 19(2)(b) of the SCR Rules, 1957**

At present, the SEBI (DIP) Guidelines provides for the policy regarding considering the requests for relaxation of the strict enforcement of requirements of rule 19 (2) (b) of the SCRR where an unlisted company intends to list its shares issued to the shareholders of a listed company pursuant to a scheme of arrangement approved by a High Court, without making an initial public offer. The DIP Guidelines have now been amended to provide for the policy for considering relaxation from strict enforcement of requirements of rule 19 (2) (b) of SCRR in case of proposal for listing of following securities by a listed issuer:-

- (i) Equity shares with differential rights as to dividend, voting or otherwise, offered through rights or bonus issue.
- (ii) Warrants issued along with Non Convertible Debentures through Qualified Institutions Placement.

## **12. Mandatory disclosures of details of shares pledged by the promoters**

To enhance the disclosure requirements, SEBI has made it mandatory on the part of promoters (including promoter group) to disclose the details of pledge of shares held by them in listed entities promoted by them. Such disclosures shall be made as and when the shares are pledged i.e. event based disclosure as well as by way of periodic disclosures. Details of pledge of shares and release/ sale of "pledged shares" shall be made to the company and the company shall in turn inform the same to the public through the Stock Exchanges.

## **C. Amendments to Equity Listing Agreement**

### **1. Notice period regarding Rights Issues (Clause 16 and 19)**

As stated earlier, in order to reduce the time duration for a Rights Issue, SEBI has amended the SEBI (DIP) guidelines and the Listing Agreement. The reduction in timelines would reduce the market risk faced by an issuer and ensure faster turnaround of money for investors. There are also certain amendments to bring homogeneity in the number of days for notice period and for record date in case of rights issue. The number of days for the notice period for a Board Meeting has been reduced from 7 days to 2 working days; the notice period for record date has been reduced from 15/21/30 days to 7 working days for all scrips; issue period has been reduced from minimum 30 days to minimum 15 days with a maximum of 30 days and the time period for completion of post issue activity has been reduced from 42 days to 15 days.

### **2. "Fairness Opinion" of independent merchant banker (Clause 24)**

In order to safeguard the interest of shareholders, the listed company as well as the unlisted company which are getting merged have been required to appoint an independent merchant banker for

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giving a fairness opinion on the valuation done by valuers. Further, the "Fairness opinion" of the merchant bankers is required to be made available to the shareholders at the time of approving the resolution under Clause 24.

### 3. Clause 35

The format for reporting the shareholding pattern contains six parts. The first two parts viz. Part I (a) and part I (b) contains disclosures of shareholding of promoter and promoters group. Part I (a) and I (b) of the format are amended to include details of shares pledged by promoters and promoter group entities, as specified.

### 4. Submission & Publication of Financial Results (Clause 41)

In order to bring more efficiency in the disclosures of financial results, Clause 41 of the listing agreement has been modified as follows:

#### a. Time limit for submission of financial results to stock exchanges:

A listed entity in addition to submitting quarterly and year to date standalone financial results within one month of end of the quarter may also submit consolidated financial results to the stock exchange within two months from the end of the quarter.

#### b. Publication of financial results:

A listed entity opting to submit consolidated financial results in addition to standalone results to the stock exchanges shall publish consolidated financial results only.

#### c. Limited review report to be placed before Board of Directors:

A listed entity would be required to place the limited review report on un-audited financial results before its board of directors/ committee before submission to stock exchanges only if the variation (as defined in present Clause 41) between un-audited financials and financials amended pursuant to limited review for the same period exceeds 10%.

#### d. Submission of limited review report in case of last quarter:

Where the listed entity chooses to submit un-audited financial results for the last quarter (instead of submitting audited financial results for the entire financial year within 3 months of end of financial year), the limited review report shall be submitted for the last quarter also.

### 5. Insertion of New Clause 43A

New Clause 43A has been added to the listing agreement, requiring the companies to file deviations in the use of public issue proceeds to the stock exchange on quarterly basis and to intimate the deviations pointed out by the monitoring agency to monitor utilization of proceeds to the stock exchanges etc. The New Clause reads as under: "43A. Statement of deviations in use of issue proceeds

- (1) The company agrees to furnish to the stock exchange on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds of a public or rights issue from the objects stated in the offer document.
- (2) Where the company has appointed a monitoring agency to monitor utilization of proceeds of a public or rights issue and such monitoring agency has pointed out any deviation in the use of the proceeds of the issue from the objects stated in the offer document or has given any other reservations about the end use of funds, the company agrees to intimate the same to the stock exchange, without any delay.
- (3) The information mentioned in sub-clause (1) shall be furnished to the stock exchange along with the interim or annual financial results submitted under clause 41 and shall be published in the newspapers simultaneously with the interim or annual financial results, after placing it before the Audit Committee in terms of clause 49.
- (4) The information mentioned in sub-clause (2) shall, after review

by the Audit Committee, be furnished to the stock exchange as and when received and shall simultaneously be published in the newspapers."

### 6. Amendment in Clause 49

- The company is required to place the monitoring report in respect of utilization of issue proceeds filed with it by monitoring agency before the Audit Committee.
- The company is required to inform material deviations in the utilization of issue proceeds to the stock exchange.
- If the non-executive Chairman is a promoter or is related to promoters or persons occupying management positions at the board level or at one level below the board, at least one-half of the board of the company should consist of independent directors. **(This is in addition to earlier Requirement which read as "where the Chairman of the Board is a non-executive director, at least one third of the Board should comprise of independent directors and in case he is an executive director, at least half of the Board should comprise of independent directors.)**
- Disclosure of relationships between directors inter-se shall be made in the Annual Report, notice of appointment of a director, prospectus and letter of offer for issuances and any related filings made to the stock exchanges where the company is listed. **(New Insertion in Clause 49)**
- The gap between resignation/removal of an independent director and appointment of another independent director in his place shall not exceed 180 days. However, this provision would not apply in case a company fulfils the minimum requirement of independent directors in its Board, i.e., one-third or one-half as the case may be, even without filling the vacancy created by such resignation/removal. **(New Insertion in clause 49)**
- The minimum age for independent directors shall be 21 years. **(New Insertion in clause 49)**
- Clause 49 of the Equity Listing Agreement includes, a provision stating that if the non-executive Chairman is a promoter or is related to promoters or persons occupying management positions at the board level or at one level below the board, at least one-half of the board of the company should consist of independent directors. The amendment defines the expression **"Related to any promoter" which means**
  - ❖ If the promoter is a listed entity, its directors other than the independent directors, its employees or its nominees shall be deemed to be related to it;
  - ❖ If the promoter is an unlisted entity, its directors, its employees or its nominees shall be deemed to be related to it.
- **Non-mandatory provision**

The company shall ensure that the person who is being appointed as an independent director has the requisite qualifications and experience which would be of use to the company and which, in the opinion of the company, would enable him to contribute effectively to the company in his capacity as an independent director. **(New addition to the existing non mandatory provision which read as "A non-executive Chairman may be entitled to maintain a Chairman's office at the company's expense and also allowed reimbursement of expenses incurred in performance of his duties. Independent Directors may have a tenure not exceeding, in the aggregate, a period of nine years, on the Board of a company.")**

### 7. Insertion of New clause 52

SEBI has decided to phase out EDIFAR gradually in view of new portal viz Corporate Filing and Dissemination System (CFDS) put in place jointly by BSE and NSE at the URL [www.corpfiling.co.in](http://www.corpfiling.co.in). Accordingly, the listed companies are required to file information with the stock exchange only through CFDS. Clause 52 reads as under: "52. Corporate Filing and Dissemination System (CFDS), viz. [www.corpfiling.co.in](http://www.corpfiling.co.in).

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### (1) The company agrees –

- a) To file on the CFDS, such information, statements and reports as may be specified by the Participating Stock Exchanges in this regard.
- b) That the Compliance Officer, appointed under clause 47(a) and the company shall be responsible for ensuring the correctness, authenticity and comprehensiveness of the information, statements and reports filed under this clause and also for ensuring that such information is in conformity with the applicable laws and the listing agreement.
- c) To ensure that the electronic filing of information through CFDS, pursuant to compliance with any clause of the listing agreement, shall be done within the time limit specified in the respective clause of the listing agreement.
- d) To put in place such infrastructure as may be required to comply with the clause.

**Explanation:** For the purposes of this clause –

- (i) The term “Corporate Filing and Dissemination System (CFDS)” shall mean the portal at the URL [www.corpfiling.co.in](http://www.corpfiling.co.in) or such other website as may be specified by the participating stock exchanges from time to time to take care of exigencies, if any.
- (ii) The term “Participating Stock Exchanges” shall mean the stock exchanges owning and maintaining CFDS.”

### D. Fast Track Issues (FTIs)

Some listed companies are now able to proceed with follow-on public offering/rights issue by filing a copy of the Red Herring Prospectus (in case of book built issue)/Prospectus (in case of fixed price issue) registered with the Registrar of Companies or the letter of offer filed with Designated Stock Exchange, as the case may be, with SEBI and stock exchanges. Such companies are not required to file draft offer document with SEBI and stock exchanges. Accordingly the provisions relating to filing of offer document are not applicable to public issue of securities by a listed issuer company or a rights issue of securities by a listed issuer company, where the aggregate value of such securities, including premium, if any, exceeds Rs. 50 lacs, if the following conditions are satisfied:

- (a) The shares of the company have been listed on any stock exchange having nationwide terminals for a period of at least three years immediately preceding the reference date;
- (b) The “average market capitalization of public shareholding” of the company is at least Rs. 10,000 crores for a period of one year up to the end of the quarter preceding the month in which the proposed issue is approved by the Board of Directors/shareholders of the issuer; Average market capitalization of public shareholding has been defined to mean the sum of daily market capitalization of “public shareholding” for a period of one year up to the end of the quarter preceding the month in which the proposed issue was approved by the Board/shareholders, as the case may be, divided by the number of trading days. For this purpose, “public shareholding” shall have the same meaning as assigned to it in clause 40A of the Listing Agreement.
- (c) The annualized trading turnover of the shares of the company during six calendar months immediately preceding the month of the reference date has been at least two per cent of the weighted average number of shares listed during the said six months period;
- (d) The company has redressed at least 95% of the total shareholder/investor grievances or complaints received till the end of the quarter immediately preceding the month of the reference date;
- (e) The company has complied with the listing agreement for a period of at least three years immediately preceding the reference date;
- (f) The impact of auditors’ qualifications, if any, on the audited accounts of the company in respect of the financial years for which such accounts are disclosed in the offer document does not

exceed 5% of the net profit/loss after tax of the company for the respective years.

- (g) No prosecution proceedings or show cause notices issued by the Board are pending against the company or its promoters or whole time directors as on the reference date; and
- (h) The entire shareholding of the promoter group is held in dematerialized form as on the reference date. Reference date means in case of a public issue of securities by a listed company satisfying all the requirements specified in this clause, the date of filing of red herring prospectus (in case of a book built issue) or prospectus (in case of a fixed price issue) with ROC; and in case of a rights issue of securities by a listed company satisfying all the requirements specified in this clause, where the aggregate value of such securities, including premium, if any, exceeds Rs. 50 lacs, the date of filing of letter of offer with Designated Stock Exchange. A listed issuer company satisfying all the requirements specified in this clause and filing a red herring prospectus (in case of a book built issue) or prospectus (in case of a fixed price issue) with ROC or letter of offer with Designated Stock Exchange, as the case may be, shall simultaneously with such filing or as soon thereafter as reasonably practicable, but in any case not later than the opening of the issue, file a copy thereof with the Board.

### E. Real Estate Mutual Fund Schemes (REMFS)

- (a) SEBI has amended SEBI (Mutual Funds) Regulations, 1996 to permit mutual funds to launch REMFs. Chapter VI A titled ‘Real Estate Mutual Fund Schemes’ has been inserted in SEBI (Mutual Funds) Regulations, 1996 and the provisions contained in this Chapter area applicable to real estate mutual fund schemes. Unless the context otherwise requires, all other provisions of SEBI Mutual Funds Regulations and the guidelines and circulars issued there under are applicable to real estate mutual fund schemes, and trustees and asset management companies in relation to such schemes, except where specific provisions are made in relation thereto under Chapter VI A. “Real Estate Mutual Fund Scheme” means a mutual fund scheme that invests directly or indirectly in real estate assets or other permissible assets in accordance with SEBI (Mutual Funds) Regulations, 1996 “real estate asset” means an identifiable immovable property-
  - (i) Which is located within India in such city as may be specified by the Board from time to time or in a special economic zone within the meaning of Special Economic Zones Act, 2005;
  - (ii) On which construction is complete and which is usable;
  - (iii) Which is evidenced by valid title documents
  - (iv) Which is legally transferable
  - (v) Which is free from all encumbrances
  - (vi) Which is not subject matter of any litigation; but does not include-
    1. A project under construction; or
    2. Vacant land; or
    3. Deserted property; or
    4. Land specified for agricultural use; or
    5. A property which is reserved or attached by any Government or other authority or pursuant to orders of a court of law or the acquisition of which is otherwise prohibited under any law for the time being in force

**Some of the salient features of REMFs are as under:**

- 1) Existing Mutual Funds are eligible to launch real estate mutual funds if they have adequate number of experienced key personnel/directors.
- 2) Sponsors seeking to set up new Mutual Funds, for launching only real estate mutual fund schemes, shall be carrying on business in real estate for a period not less than five years. They shall also fulfill all other eligibility criteria applicable for sponsoring a MF.



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- 3) Every real estate mutual fund scheme shall be close-ended and its units shall be listed on a recognized stock exchange.
- 4) Net asset value (NAV) of the scheme shall be declared daily.
- 5) At least 35% of the net assets of the scheme shall be invested directly in real estate assets. Balance may be invested in mortgage backed securities, securities of companies engaged in dealing in real estate assets or in undertaking real estate development projects and other securities. Taken together, investments in real estate assets, real estate related securities (including mortgage backed securities) shall not be less than 75% of the net assets of the scheme.
- 6) Each asset shall be valued by two valuers, who are accredited by a credit rating agency, every 90 days from date of purchase. Lower of the two values shall be taken for the computation of NAV.
- 7) Caps will be imposed on investments in a single city, single project, securities issued by sponsor/associate companies etc.
- 8) Unless otherwise stated, the investment restrictions specified in the Seventh Schedule shall apply.
- 9) No mutual fund shall transfer real estate assets amongst its schemes.
- 10) No mutual fund shall invest in any real estate asset which was owned by the sponsor or the asset management company or any of its associates during the period of last five years or in which the sponsor or the asset management company or any of its associates hold tenancy or lease rights.
- 11) A real estate mutual fund scheme shall not undertake lending or housing finance activities.
- 12) Accounting and valuation norms pertaining to Real Estate Mutual Fund schemes have also been specified.

### (b) Abridged Scheme wise Annual Report Format and periodic disclosures to the unit holders

Regulation 56 (1) of SEBI (Mutual Funds) Regulations, 1996 prescribes the requirement of mailing Scheme wise Annual Report of a mutual fund or an abridged summary thereof to the unit holders. It was observed by SEBI that there was a lack of uniformity in the contents of Abridged Scheme wise Annual Report prepared by the Mutual Funds. In view of the same, in consultation with AMFI, a new format of Abridged Scheme wise Annual Report has been prescribed.

The new format is applicable for the Abridged Scheme wise Annual Report to be sent to the unit holders for the financial year 2007-08. The Abridged Scheme wise Annual Report may be mailed to the investors' e-mail address if so mandated and the Scheme wise Annual Report would be displayed on the website of the mutual fund. However, as per regulation 56(3) of the Regulations, copy of Scheme wise Annual Report shall be also made available to unit holder on payment of nominal fees. Further a separate category of "Securitized Debt Instruments" has been provided in the format of half yearly Portfolio Disclosure Format under debt instruments.

Also, the mutual funds are now required to display unaudited half yearly results on their website in the format prescribed in twelfth schedule of Regulations.

### F. Sebi (Employee Stock Option Scheme And Employee Stock Purchase Scheme) Guidelines, 1999

Till now, as per SEBI (ESOS & ESPS) Guidelines, an employee (including a director of a company / its holding company / its subsidiary, whether such director is a whole-time director or not) is eligible to participate in the ESOS of the company, if such employee is not a promoter, does not belong to the promoter group and is not a director, who, either by himself or through his relative or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the company. SEBI clarified that a director, nominated by an institution as its representative on the Board of Directors of a company, is eligible to participate in the ESOS of the company, if the contract / agreement entered into between the nominating institution

and the director so appointed specifically provides for acceptance of ESOS of the company by such director and a copy thereof is filed with the company. Further, SEBI (ESOS & ESPS) Guidelines have been amended to bring the accounting treatment prescribed by SEBI, for options granted under graded vesting, in line with the accounting treatment provided by ICAI in this regard.

### G. Internal Audit For Stock Brokers/Trading Members/ Clearing Members

SEBI has vide its circular MRD/DMS/Cir-29/2008 dated October 21, 2008 authorized the **Practicing Company Secretary** to carry out complete internal audit of stock brokers/trading members/clearing members on a half yearly basis. The circular states that stock brokers/trading members/clearing members shall carry out complete internal audit on a half yearly basis by chartered accountants, **company secretaries** or cost and management accountants who are in practice and who do not have any conflict of interest.

The scope of such audit cover, *interalia*, the existence, scope and efficiency of the internal control system, compliance with the provisions of the SEBI Act, 1992, Securities Contracts (Regulation) Act 1956, SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992, circulars issued by SEBI, agreements, KYC requirements, Bye Laws of the Exchanges, data security and insurance in respect of the operations of stock brokers/clearing members.

## ELL/ELIL/SMA & I T, SPRELD/C/WTO (OS/NS)

### CALCULATION OF TOTAL FOREIGN INVESTMENT IN INDIAN COMPANIES<sup>2</sup>

Foreign Direct Investment (FDI) Play an important role in the long-term development of a country not only as a source of capital but also for enhancing competitiveness of domestic economy through transfer of technology, strengthening infrastructure, raising productivity and generating new employment opportunities.

With a view to bring in clarity, uniformity, consistency and homogeneity in the methodology the Government of India has issued guidelines for calculation across sectors/activities of all direct and indirect foreign investment in Indian companies.

#### Calculation of Indirect Foreign Investment

Following conditions are required to be considered for the computation of Indirect Foreign Investment.

- Foreign Investment in Indian company includes all types of foreign investments i.e. FDI, investment by FIIs, NRIs, ADRs, GDRs, Foreign Currency Convertible Bonds (FCCB) and convertible preference shares, convertible Currency Debentures, regardless of whether the said investments have been made under Schedule 1, 2, 3 and 6 of FEMA (Transfer or Issue of Security by Persons Resident Outside India) Regulations 2000.

The term 'Resident Indian Citizen' is to be interpreted in line with the definition of 'person resident in India' as per FEMA, 1999, read in conjunction with the Indian Citizenship Act.

- A 'non resident entity' means a 'person resident outside India' as defined under FEMA 1999.
- The term 'Indian Company' means a company registered or incorporated in India as per the Indian Companies Act, 1956.
- 'Investing Company' means an Indian Company making equity/preference/Compulsory Convertible Debentures (CCD) investment into another Indian Company.
- Holding Company shall have the same meaning as defined in Indian Companies Act 1956.

2. Prepared by Chittaranjan Pal, Assistant Education Officer under the guidance of Dr. S. K. Dixit, Joint Director, The ICSI.

## Calculation of Direct Foreign Investment

All investment directly by a non-resident entity into the Indian company shall be counted towards foreign investment.

## Calculation of Indirect Foreign Investment:

The foreign investment through the investing Indian company is not be considered for calculation of the indirect foreign investment in case of Indian companies 'owned and controlled' by resident Indian citizens and/or Indian Companies owned and controlled by resident Indian citizens.

In this context, an Indian company may be considered as being:

- "owned" by resident Indian citizens and Indian companies, which are owned and controlled by resident Indian citizens, if more than 50% of the equity interest in it is beneficially owned by resident Indian citizens and Indian companies, which are owned and controlled ultimately by resident Indian citizens; and
- "Controlled" by resident Indian citizens and Indian companies, which are owned and controlled by resident Indian citizens, if the resident Indian citizens and Indian companies, which are owned and controlled by resident Indian citizens, have the power to appoint a majority of its directors.

The cases where above condition is not satisfied or if the investing company is owned or controlled by 'non resident entities', the entire investment by the investing company into the subject Indian Company shall be considered as indirect foreign investment.

However as an exception, the indirect foreign investment in only the 100% owned subsidiaries of operating-cum-investing/investing companies will be limited to the foreign investment in the operating-cum-investing/ investing company. It is clarified that this exception has been made keeping in view that the downstream investment of a 100% owned subsidiary of the downstream investment should be a mirror image of the holding company.

In this respect, an Indian company may be taken as being:

- (i) "Owned" by 'non resident entities', if more than 50% of the equity interest in it is beneficially owned by non-residents.
- (ii) "Controlled" by 'non resident entities', if non-residents have the power to appoint a majority of its directors.

## EXAMPLE

For example, if the indirect foreign investment is being calculated for Company ABC Limited which has investment through an investing company XYZ Limited having foreign investment, the following shall be the method of calculation:

- (i) Where Company XYZ Limited has foreign investment less than 50% — Company ABC Limited shall not be taken as having any indirect foreign investment through Company XYZ Limited.
- (ii) Where Company XYZ Limited has foreign investment of say 75% and:
  - (a) invests 26% in Company ABC Limited, the entire 26% investment by Company XYZ Limited shall be treated as indirect foreign investment in Company ABC Limited;
  - (b) invests 80% in Company ABC Limited, the indirect foreign investment in Company ABC Limited shall be taken as 80%.
  - (c) Where Company ABC Limited is a wholly owned subsidiary of Company XYZ Limited (i.e. Company XYZ Limited owns 100% shares of Company ABC Limited), then only 75% shall be treated as indirect foreign equity and the balance 25% shall be treated as resident held equity. The indirect foreign equity in Company ABC Limited shall be computed in the ratio of 75: 25 in the total investment of Company XYZ Limited in Company ABC Limited.

The total foreign investment shall be the sum total of direct and indirect foreign investment. The above methodology of calculation shall be applicable at every stage of investment in Indian Companies and thus to each and every Indian Company.

## Additional conditions

- The companies are required to provide full details about the foreign investment including ownership details etc. in Indian company(s) and information about the control of the company(s) to the Government of India at the time of seeking approval.
- In any sector/activity, where Government approval is required for foreign investment and in cases where there are any *inter-se* agreements between/amongst share-holders which have an effect on the appointment of the Board of Directors or on the exercise of voting rights or of creating voting rights disproportionate to shareholding or any incidental matter thereof, such agreements are required to be informed to the approving authority. The approving authority shall consider for determining ownership and control such *inter-se* agreements when considering the case for granting approval for foreign investment.
- In all sectors attracting sectoral caps, the balance equity i.e. beyond the sectoral foreign investment cap, should specifically be beneficially owned by/held with/in the hands of resident Indian citizens and Indian companies, owned and controlled by resident Indian citizens.
- In the Information & Broadcasting and Defence sectors where the sectoral cap is less than 49%, the company shall be 'owned and controlled' by resident Indian citizens and Indian companies, which are owned and controlled by resident Indian citizens.
- The equity held by the largest Indian shareholder would have to be at least 51% of the total equity, excluding the equity held by Public Sector Banks and Public Financial Institutions, as defined in Section 4A of the Companies Act, 1956.

The term 'largest Indian shareholder', shall include any or a combination of the following:

- (i) In the case of an individual shareholder,
  - (a) The individual shareholder,
  - (b) A relative of the shareholder within the meaning of Section 6 of the Companies Act, 1956.
  - (c) A company/ group of companies in the individual shareholder/ HUF to which he belongs has management and controlling interest.
- (ii) In the case of an Indian company,
  - (a) The Indian company
  - (b) A group of Indian companies under the same management and ownership control.

In this context, "Indian company" shall be a company which must have a resident Indian or a relative as defined under Section 6 of the Companies Act, 1956/ HUF, either singly or in combination holding at least 51% of the shares. However, in case of a combination of all or any of the entities mentioned in (i) and (ii) above, each of the parties shall have entered into a legally binding agreement to act as a single unit in managing the matters of the applicant company.

In case, a declaration is made by persons as per section 187C of the Indian Companies Act, 1956 about a beneficial interest being held by a non resident entity, then even though the investment may be made by a resident Indian citizen, the same shall be counted as foreign investment.

The above mentioned methodology has been made applicable for determining the total foreign investment in all sectors, excepting in sectors where it is governed specifically under any statutes or rules thereunder. Therefore this methodology will not be applicable in the Insurance Sector where it will continue to be governed by the relevant Regulation.

[ Source : Press Note No.2(2009 Series) dated February 13, 2009, Issued by Ministry of Commerce and Industry, Department of Industrial Policy & Promotion(FC Section) Government of India.]

## TAXATION<sup>3</sup>

### **A. DIRECT TAX AMENDMENTS AS MADE BY FINANCE ACT, 2008 TAX LAWS (INTERMEDIATE COURSE - OLD SYLLABUS)/ (EXECUTIVE PROGRAMME - NEW SYLLABUS)**

**Note:** The First page no. is for Tax Laws study under Old Syllabus and the second one is for tax laws study under the New Syllabus.

#### **1. Amendment at Page No. 7(Para 3(ii)/8 (Para 1.2)**

**Agricultural Income: Section 2(1A)** has been amended w.e.f. A.Y.09-10 so as to provide that any income derived from saplings or seeding grown in a nursery shall be deemed to be agricultural income and accordingly it will be exempt from income under section 10(1).

#### **2. Amendment at Page No. 107 (para no. 71) /107 (para no.4.75)**

Exemption of Commodity Boards and Authorities from Income Tax (Section 10(29A))

**Section 10(29A)** provides that any income of a specified commodity board and export development shall be exempt from income tax. A similar exemption has been extended w.e.f. A.Y.02-03 in respect of any income accruing or arising to the **coir board**.

#### **3. Amendment at Page No. 124 [Para 1(d)]/127 [Para 4.93(d)]**

**Section 2 (15):** the definition of "charitable purpose" under section 2(15) has been modified w.e.f. A.Y. 2009-10. So as to provide that the "advancement of any other object of general public utility" shall not be a charitable purpose if it involves the carrying on of:

1. Any activity in the nature of trade, commerce, or business, or
2. Any activity of rendering of any services in relation to any trade, commerce, or business

For a fee or cess or any other consideration, irrespective of the nature of use or application of the income from such activity, or retention of such income by the entity.

#### **4. Amendment at Page No. 111(para 1(1)) + 116 [para 2(1)]/112 [para 4.89(1)] +120 [para 4.90(1)]**

**Section 10A & 10B -Extension of exemption**

**Exemption under section 10A and 10B:** Exemption available under section 10A and 10B has been extended for one more year. Consequently these exemptions will be available up to A.Y.10-11.

#### **5. Amendment at page No. 301 (para 3)/300 (para 5.41)**

**Transactions which do not constitute transfer, Section 47(xvi):  
Reverse Mortgage of property-**

A clause (xvi) has been inserted in section 47 w.e.f. A.Y. 2008-09, to provide that any transfer of capital asset under reverse mortgage under a scheme notified by the central government shall not be regarded as transfer and shall not attract capital gain tax.

#### **6. Amendment at page No. 110(after para 84)/111(after para 4.88)**

**Section 10(43):** Periodical instalments or lump sum to the borrower under reverse mortgage-

A clause 43 has been inserted to section 10 w.e.f. 2008-09 to provide that any income received by an individual as a loan, or in installment in a transaction of reverse mortgage shall be exempt.

#### **7. Amendment at Page No. 239 (para 8)/241 [para 5.21 (H)]**

**Section 35 (1) (ia) - Clause (ia) has been inserted w.e.f. 2009 -10**

Weighted deduction for a sum paid to a company to be used by such company for scientific research.

This clause is applicable only if the following conditions are satisfied-

1. The taxpayer is any person (may be individual, HUF, Firm, company or any other person)
2. The taxpayer has paid any sum to a company (hereinafter referred as payee- company) to be used by payee for scientific research.
3. The scientific research may or may not be related to the business of taxpayer.
4. The payee company is registered in India.
5. The payee company has as its main object the scientific research and development.
6. The payee company is for the time being approved by the prescribed authority.
7. The payee company fulfills such other conditions as may be prescribed.

If the above conditions are satisfied, then the taxpayer can claim a weighted deduction of 125% of the amount paid by him to Payee Company.

Payee company cannot claim weighted deduction under section 35(2AB) - with a view to avoid multiple claims for deduction, it has been provided that the payee company approved under the provisions of section 35(2)(ia) will not be entitled to claim weighted deduction of 150% under section 35(2AB). However deduction to the extent of 100% of the sum spent as revenue expenditure or capital expenditure on scientific research which is available under section 35(1) will continue to be allowed.

#### **8. Amendment at Page No. 246 (para 15)/248 [para 5.21(O)]**

**Section 35D - Extension of deduction to service sector for preliminary expenditure**

Section 35D provides for deduction of certain specified preliminary expenses. The deduction is allowed on an amount equal to one fifth of such expenditure for five successive previous years. The preliminary expenses relate either to the period before the commencement of the business or after. However if preliminary expenses relate to a period after the commencement of business, such expenses are allowed if they are in relation to the extension of an industrial undertaking or the setting up of a new industrial unit.

With a view to provide a level playing field to the service sector, the benefit of amortization of specified post commencement preliminary expenses which is available to the manufacturing sector for the extension of an industrial undertaking or setting up of a new industrial unit has been extended to cover the extension of any undertaking or setting up of any new unit w.e.f. A.Y.09-10.

#### **9. Amendment at Page No. 252 /263**

**Section 36(1) (xv) - Securities transaction tax to be deductible as expenses**

Before amendment of this section, the amount of securities transaction tax paid is allowed as rebate under section 88E. This rebate is allowed when the income from taxable securities transactions is included under the head "Profit and gains from business or profession".

The rebate available to such assessee under section 88E will be discontinued from assessment year 09-10. However any amount of Securities transaction tax paid by the assessee during the previous year in respect of taxable securities transactions entered into the course of business shall be allowed as deduction under Section 36(1)(xv) with effect from assessment year 09-10 subject to the condition that such income from taxable securities transactions is included under the head "Profit and gains from business or profession". Consequently, clause (ib) in section 40(a) has been omitted.

#### **10. Amendment at Page No. 252 (para 18) /263 [para 5.21(R)]**

**Section 36(1) (xvi) - Deduction of commodities transaction tax as expenses:**

3. Prepared by Aparna Chauhan, Asst. Education Officer, The ICSI.



Commodities transaction tax has been levied and it will be applicable from a date to be notified by the central government, it shall apply to the taxable commodities transactions entered on or after the notified date.

If the following conditions are satisfied, commodities transaction tax will be deductible under Section 36(l) (xvi):

1. The taxpayer has paid the commodities transaction tax.
2. It is paid in respect of taxable commodities transactions.
3. These transactions have been entered into in the course of his business during the previous year.
4. Income arising from such commodities transactions are included the head profit and gains from business or profession.

## **11. Amendment at Page No. 267 [para VI(1)]/269[para 5.23]**

### **Section 40 (a)(ia) : TDS Default**

Interest, Commission, Brokerage, Rent, Royalty, Fees for technical or professional services payable to a resident or amounts payable (for carrying out any work contract) to a resident contractor or sub-contractor are subject to tax deduction under different sections of chapter XVII-B. If tax is to be deductible but not deducted or if tax is deducted but not deposited (or deposited late) with the Govt., then these expenses are not allowed as deduction according to the provision of section 40(a)(ia).

But now this section has been amended and it provides that if tax is to be deducted but not deducted then these expenses will be deductible in the year in which the tax is deposited to the Government by the assessee.

## **12. Amendment at Page No. 271[para VI(xii)] /273 [para 5.23(xii)]**

### **Section 40 A (3): Cash payment exceeding Rs.20000**

Any expenditure incurred in respect of which payment is made in a sum exceeding Rs. 20000 otherwise than by an account payee cheque or account payee draft, shall not be allowed as a deduction. Section 40A(3)(b) also provides that for deeming a payment as profit and gains of business or profession if the expenditure is incurred in a particular year but the payment is made in any subsequent year in a sum exceeding Rs. 20000 otherwise than by an account payee cheque or draft. The provisions of this section are, however, subject to the exception provided in Rule 6DD. Section 40A(3) is an anti- evasion measure. The provision of Section 40A(3) are being circumvented by splitting a particular high value payment to a person into several cash payments, each below Rs 20000. This splitting is also resorted to for payments made in the course of a single day. Courts have also held that the statutory limit of section 40A(3) applies to payment made to a party at one time and not to the aggregate of the payments made to a party in the course of the day as recorded in the cash book.

To overcome this splitting of payments to same person made during a day as referred above, section 40A(3) has been substituted to provide that where a payment or aggregate of payments made to a person in a day, otherwise than by an account payee cheque or draft, exceeds Rs. 20000 the disallowance of such expenditure shall be made.

## **13. Amendment at Page No. 222 (after explanation 5, para 3)/223[after explanation 5, para 5.21(C ) ]**

### **Section 43(6): Insertion of Explanation 6**

Explanation 6 has been inserted to section 43(6), which is applicable if the following conditions are satisfied:

1. The assessee was not required to compute his total income for the purposes of this Act for any previous year or years preceding the previous year relevant to the assessment year under consideration.
2. The assessee maintains books of account in respect of such preceding previous years.
3. The assessee provides depreciation in the books of account

pertaining to such preceding previous years.

If the above conditions are satisfied, then

- (a) The actual cost of an asset shall be adjusted by the amount attributable to the revaluation of such asset, if any, in the books of account;
- (b) The total amount of depreciation on such asset, provided in the books of account of the assessee in respect of such previous year or years preceding the previous year relevant to the assessment year under consideration shall be deemed to be the depreciation actually allowed under this Act for the purposes of this clause; and
- (c) The depreciation actually allowed under clause (b) shall be adjusted by the amount of depreciation attributable to such revaluation of the asset.

## **14. Amendment at Page No. 282(para XV)/284 (para 5.32)**

### **Section 44AB: Tax Audit Report**

From Assessment year 2008-09 audit report under section 44AB should be obtained on or before 30<sup>th</sup> September of the assessment year.

## **15. Amendment at Page No. 301 (para 3)/300 (para 5.41)**

### **Section 47: Definition of transfer**

The following amendments have been made in section 47 with effect from assessment year 2008-09.

A new clause (xa) has been inserted in section 47 to provide that any transfer by way of conversion of Bonds referred to in section 115AC(1)(a) into shares or debentures of any company shall not be considered as transfer.

Another new clause (xvi) has been inserted in section 47 so as to provide that any transfer of a capital asset in a transaction of reverse mortgage under a notified scheme shall not be regarded as transfer.

## **16. Amendment at Page No. 367 (para 1)/369 (para 6.20)**

**Section 80C:** Deduction on life insurance premium, contribution to provident fund etc.

With a view to encourage small savings, the scope of eligible saving instruments has been enlarged by inserting two new clauses in section 80C(2) w.e.f. A.Y. 2008-09. The following investments made by assessee during previous year shall be eligible for deduction under section 80C within overall ceiling of Rs. 1 lakh.

1. Five year deposit in an account under Post Office Time Deposit Rules 1981; and
2. Deposit in an account under the Senior Citizens Saving Scheme Rules, 2004.

Further, it is provided that where any amount is withdrawn by the assessee from such account before expiry of a period of five years from the date of its deposit, the amount so withdrawn, accordingly, shall be liable to tax in the assessment year relevant to the previous year. The amount liable to tax shall also include that part of the amount withdrawn, which represents interest accrued on the deposit. However if any part of the amount so received or withdrawn (including the amount relating to interest) has suffered taxation in any of the earlier years, such amount shall not be taxed again.

## **17. Amendment at Page No. 371 [para II(2)]/373 (para 6.24)**

**Section 80D: Additional deduction for health insurance premium paid for parents**

An additional deduction upto Rs. 15000 will be allowed to an individual assessee on any payment made to effect or keep in force the insurance on the health of his parent or parents whether dependent upon him or not. This deduction shall be in addition to the existing deduction available to the individual assessee on medical insurance for himself, his spouse, and dependent children. Further it is provided

that if either of the individual assessee parents, who has been medically insured is a senior citizen (that is a resident and 65 years or more at any time during the previous year), the deduction would be allowed upto Rs. 20000.

### **18. Amendment at Page No. 386 [para 21(V)]/387[para 6.41(V)]**

#### **Section 80IB(9): Deduction for Refining of mineral oil**

Existing provision provides that the complete tax holiday in respect of the profits and gains derived from commercial production or refining of mineral oil. The deduction is available to an undertaking for a period of seven consecutive assessment years including the initial assessment year-

1. In which the commercial production under a production sharing contract has first started; or
2. In which the refining of mineral oil has begun

The above provision has been amended so as to provide that if an undertaking begins refining of mineral oil on or after 1<sup>st</sup> April 2009, the deduction will be allowed to such undertaking only if following conditions are satisfied-

1. It is wholly owned by a public sector company or any other company in which a public sector company or companies hold at least 49% of the voting rights.
2. It is notified by the Central Government before 1<sup>st</sup> June 2008.
3. It begins refining during 1<sup>st</sup> April 2009 and 31<sup>st</sup> march 2012.

### **19. Amendment at Page No. 386 (para 21)/387(para 6.41)**

#### **Section 80IB (11C): Five year tax holiday to hospitals located in certain area**

Sub section (11c) has been inserted in section 80IB w.e.f. A.Y.2009-10 in order to encourage investments in *hospitals* in non metros cities. The benefit of deduction will be available only if the following conditions are satisfied.

1. **Location:** The hospital located any where in India, other than excluded area. The excluded area mean the hospital should not located in an area comprising the urban of Mumbai, Delhi, Kolkata, Chennai, Hyderabad ,Bangalore and Ahmadabad ,the district of Faridabad ,Gurgoan, Ghaziabad, Gautam Budh Nagar and Gandhinagar and city of Secunderabad.
2. **Construction:** The hospital constructed at any time during 1<sup>st</sup> April 2009 and 31<sup>st</sup> March 2013. For this purpose, a hospital shall be deemed to have been constructed on the date on which a completion certificate in respect of such construction is issued by the local authority.
3. **Commencement:** The hospital should start functioning at any time during 1<sup>st</sup> April 2008 and 31<sup>st</sup> March 2013.
4. **No of beds:** The hospital has at least 100 beds for patients.
5. **Municipal bye laws:** the construction of hospital is in accordance with the regular or by laws of the local authority.
6. **Audit report:** The tax payer should submit an audit report in a prescribed form certifying that deduction has been correctly claimed.
7. **Return of Income:** Return of income should be submitted on or the due date of submission of return of income given by section 139 (1). If return is not submitted or the return is submitted belatedly, deduction under this section will not be available.

**Deduction :** If the above condition are satisfied, 100% of the profits and gains derived from the business of hospital shall be deductible for a period of five assessment years, beginning with the initial assessment year (i.e., the assessment year relevant to the previous year in which the business of hospital start functioning).

### **20. Amendment at Page No. 396 (para 22)/not covered in new study**

#### **Section 80ID: Five years tax holiday for hotels located in specific districts having a world heritage site.**

With a view to promoting tourism and to attract tourists to certain World Heritage Sites in India, the scope of section 80ID has been extended w.e.f. A.Y 2009-10

The following condition should be satisfied:

1. **Location:** The tax payer should be engaged in the business of hotels, located in the specified districts having a world heritage site.
2. **Hotel rating:** Hotel for this purpose means a hotel of two star, three star or four star category as classified by the central government.
3. **Construction:** The hotel should be constructed any time during 1<sup>st</sup> April 2008 and 31<sup>st</sup> March 2013.
4. **Commencement:** The hotel has started or starts functioning at any time during 1<sup>st</sup> April 2008 and 31<sup>st</sup> march 2013.
5. **Formation:** The aforesaid business is not formed by splitting up or reconstruction of a business already in existence.
6. **New plant and machinery:** the aforesaid business is not formed by the transfer to a new business of plant or machinery previously used.
7. **Audit report:** Audit report should be submitted along with return of income.
8. **Return of Income:** Return of Income should be submitted on or before the due date of submission of return of Income under section 139(1).

If the above conditions are satisfied, 100% of the profit and gains derived from the aforesaid business is deductible for five consecutive assessment years beginning from the assessment year relevant to the previous year in which the aforesaid hotel starts functioning.

### **21. Amendment at Page No. 468 [para II (1)]**

#### **Section 139: Due date for return of income**

Due date of submission of return of income has been revised in some cases as shown below:

1. If the assessee is a company then the return of income has to be filled upto 30<sup>th</sup> September of the assessment year from the assessment year 2008-09 onwards.
2. If the assessee is a person other a company other than a company whose accounts are required to be audited under any provision of the law- has to file the return of income upto 30<sup>th</sup> September of the assessment year from the assessment year 2008-09 onwards.
3. If the assessee is a working partner of a firm whose accounts are required to be audited under any provision of the law- has to file return of income upto 30<sup>th</sup> September of the assessment year from the assessment year 2008-09 onwards.
4. If the assessee is any other person- has to file the return of income upto 31<sup>st</sup> July of the assessment year from the assessment year 2008-09 onwards.

### **22. Amendment at Page No. 472 (para II)/473 (para 8.15)**

#### **Section 139(9): Defective return of income**

A return shall be regarded as defective if it is not accompanied by the proof of tax claimed to have been deducted or collected at source before 1<sup>st</sup> April 2008. The reference to the said date has been omitted so as to bring the provisions relating to proof of tax claimed to have been deducted or collected at source on par with the provision relating to proof of payment of advance tax.

### **23. Amendment at Page No. 478 (para 2(b) /479[para 8.20]**

#### **Section 143(2): Time limit for sending notice**

Time limit for service of notice for scrutiny assessment- Notice for scrutiny assessment shall be served on the assessee within a period

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of 6 months from the end of the financial year in which the return is furnished.

## **24. Amendment at Page No. 483 /484(para 8.21)**

### **Section 151**

Section 151 requires an assessing officer to seek the approval of the joint commissioner, in a case, where no assessment under section 143(3) or section 147 has been made for the relevant assessment year, and the notice is to be issued after the expiry of four years, from the end of the relevant assessment year. It has been provided that notice in such a case shall be issued by the assessing officer only when a joint commissioner is satisfied, on the reason recorded by the assessing officer, that it is fit case for the issue of notice. In some cases, it has been observed that notice under section 148, in such a situation to be issued by joint commissioner. In such a situation joint commissioner is only required to be satisfied with the reasons recorded by assessing officer, there is no further requirement for him to issue the notice himself.

Section 151 has been amended with effect from 1<sup>st</sup> October 1998 to provide that joint commissioner, the commissioner or the chief commissioner, as the case may be, being satisfied on the reasons recorded by the assessing officer about fitness of a case for the issue of notice under section 148, need not to issue notice himself.

## **25. Amendment at Page No. 484(para III)/485 (para 8.22)**

### **Section 153:** Time limit for completion of the assessment

A new sub-section (4) has been inserted with effect from 1<sup>st</sup> June 2003 to provide that notwithstanding anything contained in section 153, 153A(2) and 153B(1), the order of assessment or reassessment, relating to any assessment year which stands revived under section 153(2), shall be made with in one year from the end of the month of such revival or with in the period specified in section 153 or section 153B(1), whichever is later.

Where, however, after exclusion of the time or period given in explanation 1 to section 153(3), the above period of limitation available to the assessing officer for making assessment is less than sixty days, such period shall be extended by sixty days.

## **26. Amendment at Page No. 407/Amended**

**Amendment in tax rates:** Tax rate for the assessment year 2009-10 has been changed in the case of an individual, HUF, BOI or AOP. The new rates are as given below.

If the assessee is Resident Women

Taxable Income	Tax Rates
0-180000	Nil
180001-300000	10%
300001-500000	20%
Above 500000	30%

If the assessee is Senior Citizen

Taxable Income	Tax Rates
0-225000	Nil
225001-300000	10%
300001-500000	20%
Above 500000	30%

If the assessee is any other individual, HUF, BOI, or AOP

Taxable Income	Tax Rates
0-150000	Nil
150001-300000	10%
300001-500000	20%
Above 500000	30%

**Surcharge:** Surcharge @ 10% on income tax is applicable in the case of an individual, HUF, AOP or BOI only if the taxable income exceeds INR 1000000.

**Education cess/Secondary higher education cess:** there is no change, education cess will be 2% of the income tax and surcharge, and Secondary and higher education cess will be 1% of the income tax and surcharge.

### **Increase in tax rate for short term capital gain under section 111A:**

Short term capital gain in respect of securities transactions (subject to securities transaction tax) will be taxable from the assessment year 2009-10 at the rate of 15%.

### **Increase in tax rate for short term capital gain under section 115AD:**

Short term capital gain under section 115AD will be taxable from the assessment year 2009-10 at the rate of 15%.

## **27. Amendment at Page No. 528(para 2)/533(para 9.24)**

### **Section 254(2A):** Stay of demand by Appellate Tribunal

The third proviso to section 254(2A) has been substituted w.e.f 1<sup>st</sup> Oct. 2008 to provide that the order of stay shall be vacated after the expiry of 365 days, even if the delay in disposing of the appeal is not attributable to the assessee.

## **28. Amendment at page no. 541 (after Section 273A)/545 (after Section 273A)**

### **Section 273AA:** Power of commissioner to grant immunity form penalty

After section 273A of the Income-tax Act, the section 273AA has been inserted form 1<sup>st</sup> April 2008;

- (1) A person may make an application to the Commissioner for granting immunity from penalty, if
  - (a) he has made an application for settlement under section 245C and the proceedings for settlement have abated under section 245HA; and
  - (b) the penalty proceedings have been initiated under this Act.
- (2) The application to the Commissioner under sub-section (1) shall not be made after the imposition of penalty after abatement.
- (3) The Commissioner may, subject to such conditions as he may think fit to impose, grant to the person immunity from the imposition of any penalty under this Act, if he is satisfied that the person has, after the abatement, co-operated with the income-tax authority in the proceedings before him and has made a full and true disclosure of his income and the manner in which such income has been derived.
- (4) The immunity granted to a person under sub-section (3) shall stand withdrawn, if such person fails to comply with any condition subject to which the immunity was granted and thereupon the provisions of this Act shall apply as if such immunity had not been granted.
- (5) The immunity granted to a person under sub-section (3) may, at any time, be withdrawn by the Commissioner, if he is satisfied that such person had, in the course of any proceedings, after abatement, concealed any particulars material to the assessment from the income-tax authority or had given false evidence, and thereupon such person shall become liable to the imposition of any penalty under this Act to which such person would have been liable, had not such immunity been granted.

## **29. Amendment at Page No. 546 (after Section 278B)/550 (after Section 278B)**

### **Power of commissioner to grant immunity from prosecution**

After section 278A of the Income-tax Act, the section 278 AB has been inserted w.e.f 1<sup>st</sup> April 2008;

- (1) A person may make an application to the Commissioner for granting immunity from prosecution, if he has made an application for settlement under section 245C and the proceedings for settlement have abated under section 245HA.



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- (2) The application to the Commissioner under sub-section (1) shall not be made after institution of the prosecution proceedings after abatement.
- (3) The Commissioner may, subject to such conditions as he may think fit to impose, grant to the person immunity from prosecution for any offence under this Act, if he is satisfied that the person has, after the abatement, co-operated with the income-tax authority in the proceedings before him and has made a full and true disclosure of his income and the manner in which such income has been derived:
- Provided that where the application for settlement under section 245C had been made before the 1st day of June, 2007, the Commissioner may grant immunity from prosecution for any offence under this Act or under the Indian Penal Code or under any other Central Act for the time being in force.
- (4) The immunity granted to a person under sub-section (3) shall stand withdrawn, if such person fails to comply with any condition subject to which the immunity was granted and thereupon the provisions of this Act shall apply as if such immunity had not been granted.
- (5) The immunity granted to a person under sub-section (3) may, at any time, be withdrawn by the Commissioner, if he is satisfied that such person had, in the course of any proceedings, after abatement, concealed any particulars material to the assessment from the income-tax authority or had given false evidence, and thereupon such person may be tried for the offence with respect to which the immunity was granted or for any other offence of which he appears to have been guilty in connection with the proceedings.

### B. Indirect Taxes

#### Amendment in Central Excise by Finance Act, 2008

##### Applicable for Tax Laws (Intermediate/Final (OS))/ Professional Programme(NS)

##### Amendment of section 2

In section 2 of the Central Excise Act, 1944 after clause (d), the following *Explanation* shall be inserted;

*Explanation:* For the purposes of this clause, "goods" includes any article, material or substance which is capable of being bought and sold for a consideration and such goods shall be deemed to be marketable.

##### Insertion of new section 3A

After section 3 of the Central Excise Act, the following section shall be inserted;

##### Section 3A

- (1) Notwithstanding anything contained in section 3, where the Central Government, having regard to the nature of the process of manufacture or production of excisable goods of any specified description, the extent of evasion of duty in regard to such goods or such other factors as may be relevant, is of the opinion that it is necessary to safeguard the interest of revenue, specify, by notification in the Official Gazette, such goods as notified goods and there shall be levied and collected duty of excise on such goods in accordance with the provisions of this section.
- (2) Where a notification is issued under sub-section (1), the Central Government may, by rules (a) provide the manner for determination of the annual capacity of production of the factory, in which such goods are produced, by an officer not below the rank of Assistant Commissioner of Central Excise and such annual capacity shall be deemed to be the annual production of such goods by such factory; or (b)
- (i) specify the factor relevant to the production of such goods and the quantity that is deemed to be produced by use of a unit of such factor; and
- (ii) provide for the determination of the annual capacity of production of the factory in which such goods are produced on the basis of such factor by an officer not below the rank of Assistant Commissioner of Central Excise and such annual capacity of production shall be deemed to be the annual production of such goods by such factory:
- Provided that where a factory producing notified goods is in operation during a part of the year only, the annual production thereof shall be calculated on proportionate basis of the annual capacity of production:
- Provided further that in a case where the factor relevant to the production is altered or modified at any time during the year, the annual production shall be re-determined on a proportionate basis having regard to such alteration or modification.
- (3) The duty of excise on notified goods shall be levied, at such rate, on the unit of production or, as the case may be, on such factor relevant to the production, as the Central Government may, by notification in the Official Gazette, specify, and collected in such manner as may be prescribed:
- Provided that where a factory producing notified goods did not produce the notified goods during any continuous period of fifteen days or more, the duty calculated on a proportionate basis shall be abated in respect of such period if the manufacturer of such goods fulfils such conditions as may be prescribed.
- (4) The provisions of this section shall not apply to goods produced or manufactured by a hundred per cent export-oriented undertaking and brought to any other place in India.

*Explanation 1.*—For the removal of doubts, it is hereby clarified that for the purposes of section 3 of the Customs Tariff Act, 1975, the duty of excise leviable on the notified goods shall be deemed to be the duty of excise leviable on such goods under the First Schedule and the Second Schedule to the Central Excise Tariff Act, 1985, read with any notification for the time being in force.

*Explanation 2*— for the purposes of this section, the expression "hundred per cent" export-oriented undertaking" shall have the meaning assigned to it in section 3.

#### Central Excise (Determination of Retail Sale Price of Excisable Goods) Rules, 2008

- (1) These rules may be called the Central Excise (Determination of Retail Sale Price of Excisable Goods) Rules, 2008.
- (2) **Definition:**
- (a) 'Act' means the Central Excise Act, 1944.
- (b) 'retail sale price' means the retail sale price as defined in section 4A of the Act
- (3) The retail sale price of any excisable goods under section 4A(4) of the Act shall be determined in accordance with these rules.
- (4) Where a manufacturer removes the excisable goods specified under section 4A (1) of the Act
- (a) without declaring the retail sale price on the packages of such goods; or
- (b) by declaring the retail sale price, which is not the retail sale price as required to be declared under the provisions of the Standards of Weights and Measures Act, 1976 (60 of 1976) or rules made thereunder or any other law for the time being in force; or
- (c) by declaring the retail sale price but obliterates the same after their removal from the place of manufacture, then, the retail sale price of such goods shall be ascertained in the following manner:
- (i) if the manufacturer has manufactured and removed identical goods, within a period of one month, before or after removal of such goods, by declaring the retail sale price, then, the said declared retail sale price shall be taken as the retail sale price of such goods :

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- (ii) if the retail sale price cannot be ascertained in terms of clause (i), the retail sale price of such goods shall be ascertained by conducting the enquiries in the retail market where such goods have normally been sold at or about the same time of the removal of such goods from the place of manufacture :

**Provided** that if more than one retail sale price is ascertained under clause (i) or clause (ii), then, the highest of the retail sale price, so ascertained, shall be taken as the retail sale price of all such goods.

**Explanation** - when retail sale price is required to be ascertained based on market inquiries, the said inquiries shall be carried out on sample basis.

- (5) Where a manufacturer alters or tampers the retail sale price declared on the package of goods after their removal from the place of manufacture, resulting into increase in the retail sale price, then such increased retail sale price shall be taken as the retail sale price of all goods removed during a period of one month before and after the date of removal of such goods.

**Provided** that where the manufacturer alters or tampers the declared retail sale price resulting into more than one retail sale price available on such goods, then, the highest of such retail sale price shall be taken as the retail sale price of all such goods.

- (6) **Residual method:** If the retail sale price of any excisable goods cannot be ascertained under these rules, the retail sale price shall be ascertained in accordance with the principles and the provisions of section 4A of the Act and the rules aforesaid.

## **Amendment of section 35B**

In section 35B of the Central Excise Act, in sub-section (2), the following proviso and *Explanation* shall be inserted at the end;

Provided that where the Committee of Commissioners of Central Excise differs in its opinion regarding the appeal against the order of the Commissioner (Appeals), it shall state the point or points on which it differs and make a reference to the jurisdictional Chief Commissioner of Central Excise who shall, after considering the facts of the order, if is of the opinion that the order passed by the Commissioner (Appeals) is not legal or proper, direct any Central Excise Officer to appeal to the Appellate Tribunal against such order.

**Explanation:** For the purposes of this sub-section, "jurisdictional Chief Commissioner" means the Chief Commissioner of Central Excise having jurisdiction over the adjudicating authority in the matter.

## **Amendment of section 35E**

### **In section 35E of the Central Excise Act**

- (i) Sub-section (1) - the following proviso shall be inserted at the end;

Provided that where the Committee of Chief Commissioners of Central Excise differs in its opinion as to the legality or propriety of the decision or order of the Commissioner of Central Excise, it shall state the point or points on which it differs and make a reference to the Board which, after considering the facts of the decision or order, if is of the opinion that the decision or order passed by the Commissioner of Central Excise is not legal or proper, may, by order, direct such Commissioner or any other Commissioner to apply to the Appellate Tribunal for the determination of such points arising out of the decision or order, as may be specified in its order.

- (ii) For Sub-section (3), the following sub-section shall be substituted

(3) Every order under sub-section (1) or sub-section (2), as the case may be, shall be made within a period of three months from the date of communication of the decision or order of the adjudicating authority.

## **Insertion of new section 35FF**

### **Section 35FF:** Interest on delayed refund of amount deposited:

After section 35F of the Central Excise Act, the following section shall be inserted:

35FF. Where an amount deposited by the appellant in pursuance of an order passed by the Commissioner (Appeals) or the Appellate

Tribunal (hereinafter referred to as the appellate authority), under the first proviso to section 35F, is required to be refunded consequent upon the order of the appellate authority and such amount is not refunded within three months from the date of communication of such order to the adjudicating authority, unless the operation of the order of the appellate authority is stayed by a superior court or tribunal, there shall be paid to the appellant interest at the rate specified in section 11BB after the expiry of three months from the date of communication of the order of the appellate authority, till the date of refund of such amount.

## **Customs Act, 1962**

### **Amendment of section 28B**

In section 28B of the Customs Act, 1962, after sub-section (1), the following sub-section shall be inserted;

Subsection (1A); Every person who has collected any amount in excess of the duty assessed or determined or paid on any goods or has collected any amount as representing duty of customs on any goods which are wholly exempt or are chargeable to *nil* rate of duty from any person in any manner, shall forthwith pay the amount so collected to the credit of the Central Government.

In sub-section (2), for the words "sub-section (1)", the words "sub-section (1) or sub-section (1A), as the case may be," shall be substituted

In sub-section (4), for the words, "sub-section (1) or sub-section (3)", the words "sub-section (1) or sub-section (1A) or sub-section (3), as the case may be, shall be substituted;

(b) for the word "sub-section (1)", the words, "sub-section (1) and sub-section (1A)" shall be substituted.

### **Amendment of section 108**

In section 108 of the Customs Act, in sub-section (1), the words "duly empowered by the Central Government in this behalf," shall be omitted and shall be deemed to have been omitted with effect from the 13th July, 2006.

### **Amendment of section 117**

In section 117 of the Customs Act, for the words "ten thousand rupees", the words "one lakh rupees" shall be substituted.

### **Amendment of section 129A**

In section 129A of the Customs Act, in sub-section (2), the following proviso and *Explanation* shall be inserted at the end;

Provided that where the Committee of Commissioners of Customs differs in its opinion regarding the appeal against the order of the Commissioner (Appeals), it shall state the point or points on which it differs and make a reference to the jurisdictional Chief Commissioner of Customs who shall, after considering the facts of the order, if is of the opinion that the order passed by the Commissioner (Appeals) is not legal or proper, direct the proper officer to appeal to the Appellate Tribunal against such order.

**Explanation—** for the purposes of this sub-section, "jurisdictional Chief Commissioner" means the Chief Commissioner of Customs having jurisdiction over the adjudicating authority in the matter.

### **Amendment of section 129D**

In section 129D of the Customs Act, in sub-section (1); the following proviso shall be inserted at the end;

Provided that where the Committee of Chief Commissioners of Customs differs in its opinion as to the legality or propriety of the decision or order of the Commissioner of Customs, it shall state the point or points on which it differs and make a reference to the Board which, after considering the facts of the decision or order passed by the Commissioner of Customs, if is of the opinion that the decision or order passed by the Commissioner of Customs is not legal or proper may, by order, direct such Commissioner or any other Commissioner to apply to the Appellate Tribunal for the determination of such points arising out of the decision or order, as may be specified in its order.

For sub-section (3), the following sub-section shall be substituted

(3) every order under sub-section (1) or sub-section (2), as the case may be, shall be made within a period of three months from the date of communication of the decision or order of the adjudicating authority.

**Insertion of new section 129EE: Interest on delayed refund of amount deposited under the proviso to section 129E.**

After section 129E of the Customs Act, the following section shall be inserted;

**Section 129EE**

Where an amount deposited by the appellant in pursuance of an order passed by the Commissioner (Appeals) or the Appellate Tribunal (hereinafter referred to as appellate authority), under the first proviso to section 129E, is required to be refunded consequent upon the order of the appellate authority and such amount is not refunded within three months from the date of communication of such order to the adjudicating authority, unless the operation of the order of the appellate authority is stayed by a superior court or tribunal, there shall be paid to the appellant interest at the rate specified in section 27A after the expiry of three months from the date of communication of the order of the appellate authority, till the date of refund of such amount.

## COMPANY LAW/COMPANY SECRETARIAL PRACTICE/ADVANCE COMPANY LAW AND PRACTICE/ CORPORATE RESTRUCTURING & INSOLVENCY (OS/NS)

### STUDY UPDATES<sup>4</sup>

- **Public financial institutions notified:** the Central Government has notified an institution as 'public financial institutions' in exercise of the powers conferred by section 4A (2) of the Companies Act, 1956, namely: - "Jammu and Kashmir Development Financial Corporation Limited." [vide MCA Notification No: S.O. 298(E) (12-Feb-08)]
- **Company Law Board (Amendment) Regulations, 2008:** the Company Law Board has amended Regulation 4, 7, 34, Annexure I and Annexure II of the Company Law Board Regulations, 1991. [vide Notification No. GSR 185 (E) dated 17.3.2008]

This Notification has substituted regulation 4 of CLB Regulations, 1991 as under:

- The Chairman to specify matters falling under sections 247, 250, 269 and 388B of the Companies Act, 1956 and section 2A of the Monopolies and Restrictive Trade Practices Act, 1969 to be dealt with by the Principal Bench consisting of one or more Members.
- The Principal Bench shall be at New Delhi but it may sit at any other place in India with the consent of all the parties.
- The Chairman may also provide for matters falling under all other sections of the Act to be dealt with by Regional Benches.
- Notwithstanding anything contained in regulation 7, it shall be lawful for the Chairman to transfer any matter pending before the Regional Benches to the Principal Bench either at the joint request of all the parties or for other reasons to be recorded in writing.

This Notification has substituted sub-regulation (2) and (3) of regulation 7 as under:

- The States or Union Territories falling under the geographical jurisdiction of the Regional Benches shall be as provided in Annexure-I.
- The Regional Benches shall ordinarily have their sittings at Kolkata, Mumbai, Chennai and New Delhi. Further, the Benches may, at their discretion, hold sittings in any other

city or town falling within their respective geographical jurisdiction or any other place outside their jurisdiction with the consent of the parties.

This Notification has substituted sub-regulation (3) of regulation 34 - In respect of a petition or application filed before the Principal Bench or other Regional Benches, fees payable under these regulations shall be paid by means of a bank draft or bankers cheque drawn in favour of Pay and Accounts Officer, Ministry of Corporate Affairs, New Delhi or Kolkata or Mumbai or Chennai, as the case may be.

In Annexure-I, following substitution shall be made:

- In serial no. 1, Eastern Region is replaced by Kolkata Bench.
- In serial no. 2, Northern Region is replaced by New Delhi Bench.
- In serial no. 3, Southern Region is replaced by Chennai Bench.
- In serial no. 4, Western Region is replaced by Mumbai Bench.

In Annexure-II, following substitution shall be made:

- (i) in Form No. I, the words "Additional Principal Bench" shall be omitted;
- (ii) In Form No. 3, the words "Additional Principal Bench" shall be omitted;
- (iii) In Form No. 4, for the existing Note 1, the following shall be substituted namely :—

**Note 1.** — The application shall be accompanied by a fee of rupees fifty only by way of bank draft or bankers cheque in favour of the "Pay and Accounts Officer, Ministry of Corporate Affairs, New Delhi or Mumbai or Kolkata or Chennai as the case may be".

● **Amendments in Notification No. GSR 555(E) dated 26.7.2001**

The Central Government makes the following amendments in the notification of the Government of India dated the 26<sup>th</sup> July, 2001. In the said notification, in clause (1), in sub-clause (d), in item (i), in the first proviso, for the Table, the following Table and the proviso shall be substituted, namely : -

**TABLE**

Ratio of New Owned Fund to Deposits (as on 31.3.2007)	Date by which the company was required to achieve the prescribed ceiling of 1:20	Extended date by which the company has to achieve the prescribed ceiling of 1:20
(a) Upto 1 : 20	31.3.2007	31.3.2007
(b) More than 1 : 20 but up to 1 : 30	31.3.2007	31.3.2009
(c) More than 1 : 30 and above	31.3.2007	31.3.2010 – subject to the condition that the company achieves the ratio of 1:30 by 31.3.2009

Further, the companies covered under (a) above should not accept fresh deposits or renew existing deposits if such acceptance or renewal leads to violation of the prescribed ratio and the companies covered under (b) and (c) should not accept fresh deposits or renew existing deposits till they achieve the prescribed ratio.

Also, no request for extension of date mentioned in the Table above shall be entertained from any company or their representative body and the continued violation of the prescribed ratio would attract penal provisions including de-notification of the defaulting nidhi companies".

The Central Government in consultation with the National Advisory Committee on Accounting Standards has made Companies (Accounting Standards) Amendment Rules, 2008 to amend the Companies (Accounting Standards) Rules, 2006. The following amendments have been made:

4. Prepared by Deepa Khatri & Vivek Banerjee, Assistant Education Officers, The ICSI.



## Academic Guidance

- In Accounting Standard-15 (Employee Benefits), after paragraph 92, paragraph 92A is inserted.
- Paragraph 116 and example illustrating paragraph 116 are substituted.
- Under the heading 'Transitional Provisions' and before the sub-heading "Employee Benefits other than Defined Benefit plans and Termination Benefits", a paragraph '142A' is inserted.
- Paragraph 145 and example illustrating paragraph 144 and 145 are substituted.
- **Officers in Serious Fraud Investigation Office (SFIO)**

The Central Government authorized the following officers in the SFIO, Ministry of Corporate Affairs for the purpose of filing and conducting prosecution under the Companies Act, 1956 [MCA Notification No. GSR 374 (E) dated 13.5.2008]:-

1. Smt. Anisha Ghei, Senior Assistant Director
2. Shri Dharamvir Singh, Senior Assistant Director
3. Shri Sudhir Mehta, Assistant Director
4. Shri Anupam Vashishta, Assistant Director
5. Shri P K Khanna, Assistant Director
6. Shri I H Ansari, Assistant Director

- **Companies Declared to be Nidhis**

The Central Government has declared **twenty four** companies as Nidhis and thereby added serial no. 334 to 357 in the list by virtue of sub-section (1) and (2) section 620A of the Companies Act, 1956 [vide notification no. GSR 329(E) dated 1.5.2008].

- **Substitution of forms 20B, 21A, 23AC, 23ACA of the Companies (Central Government's) General Rules and Forms (Amendment) Rules, 2008:**

The Central Government has substituted forms 20B, 21A, 23AC and 23ACA vide the Companies (Central Government's) General Rules and Forms (Amendment) Rules, 2008. [MCA Notification No. GSR 655(E) dated 12.09.2008]. The revised forms are given in the website of MCA i.e. [www.mca.gov.in](http://www.mca.gov.in) as well as in the October 2008 issue of Chartered Secretary.

- **Substitution of form 1 of the Investor Education and Protection Fund (Awareness and Protection of Investors) (Amendment) Rules, 2008:**

The Central Government has substituted form 1 vide the Investor Education and Protection Fund (Awareness and Protection of Investors) (Amendment) Rules, 2008. [MCA Notification No. GSR 787(E) dated 14.11.2008]. The revised forms are given in the website of MCA i.e. [www.mca.gov.in](http://www.mca.gov.in) as well as in the December 2008 issue of Chartered Secretary.

- **Substitution of forms 1B, 4, 4C, 18, 22 and 32 of the Companies (Central Government's) General Rules and Forms (Amendment) Rules, 2008:**

The Central Government has substituted forms 1B, 4, 4C, 18, 22 and 32 vide the Companies (Central Government's) General Rules and Forms (Amendment) Rules, 2008. [MCA Notification No. GSR 788(E) dated 14.11.2008]. The revised forms are given in the website of MCA i.e. [www.mca.gov.in](http://www.mca.gov.in) as well as in the December 2008 issue of Chartered Secretary.

### COMPANY LAW UPDATES

#### MCA UPDATES

- Vide notification no. GSR 225(E) dated 31.3.09, the Central Government in consultation with the National Advisory Committee on Accounting Standards has made the rules namely "the Companies (Accounting Standards) Amendment Rules, 2009" to amend the Companies (Accounting Standards) Rules, 2006.

In accordance with this amendment, a paragraph "46" is inserted after paragraph "45" in Accounting Standard-11 relating to "The effects of changes in Foreign Exchange Rates".

**Note:** The principal notification was published in the Gazette of India, vide number GSR 739(E) dated the 7<sup>th</sup> December, 2006 and amended vide notification number GSR 212(E) dated 27<sup>th</sup> March, 2008.

- Vide notification no. GSR 226(E) dated 31.3.09, the Central Government has made amendment in Schedule VI to the Companies Act, 1956.

In Schedule VI, in Part I relating to "Form of Balance Sheet", under heading "A Horizontal Form", in Column (6), the second paragraph, Explanation 1 and Explanation 2 are omitted.

#### LLP UPDATES

LLP Act:

The Ministry of Corporate Affairs (MCA) vide notification no. S.O. 891(E) dated 31<sup>st</sup> March 2009 have implemented the following sections of Limited Liability Partnership Act, 2008:

- Section 1, 2 except clauses (c) and (u) of its sub-section (1), 3 to 30, 31 except to the extent of its application in context of the 'Tribunal', 32 to 50, 52 to 54, 59 to 62, 66 to 71, 74 to 80, 81 except clauses (b) to the extent of its application to sections 51, 63, 64, clause (c) and First Schedule.

- The following sections were NOT notified,

- All the provisions regarding National Company Law Tribunal (NCLT & NCLAT) is not given effect.
- Chapter X of LLP Act, covering Sections 55, 56, 57 & 58 read with Schedules II, III & IV, governing "Conversion into Limited Liability Partnership" i.e., Conversion of Partnership Firm into LLP, Conversion of Private Limited Company into LLP, Conversion of Unlisted Public Limited Company into LLP.
- Application for winding up of LLP's u/s. 51 and Chapter XIII covering Sections 63, 64 & 65 governing Winding up & Dissolution of LLP's along with Jurisdiction of Tribunal u/s, 72 & 73 of LLP Act.

- The scheme of the Act is:

14 Chapters

81 Sections

4 Schedules

LLP Rules:

- MCA vide notification no. G.S.R. 229 (E) dated 1<sup>st</sup> April 2009 has notified Limited Liability Partnership Rules, 2009. The following rules were NOT notified:
  - Form 19 & 14 under Rules 32 & 33 of LLP Rules, 2009 dealing with registration of conversion of firms & companies into LLP and the intimation thereof to the Registrar.
  - Rule 38 read with Schedule II of the Act for making application in Form 17 to convert firm into LLP.
  - Rule 39 & 40 read with Schedule III & IV of the Act for making application in Form 19 to convert Private & Unlisted public limited Company into LLP.

## COMPANY ACCOUNTS

### (STUDY UPDATES)<sup>5</sup>

#### A. Accounting Standards

In exercise of the powers conferred by clause (a) of sub-section (1) of section 642 of the Companies Act, 1956, read with sub-section (3C) of section 211 and sub-section (1) of section 210A of the said Act, the Central Government, in consultation with National Advisory Committee on Accounting Standards, issued, the Companies (Accounting Standards) Rules, 2006.

In these rules, unless the context otherwise requires,-

- (a) "Accounting Standards" means the Accounting Standards as specified in rule 3 of these rules;
- (b) "Act" means the Companies Act, 1956;
- (c) "Annexure" means an Annexure to these rules;
- (d) "General Purpose Financial Statements" include balance sheet, statement of profit and loss, cash flow statement (wherever applicable), and other statements and explanatory notes which form part thereof.
- (e) "Enterprise" means a company as defined in section 3 of the Companies Act, 1956.
- (f) "Small and Medium Sized Company" (SMC) means, a company:
  - (i) whose equity or debt securities are not listed or are not in the process of listing on any stock exchange, whether in India or outside India;
  - (ii) which is not a bank, financial institution or an insurance company;
  - (iii) whose turnover (excluding other income) does not exceed rupees fifty crore in the immediately preceding accounting year;
  - (iv) which does not have borrowings (including public deposits) in excess of rupees ten crore at any time during the immediately preceding accounting year; and
  - (v) which is not a holding or subsidiary company of a company which is not a small and medium-sized company.

For the purposes of clause (f), a company shall qualify as a Small and Medium Sized Company, if the conditions mentioned therein are satisfied as at the end of the relevant accounting period.

Rules 3 specifies that the Central Government prescribes Accounting Standards 1 to 7 and 9 to 29 as recommended by the Institute of Chartered Accountants of India. These Accounting Standards have been given as Annexure to these rules.

Every company and its auditor(s) shall comply with the Accounting Standards in the manner specified in Annexure to these rules. The Accounting Standards shall be applied in the preparation of General Purpose Financial Statements. Accounting Standards, which are prescribed, are intended to be in conformity with the provisions of applicable laws. However, if due to subsequent amendments in the law, a particular accounting standard is found to be not in conformity with such law, the provisions of the said law will prevail and the financial statements shall be prepared in conformity with such law. Accounting Standards are intended to apply only to items which are material.

Following Accounting Standards have been so far notified by the Central Government:

<b>Accounting Standard (AS) 1</b>	Disclosure of Accounting Policies
<b>Accounting Standard (AS) 2</b>	Valuation of Inventories
<b>Accounting Standard (AS) 3</b>	Cash Flow Statements
<b>Accounting Standard (AS) 4</b>	Contingencies and Events Occurring After the Balance Sheet Date
<b>Accounting Standard (AS) 5</b>	Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies

<b>Accounting Standard (AS) 6</b>	Depreciation Accounting
<b>Accounting Standard (AS) 7</b>	Construction Contracts
<b>Accounting Standard (AS) 9</b>	Revenue Recognition
<b>Accounting Standard (AS) 10</b>	Accounting for Fixed Assets
<b>Accounting Standard (AS) 11</b>	The Effects of Changes in Foreign Exchange Rates
<b>Accounting Standard (AS) 12</b>	Accounting for Government Grants
<b>Accounting Standard (AS) 13</b>	Accounting for Investments
<b>Accounting Standard (AS) 14</b>	Accounting for Amalgamations
<b>Accounting Standard (AS) 15</b>	Employee Benefits
<b>Accounting Standard (AS) 16</b>	Borrowing Costs
<b>Accounting Standard (AS) 17</b>	Segment Reporting
<b>Accounting Standard (AS) 18</b>	Related Party Disclosures
<b>Accounting Standard (AS) 19</b>	Leases
<b>Accounting Standard (AS) 20</b>	Earnings Per Share
<b>Accounting Standard (AS) 21</b>	Consolidated Financial Statements
<b>Accounting Standard (AS) 22</b>	Accounting for Taxes on Income
<b>Accounting Standard (AS) 23</b>	Accounting for Investments in Associates in Consolidated Financial Statements
<b>Accounting Standard (AS) 24</b>	Discontinuing Operations
<b>Accounting Standard (AS) 25</b>	Interim Financial Reporting
<b>Accounting Standard (AS) 26</b>	Intangible Assets
<b>Accounting Standard (AS) 27</b>	Financial Reporting of Interests in Joint Ventures
<b>Accounting Standard (AS) 28</b>	Impairment of Assets
<b>Accounting Standard (AS) 29</b>	Provisions, Contingent Liabilities and Contingent Assets

AS-30, 31 and 32 issued by the ICAI are yet to be notified by the Central Government.

#### B. Accounting of Intangible Assets

Kohler has defined an intangible asset as a capital asset having no physical existence, its value being dependent on the rights that possession confers upon the owner. Intangible assets are expected to benefit the firm beyond the current operating cycle of the business. It implies that they are non-current assets. Intangibles are not basically different from other non-monetary assets as they are expected to benefit the owner beyond the current operating cycle of the business. But like other non-monetary assets, intangibles asset has no physical existence. Thus, intangibles are assets which cannot be seen, touched and have no volume like tangibles but have right to future benefits. However, not all assets which lack physical substance are regarded as intangible assets i.e., account receivables, short-term pre-payment etc., are of non-physical nature but classified as current assets.

Though intangibles provide future benefits, there is a high degree of uncertainty regarding the value of the future benefits to be received. Some intangibles relate to the development and manufacture of a product, such as, patents, copyrights, etc. while some others relate to the creation and maintenance of the demand for the product such as, trade marks.

Following are the features of intangible assets :

- (i) It is non-physical in nature.
- (ii) It gives the specific rights to the holders over several future years.
- (iii) It is possible for multiple uses at the same time.
- (iv) It creates future value.
- (v) It is identifiable as non-monetary asset.
- (vi) It has limited ability to protect property rights.
- (vii) Investment in intangible assets is basically risky.

5. Prepared by M.A. Joseph, Deputy Director, The ICSI.

# Academic Guidance

(viii) It is not directly measurable.

Following are some examples of intangible asset :

**Patents:** Patent is an exclusive right granted by the government to the inventor of a product, or process with view to protect the rights of the inventor from infringement by others. The patent may be acquired by business units either through purchase from the patent holders, or by developing the product or process. If the patent rights are acquired through purchase, it is recorded at acquisition cost. If the patent is developed by the business itself it may consider costs like legal fees and other associated cost of securing it.

**Copyright:** Copyright is granted by the government which provides exclusive right to publish, produce and sell artistic, musical or literary works. The copyright holder can sell their right to the publisher or other parties in the copyright material. The copyright is accounted as if it is purchased from other parties, and recorded at acquisition cost. If copyright is developed by the firm, it can record costs like legal fee and other associated costs.

**Deferred Revenue Expenditure:** It is an expenditure, which arises during the course of business. The benefits of such expenditure are likely to accrue over several accounting periods. The deferred revenue expenditure includes cost of heavy advertisement, market development cost, etc. The deferred revenue expenditure is amortized over a period over which benefits are likely to accrue.

**Goodwill:** Goodwill arises due to reasons such as high caliber of its manpower, good infrastructure, the locational advantage and established brand name advantage, customer loyalty, sound relation with employees and sound management. It indicates the earning capacity of the business. When an enterprise acquires another business and pays a price in excess of the market value there arises the value of goodwill. Goodwill account is debited for the acquisition cost and amortizes it over reasonable life.

**Leasehold:** Leasehold refers to a right to occupy land or building under a long-term rental contracts. Leasehold is concerned with the rights transferred to the lessee by the lessor for the lease period. Improvement to leasehold property is also classified as intangible assets, even though they are usually physical in nature. This is because the lessee does not own the tangible asset to which improvements are made. The right of leasehold improvement is restricted to the use of the tangible asset for the lease period. The accounting treatment of leasehold improvement is debited leasehold for the amount and amortizes it over the remaining life of the lease.

**Franchising:** Franchising is a system for selectively distributing goods or services through outlets owned by the retailer or dealer; basically franchising is patent or trademarks license, entitling the holders to market particular products or services under a branch name or trademark according to predetermined terms and conditions. Account for the acquisition cost for franchising or licence and amortizes it over a reasonable life.

**Preliminary Expenses:** These expenses are incurred at the time of promotion and incorporation of a company. These expenses are of a capital nature but these are not represented by available assets and as such, they should be written off out of profits within some years.

**Trade Mark and Brand Name:** Trade mark is a visual symbol or mark, in the form of word, or group of letters, or combination of these, or label adopted and used by a company. It is applied on the articles with a view to indicate to identify the products or services and distinguish them from other products and services. The accounting treatment of trade mark and brand name is to debit the trade mark or name for the acquisition cost and amortize it over reasonable life.

Intangible assets should be valued at cost. An intangible asset should be shown on the balance sheet only if a cost has been incurred to acquire or develop it. An intangible asset cannot be physically verified

because it has no physical substance. In the case of non-cash acquisitions, as for example, where intangibles assets are acquired in exchange for securities, cost may be considered as being either the fair value of the consideration given or the fair value of the property or right acquired. Intangible assets should appear in the balance sheet at cost less any amount written off from year to year to the profit and loss account.

Amortization of intangible assets refers to the systematic writing off the cost of the intangible assets over its estimated useful life. The amount written off every accounting period is debited to profit and loss account and credited to the intangible asset account.

According to Accounting Standard (AS)26 'Intangible Assets' there is a presumption that the useful life of an intangible asset should not exceed ten years from the date when the asset is available for use. Amortization should commence when the asset is available for use.

## UNIFORMITY IN SIGNATURES

It has been observed that some of the enrollment applications/ letters received from the students are either unsigned or bear different signatures from time to time.

All the students are, therefore, advised to maintain uniformity in their signatures on all the correspondence with the Institute including students identity card, enrolment application and attendance sheet provided in the examination hall at the time of writing the examination.

## ATTENTION STUDENTS!

For prompt response students are advised to address/forward their queries to the following depending upon the nature of the query.

S. No.	Nature of Query	Contact Person, Telephone Number, E-Mail id
1.	Registration of Companies for 15 Months/3 Months and 15 days (for imparting training.) Issue of Bio-Data/Sponsorship letters in companies and to the students. Queries regarding vacancy in a company)/Data of Companies where vacancy of trainees exists and data of students intend to undergo training etc.	Suman Kumar, 25781672, 25781674 Ext.35 training@icsi.edu
2.	Query related to claiming Exemption from undergoing training. Query related to Admission as an Associate Member, General Query	Amit Sircar 25781672, 25781674 Ext.32 training1@icsi.edu
3.	Registration of Company Secretaries in Practice for imparting 15 months apprenticeship training Issue of Sponsorship letters to Company Secretaries in Practice/ ROC and Stock Exchange for 15 months and 15 days training etc.	Anita Mehra 25781672, 25781674 Ext.33 training2@icsi.edu



## Academic Guidance

### **EXAMINERS' OBSERVATIONS AND COMMENTS ON THE PERFORMANCE OF EXAMINEES IN DECEMBER 2008 EXAMINATION\***

The December 2008 session of the Company Secretary Course Examination was held from 26<sup>th</sup> December, 2008 to 3<sup>rd</sup> January 2009. This time the Examinations for Executive Programme under the New Syllabus were also conducted. The pass percentage for all papers of both Intermediate and Final Courses under the Old syllabus has been compiled and given in Table A and for Executive Programme is given in Table B hereunder for the information of the students. Though the pass percentage showed good performance by the candidates in most of the papers, some candidates were not able to clear the examination due to various drawbacks in their answers. Therefore, it would be beneficial for these candidates to know the general weakness/drawbacks in their answers. Although, it is not possible to give comments on each and every candidate's answer scripts, some common drawbacks based on the comments and observations noted by the examiners have been culled and given paper-wise hereunder for information of the candidates so as to enable them to overcome their deficiencies and improve their performance in the forthcoming examination.

**Table - A**

**Statement Showing the Pass Percentage of Papers in  
December 2008 Examination (Old Syllabus)**

Subjects		Percentage of Candidates Secured		
		40 to 49% marks	50% to 59% marks	60% and above marks
<b>INTERMEDIATE COURSE</b>				
1	General and Commercial Laws	25.53	35.51	20.81
2	Company Accounts and Cost & Management Accounting	22.78	21.07	7.87
3	Tax Laws	29.04	25.19	10.95
4	Management Information Systems and Corporate Communication	26.04	40.49	15.67
5	Company Law	22.06	34.06	14.05
6	Company Secretarial Practice	22.94	34.43	13.05
7	Economic, Labour and Industrial Laws	27.21	32.26	13.84
8	Securities Laws and Regulation of Financial Markets	19.97	42.82	20.44
<b>FINAL COURSE</b>				
1	Advanced Company Law and Practice	31.32	41.06	17.84
2	Secretarial Practice Relating to Economic Laws and Drafting & Conveyancing	44.95	35.14	5.62
3	Secretarial, Management and Systems Audit	38.03	41.03	10.05

\*Compiled from Examiners' Report

4	Financial, Treasury and Forex Management	39.31	30.45	12.46
5	Corporate Restructuring— Law and Practice	40.69	36.0	7.62
6	Banking and Insurance— Law and Practice	44.94	36.48	4.74
7	World Trade Organization— International Trade, Joint Ventures and Foreign Collaborations	43.41	30.53	7.27
8	Direct and Indirect Taxation— Law and Practice	40.98	35.38	9.7
9	Human Resource Management and Industrial Relations	40.27	40.04	7.45

**Table - B**

**Statement Showing the Pass Percentage of Papers in  
December 2008 Examination (New Syllabus)**

Subjects		Percentage of Candidates Secured		
		40 to 49% marks	50% to 59% marks	60% and above marks
<b>EXECUTIVE PROGRAMME</b>				
1	General and Commercial Laws	20.83	31.45	20.66
2	Company Accounts, Cost & Management Accounting	18.99	27.47	21.29
3	Tax Laws	20.37	30.86	36.68
4	Company Law	31.85	30.91	14.29
5	Economic and Labour Laws	22.16	35.86	14.66
6	Securities Laws and Compliances	17.22	37.19	22.66

#### **INTERMEDIATE COURSE(OLD SYLLABUS)**

##### **1. GENERAL AND COMMERCIAL LAWS**

The overall performance of the candidates in this paper was satisfactory. However, some candidates had not prepared seriously for the examination. Many could not display good understating of the Constitutional Law. It was observed that candidates performed well while answering objective type questions, fill in the blanks and questions with multiple choices. But many candidates failed to mention the relevant legal provisions and could not give sound legal reasoning while answering problem oriented questions. Clarity of thought and logical presentation was lacking. Majority of the candidates while attempting the descriptive questions quoted neither the relevant statutory provisions nor the case law. Communication skills were also poor.

The general performance of the students in Question No.1 was very poor. While answering Question No.1(a) and 1(c) relating to Article 14 and doctrine of colourable legislation, many candidates could not perform up to the knowledge level expected of them thereby writing vague and irrelevant answers. Question No.2(a) on preamble to the constitution of India, candidates displayed lack of knowledge and could not perform satisfactorily. Answers written to Question No. 2 (b) and (c) were of average standard. Systematic and logical presentation was lacking. Question No.3 was attempted satisfactorily by majority of the candidates. Question No. 4 based on short notes was attempted fairly well by the candidates. However, some candidates were lacking in conceptual clarity. Question No. 5 being multiple choice question and fill in the blanks, candidates performance was satisfactory. Likewise,

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in Question No. 6 where candidates had to choose correct and incorrect answer, performance of the majority was fairly good. Both Question No.7 and 8 being problem oriented questions, the overall performance of the candidates was of average standard. Many candidates failed to mention relevant legal provisions in support of their answers.

Candidates are advised to read the study material along with the suggested readings given at the end of each study lesson so as to have basic knowledge of the subject. They should read Bare Acts to have through knowledge of the legal provisions. While dealing with problem oriented questions, quote relevant legal provisions and support their answers by giving sound legal reasoning. Avoid irrelevant details and write to the point answers. Read Student Company Secretary and Chartered Secretary to update their knowledge on the subject.

## 2. COMPANY ACCOUNTS AND COST & MANAGEMENT ACCOUNTING

Being practical paper candidates could have scored more marks had they attended the questions with the required seriousness and accuracy. Lack of in-depth knowledge with constructive approach was evident in the objective type questions. Many candidates made casual approach and provided general answers where precise and accurate answers were required.

In Question No. 1(a) many candidates repeated the questions instead of giving logical reasoning for the correct and incorrect statement. In few cases, very lengthy answers were also noticed. Many candidates resorted to guesswork for the objective and multiple choice questions. In answers to Question No.2 (b) many items of expenses given in the question were not correctly apportioned between pre-incorporation and post incorporation period. In Question No. 3 the theory questions for accounting standards, securities premium etc. were correctly answered while for the calculation of capital profit, revenue profit and minority interest missed the attention of the students. In Question No.4(a) mistake in calculation of capital employed, actual adjusted profit for 2007-08, etc. resulted in wrong value of goodwill and value of share. In Question No.5 candidates put casual approach in arriving at answers pertaining to true and false statements and in selecting the correct answers from the various answers given therein. In Question No. 6(b) candidates made mistakes in calculation of estimated total profit as well as segregation of the same between profit and loss account and work-in-progress while preparing contract account. Only few candidates could correctly show the value of work in progress to be shown in the balance sheet as on 31<sup>st</sup> December, 2007. By and large, candidates put brave attempt in computing the machine hour rate in Question No.7(a), however, many candidates could not arrive at the value of various assets and liabilities on the basis of the given ratios while preparing the balance sheet. In Question No.8(a) while preparing cash flow statements, mistakes were seen in operating profit before working capital changes as well as the value of machinery purchased during the year. In Question No.8(b) candidates could not arrive at logical conclusions regarding the offer for additional units based on the principles of marginal costing and working notes also were missing in many of the answers.

Candidates are advised to read the questions with the required attention to understand the concepts involved therein to give correct answers. They are also advised to practice as many practical questions as possible under examination condition to get familiar with actual examination situations. While solving practical questions, the working notes wherever required should be given as part of the answers which would attract separate marks.

## 2. TAX LAWS

The overall performance of the candidates in this paper was satisfactory. However, various tax provisions and their application were not very clear to the candidates. The performance of the candidates in Question No. 1 was average. But the performance in part relating to Revenue and Capital Receipts was not upto the mark. Question No.2 relating to practical aspects of Income Tax, the performance was not up-to-the mark. Candidates were not having thorough understanding

of the practical aspect of the question. The answers written to Question No.3 (a) were poor. Part (b) relating to incidence of tax liability was answered very poorly. Part (c) based on computation of Wealth Tax was fairly well attempted. Part (a) and (b) of Question No.4 was well attempted by some candidates but part (c) of the same question on computation of long-term gains could not be answered correctly by most of the candidates. Performance of the Candidates in Question No.5(a) on correct and incorrect statements was fairly well but answers written to Question No.5(b) on provisions relating to filing of an appeal to the Income-tax Appellate Tribunal were not satisfactory. All four parts except part c of Q. 6 was well attempted by most of the candidates but candidates were not very clear on part c. Performance of the candidates in Question No.7 on computation of central sales tax, assessable value of goods etc. was poor and the answers written were not satisfactory. The performance in Question No.8 was not upto-the mark. The Question No.8(a) was poorly answered. In Question No.8(b) and (c) candidates neglected Section 20 and Section 21 and in Question No.8(d) candidates could not properly highlight the benefits of registration under Central Sales Tax Act.

For securing good score in this paper, candidates are advised to pay attention to both theoretical and practical aspect of Tax Laws. They should present the solution to practical problems step-wise in an orderly manner. The important points of a question should be highlighted. Candidates should go through the latest amendments made by the Finance Act and important circulars and notifications issued by CBDT from time to time.

## 4. MANAGEMENT INFORMATION SYSTEMS & CORPORATE COMMUNICATION

The overall performance of the candidates in this paper was satisfactory. But it was observed that the candidates in general lacked conceptual clarity of the subject. Many candidates were casual in their approach towards the examination. They were not very conversant with the various emerging concepts in the field of information technology and corporate communication.

Question No. 1(a) being a multiple choice question was attempted satisfactorily by the candidates. Candidates performance in Question no. 1(b) relating to correct or incorrect statements was of average level. Many candidates lacked clarity while giving reasons. In Question No. 1(c), candidates displayed poor drafting skills while preparing the circular highlighting the efficacy of e-mail messages. Very few candidates attempted Question No. 2 and performance of those who attempted it was far from satisfactory. Answers written to all the three parts lacked clarity and content. In Question no. 3(a), candidates could not clearly explain the major points for consideration at the time of enabling the new web-based ordering system. Question No. 3 (b) pertaining to distinction between various items was attempted in satisfactory manner by majority of the candidates. Question no. 4 (a) relating to back up as a form of insurance was well explained by the candidates. In Question No. 4 (b), abbreviations asked were not explained in a clear manner by many candidates. However, candidates could easily sail through part (c) of the question relating to short notes. Question no. 5 (a) relating to correct and incorrect statements was correctly answered by a majority of the candidates. In Question No. 5(b) candidates failed to understand the question correctly and could not draft a suitable reply to the CEO relating to workplace ethics. In Question No. 5(c), the many candidates failed to visualize a circumstance where mainly left brain thinking or right brain thinking will be used. While answering Question no. 6(a), candidates could not perform up to the expectation as they failed to provide detailed points for the consideration of the Managing Director explaining how to resolve the given problem. In part (b), majority of the candidates had a fairly reasonable idea of the factors that make up the corporate image and their importance. While answering Question no. 7, the candidates lacked expression and presentation skills. In part (a), many candidates could not identify as to whether the various decisions of the management were radical or incremental innovations. Similarly answers written by the candidates to part (b) asking them to advice on

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a proposal by using kite flying technique lacked clarity. Attempt to Question no. 7(c) on characteristics of an effective press release were up to the mark by the majority. In Question no. 8 (a) most of the candidates failed to identify the negotiation style used in various scenarios. Question no. 8 (b) relating to creativity and factors responsible for lack of creative capacity was attempted in a satisfactory manner by the candidates. Overall performance of the candidates in Question no. 8 (c) was good. This question relating to short notes was favourite among the candidates and enabled them to score good marks.

Candidates need to have thorough understanding when answering the questions relating to case studies. The quality of expression and writing skills need to be enhanced while answering the questions.

## 5. COMPANY LAW

The overall performance of the candidates in this paper was just average. Answers written by candidates were very general and vague and had been attempted without any proper application and authority. Citing relevant case laws and quoting important sections of company law is a prerequisite to get good marks in this paper which was found missing in many answers.

Candidates have incorrectly taken illegal association as unlawful association in part (ii) of Question No.1. Lack of conceptual knowledge was observed in part (i), (iii) and (v). In part (iv), most of the candidates did not understand the Chairman-cum-Managing Director's role in management of the company. In Question No. 2, part (a) and part (b) was well attempted. Most of the candidates attempted part (c) of the question but answers showed lack of clarity on the matter. In Question No.3, some of the candidates did not know the difference between member & shareholder, transfer & transmission and borrowing powers & deposits. Part (b) of the question was not understood by many candidates. Candidates have generally given good answers to part (a) and (c) of Question No.4. However, in part (b) some of the candidates were not upto to the mark in explaining the provisions relating to sole selling agent. Part (a) of Question No. 5 was satisfactorily answered but in many cases exceptions to the rule in *Foss vs. Harbottle* were given instead of giving its advantages. Part (b) relating to section 58AAA of the Companies Act, 1956 was not well attempted. However, part (c) of the question relating to the procedure for change of object clause was very well attempted. Legal cases had not been quoted in most of the answers in Question No.6. Answers to part (a) of Question No.7 did not cover relevant points regarding disqualifications of directors. But, part (b) relating to debenture trust deed and part (c) which relates to the effects of non-registration of charges were satisfactorily attempted by the candidates. In part (a) of Question No. 8, some candidates did not have proper knowledge of the concept of company secretary in practice. Part (b) of the question was generally attempted well. However, some candidates wrote about compliance certificate instead of secretarial audit. Further, in part (c) of the question, some candidates showed lack of conceptual clarity regarding manner of creating a pledge or hypothecation of shares in demat form.

Candidates are advised to concentrate more on the practical applications of law while writing answers. Citation of relevant case law in support of the answers is a must. Candidates must read the Bare Act to understand the latest provisions and correlate them with the study material. Candidates should update their knowledge by reading 'Student Company Secretary', 'Chartered Secretary' and visiting the website of the Ministry of Corporate Affairs (i.e. [www.mca.gov.in](http://www.mca.gov.in)). Also, candidates should be familiar with latest case laws while answering the questions.

## 6. COMPANY SECRETARIAL PRACTICE

The overall performance of the candidates in this paper was just satisfactory. In this paper, candidates exhibited lack of reasonable academic knowledge and provisions of law. Candidates were also not aware of relevant sections and supporting latest case laws.

In answers to Question No.1 on drafting of resolutions and explanatory statements, it was found that majority of the candidates

failed to give correct and complete reference of laws with correct expression. Question No.2(a) on filling in the blanks was answered satisfactorily by most of the candidates scoring good marks. Short notes in Question No.2 (b) were well attempted. Question No.3 on the correctness of the given statements was attempted satisfactorily by many candidates. Answer to Question No.4(a) on benefits of MCA-21 project was well attempted by most of the candidates. Part (b) of Question No.4 a practical problem on declaration of dividend, seemed to be difficult for many candidates was not attempted correctly. Question No.4(c), on board resolutions was correctly understood and answered. Majority of the candidates were not aware of e-forms and due dates for filing of the forms asked under Question No. 5. Part (a) of Question No.6 on specimen notice for closure of register of members, part (b) on overall limit on acceptance of deposits by a non-government public company and part (c) on contents of advertisement inviting deposits, all were attempted satisfactorily by majority of the candidates. Provisions of law on proportional representation asked in Question No.7 (a) were not clear to many candidates. Answer to Question No.7(c) on contents of explanatory statement was well attempted by many candidates. Candidates were lacking in clarity of legal provisions with regard to appointment of branch auditor under Question No.8(a). Procedure for change of period of financial year asked under Question No.8(b) was replied satisfactorily by majority of the candidates.

Candidates are advised to read the Study Material thoroughly and regularly update the knowledge by referring to the 'Student Company Secretary'. Knowledge of latest case laws is a must for clarity of the subject. Drafting skills can be improved by reading the resolutions in notices of the companies, which can be viewed at the EDIFAR website/ company's website. For all updates and deep knowledge of electronic governance, visit website of the Ministry of Corporate Affairs.

## 7. ECONOMIC, LABOUR AND INDUSTRIAL LAWS

The performance of the candidates in the paper was just average. It was observed that candidates were not well prepared. They were lacking in conceptual clarity about relevant Acts, Rules and Regulations. Many candidates displayed poor presentation skills in their answers to the questions. Answer relating to FEMA and IPRs were not specific and to the point. Many candidates did not have even fundamental knowledge of the subject. Lack of systematic study and thorough knowledge of the subject were the reasons responsible for poor performance.

Answers written to Question No.1 were vague and general. Candidate failed to understand the question (iv) and (v) on the patents and copyright. Answers written to Question No.2 were of average level. Answers to Question No.3 (a) were based on guesswork. Very few candidates were aware of the 'Registered proprietor of a trade mark' and registered user of a trade mark'. In Question No.4, performance of the candidates were poor and majority of the candidates were not aware about the provisions of FEMA. General performance of the candidates in Question No.5 was of average level. Most of the candidates wrote extraneous and irrelevant details. Question No.6 was answered fairly well by majority of the candidates. Answers written to Question No.7 were satisfactory.

Candidates are advised to write precise and to the point answers keeping in view the marks allotted to the question. Relevant legal provisions and decided case laws should be mentioned in the answers. They need to be systematic and regular in their studies. Candidates are advised to update their knowledge by referring to Chartered Secretary, Student Company Secretary, relevant Bare Acts, financial newspapers and other corporate journals like Corporate Courier, Corporate Law Advisor, etc.

## 8. SECURITIES LAWS AND REGULATION OF FINANCIAL MARKETS

Candidates in general lack understanding of basic concepts in this paper. It was observed that candidates did not study the subject in the light of latest changes and amendments taking place in the area. Some of the answers were vague and ambiguous.



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Question No. 1 comprising parts relating to true/ false statement, fill in the blanks and choosing the right answer; objective type question was well attempted by most of the candidates. The Question No. 2(a) related to short notes on different topics was attempted satisfactorily but most of the answers to micro finance companies and placement memorandum did not have conceptual clarity. The answer to Question No. 2(b) related to expansion of abbreviated form was also well attempted, but many candidates did not correctly attempt the DAC and EDIFAR. In Question No. 3, the candidates were unable to explain the credit rating symbols. The candidates' attempts to Question No.4 (a) on distinction between two concepts were reasonably well, but Part (b) and (c) on the questions related to insider trading & PAN were poorly attempted by most of the candidates. The part (a) of the Question No. 5 relating to 'various approvals in relation to GDRs, was also not properly attempted by many candidates, Part (b) and (c) of the Question No. 5 related to listing agreement and definition of PACs and public announcement were also not attempted satisfactorily by most of the candidates. In Question No.6, the performance of the candidates was of average level, the answer to the questions was very general and the candidates were unable to explain provision relating to anti-money laundering. In Question No.7 (a), the candidates failed to explain the legal provisions related to various proposals ahead in the question.

This being a dynamic subject attracting many amendments/changes in the securities market, candidates are advised to be well aware and update about the latest developments taking place in this area.

## FINAL COURSE (OLD SYLLABUS)

### 1. ADVANCED COMPANY LAW AND PRACTICE

The overall performance of the candidates in this paper was just satisfactory. The candidates were lacking knowledge of the relevant legal provisions of the Act. Candidates were also unaware about the decided cases, which give strength to the answers. Further, candidates were also lacking drafting skill i.e. drafting of the resolutions, notices, applications, petitions etc.

Candidates answered well while stating the reasons for the statements to be true or false under part (a) of Question No.1. Answers to Question No.1(b) were also satisfactory which required choosing one appropriate option amongst four options. Majority of the candidates attempted Question No.2 under which comments were asked for the given statements. Part (iv) of Question No.2 on investor relations, was found difficult by many candidates. Most of the candidates were not able to draft a good resolution and explanatory statement for approval of members under section 314(1) asked under Question No.3(a). Answers to part (b) of Question No.3 on principal points while drafting petitions, applications etc. was also not attempted satisfactorily by majority of candidates. Question No.3(c) on Fill-in the blanks were attempted wrongly by many candidates. Almost every candidate filled wrong answer for part (vi) of the question relating to Naresh Chandra Committee's Report. Part (a) and (b) to Question No.4 were not answered properly. Under part (b), candidates had written the process for postal ballot rather than the opinion with reasons whether such a decision should be taken by postal ballot. Part (c) and part (d) of the question was attempted well which was on debt-equity ratio and key benefits of MCA-21 project respectively. Question No.5 on grounds for winding up of the Company was attempted satisfactorily by the candidates. Except part (a) of the Question No.6, other parts (b) and (c) were attempted poorly by the candidates. Part (b) on Secretarial Standard on dividends was not fairly answered. Many candidates were unaware about the provisions of directors' responsibility statement asked under part (c) of the question. Some candidates only could answer correctly the problem on SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1992 and SEBI (Prohibition of Insider Trading Regulations), 1992 asked under Question No.7. The performance of candidates in Question No.8 was generally satisfactory except part (i) on distinction between director and deemed director and part (v) i.e. Single Structure and two – tier Structure of Board of Directors.

Candidates must develop precision in answering the questions.

Candidates are advised to develop in-depth knowledge of the legal provisions and support their answer with latest case laws. They are advised to update their knowledge continuously by referring to Chartered Secretary, Student Company Secretary, annual reports of the various companies.

### 2. SECRETARIAL PRACTICE RELATING TO ECONOMIC LAWS AND DRAFTING AND CONVEYANCING

The overall performance of the candidates in this paper was found to be reasonably fair, except few questions in which candidates resorted to guess work due to lack of adequate preparation. The candidates were found very poor in drafting skills.

The performance of the candidates in Question No.1 was not satisfactory. They could not reason out and support their answers with relevant case law. Question No.2 on short notes and choosing the most appropriate answer was attempted fairly well by majority of the candidates displaying adequate knowledge about the subject. Answers written to Question No.3 on filling up the blank spaces with appropriate words were found to be just satisfactory. In Question No.4 on FEMA, telecom policy and the Competition Act, candidates were found to be well prepared and the answered written by them were fairly good. Answers written to Question No.5 were of very poor standard. Although candidates answered Question No.6 well, yet, lack of adequate knowledge was apparent in few cases. The performance of the candidates in Question No.7 was not found to be satisfactory. Candidates were found lacking in drafting skills and their knowledge on the subject was found to be inadequate. Answers written to Question No.8 were satisfactory.

This paper requires understanding and application of law. The candidates are, therefore, advised to prepare and use the legal language in drafting agreements, deeds, etc. and also include all-important clauses. They should read the suggested readings on drafting and conveyancing. Problems based on decided cases should be supported by relevant case law. Candidates are advised to prepare in an organized manner and keep themselves abreast of the government guidelines and the new declared policies.

### 3. SECRETARIAL, MANAGEMENT AND SYSTEMS AUDIT

Candidates overall performance in this paper was satisfactory. Few of the questions which were objective type and other straight questions were well-attempted by the candidates. The questions which were case study based or which required critical examination of a given situation were not answered by the candidates satisfactorily.

Question No.1 (a) being an objective type question was well attempted by the candidates and their performance was satisfactory. The answers to Question No. 1(b) and (c) were not very satisfactory. It seems many candidates did not read and had not prepared thoroughly the various provisions of the Companies Act and SEBI regulations. The performance of candidates in Question No.2(a) on correct and incorrect statements was good. Most of the candidates were not able to give appropriate answer to Question No.2(b), which was case study based. Candidates showed average performance to Question No.3 (a) on bonus issue. As regards Question No.3 (b)(c) and (d), the performance of the candidates indicated that they were not very clear about correct sections and case laws. The performance of the candidates in Question No.4 was good. Candidates showed very average performance in Question No.5 which was again based on critical examination of a given situation. Candidates were not comfortable in drafting skills and preparing various reports for consideration of management. Candidates showed satisfactory performance in Question No.6 on internal checks and internal audit. The performance of the candidates in Question No.7 on systems audit was satisfactory.

There is sufficient scope to improve the performance in this paper. Candidates are advised to write brief, precise answers and refer to 'Student Company Secretary', 'Chartered Secretary', Companies Act.

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SEBI regulations, various cases, Company Secretaries Act and Regulations etc along with prescribed text books for in-depth knowledge of the subject and securing good marks.

## 4. FINANCIAL, TREASURY AND FOREX MANAGEMENT

The overall performance of the candidates in this paper was found to be reasonably fair, except few questions in which candidates resorted to guess work perhaps due to lack of conceptual knowledge and inadequate practice especially in the areas of capital budgeting and factoring and bonds in working capital management.

In Question No.1 the answer to the parts describing inter- relation between investment, financing and dividend decision, functions of depository system and stable dividend policy were satisfactory. However, answers on the part determining relation between 'total risk and combined leverage' and 'stock option' were vague. The answers to all parts of Question No.2 relating to factoring, foreign exchange and yield to Maturity was attempted poorly by most of the candidates. Question No.3 relating to differentiation between various concepts was well attempted by most of the candidates except the part relating to 'bilateral netting and multilateral netting'. Most of the candidates attempted Question No. 4(a) related to determination of market value of shares under different financial plan correctly. Question No.4(b) relating to portfolio management was attempted satisfactorily by most of the candidates. Question No.5(a) relating to requirement of working capital was satisfactorily attempted by the most of the candidates, but the theory part relating to index future was wrong in most of the cases. Question No.6 relating to replacement method of capital budgeting was poorly attempted. In Question No.7, the overall response on short notes on different topics was good but some answers lacked conceptual clarity e.g. exchange rate forecasting and semi-strong form of market efficiency.

Candidates, thus, are advised to refer to standard text books, study material and financial dailies to have thorough understanding of the subjects for conceptual clarity and practice numerical problems for securing promising result.

## 5. CORPORATE RESTRUCTURING - LAW AND PRACTICE

The performance of the candidates in this paper was generally satisfactory. However, improvement is required in the approach of candidates towards practical application of theoretical concepts. Drafting of resolutions, notices, public announcements etc. requires regular practice.

Question No.1 (a) was answered correctly by majority of the candidates but only a few candidates were able to cite relevant case laws. In Question No.1(b), while answering true/false statements, many candidates gave wrong answers. Question No.2 which was based on practical problem on valuation of shares was not attempted by majority of the candidates and out of those who attempted it, only few were able to attempt it correctly. Question No.3 which was on commenting on the given statements, was attempted correctly by almost all the candidates. However answers were not supported by case laws by many candidates. In Question No. 4(a), drafting of resolution was poorly attempted by the candidates. Part (b) and (c) relating to preferential allotment of shares were not well answered by the candidates. Answers to Question No.5(a) and (b) relating to SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 were found satisfactory. However, in part (c) while attempting practical problem on amalgamation, some candidates gave incorrect answers by citing wrong case laws. Though Question No.6(a) was attempted satisfactorily by the candidates, some of them were confused between tools and kinds of corporate restructuring. Performance in part (b) was disappointing as the candidates failed to properly draft the announcement for publication in newspapers. Part (c) relating to post merger efficiency was well attempted by the candidates. In Question No.7(a), many candidates were not able to support their answers with relevant case laws. Part (b) relating to leveraged and management buyouts was well attempted by the candidates. In Part (c), provisions relating to buy-back of shares by a private or an unlisted public company were also explained well by the candidates. Question No. 8 being a

direct question based on distinction between terms and short notes was very well attempted by the candidates.

Recent case laws and current updates in this subject are inevitable. Drafting of resolutions, notices, announcements etc. require a lot of practice. Candidates should also keep in mind the relevant legal requirements. Answers to the questions should be precise, specific and to the point. Good marks can be secured by mentioning the related rules, sections, forms, competent authority etc. Candidates are advised to develop a habit of reading regularly the SEBI updates, Student Company Secretary, Chartered Secretary and other corporate journals.

## 6. BANKING AND INSURANCE - LAW AND PRACTICE

The overall performance of the candidates in this paper was satisfactory.

Many candidates lacked in-depth knowledge of basic concepts of the subject and were not aware about the latest development in the area. They also lacked clarity of thought and wrote irrelevant details only to fill more pages of answer books. It was also observed that some candidates did not study the subject thoroughly to keep themselves abreast of the latest changes and amendments taking place in the area of banking and insurance.

Question No. 1 being objective type was attempted satisfactorily by the candidates. However, in part (a) some candidates were not able to give proper justifications while commenting on the action of the bank. The candidates are expected to have sound knowledge of the recommendations of various committees on banking sector reforms in order to be able to obtain a good score. In Question No. 2, the performance of the candidates was satisfactory. However, in Question 2 (c) some candidates could not properly explain the prominent risks to which the banks are exposed as a financial intermediary. In Question no. 3(a) the performance of many candidates was not up to the mark as they failed to explain clearly what has been done to boost the credit delivery system of the banks. Also in Question 3 (b) only a few candidates were able to mention the basic principles on which bank claims can be settled through Lok Adalats. In Question No. 3 (c) relating to functions part c of SIDBI was attempted in satisfactory manner by the candidates. Question no. 4 (a) and 4 (b) were well attempted by majority of the candidates. However, the candidates were not very conversant with the scheme of 'prompt corrective action (PCA) while answering Question No. 4 (c). Question no. 5 (a) and (b) being objective type was well attempted by the majority of the candidates. However, question no. 5(c) on the important forms/documents used in the day to day operations of life insurance company was not completely answered by majority of the candidates. Also in Question 5 (d) candidates lacked clear understanding of the applicable law. In Question 5 (e), candidates did not have adequate knowledge of the disclosures that are required to be made by an insurance company seeking registration with IRDA. In Question no. 6 (a) and (c), candidates performance were satisfactory. Question 6 (b) relating to need for insurance assessed by the risk manager was poorly attempted by many candidates. Question No. 7 was answered in a general way by majority of the candidates. In part (a), most of the candidates failed to correctly define insurance company. Likewise in Question 7 (b), many candidates could not correctly define 'duty of utmost faith'. Relevant statutory provisions were not quoted by many candidates while attempting Question No. 7 (c) relating to IRDA norms for reinsurance. Question no. 8(a) was well attempted by the candidates. In Question no. 8 (b), some candidates were not clear about the export factoring Scheme of ECGC. Similarly in Question no. 8 (c) many candidates confused 'aviation insurance' with marine insurance.

For in-depth knowledge of the subject and promising result, candidates are advised to read financial dailies, RBI Bulletin as well as IRDA circulars and notifications along with prescribed references.

## 7. WORLD TRADE ORGANISATION—INTERNATIONAL TRADE, JOINT VENTURES AND FOREIGN COLLABORATIONS

The overall performance of the candidates in this paper was found

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to be fairly well. However, there is still scope for improvement in some areas and a particular level of understanding of the subject is desirable. Candidates answered Question No.1 well, however in some cases the consistency was missing. In Question No.2 on GATS, the performance of the candidates was good. Question No.3 was attempted fairly well by most of the candidates. However, lack of understanding on Agreement on Subsidies and Countervailing Measure and Anti-Dumping Activities in answers to Question No. 4 were noticed. Most of the candidates performed well in Question No.5 on the Competition Act, 2002. Performance of candidates in Question No. 6 was reasonably good, except 6(iii) (iv), where the candidates reflected poor understanding of Law related to Trade Marks and Geographical indications. Overall performance in Question No. 7 were just satisfactory as the desired clarity and understanding on FIPB, Press Note and the Joint Venture Agreement was missing. Answers to Question No. 8 were found to be good.

For better performance in this paper, candidates are advised for regular updation on various aspects of the subject i.e. the latest developments in the Government Policy on FDI, international trade, regional developments and developments at WTO.. Candidates are also advised to regularly read the financial dailies and journals for developing their analytical, logical skills for effective presentation.

## **8. DIRECT AND INDIRECT TAXATION—LAW AND PRACTICE**

The overall performance of the candidates in this paper was satisfactory.

The answers written to Question No.1(a) was fair but for Question No.1(b) was not satisfactory. Candidates did not have ideas about filing of return in electronic form and FBT. The performance of candidates in Question No.2 was not upto-the-mark. Candidates lack proper knowledge of transfer pricing and Section 80ID of the Act. Candidates failed to explain the manner of calculating the value of ESOP in Question No.3(a). So the overall performance was not good. Question No.4(a) was well attempted but in Question No.4(b) the performance of the candidates was poor. Question No.5 attempted by many candidates but the performance was not satisfactory. Candidates were in confusion about Retail Sale Price/MRP etc. In Question No.6(a) candidates fails to provide relevant case study. The provisions of Central Sales Tax Act were not very clear to candidates in Question No.6(b). The answers to Question No.6(c) was linked to Indirect Tax provisions i.e. answers were given in general terms. The performance of candidates in Question No.7(a) on correct and incorrect statements were satisfactory. The impact of provisions of CENVAT Credit and their implications were not very clear to the candidates in Question No.7(b). In Question No.8(a) very few candidates answered with reference to relevant rule. Question No.8(b) candidates were not very clear about Settlement Commission. Question No.8(c) on declared goods was well answered. Question No.8(d), on scope of the provisions of Section 35F of Central Excise Act were not clear to many candidates.

Candidates are advised to refer latest amendments made by the Finance Act, important circulars/notifications issued by CBEC, Department of Revenue, Ministry of Finance, various decided case laws for better understanding of the subject. Candidates should also practice practical problems.

## **9. HUMAN RESOURCE MANAGEMENT AND INDUSTRIAL RELATIONS**

The overall performance of the candidates in this paper was satisfactory. This paper is divided into two parts. Part-A pertaining to Human Resource Management was performed better than Part-B on Industrial Relations. It was observed that some candidates lacked in clarity of thought and expression. The majority of the candidates gave satisfactory answers to theoretical questions, but the application of legal provisions in practical questions was not found satisfactory.

Question No.1 being the compulsory question was attempted by all but the performance of the candidates in Part-(a) pertaining to

drawing of a specimen template was poor. It was observed that candidates did not understand as to what was expected from them. However, Question No.1 (b) on multiple choice and 1(c) on fill in the blanks was satisfactorily attempted. The performance of the candidates in Question No.2 was of average level. In Question No.3 on short notes, the performance was below average as candidates gave generalized answers. The performance of the candidates in Question No.4 was good. Question No.5 being compulsory was attempted by all, yet the performance of the candidates was average. Most of the candidates failed to quote the necessary case law. In Question No.6, the performance of the candidates was good. However most of the candidates displayed inadequate knowledge writing vague answers to Question No.6(b). Question No.7 on workers Participation in Management was well attempted by all. However the general performance of the candidates was average. The performance of the candidates in Question No.8 was satisfactory. Most of the candidates mentioned case law to explain the answers. The quality of the answers written was equally good.

Candidates are advised to read the questions carefully and answer as per the requirements of the question. They are also advised to write correct answers instead of vague and lengthy explanations. They should thoroughly and meticulously study the Suggested and Guidelines Answers, reference books 'Student Company Secretary' 'Chartered Secretary' and relevant Bare Acts for clear understanding of the subject.

## **EXECUTIVE PROGRAMME (NEW SYLLABUS)**

### **1. GENERAL AND COMMERCIAL LAWS**

The overall performance of the candidates in this paper was just satisfactory. The candidates did not have good understating of the Constitutional Law. The candidates showed good performance while answering objective type questions, fill in the blanks questions and questions with multiple choices but displayed inadequate clarity of thought and poor legal reasoning while answering problem oriented questions. Very few candidates were able to mention relevant case laws and the statutory provisions in their answers. It was found that many candidates had not prepared well for the examination and wrote vague and irrelevant answers without understating the requirements of the questions properly.

The general performance of the students in Question No.1 was very poor. In Question No.1(a) and 1(b), the candidates failed to understand the spirit of the questions writing vague and irrelevant answers. The candidates could not explain Article 14 of the constitution in Question No.1(a). Question No.1(c) being objective type question was attempted satisfactorily by most of the candidates. In Question No. 2, candidates more or less exhibited satisfactory performance. However, some candidates found it difficult to explain part (i) and (ii) relating to the conditions to recover the possession of dispossessed immovable property and specific performance. Question No.3 was well answered by majority of the candidates. However, some candidates could not properly explain the doctrine of part performance in Question No. 3(i). The answers written to Question No. 4 were not up to the mark. In Question No. 4(i), (iii), (v) and (vi), very few students had the clarity to distinguish between the terms asked. Question no.5 was answered satisfactorily by majority of the students. However, in Question No.5(a), some candidates had difficulty in answering part (i) and (iii) pertaining to Law of Evidence and Limitation Law. Question No.5(b) being fill in the blanks was well attempted by the candidates. Question No.6 being objective type question was well answered. Question No.7 and 8 both being problem oriented questions were answered in a general way by majority. Most of the candidates were not able to support their answers with relevant case laws and legal provisions.

Candidates are advised to prepare seriously for the examination. They should read the study material along with the suggested readings given therein so as to have basic knowledge of the subject. Read Bare Acts to have through knowledge of the legal provisions. While dealing with problem oriented questions, quote relevant legal provisions



# Academic Guidance

and support answers by giving sound legal reasoning. Read Student Company Secretary, Chartered Secretary and other professional journals to improve your communications skills as well as update your knowledge on the subject.

## 2. COMPANY ACCOUNTS, COST AND MANAGEMENT ACCOUNTING

The performance of candidates in this paper was just satisfactory as about 68% of candidates could secure 40% and above marks. It was felt that candidates had not made adequate preparation being required for a professional examination to get through the paper with good score. Often candidates resorted to selective study in certain topics discounting the importance of the entire topics covered in the syllabus.

In Question No.1 candidates had given answers without giving attention to the legal provisions and the logical reasoning. Quite often candidates used guesswork to arrive at the answers without understanding the correct conceptual aspects. In Question No.2 candidate had given general answers to the theoretical questions but the journal entries to part (b) were incorrect showing the lack of knowledge for passing journal entries for issue of shares and forfeiture thereof. In Question No.3(b) candidate made mistakes in arriving at the correct amount of capital reserve and minority interest. In Question No.4(a) answers to the distinction between the underwriters and brokers, calls-in-arrears and 'calls-in advance', were far from satisfactory as candidates failed to spelt out the distinctive in features. In part (b) the calculation of capital employed was found incorrect resulted in wrong value of equity shares and the value under fair value method. In Question No.5(a) many candidates failed to give proper reasoning to substantiate their answers. In part (b) candidates made random selection to arrive at the appropriate answer from the various options given therein. In Question No.6 candidates were able to provide short notes to the concept of cost plus contracts, labour turnover, etc. but the answers to the flexible budget at 60% and 80% capacity resulted in wrong answers. In Question No.7(b) candidates exhibited lack of knowledge in calculation of P/V ratio and break-even sales. Though candidate could give satisfactory answers to the distinguishing features for budget period and control period, cash and cash equivalents, cost sheet and production account, in Question No.8(a), many candidates could not prepare the cash flow statement detailing cash from operating activities, investing activities and financing activities in the desired manner in part (b).

Being practical paper, candidates should understand the very concept of the subject and practice adequate number of practical questions to improve their knowledge. Candidates should be familiarized with the legal provisions, accounting standards, and accounting procedures etc. to score good marks in the paper. They are also advised to go through the entire syllabus rather than selective topics giving equal weightage to Company Accounts and Cost and Management Accounting.

## 3. TAX LAWS

The overall performance of the candidates in this paper was satisfactory. Answers written in Question No.1 on multiple choices, Computation of Taxable Income and to explain 'pay-as-you-earn' scheme were well attempted by the majority of candidates. Answers written to Question No.2 on filling-up the blank spaces with appropriate word(s)/figure(s), and on correct and incorrect statements were upto-the-mark. Candidates performance in Question No.3 on Capital and Revenue Receipts, distinction between different terms etc. were not satisfactory due to lack of conceptual clarity. Some candidates could not correctly distinguish between 'fair rent' and 'annual rent'. There was lack of practice to solve practical computation of Taxable Income in Question No.4(a), but Question No.4(b) on short notes was fairly done. The performance of the candidates was of average level in Question No.5(a) on determination of net-income, but poor in Question No.5(b) on practical problem related to wealth-tax. Candidates lack proper understanding of practical aspects. Few candidates attempted Question No.6(a), where they could not calculate the partner's personal

taxable income correctly. The answer written to Question No.7 was well attempted by many candidates. The performance of the candidates in Question No.8 was very good, most of the candidates attempt it well.

Candidates are advised to pay attention to both theoretical and practical aspect of Income Tax Laws for in-depth understanding of the subject. Constant reading of Chartered Secretary Journal, along with various Tax Journals will give adequate exposure regarding the latest amendments, case laws in the area of taxation .

## 4. COMPANY LAW

The overall performance of the candidates was just average. Most of the candidates have managed to get good marks in the objective type questions. In many cases, lack of clarity on the concept was noticed which was highlighted in their incoherent answers.

Few candidates have commented correctly on the common seal affixation in Question No.1(i). Except (i) and (iv) all other questions were nicely answered. Many candidates misunderstood the concept in Question No.1 (v). They inferred members as employees. Most of the candidates attempted Question No.2(a) on multiple choice correctly. Few candidates correctly gave the name of the Act in Question No.2(b)(iii) regarding the prevention of improper use of names and emblems. In 2(b)(vii) many candidates wrote 8 years instead of 15 years. There was lack of clarity on the concept of payment of dividend out of capital profit in Question No.3(a). Many candidates failed to answer Question No.3(b). Also, many candidates were unaware of the provisions of declaration of dividend out of previous years' profits in Question No.3(c). Majority of the candidates had not answered disclosures in the directors' report in Question No.4(a). Further, in Question No.4(c), large numbers of candidates were unaware of the procedure regarding authentication of annual accounts of a private company when only one director is available in India. Other parts of this question were satisfactorily answered. In Question No.5 (a) on correct and incorrect statements, most of the students did well. In Question No.5(b) on short notes, candidates were not clear about the concept of golden rule and corporation sole. In Question No.6(a), most of the candidates did well. In Question No.6(b), section 106 of the Companies Act, 1956 relating to class meeting was not properly analyzed by the candidates. Question No.7(a) on MCA-21 was not properly attempted by the candidates. Answers to Question No.7(b) were found satisfactory. In Question No.8(a), some of the candidates lacked the knowledge of the basic concept of illegal association. Relevant case law were not given in most of the answers in Question No.8(b).

The candidates should develop the habit of good handwriting. Good understanding of the subject is very important. It is advised to keep the answers short and to the point. It is emphasized that the candidates should update their knowledge by referring to standard text books, Student Company Secretary, Chartered Secretary and visiting the website of the Ministry of Corporate Affairs (i.e. [www.mca.gov.in](http://www.mca.gov.in)). Also, candidates should be familiar with latest case laws while answering the questions.

## 5. ECONOMIC AND LABOUR LAWS

The performance of the candidates in this paper was satisfactory. It was observed that the candidates were not well prepared and updated on relevant Acts, Rules and Regulations. While writing the answers to the questions, many candidates were found to be lacking in presentation skills. Answer relating to FEMA were not specific and to the point. Most of the candidates did not mentioned reasons while answering question on true or false statements. Lack of systematic study, basic concept and thorough knowledge of the subject were the reasons responsible for poor performance.

In Question No.1on short notes, answers written were vague and general. Answers written to Question No.2 on true or false statements were of average level. Candidate failed to understand the Question No.2(v) and 2(vi) on DFRC and Unfair Trade Practice. Answers written to Question No.3(a) on distinction between various terms and Question No.3(b) on fill

## Academic Guidance

in the blanks were found to be based on guesswork. In Question No.4 (a) on FEMA, performance of the candidates was poor. It was because of the poor knowledge of the candidates about various provisions of FEMA. The candidates attempt in Question 4(b) on Foreign Contribution (Regulation) Act and 4(c) on trade marks was satisfactory. The overall performance in Question No.5(a) on patents, 5(b) on Environment (Protection) Act, was of average level. Question No.6 on short notes was answered fairly well by majority of the candidates. Answers written to Question No.7 (a) on distinction between various terms, 7(b) on fill in the blanks and 7(c) on multiple choice were satisfactory.

Candidates are advised to write specific answers keeping in view the marks allotted to the question. While writing the answers to the questions, relevant legal provisions and decided case law should be mentioned in the answers. Candidates need to be systematic and regular in their studies. Writing abilities can be improved by practicing writing answers at the time of preparation. Candidates are also advised to continuously update their knowledge by referring to Chartered Secretary, Student Company Secretary, relevant Bare Acts, financial newspapers and other corporate journals like Corporate Courier, Corporate Law Advisor, etc.

### 6. SECURITIES LAWS AND COMPLIANCES

The overall performance of the candidates in this paper was just average. It was observed that candidates did not study the subject thoroughly and did not abreast themselves of the latest changes and amendments taking place in the area.

Question No.1 on true or false statements and objective type

question was compulsory and well attempted by most of the candidates. The Question No. 2(a) related to short notes on different topics was attempted satisfactorily but the answers to securities lending lack conceptual clarity. The answer to Question No. 2(b) related to expansion of abbreviated form was also well attempted except the STR. Question No.2(c) related to buy back of securities was attempted satisfactorily by most of the candidates. The candidates' attempt to Question No.3 (a) on distinction between two concepts was reasonably well but some candidates were not aware about 'Disaster bonds and Dual convertible bonds'. The part (c) of the question No.3 related to Credit Rating Grades was poorly attempted by most of the candidates. The answers to Question No. 4(a) and (b) on money laundering and listing agreement respectively were not satisfactory. Question No. 5 (a) and (c) related to NAV and Collective Investment Schemes were attempted satisfactorily by most of the candidates. However Question No. 5(b) relating to option trading was not properly attempted by many candidates. In Question No.6, the performance of the candidates was of average level, though the answer to the questions was very general and the candidates were unable to explain the parts related to IPO grading and 'basis of allotment'. Most of the candidates attempted Question No. 7 but the answers given were very general. In Question No.8 (a), the candidates failed to explain the legal provisions related to fast track issues. However, answers to part (b) and (c) of Question No.8 were satisfactory.

This being dynamic subjects attracting many amendments/changes in the securities market, candidates are advised to be well aware and update about the latest developments taking place in the area.

## 8<sup>TH</sup> ALL INDIA ELOCUTION COMPETITION – 2009

### NIRC of The ICSI is hosting the 8<sup>th</sup> All India Elocution Competition, 2009

It will be a three tier program:

#### ◆ Chapter Level

#### ◆ Regional Level

#### ◆ National Level

All the Chapters in the first instance would organize Elocution Competition for the students at their level. The winners from each Chapter level event consisting of not more than two students would be participating in the Regional Level Competition to be held at their respective region. One team consisting of two winning contestants from each Region would be participating in the **National level event to be held at New Delhi on Wednesday, the 29<sup>th</sup> July 2009.**

#### Topics:

- 1) For Chapters & Regional Rounds : Corporate Acquisitions : Governance Issues
- 2) For National Round : Professional Ethics - Success Mantra in Economic Turbulence

### REGIONAL LEVEL ROUND (NIRC)

A Regional Round of Elocution Competition of NIRC will be conducted on **Saturday, the 18<sup>th</sup> July, 2009** at **4.00 PM** at ICSI-NIRC Building, 4, Prasad Nagar Institutional Area, New Delhi (wherein teams from other chapters of NIRC will also participate) to select two winning contestants who will represent NIRC at the National Level Round.

### NATIONAL LEVEL ROUND

The National Level Round will be conducted on **Wednesday, the 29<sup>th</sup> July 2009** (wherein teams of all four regions will be participating ) at NIRC-ICSI, 4, Prasad Nagar Institutional Area, New Delhi to select the All India winners.

***A rolling shield would be presented to the winner of the national level event at the National Convention of ICSI. The winner will be invited to attend the 37<sup>th</sup> National Convention of the Institute scheduled to be held in Southern Region. A "Certificate of Participation" will be issued to all the participants of the National Level Event by NIRC.***

Students who are interested to participate in the NIRC's Regional Level Round are advised to give their names to the **The Executive Officer, NIRC of The ICSI, 4, Prasad Nagar Institutional Area, New Delhi-5. Tel: 25763090,25767190, Email: eoniro@icsi.edu** latest by 4<sup>th</sup> July, 2009.

## Books for ICSI (New Syllabus)

### CS Foundation Programme

- (1) Financial Accounting
- (2) Mathematics and Statistics
- (3) English and Business Communication

### Just Released

- (4) Business Laws & Management @195/-

#### About the Book

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### CS Inter / Executive Programme

- (5) General and Commercial Laws  
by Pandab & Mukherjee @ 225/-
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by Ashish Choraria
- (7) Economic and Labour Laws
- (8) Management Information Systems in  
Modern Business by Bhuban Kr. Bhar @ 150/-

### CS Final / Professional Programme

- (9) Financial Management by Prasun Rakshit @ 425/-

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## ATTENTION STUDENTS !

### GRANT OF TOTAL EXEMPTION IN UNDERGOING COMPULSORY COMPUTER TRAINING PROGRAM TO PHYSICALLY HANDICAPPED STUDENTS

The Institute has decided to grant total exemption in undergoing the compulsory Computer Training Program to the students belonging to the following based handicapped categories on scrutinizing and conducting assessment/evaluation of the documents submitted in this regard.

1. Physically Handicapped Students :
  - permanent physical disability of more than 50% in one limb; or
  - permanent physical disability of more than 60% in two or more limbs.
2. Visually Disabled Students :
  - 6/60 to 1/60 or field of vision 110-2;
  - 3/60 to 1/60 or field of vision 100;
  - FC at 1 foot to Nil or field of vision 100;
  - Total absence of sight.

The above said categories shall be regarded as permanent physical/visual disability in order to be eligible for concessions/benefits in granting total exemption from undergoing the Compulsory Computer Training Program.

For availing the aforesaid benefit, such applicants/students will be required to submit a certificate issued by the Medical Superintendent of a State/Central Government Hospital to this effect.

For further details please visit Institute's website : [www.icsi.edu](http://www.icsi.edu)

## ATTENTION STUDENTS

All Students are advised to apply for enrolment for appearing in June 2009 examination only on NEW EXAMINATION/ ENROLMENT FORM. It is specifically advised to use the New Examination/Enrolment form which is designed, in view of the changes due to switch over to New Syllabus.

Old Examination/enrolment form will not be accepted, as it does not cater to the requirement of the details as per Old syllabus as well as New Syllabus. Students of Old Syllabus interested in seeking switch over must make sure to mention their option of the syllabus - such as OLD SYLLABUS - OR - NEW SYLLABUS in the relevant column of the examination/enrolment form and are also required to put their signature in support of their claim for seeking switchover. Guidelines for switch over is repeatedly published in "Student Company Secretary" monthly bulletin," and is also available on the website.

All the students of Final course as well as Foundation/ Intermediate course, under Old syllabus who have not opted for Switch over so far and, are interested in switchover to New Syllabus for Foundation Programme/Executive Programme/Professional Programme, as the case may be, are advised to opt for the same in the examination/enrolment form, while seeking the enrolment to appear in June 2009 examination.

It is further clarified, that once option for Switch over to New Syllabus has been made/exercised, the same cannot be reverted to Old Syllabus in any case, as such please be clear before exercising your option for New Syllabus or Old Syllabus in the examination/enrolment form.

All the students are advised to carefully fill up the examination/ enrolment form and please note that incomplete forms and forms without signature of the students will not be accepted.

## STUDENTS QUIZ



### PRIZE QUERY

ST was a shareholder in company 'A'. ST merged with 'C'. Consequently 'C' became the shareholder of company 'A'. The fact of merger of ST with 'C' was not communicated to company 'A'. Therefore ST's name continued to be on the Register of Members of 'A' even though as a result of the merger 'C' is the holder of shares in 'A'. Can 'C' file a petition for winding up company 'A' as a contributory?

### CONDITIONS

1. Answer should not exceed one page typed in double space. The answer sheet should contain the name, registration number and address of the student.
2. Last date for receipt of answer is **16<sup>th</sup> May, 2009**.
3. Two prizes (a first and a second) in kind will be awarded to the best answers and the names of the contributors will be published in the Bulletin.
4. The envelope should be superscribed **Students Query, April 2009** and addressed by name to **N.K. Jain, Secretary & Chief Executive Officer, The Institute of Company Secretaries of India, 'ICSI House', 22, Institutional Area, Lodi Road, New Delhi-110003.**



## STUDENT SERVICES

### REGISTRATION AND POSTAL TUITION

#### 1. Cancellation of Registration

Registration of students registered upto and including **May, 2004** stands terminated on expiry of five-year period on **30<sup>th</sup> April, 2009** leading to the following immediate consequences :

- Supply of 'Student Company Secretary' bulletin will be discontinued from May, 2009 onwards.
- Response sheets will not be accepted even if submitted and coaching completion certificates will not be issued (after the expiry of registration period)

They are advised to apply for registration de-novo/ extension of registration as per the guidelines published in this bulletin.

**(Students whose registration is valid upto February, 2009 are, however, eligible to appear in June, 2009 examination without seeking extension of registration / registration de-novo subject to fulfilling other requirements laid down in the regulations framed in this regard .)**

#### 2. Change of Address

Change of address, if any, should be intimated to the Institute by sending a separate letter in this regard. While intimating the change in their mailing address, the students are advised to invariably quote the PIN CODE number alongwith the student registration number, name and full postal address with city, state in capital letters.

PIN CODE is required to be mentioned for quick delivery of the mail. Students may, therefore, check up the computerised mailing address as printed on the 'Student Company Secretary' bulletin. In case, it does not carry or carry the wrong PIN CODE number, the same may be intimated immediately quoting student registration number and full postal address with Postal Index Number so that it could be incorporated in the computerised mailing list.

#### 3. E-Mail Address of the Students

Those students who are having e-mail address may communicate the same to the Student Services Section at [dss@icsi.edu](mailto:dss@icsi.edu), which will facilitate quick and economic communication from the Institute's side. The e-mail address may be sent in the following format.

Name :  
Registration No. :  
E-Mail Address :

#### 4. Students Identity Card

All the students appearing in the examination must hold Identity Card in the manner prescribed by the Institute, if not already obtained at the time of seeking registration. For obtaining the Identity Card, students are advised to obtain a proforma from the Headquarters/ Regional Offices of the Institute and send it again to the Institute duly filled up and attested as per instructions given in the prospectus/ registration letter.

Students who have so far not obtained Identity Cards are advised to write to the Institute immediately. The students should carry their Identity Cards without fail for appearing in the Institute's examination. If the Identity Card already issued has been lost or mutilated, student should send a request for obtaining duplicate Identity Card together with the mutilated Identity Card/Identity Card proforma duly filled in and attested together with Rs. 50/- towards duplicate Identity Card fee.

#### 5. Compulsory Enrolment for Final/ Professional Course

Students who have passed/completed both groups of Intermediate Executive Programme examination are advised to seek compulsory enrolment for undergoing coaching for the Final course/ Professional Programme on payment of Rs. 7500/- towards postal tuition fee.

Please note that a student is admitted to the Final/ Professional Programme examination only after a minimum period of nine calendar months has elapsed since his/her passing the Intermediate/ Executive Programme examination and subject to completion of coaching and fulfillment of other requirements.

#### 6. Uniformity in Signatures

It has been observed that some of the enrollment applications / letters received from the students are either unsigned or bear different signatures from time to time.

All the students are, therefore, advised to maintain uniformity in their signatures on all the correspondence with the Institute including students identity card, enrollment application and attendance sheet provided in the examination hall at the time of writing examinations.

#### 7. Clarification Regarding Paperwise Exemption

- The paperwise exemption is granted only on the basis of specific request received in writing from a registered student along with the attested photocopies of marks sheets for all parts of the Degree/examination (on the basis of which the paperwise exemption is sought) and the exemption fee @ Rs. 100/- per paper. It is one time payment and not to be remitted for availing of paper wise exemption in every session of examination during the validity of registration period.
- The application for claiming paperwise exemption must reach the Institute on or before the last date for submission of enrolment application i.e. 25<sup>th</sup> March and 25<sup>th</sup> September for June and December examinations respectively and with a late fee of Rs. 100/-, the application can be accepted upto 9<sup>th</sup> April and 10<sup>th</sup> October respectively.
- The paperwise exemption once granted holds good during the validity of registration period or passing/completing the examination, whichever is earlier.
- The paperwise exemption is cancelled only on receipt of a specific request in writing from the student concerned on or before the last date for submission of the enrolment application. If any candidate appears in the exempted paper(s) of examination without receiving the written confirmation from the Institute, but by making personal representation, appeal, request, etc., at the Examination Centre at the last moment, his/her appearance in such paper(s) shall automatically be treated as cancelled.
- It may be noted that candidates who apply for grant of paper wise exemption or seek cancellation of paper wise exemption already granted, before the last date of submission of enrolment applications for a particular examination, must see and ensure that they receive written confirmation from the Institute at least 15-20 days prior to the commencement of the examination. Candidates who would presume automatic grant or cancellation of paper wise exemption without obtaining written confirmation on time and absent themselves in any paper(s) of examination and/or appear in the exempted paper(s) would do so at their own risk and responsibility and the matter will be dealt with as per the above guidelines.
- Exemption once cancelled on request in writing shall not be granted again under any circumstances.
- The candidates who have passed either group of the Intermediate/Final examination under the old syllabus, may claim the paperwise exemption in the corresponding subject(s) of new syllabus indicating the basis of exemption as "APO" in the appropriate column of the enrolment application.
- In case the paperwise exemption has already been granted on the basis of qualification or the candidates is eligible for grant of exemption on the basis of securing 60% or more

## Student Services

marks, a photocopy of the letter/marks-sheet issued by the Institute should be enclosed with the enrolment application while claiming such exemption, failing which the same may not be granted for the ensuing examination.

- (i) No exemption fee is payable for availing paperwise exemption on the basis of "APO" or on the basis of securing 60% or more marks in the Institute's examination.
- (j) Paperwise exemption fee is payable only when the exemption is to be availed on the basis of qualification(s) specified for the purpose.

### 8. Exemption from Computer Training

A student can be exempted from undergoing the course on the basis of his existing qualification/degree in the computer field and qualifies the need of 'Course Contents Syllabus' as scheduled by NIIT for C.S. Students, subject to the condition that he or she enrolls himself/herself for an online exemption test (to be conducted by NIIT) from any of the NIIT Center on all India basis and successfully clears the test.

**Note : Students having Passed/Completed the Intermediate Course on/or before December' 06 session of CS Examination; are - however - not required to comply with the requirements of the Compulsory Computer Training Programme.**

### 9. IMPORTANT

While making any correspondence regarding examination, the students are advised to quote the following particulars for taking prompt action :

i) Name in full (ii) Student Registration number (iii) Stage of examination viz, (FOU/ INTER/ EXE/ FINAL/ PROG) (iv) Group/ Module opted (v) Centre opted (vi) Particulars of fee remitted, i.e. Demand Draft (printed) number, date, amount, name of the bank and its branch (vii) Date and mode of despatch of enrolment application and their complete address with PIN code, telephone number, mobile number or e-mail address.

In case of any specific problem/complaint regarding registration, post-registration, students services and postal/oral coaching, students may contact personally or write to **Sohan Lal**, Director and for academic guidance and suggestions, if any, students may write to **Sutanu Sinha**, Director at the Institute's address.

### ON LINE SERVICES AVAILABLE FOR STUDENTS OF THE INSTITUTE (VISIT : <http://www.icsi.edu>)

1. Students can avail On Line Registration facility to get registered for Foundation and Executive Programme.
2. E-Learning Portal (<http://elearning.icsi.edu>) for CS Foundation Programme.
3. On Line Queries are available for the students :
  - Application Status Query
  - Over all status Query
  - Examination Enrollment Admit Card
  - Enrollment Status Query(Note : Visit Over-all status. Discrepancy/Error if any found, may be brought to our notice)
4. Guidelines for Switch Over to New Syllabus
5. Forms for Students
6. Previous Year Question Papers
7. FAQs
8. Important Dates
9. Students' Bulletin (Both Foundation and Regular Programme)

### EXEMPTION FROM INDIVIDUAL PAPERS OF THE EXECUTIVE PROGRAMME EXAMINATION

In pursuance of the powers conferred on it under clause(3) of the regulation 42 of the Company Secretaries Regulations, 1982, the Council of the Institute of the Company Secretaries of India has decided that a candidate shall be exempted from the following paper(s) of the Executive Programme examination if he/she possesses the qualification(s) specified against each paper, having secured 50% or more marks in the aggregate and applies for exemption on or before last date for enrolment for the examination paying requisite exemption fee as may be determined by the Council from time to time :

**1. General and Commercial Laws:** M.A./M.B.A. (Corporate Secretaryship) or Degree in Law (three years or five years integrated) from a recognized University/Institute either constituted under an Act of Parliament or approved by AICTE.

**2. Company Accounts, Cost and Management Accounting :** M.A. (Corporate Secretaryship)/M.Com/M.B.A. (with Advanced Accountancy as one of the subjects at graduation/post-graduation level and with full paper in Cost Accounting/Management Accounting/Financial Management at M.A. (Corporate Secretaryship)/M.Com/M.B.A level having secured 50% marks in the subject concerned) from a recognized University/Institute either constituted under an Act of Parliament or approved by AICTE.

**3. Tax Laws:** M.A./M.B.A. (Corporate Secretaryship) from a recognized University/Institute either constituted under an Act of Parliament or approved by AICTE.

### ADOPTION OF UNFAIR MEANS

While considering the matters relating to conduct of Institute's December, 2008 examinations, the Examination Committee found an Executive Programme candidate with Roll No. 61814 guilty of adopting unfair means in Module-II of Executive Programme examination. Accordingly, the Committee awarded the punishment of (a) cancellation of result of candidate's appearance in Module-II of Executive Programme examination; and (b) debarred the candidate from appearing in the Institute's next examination.

The Committee further observed that such an unbecoming conduct was not befitting the aspirants intending to join the profession of 'Company Secretaries' and, therefore, any such attempt to indulge in unfair practice by the examinees shall be viewed seriously.

## Student Services

### LIST OF INSTITUTES EMPANELLED IN IMPARTING THE ORAL COACHING FACILITIES TO THE CS STUDENTS UNDER PUBLIC/ PRIVATE PARTNERSHIP SCHEME

S. No.	Name & Address of Empanelled Institutions	Validity for CS Session of Examination
<b>EASTERN INDIA REGIONAL COUNCIL</b>		
1.	M/s Jain Classes First Floor, Dey Complex Outer Circle Road, Bistupur Jamshedpur-831001	June'09 & December'09 Sessions of CS Examinations.
2.	M/s Happy Coaching Institute Fatak, P.O. Budharaja Sambalpur-768 004 Orissa	December'09 & June'10 Sessions of CS Examinations.
3.	M/s Jain Tutorials Ganges Garden BL: A-1 3 <sup>rd</sup> Floor, 106, K.C.S Road Shibpur – HOWRAH-711 102 Telephone No. -033-26385571 Mobile No. 09831255762	June'09 & December'09 Sessions of CS Examinations.
4.	The Director M/s Ambedkar Institute of Higher Education Boring Road (Dadji Lane) Patna-800 001 (Bihar)	June'09 & December'09 Sessions of CS Examinations.
<b>NORTHERN INDIA REGIONAL COUNCIL</b>		
5.	M/s G.G.D.S.D. College Rajpur (Palampur) Distt. Kangra Himachal Pradesh	December'08 & June'09 Sessions of CS Examinations.
6.	M/s Springdale College of Management Studies Madhotanda Road Pilibhit-262 001 (U.P)	December'08 & June'09 Sessions of CS Examinations.
7.	M/s Delhi Institute of Professional Studies, 123, Sukhdev Nagar Behind Bus Stand Panipat (Haryana)	December'08 & June'09 Sessions of CS Examinations.
8.	M/s Sainath Commerce Classes C-20, Talwandi, Kota-324 005	December'08 & June'09 Sessions of CS Examinations.
9.	M/s Lucknow Commerce Academy, S-72/17, Old 'C' Block Chauraha Rajajipuram (Near Lekhraj) Lucknow-226 017	December'08 & June'09 Sessions of CS Examinations.
10.	The Director M/s 1360, Staffing & Training Solutions Private Limited 46, First Floor, Karanpur Dehradun (U.P)	June'09 & December'09 Session of CS Examinations.
<b>WESTERN INDIA REGIONAL COUNCIL</b>		
11.	M/s Career Classes 303, Shalimar Corporate Center 8, South Tukoganj, Near Hotel Balwas, Indore (M.P)	December'08 & June'09 Sessions of CS Examinations.
12.	M/s Institute of Management Training & Research Artha Complex, 2 <sup>nd</sup> Floor Near IMA House and Tapdiya Terrace, Off. Adalat Road Aurangabad-431 001 (M.S)	December'08 & June'09 Sessions of CS Examinations.
13.	M/s Career Consultant 3018, Trade House, Ring Road Surat-395002	December'08 & June'09 Sessions of CS Examinations.
14.	M/s Madhu Jas Promotions Pvt. Ltd. 12/1, Dr. Sarju Prasad Marg Behind Kanchan Hotel Near Gokuldas Hospital, Indore-452001	June '09 & December '09 Sessions of CS Examinations.
15.	Tolani Commerce College P.O. Box No. 27 Adipur (Kachchh) 370205	June '09 & December '09 Sessions of CS Examinations.
16.	M/s Muley Classes Shop No. 14, Ashoka Gardens B-Wing, M.P. Road Panvel-410206	December'08 & June'09 Sessions of CS Examinations.
17.	M/s AEC India Commerce (Lawork) 208-209, Gopal Madhav Extension Place, Above Shan Shoukat, Shinde Ki Chhawani Gwalior-474 001 (M.P)	December'08 & June'09 Sessions of CS Examinations.
18.	The Principal M/s D.M.'s College of Arts, Science & Commerce Assagao, Bardez Goa-403 507	June'09 & December'09 Sessions of CS Examinations.
<b>SOUTHERN INDIA REGIONAL COUNCIL</b>		
19.	Mr. Mohan, Sreyas Chettiparambil Lane Thekkumbhagam, Tripunithura Ernakulam (Distt.), Kerala-682301	December'08 & June'09 Sessions of CS Examinations.
20.	M/s St. John Foundation Little Kingdom Montessori School Compound 338/3, West of Medical College Nagercoil, Kanyakumari Distt. Asaripallam-629201	June '08 & December '08 Sessions of CS Examinations.
21.	M/s Dr. G.G. Shetty Educational Society@, Jnana Degula, Near K.M.F. Dharwad-580004	June'09 & December'09 Sessions of CS Examinations.
22.	M/s Bright Academy of Excellence, Baba Foundation Plot No. 46, Door No. 102 Flat No. 6, 1st Floor, South West Boag Road, T. Nagar Chennai-600017	December'08 and June'09 Sessions of CS Examinations.
23.	M/s Prize Academy 17, Hasthinapuram Main Road MIT Gate, Chromepet Chennai-600044.	December'08 and June'09 Sessions of CS Examinations.
24.	M/s Sree Saraswathi Thyagaraja College Palani Road, Thippampatti Coimbatore Distt. Pollachi-642107	December'08 and June'09 Sessions of CS Examinations.
25.	M/s Nallamuthu Gounder Mahalingam College 91, Palghat Road, Coimbatore Distt. Pollachi-642001	June'09 & December'09 Sessions of CS Examinations.
26.	The Principal M/s Alpha Educational Trust 41/13-A, Poonthamalli Street (Old Bus Stand Backside) Villupuram-605 602 (T.N)	June '09 & December '09 Session of CS Examinations.



## Student Services

27.	The Principal M/s National College Dindigul Road Karumandapam Tiruchirapalli-620 001 (T.N)	June`09 & December`09 Session of CS Examinations.
28.	The Principal M/s S.R. Institute of Professional Studies, Near Govt. Higher Secondary School Karpaga Ganapathi Nagar Perundurai Road, Distt. Erode Thudupathi-638 057	December`09 & June`10 Session of CS Examinations.

### ANNOUNCEMENT

#### PAPER-WISE EXEMPTIONS ON RECIPROCAL BASIS TO ICSI AND ICWAI STUDENTS

The Council of the Institute has given approval that the final passed students of ICWAI can avail exemptions in the following papers of Foundation Programme, Executive Programme and Professional Programme of the Company Secretaryship Course under the New Syllabus effective from 1st November, 2007, 1st February, 2008 and 1st August, 2008 respectively.

#### Scheme of Exemptions

Exemption to CS passed candidates in papers of ICWAI.	Exemption to CWA passed candidates in Papers of ICSI.
<b>Foundation Course</b> (4 papers) - Complete exemption	Complete exemption Foundation Programme (4 papers) -
<b>Intermediate Course</b> 1. Financial Accounting (Paper 5)  2. Applied Direct Taxation (Paper 7)	<b>Executive Programme</b> 1. Company Accounts, Cost & Management Accounting (Module I, Paper 2) 2. Tax Laws (Module I, Paper 3)
<b>Final Course</b> 3. Financial Management & International Finance (Paper 12) 4. Indirect & Direct Tax Management (Paper 14)	<b>Professional Programme</b> 3. Financial, Treasury and Forex Management (Module II, Paper 3) 4. Advanced Tax Laws & Practice (Module III, Paper 6)

Students enrolled to Company Secretaryship Course and wish to seek above said paper-wise exemption(s) - on the strength of having passed the final examination of ICWAI - may make their request in writing to Director (Student Services) at C-37, Sector-62, NOIDA-201 309 (U.P) together with the requisite exemption fee @Rs.100 per paper by way of Demand Draft drawn in favor of `The Institute of Company Secretaries of India` payable at New Delhi and the valid document in support of having passed the Final examination of the Institute of Cost & Works Accountants of India on or before the last date of submission of enrolment application for the CS Examination.

The above exemption scheme is effective from December, 2008/ June, 2009 for Foundation/Executive Programme and CS Professional Programme examination(s) respectively.

## EMPANELMENT OF PRIVATE COACHING CENTRES FOR CONDUCTING ORAL COACHING CLASSES FOR CS STUDENTS ON BEHALF OF THE INSTITUTE

In a path-breaking initiative, the Council of The Institute of Company Secretaries of India has decided to empanel Private Coaching Centres for conducting the Oral Coaching Classes for the students undergoing CS Course on behalf of the Institute. At present, the Institute is conducting the Oral Coaching Classes on its own through its Regional Councils/ Chapters.

This landmark decision will undoubtedly have a far reaching impact on the entire Oral Coaching System under the Company Secretaryship Course and it provides a golden opportunity to reputed Coaching Centres in the private sector to get associated with one of the premier professional institutes in India constituted under Company Secretaries Act, 1980, functioning under the administrative jurisdiction of Ministry of Corporate Affairs, Government of India.

The Institute invites applications from interested institutions for conducting Oral Coaching Classes for CS Students under the aforesaid Scheme. The Regional Councils/ Chapters of the Institute scattered all over India have been authorized to scrutinize and forward the applications to Headquarters after preliminary assessment of infrastructure, etc. in the respective areas along with their recommendations. For format of application, comprehensive guidelines and *modus operandi* of the Scheme, please visit the Institute's website [www.icsi.edu](http://www.icsi.edu) OR send an application directly to:-

**Shri Sohan Lal, Director  
(Student Services)**

**The Institute of Company Secretaries of India  
C-37, Sector-62, NOIDA-201309**

## EXAMINATION

### 1. JUNE, 2009 EXAMINATION

The next Foundation, Intermediate and Final examinations (under Old Syllabus) and, also the Foundation Programme, Executive Programme and Professional Programme examinations (under New Syllabus) will be held from Tuesday, the 02<sup>nd</sup> June, 2009 to Wednesday, the 10<sup>th</sup> June, 2009, at 66 examination centres in India, *viz.*, 1. Agra, 2. Ahmedabad, 3. Allahabad, 4. Ambala, 5. Aurangabad 6. Bangalore, 7. Bareilly, 8. Bhilwara, 9. Bhopal, 10. Bhubaneswar, 11. Chandigarh, 12. Chennai (West), 13. Chennai (South), 14. Coimbatore, 15. Dehradun, 16. Delhi (East), 17. Delhi (North), 18. Delhi (South), 19. Delhi (West), 20. Ernakulam, 21. Faridabad, 22. Ghaziabad, 23. Gurgaon 24. Guwahati, 25. Hubli-Dharwad 26. Hyderabad, 27. Indore, 28. Jaipur, 29. Jammu, 30. Jamshedpur, 31. Jodhpur, 32. Kanpur, 33. Kolhapur 34. Kolkata (North), 35. Kolkata (South), 36. Lucknow, 37. Ludhiana, 38. Madurai, 39. Mangalore, 40. Meerut, 41. Mumbai (CG), 42. Mumbai (GTK), 43. Mumbai (JOG), 44. Mysore, 45. Nagpur, 46. Nasik, 47. Noida, 48. Panaji, 49. Patna, 50. Puduchery, 51. Pune, 52. Raipur, 53. Rajkot, 54. Ranchi, 55. Shimla, 56. Srinagar 57. Surat, 58. Thane, 59. Thiruvananthapuram, 60. Tiruchirapalli, 61. Udaipur, 62. Vadodara, 63. Varanasi, 64. Vijayawada, 65. Visakhapatnam, 66. Yamuna Nagar and one **Overseas Centre — Dubai** as per the Time-Table and Programme published on the last page of this issue.

#### NOTE:

1. The Institute reserves the right to withdraw any centre at any stage without assigning any reason.
2. Candidates should note that non-receipt/delayed receipt of result-cum-marks statement, response to result queries, requests for verification of marks, *etc.*, will not be accepted as valid and sufficient reason for seeking any relaxation or not complying with the requirements of regulations and/or last dates for submission of Examination Form for the next examination. Therefore, the candidates in their own interest are timely advised to keep track of important announcements, last dates and observe the time schedule.

The addresses of examination centres will be published in the forthcoming issue of this bulletin for general information.

### 2. USE OF CALCULATORS IN EXAMINATIONS

Candidates are allowed to use their own battery operated noiseless and cordless pocket calculators with not more than 6 functions, 12 digits and 2 memories. Exchange or lending/borrowing of calculators among students will not be allowed in the examination hall.

### 3. HINDI AS AN OPTIONAL MEDIUM FOR WRITING FOUNDATION, INTERMEDIATE AND FINAL EXAMINATIONS (UNDER OLD SYLLABUS) AND FOUNDATION PROGRAMME, EXECUTIVE PROGRAMME AND PROFESSIONAL PROGRAMME EXAMINATIONS (UNDER NEW SYLLABUS).

Candidates are allowed to use Hindi as an optional medium for writing all papers of Foundation (Old Syllabus) and Foundation Programme (New Syllabus) (**except the 'English & Business Communication' paper**); Intermediate (Old Syllabus), Executive Programme (New Syllabus), Final (Old Syllabus) and Professional Programme (New Syllabus) examinations on the following conditions:

- (i) option of Hindi Medium for writing the examination is to be exercised for all papers of an examination OR a particular group of examination, and not for any individual paper(s) in the enrolment application form each time for appearing in the examination;
- (ii) option of medium for writing examination once exercised is irrevocable for that particular session of examination;
- (iii) answer books of candidates who write part of papers/answers in one medium and the remaining part in other medium are liable to be cancelled without any notice;

- (iv) candidates who have exercised option of Hindi Medium in their examination enrolment form for writing Foundation, Foundation Programme, Group-I of Intermediate and Module-I of Executive Programme Examinations will be provided Question Papers printed both in English and Hindi version (**except for 'English & Business Communication' paper, which will be printed/required to be answered in English only**). The Question Papers for Group-II of the Intermediate, Module-II of Executive Programme, all papers of Final examinations and Professional Programme examinations will be printed in English version only;
- (v) if a candidate writes his/her answers in Hindi medium without exercising such an option in the examination enrolment form, he/she may not be given credit for his/her answers;
- (vi) candidates opting Hindi Medium for the examination must write **HINDI MEDIUM** in bold letters on the top of the cover page of **Answer Book No. 1, 1B**, as the case may be; and
- (vii) candidates opting Hindi Medium for examination may write answers to practical questions, headings, quotations, technical and legal terms, sections, rules, *etc.*, in English, if they so desire.

### 4. IMPORTANT INSTRUCTIONS TO EXAMINEES

Candidates enrolled for appearing in the June, 2009 examinations are advised to carefully read and observe the "Instructions to Examinees" printed on the Admission Certificate (Roll Number) and enclosures thereto, **and** also on the Question Papers and Answer Books. However, attention of candidates is especially invited to the following instructions:

- (i) on receipt of Admission Certificate (Roll No.), first of all, the candidates must carefully verify entries appearing therein. Discrepancy/error, if any, in the Admission Certificate concerning spellings of his/her name, stage of examination and examination centre; medium of writing the answers, subject of examination in which exemption was sought/shown, *etc.*, should, at once, be brought to the notice of Shri Sohan Lal, Director (Student Services) well in time before commencement of the examination;
- (ii) candidates are required to bring their Admission Certificates and Student Identity Cards daily to the Examination Hall failing which they may not be allowed admission to the Examination Hall and/or to appear in the examination;
- (iii) **before attempting to write answers in the answer book, each candidate must write his/her Roll Number on the special slip affixed to Answer Book Nos. 1, 1-B and 1-C, date of examination, stage of examination, name of the paper, etc. against the relevant columns on the first page of the main answer book and also on the top of Question Paper;**
- (iv) candidates must attempt questions in accordance with the directions given on each Question Paper. If the questions are attempted in excess of the prescribed number, only the questions attempted first upto the required numbers will be valued and awarded marks and the remaining questions will be ignored;
- (v) Questions relating to graph/précis should be attempted only on graph/précis sheets appended as last page to the Answer Book wherever required. Do not write your roll number on the Graph/Précis Sheets and additional Answer Book No. 2. The additional answer book(s) used, if any, should be fastened along with the main answer book. Candidates who fail to observe this instructions will be penalised;
- (vi) **each question should start on a fresh page and sub-question(s) be attempted consecutively;**
- (vii) while attempting a fresh question/sub-question, candidates should distinctly mention respective question number against the answer in bold capital letters with coloured sketch pen/different colour ink and underline the same [**e.g. ANS. TO Q. NO. 5(A)**] on the left-hand side margin of the answer book and also simultaneously mark (X) in the table provided on the cover page against the respective question number;

- (viii) candidates must not, for any reason whatsoever, tear out any page(s) from the Answer Book or leave any blank page or unused spaces in between the pages. If such spaces are left, score them out. If a candidate uses more than one answer book, he/she should, indicate on the cover page of main answer book, the total number of answer books used by him/her;
- (ix) candidates are expected to write precise and to the point answers to questions set in for the examinations in neat and legible handwriting citing relevant provisions of the Act/rules quoting case laws, etc., in support of the answers wherever applicable;
- (x) no candidate shall leave/be allowed to leave the Examination Hall; (i) within first one hour of commencement of examination (ii) during last 15 minutes of examination timing; (iii) without signing the attendance sheet; and (iv) without properly handing over his/her answer books to the Invigilator on duty;
- (xi) a few minutes prior to the time of conclusion of examination or before handing over the answer books to the supervisory staff, candidates must re-check and ensure that they have filled up relevant particulars on the cover page of Answer Book Nos. 1, 1-B and 1-C, as the case may be, and properly tied up all the additional answer book(s) No.2 along with the main answer book;
- (xii) candidates are strictly forbidden to carry with them into the Examination Hall any book or printed/handwritten material, notes, pager, mobile phone, etc., OR to talk or converse *inter se* with other candidates in the Examination Hall;
- (xiii) candidates are strictly warned against any attempt to copy from the answer papers of any other candidate nor allow their answers to be copied nor give nor attempt to give nor obtain nor attempt to obtain irregular assistance of any description. It will be the responsibility of each and every candidate to ensure that his/her answers are not copied by other candidates. Failure to do so will invite stern disciplinary action and penalty for adoption of unfair means;
- (xiv) no candidate shall leave his/her seat in the examination hall during the course of examination without the specific permission of the Invigilator on duty for any reason whatsoever;
- (xv) on completion of examination or expiry of the prescribed examination timing, the answer book(s) must be handed over immediately to the Invigilator on duty and Invigilator's signature be obtained in the relevant column of acknowledgement printed on the Admission Certificate in token of handing over the answer books.
- (xvi) it shall be the personal responsibility of the candidate concerned to properly hand over his/her answer book(s) to the Invigilator on duty in the Examination Hall and obtain acknowledgement therefor. Any representation regarding omission to handover the written answer book(s) or not obtaining the acknowledgement from the Invigilator at the time of handing over his/her answer book(s) for any reason whatsoever will not be entertained after the conclusion of that particular session of examination;
- (xvii) candidates are warned that any attempt to misbehave in any manner or to create disorderly scene in and around the examination hall or harass or bodily harm the staff deployed for the conduct of examination will be viewed seriously and severely punished; and
- (xviii) any attempt or act of violation of "Instructions to Examinees" shall be viewed seriously and entail disciplinary action under the "Company Secretaries Regulations, 1982".

### NOTIFICATION

ICSI/CS/3/2009

#### MERIT-CUM-MEANS ASSISTANCE SCHEME, 1983

In pursuance of para 13 of the "Merit-cum-Means Assistance (Company Secretaryship Course) Scheme, 1983", as amended, applications are invited to reach the Institute in the prescribed form on or before **25<sup>th</sup> May, 2009** for award of 15 numbers of financial assistance each for pursuing Intermediate/Executive Programme and Final Course/Professional Programme of the "company secretaryship" from students who fulfil the eligibility criteria as laid down under the said scheme.

According to the scheme, a candidate applying for assistance should have passed Foundation/Foundation Programme or Both Groups/Both Modules of the Intermediate/ Executive Programme examination without exemption in any paper, at one sitting, in the first attempt in December, 2008 examination. The income of such an applicant, if employed or is having an independent source of income, should not be more than Rs.1,50,000/- per annum and if he/she is dependent on his/her parents/guardian/spouse whether partially or wholly, the combined income from all sources should not be more than Rs.2,50,000/- per annum.

Prescribed application form together with a copy of the Merit-cum-Means Assistance (Company Secretaryship Course) Scheme, 1983 can be downloaded from the Institute's website [www.icsi.edu](http://www.icsi.edu) or obtained by post from the Institute free of cost **by sending a self-addressed envelope of 23 cms. x 11 cms. size duly affixed with postage stamp worth Rs.10/-**. Applications not made on the prescribed forms and/or **without supporting documents**, incomplete applications, applications not fulfilling the eligibility criteria laid down under the scheme or applications not reaching the Institute on or before **25<sup>th</sup> May, 2009** are liable to be rejected.

BY ORDER OF THE COUNCIL

File No.207:Exams:2009

New Delhi – 110 003.

Dated, the 2<sup>nd</sup> March, 2009

(CS N. K. JAIN)

Secretary & CEO

### PROHIBITION ON CARRYING MOBILE PHONES TO EXAMINATION VENUE

Candidates intending to appear in the 'Company Secretaries' examinations may note that carrying of Mobile phones, pagers or any other communication devices are strictly prohibited into the premises where "Company Secretaries" examinations are conducted. Candidates are, therefore, advised not to bring any such prohibited items to the examination venue, as the Institute and/or the Examination Centre shall not be responsible for safekeeping of any such item(s). Infringement of these instructions shall tantamount to adoption of unfair means and entail disciplinary action.



## Student Services

### SMTP ORGANISED BY H.Q./REGIONAL COUNCILS/CHAPTERS

**ELIGIBILITY OF PARTICIPANTS :** ICSI final passed candidates and have completed at least 12 months training or exempted therefrom.  
**SMTP COURSE CONTENTS :** Module I – MCA21, Module II – Practical & Procedural Aspects of Convening and Conducting Board Meetings & Annual General Meetings and Related Aspects, Module III – Managing Public Issues, Module IV – Loan Documentation, Joint Ventures & Foreign Collaborations, Raising Finance through EURO Issues & Export and Import Procedures and Documentation, Module V – Practical and Procedural Aspects relating to Appearance before CLB/Under SICA, Consumer Protection Act and Case Studies in RTP/UTP. In addition, the participants would be exposed to case studies and mock board/general meeting, etc.

Organised by	Duration of the Programme	Venue of the Programme	Contact
NIRC of the ICSI	27.04.2009 to 13.05.2009	Office Premises	The Executive Officer, NIRC of the ICSI, ICSI-NIRC Building, Plot No. 4, Prasad Nagar, Institutional Area, New Delhi-110005 ☐ Tel. : 25763090/25767190, 25816593 ☐ Fax : 25722662 (STD CODE : 011) ☐ E-mail : niro@icsi.edu/icsi@eth.net
EIRC of the ICSI	11.05.2009 to 27.05.2009	Office Premises	Deputy Director, EIRO of the ICSI, ICSI-EIRC Building, 3-A, Ahiripukur 1 <sup>st</sup> Lane, Kolkata-700019 ☐ Tel. No.22832973/22816541, Fax:033-22816542, ☐ E.Mail: eiro@icsi.edu
SIRC of the ICSI	17.06.2009 to 03.07.2009	Office Premises	Deputy Director, SIRO of the ICSI, ICSI-SIRC Building, New No. 9, Wheat Crofts Road, Nungambakkam, Chennai-600034 ☐ Tel. : 044- 28279898/28222212 ☐ E-mail : siro@icsi.edu/ icsisirc@md3.vsnl.net.in.
ICSI-CCRT	25.04.2009 to 10.05.2009 (Residential SMTP)	Office Premises	Director - Programmes, ICSI-CCRT, Plot No. 101, Sector-15, Institutional Area, CBD Belapur, Navi Mumbai-400614 ☐ Tel. : 022- 27577814-15 ☐ Fax No. : 022-27574384 ☐ E-mail : ccrt@icsi.edu/ ccrt@vsnl.com

The schedule of other SMTPs proposed to be conducted by NIRC, SIRC is as under: **NIRC** : (i) 14.05.2009 to 30.05.2009 (ii) 02.06.2009 to 18.06.2009, **SIRC**: (i) 08.09.2009 to 24.09.2009 (ii) 02.12.2009 to 18.12.2009.

### SCHEDULE OF TRAINING ORIENTATION PROGRAMMES (TOP)

Organised by	Duration of the Programme	Venue of the Programme	Contact
NIRC of the ICSI	22/06/2009 to 26/06/2009	Office Premises	The Executive Officer, NIRC of the ICSI, ICSI-NIRC Building, Plot No. 4, Prasad Nagar, Institutional Area, New Delhi-110005 ☐ Tel. : 25763090/25767190, 25816593 ☐ Fax : 25722662 (STD CODE : 011) ☐ E-mail : niro@icsi.edu/icsi@eth.net
SIRC of the ICSI	01.06.2009 to 05.06.2009	Office Premises	Deputy Director, SIRO of the ICSI, ICSI-SIRC Building, New No. 9, Wheat Crofts Road, Nungambakkam, Chennai-600034 ☐ Tel. : 044- 28279898/28222212 ☐ E-mail : siro@icsi.edu/ icsisiro@md3.vsnl.net.in.
EIRC of the ICSI	22.06.2009 to 26.06.2009	Office Premises	Deputy Director, EIRO of the ICSI, ICSI-EIRC Building, 3-A, Ahiripukur 1 <sup>st</sup> Lane, Kolkata-700019 ☐ Tel. No.22832973/22816541, Fax:033-22816542, ☐ E.mail: eiro@icsi.edu
Agra Chapter of NIRC of the ICSI	29.04.2009 to 03.05.2009	Office Premises	Executive Officer, Agra Chapter of ICSI B-623, Kamla Nagar, Agra-282004. ☐ Telefax. : 0562- 2881618, ☐ E.mail: agra@icsi.edu/anjujain_cs@rediffmail.com
Noida Chapter of NIRC of the ICSI	11.05.2009 to 15.05.2009	Office Premises	Co-ordinator, Noida Chapter of the ICSI, C-37, Sector 62, Noida-201301. ☐ Tel : 9811231064, ☐ E.mail: noida@icsi.edu.

The schedule of other TOPs proposed to be organised by SIRC is as under : (i) **SIRC** : (i) 31.08.2009 to 04.09.2009 (ii) 16.11.2009 to 20.11.2009.

## Student Services

### ATTENTION ALL STUDENTS APPEARING IN THE CS INTERMEDIATE (EXECUTIVE PROGRAM) EXAMINATIONS

#### COMPULSORY COMPUTER TRAINING SCHEME

In the Company Secretaries Regulations, 1982, for regulation 40, the following regulation shall be substituted, as published in the Gazette of India(Extra Ordinary) vide Notification No. ICSI/710/1(M)/1 dated 3<sup>rd</sup> May, 2006.

“40 Admission to the Intermediate (Executive Program) Examinations —

No candidate shall be admitted to the Intermediate (Executive Program) examination unless he/she :-

- (a) is a registered student and produces a certificate from the head of the coaching administration ( by whichever name designated) to the effect that he has undergone satisfactorily a course of postal or oral tuition for the Intermediate examination; and
- (b) has successfully completed computer training program as may be specified from time to time by the Council and in the manner so specified or exempted there from;
- (c) applies with such examination fee as may be determined by the council from time to time so as to reach the Secretary, in accordance with the directions given by the Council.”

In terms of the aforesaid amendment in the Company Secretaries Regulations, 1982, all students are required to successfully undergo a Compulsory Computer Training Programme for becoming eligible for appearing in the CS Intermediate Examinations from June, 2007 examinations onwards.

The Institute, in compliance of the aforesaid amendments, has tied up with M/s NIIT through which 70 hours of computer training shall be provided to the students/members of the Institute in all Centres of NIIT all over the country. To undergo this course, a student/member has to approach any NIIT Centre on all India basis. To take admission, he/she has to deposit the requisite fees at the respective NIIT Centre and fulfill the formalities as per the requirements of the Computer Training Centre.

The list of NIIT Centres including detailed course contents, module details and topic-wise time duration etc. have been published on the website of the ICSI i.e. [www.icsi.edu](http://www.icsi.edu) under FAQ.

Salient features of the course in brief : -

Title of the Course	“Understanding Information Technology in Corporate Environment”.
Duration of the Course	70 Hours
Fee	Rs.3000 per participant for General Category & Rs.2500 per participant for SC/ST Category <b>Note :</b> Service Tax as per the GOI rules applicable from time to time shall be paid in actual by the participant

Students having exposure to computer during their education or have undergone similar course, may apply for on-line exemption to NIIT at the nearest center available to them and successfully clears the test.

Students placed at far reaching places and are not having NIIT center nearest to their place may, however, undergo the computer course of at least 3 months duration - with maximum coverage of the ICSI-NIIT course contents - from any computer training Institute and then enroll for on-line exemption test at any of the NIIT Center on all India basis and successfully clears the test.

A fee of Rs. 450 plus Service Tax etc. per student is payable for online exemption test (to be conducted by NIIT) which is applicable for a maximum of TWO attempts within a period of one month.

*Note :* Students having passed/completed the Intermediate Course on/or before December '06 session of CS Examination; are - however - not required to comply with the requirements of the Compulsory Computer Training program.

*The students declared passed in Dec.' 2008 session of Intermediate/Executive Programme examination but have not completed the compulsory computer training, are also required to successfully undergo the computer training for becoming eligible for appearing in the final stage of CS examination.*

# Guidelines for Switch Over to New Syllabus

## GUIDELINES FOR SWITCH OVER TO NEW SYLLABUS

The Council in exercise of the powers vested under clause (a) of Sub-section (2) of section 15 of the Company Secretaries Act, 1980 as amended by the Company Secretaries (Amendment) Act, 2006- has approved the New Syllabus and decided as under :-

1. The last Intermediate Examination under the existing syllabus as specified in Part II of Schedule CCB shall be held in December, 2009 and the syllabus specified in the said Part II of Schedule CCB shall cease to operate after the said examination.
2. The last Final Examination under the existing syllabus as specified in Part III of Schedule CCB shall be held in December 2010 and the syllabus specified in the said Part III of Schedule CCB shall cease to operate after the said examination.
3. All students who are not able to complete the Foundation/ Intermediate/Final Examination under the existing syllabus as specified in Part-I, Part- II and Part-III of Schedule CCB shall compulsorily be required to appear under the New Syllabus effective from December 2009, June 2010 and June 2011 sessions of CS Examination(s) respectively.
4. **Subjects under the New Syllabus are :-**

### CS FOUNDATION PROGRAMME

1. English & Business Communication
2. Economics and Statistics
3. Financial Accounting
4. Elements of Business Laws and Management.

### CS EXECUTIVE PROGRAMME

#### Module-I

1. General and Commercial Laws
2. Company Accounts, Cost and Management Accounting
3. Tax Laws

#### Module-II

4. Company Law
5. Economic and Labour Laws
6. Securities Laws and Compliances

### CS PROFESSIONAL PROGRAMME

#### Module-I

1. Company Secretarial Practice
2. Drafting, Appearances and Pleadings

#### Module-II

3. Financial, Treasury and Forex Management
4. Corporate Restructuring and Insolvency

#### Module-III

5. Strategic Management, Alliances and International Trade
6. Advanced Tax Laws and Practice

#### Module-IV

7. Due Diligence and Corporate Compliance Management
8. Governance, Business Ethics and Sustainability

## TABLE OF CORRESPONDING EXEMPTIONS (PAPERWISE)

Intermediate Course	CS Executive Programme
<b>Group-I</b>	<b>Module-I</b>
General and Commercial Laws	General and Commercial Laws
Company Accounts & Cost & Mgt. Accounting	Company Accounts, Cost & Mgt. Accounting
Tax Laws	Tax Laws
Management Information Sys & Corporate Commn.	NIL
<b>Group-II</b>	<b>Module-II</b>
Company Law	Company Law
Company Secretarial Practice	Company Law
Economic, Labour and Industrial Laws	Economic and Labour Laws
Securities Laws and Regulation of Financial Markets	Securities Laws and Compliances
<b>Final Course</b>	<b>CS Professional Programme</b>
<b>Group-I</b>	<b>Module-I</b>
Advanced Company Law & Practice	Company Secretarial Practice
Secretarial Practice Relating to Economic Laws & Drafting & Conveyancing	Drafting, Appearances and Pleadings
Secretarial Management & Systems Audit	Due Diligence & Corporate Compliance Mgt. (Module-IV)
<b>Group-II</b>	<b>Module-II</b>
Financial, Treasury & Forex Management	Financial, Treasury & Forex Management
Corporate Restructuring Law and Practice	Corporate Restructuring & Insolvency
Banking & Insurance Law and Practice	Governance, Business Ethics & Sustainability (Module-IV)
<b>Group-III</b>	<b>Module-III</b>
World Trade Organisation, International Trade, Joint Ventures and Foreign Collaboration	Strategic Management, Alliances and International Trade
Direct and Indirect Taxation Law and Practice	Advanced Tax Laws and Practice
Human Resources Management and Industrial Relations	Governance, Business Ethics and Sustainability (Module-IV)

Students switching over to the New Syllabus shall be eligible to seek exemption in the corresponding subject(s) of the New Syllabus on the basis of having passed/secured exemption in any individual subject/group under the Old Syllabus as per table of corresponding exemptions noted above.

Similarly, students who have partially completed coaching, shall be exempted on their switchover from undergoing coaching in the corresponding subject(s) of the New Syllabus on the basis of their having completed coaching in the individual subject(s)/ group(s) under the Old Syllabus as per the table of corresponding exemptions given in para-5 above. They shall, however, be required to undergo and complete coaching in the remaining subjects in order to become eligible to appear in a particular module under the New Syllabus. Due credit for the response sheets already submitted under the Old Syllabus for any subject shall be available where there is a corresponding subject under the New Syllabus. Such students are required to submit response sheets for the remaining subjects under the New Syllabus. Students having successfully completed the coaching for any particular group(s) under



## Guidelines for Switch Over to New Syllabus

the Old Syllabus; shall be deemed to have completed the coaching for the respective module(s) under the New Syllabus.

While purchase of Study Materials under the New Syllabus is not compulsory on the part of the students who switchover to the New Syllabus - those students who require the same may obtain it by remitting Rs. 120/- per study material by hand and Rs. 160 per study material by post by way of Demand Draft drawn in favour of the institute of Company Secretaries of India, payable at New Delhi.

Please note that once a candidate has been switched over to the New Syllabus, he/she shall not be allowed to revert to the Old Syllabus under any circumstances.

**Note : In case interested to switch over to the New Syllabus for CS Executive Program, you are advised to opt for the same on declaration of the results for December '08 of CS Examination *vis-à-vis* while seeking enrolment to appear in June '09 session of CS Executive Program examination; and Note : Similarly if interested to switch over to the New Syllabus for CS Professional Program, you are advised to opt for the same on declaration of the results for December '08 of CS Examination *vis-à-vis* while seeking to appear in June '09 session of CS Professional Program examination.**

### "ATTENTION STUDENTS"

It is for information that pass certificate to all successful candidates of **Dec' 2008** session pertaining to Foundation/ Intermediate/Final Course/ Foundation/Executive Programme will be sent/ issued/Despatched by the end of May 2009. No queries and correspondence be made in this regard.

### ATTENTION STUDENTS !

**Applicability of the latest Finance Act and other changes for Company Secretaries June, 2009 Examination.**

#### DIRECT TAXES

All students may note that for the June 2009 Examination Session in respect of Direct Taxes the applicable Assessment Year shall be 2009-10 (Previous Year 2008-09).

Thus, they will have to study Finance Act, 2008 for June 2009 Examination. Further as per the Syllabus (for both Intermediate or Executive Programme and Final or Professional Programme) students are required to update themselves about all the Circulars, Clarifications, Notifications, etc., issued by the CBDT & Central Government, which come into effect on or before six months prior to the date of the respective examinations.

Gift Tax Act has been excluded from the scope of the examination from December 1999 session onwards unless otherwise informed.

#### INDIRECT TAXES

Students appearing in the 'Tax Laws' (Indirect Tax Portion to the extent of topics covered in the syllabus, for both 'Intermediate' or 'Executive Programme') and Direct and Indirect Taxation—Law and Practice (Final Course) or Advanced Tax Law and Practice (Professional Programme) respectively may take note of the following changes applicable for June 2009 Examination.

1. All changes made by the Finance Act, 2008.
2. All Circulars, Clarifications/Notifications issued by CBE&C/Central Government which became effective six months prior to the date of examination.

## ICSI INTRODUCES 24 X 7 STUDY THROUGH E-LEARNING

(<http://elearning.icsi.edu>)

In order to facilitate students, e-learning portal is available for the Company Secretary Foundation Programme which will also be extended to Executive Programme and Professional Programme in due course. All students from rural, urban areas at national level and also other countries can avail this 24x7 on-line study facility as the portal has global reach.

Under e-learning, students can have continuous access to studies and guidance of faculties on-line. The e-learning module will enable the students to have access to learning and faculty support at any time as per their convenience. Interactivity will be established by modules such as Discussion Boards and Online Chat. After the proposed virtual classroom facility under e-learning portal starts, students will be able to interact live with the faculty. This will take the CS course studies virtually into the space age.

Undergoing of e-learning is in addition and not in substitution to compulsory postal tuition. E-learning is designed to provide a virtual contact between the teacher and the taught. Student intended to join e-learning are therefore, required to pay additional fees as determined by the Institute from time to time.

To access the E-learning Portal of ICSI the candidates may log on to <http://elearning.icsi.edu>

A nominal annual fee of Rs 450/-\*\* (Rupees Four hundred and fifty only) plus taxes for first year has to be paid for WBT (Web Based Self Paced Learning).

The candidate can use the following modes of payment for availing the service:

- Online on the website <http://elearning.icsi.edu> by Credit Card / Debit card/ ECS (electronic clearing services)
- By way of Cheque/Demand Draft (DD) in the name of 'Gurukul Online Learning Solutions Div: Duflon Polymers Pvt. Ltd.' payable at Mumbai (For more information visit the website <http://elearning.icsi.edu>)

\*\* The charges for subsequent years are listed on <http://elearning.icsi.edu>. The charges are in addition to the Registration fees.

# Announcements

## ANNOUNCEMENTS

### EASTERN INDIA REGIONAL COUNCIL

#### Foundation/Executive Programme Oral Coaching Classes

W.e.f. 4.5.2009 the Regional Council proposes to conduct its next batch of Oral Coaching Classes as per details given below:

Programme	Timings of Classes	Duration of the Batch (Approx.)
Foundation Programme (New Syllabus)	02.30 P.M. to 05.30 P.M.	4 months
Executive Programme (Module I)	07.30 A.M. to 09.30 A.M.	4 months
Executive Programme (Module – II)	07.30 A.M. to 09.30 A.M.	4 months

Venue: The Institute of Company Secretaries of India  
Eastern India Regional Office  
ICSI-EIRC Building, 3A, Ahiripukur Ist Lane  
Kolkata 700 019.

Fees: Foundation Programme: Rs.2600/-

Executive Programme: Rs.2500/- per Module

Admission is on first come first served basis.

For further details contact:

T.K. Roy: (033) 2290-2178.

P.K. Mitra / M. Banerjee (033)2283-2973.

### NORTHERN INDIA REGIONAL COUNCIL

ICSI-MOTHER TERESA INSTITUTE OF MANAGEMENT AND VOCATIONAL STUDIES ORAL TUITION CENTRE

#### Oral Coaching Classes for Foundation and Executive Modules-I & II (Intermediate Groups I&II)\*-Dec 2009 Session

Oral Coaching classes for Foundation and Executive Modules-I & II (Intermediate Groups I&II)\* are likely to commence from 11.5.2009 and 11.6.2009 respectively.

Course Fee : ● Foundation Rs. 4000/- ● Executive Module-I (Inter Group-1) Rs. 4500/- ● Executive Module-II (Inter Group-II) Rs. 4000/- ● Timings : 4.30 to 6.00 P.M. (Monday to Saturday).  
Registration open on all working days between 9.30 A.M. and 5:00 P.M. Admission on first-come-first-served basis.

(\* Provided sufficient number of students are registered for Group-II).

For further details, contact: J.K.Chawla / Vinay Kumar Gupta

Mother Teresa Institute of Management & Vocational Studies, C- Block, Preet Vihar, Delhi-110092

Phones: 22057200,42420552,42420553 Fax : 22509200

Email : mtim@vsnl.net

ICSI – NIRC COLLABORATIVE ORAL COACHING CENTRE LAXMAN INSTITUTE OF PROFESSIONAL STUDIES

#### Oral Coaching Classes for Intermediate Groups - I & II\* For December 2009 Examination

Oral Coaching Classes for Intermediate Groups - I & II\* Starting in end of April 2009. Course Fee: Rs 4500/-

[Intermediate] \* Class Timings: Monday – Saturday; 3:00 P.M. to 5:00 P.M.

Registration open

For further details contact:

Fee Deptt. of Laxman Public School

On all working days, between 9:00 A.M. to 3:00 P.M.

Laxman Public School

Hauz Khas Enclave, New Delhi 110016

Ph: 26963240, 26865095

Fax: 26524432 email: general\_ips@rediffmail.com

(\*subject to enrolment of sufficient number of students for Intermediate Group II classes)

### SOUTHERN INDIA REGIONAL COUNCIL

#### Oral Coaching Classes for December 2009 Examinations FOUNDATION PROGRAMME

Date of commencement of classes: 20.7.2009. Last date for receipt of application: 13.07.2009. Fees: Rs.3000.

#### PROFESSIONAL PROGRAMME (Module II and Module IV)

Date of commencement of classes: 24.8.2009

Module-II (Morning), Module - IV (Evening); Last date for receipt of application: 17.08.2009. Fees: Rs.3350/- per Module.

For further details contact:

SIRC OF THE ICSI

New No.9, Wheat Crofts Road, Nungambakkam  
Chennai – 600 034, Phone: (044) 28279898, 28268685  
E-mail: siro@icsi.edu, icsisirc@gmail.com

#### Crash Course on Tax Laws

On 25 and 26.4.2009, SIRC OF THE ICSI is conducting Crash Course on Tax Laws at ICSI-SIRC Office, No.9 Wheat Crofts Road, Nungambakkam, Chennai – 600 034. The details are as under:

Day and Dates : Saturday and Sunday the 25<sup>th</sup> and 26<sup>th</sup> April, 2009

Timings : 10.00 A.M to 1.00 P.M and 2.00 P.M to 5.00 P.M

Venue : ICSI-SIRC Office, No.9 Wheat Crofts Road Nungambakkam, Chennai 600 034

Objective: This course is mainly intended for the Executive Programme stage of students appearing in the June 2009 examination. The paper on Tax Laws has eighteen chapters, of which twelve chapters deal with Tax Laws and therefore, students require proper exposure to the subject and in particular to the tools and techniques employed therein. The course would be highly focused to deal with the subject strictly from the examination point of view.

Methodology: The course will be a combination of lecture and class room exercise so as to give the students required level of confidence to face the examination boldly.

Fee: The fee for the course is Rs. 500/- which is to be paid at the SIRC of the ICSI, "ICSI-SIRC House", No.9 Wheat Crofts Road, Nungambakkam, Chennai 600 034. E-mail: siro@icsi.edu  
Phone: 044-28279898/28268685.

The fee can be remitted by way of cash or Demand Draft favouring "SIRC of the ICSI" payable at Chennai.

In order to ensure higher level of participation from the students, the admission is restricted to 40 students on first come first served basis.

# Announcements

## Crash Course On Financial Management

On 2 and 3.5.2009 SIRC OF THE ICSI is conducting Crash Course on Financial Management at ICSI-SIRC Office, No.9 Wheat Crofts Road, Nungambakkam, Chennai – 600 034. The details are given below:

**Day and Dates :** Saturday and Sunday the 2<sup>nd</sup> and 3<sup>rd</sup> May, 2009

**Timings :** 10.00 A.M to 1.00 P.M and 2.00 P.M to 5.00 P.M

**Venue :** ICSI-SIRC Office, No.9 Wheat Crofts Road Nungambakkam, Chennai 600 034.

**Objective:** This course is mainly intended for the Professional Programme stage of students appearing in the June 2009 examination. The paper on *Financial, Treasury and Forex Management* has thirteen chapters, of which eleven chapters deal with Financial Management and therefore, students require proper exposure to the subject and in particular to the tools and techniques employed therein. The course would be highly focused to deal with the subject strictly from the examination point of view.

**Methodology:** The course will be a combination of lecture and class room exercise, so as to give the students required level of confidence to face the examination boldly.

**Fee:** The fee for the course is Rs. 500/- which is to be paid at the SIRC of the ICSI, "ICSI-SIRC House", No.9 Wheat Crofts Road, Nungambakkam, Chennai 600 034. E-mail: [siro@icsi.edu](mailto:siro@icsi.edu) Phone: 044-28279898/28268685 on or before 27<sup>th</sup> April, 2009. The fee can be remitted by way of cash or Demand Draft favouring "SIRC of the ICSI" payable at Chennai. The last date for Registration is 27<sup>th</sup> April, 2009.

In order to ensure higher level of participation from the students, the admission is restricted to 40 students on first come first served basis.

## Model Examination For June 2009 Examinations

From 4.5.2009 to 11.5.2009 The SIRC of the ICSI is organizing model examination for June 2009 examinations for Foundation, Executive and Professional Programmes at SIRC of the ICSI, No.9, Wheat Crofts Road, Nungambakkam, Chennai – 600 034. The Model Examination will be an exercise to the students to confidently face the Institute's main examination and also to have a model of what is expected from the students in the Institute's examination. The Model Examination fee is Rs.200/- per Module. The fee can be remitted by way of cash or Demand Draft favouring SIRC of the ICSI, payable at Chennai. The last date for Registration is 27.4. 2009. Interested Students may contact SIRC of the ICSI through phone (044) 28279898/28268685; E-mail: [siro@icsi.edu](mailto:siro@icsi.edu)

### TIME TABLE & PROGRAMME MORNING – 10.00 AM TO 01.00 PM

DATE & DAY	FOUNDATION PROGRAMME
04.05.2009 Monday	English and Business Communication
05.05.2009 Tuesday	Economics and Statistics
06.05.2009 Wednesday	Financial Accounting
07.05.2009 Thursday	Elements of Business Laws and Management
EXECUTIVE PROGRAMME - MODULE-I MORNING – 10.00 AM TO 01.00 PM	
04.05.2009 Monday	General and Commercial Laws
05.05.2009 Tuesday	Company Accounts & Cost and Management Accounting
06.05.2009 Wednesday	Tax Laws

### EXECUTIVE PROGRAMME - MODULE-II MORNING – 10.00 AM TO 01.00 PM

07.05.2009 Thursday	Company Law
08.05.2009 Friday	Economic and Labour Laws
09.05.2009 Saturday	Securities Laws and Compliances

### PROFESSIONAL PROGRAMME - MODULE-I MORNING – 10.00 AM TO 01.00 PM

04.05.2009 Monday	Company Secretarial Practice
05.05.2009 Tuesday	Drafting, Appearances and Pleadings

### PROFESSIONAL PROGRAMME - MODULE-II

06.05.2009 Wednesday	Financial, Treasury and Forex Management
07.05.2009 Thursday	Corporate Restructuring and Insolvency

### PROFESSIONAL PROGRAMME - MODULE-III

08.05.2009 Friday	Strategic Management, Alliances and International Trade
09.05.2009 Saturday	Advanced Tax Laws and Practice

### PROFESSIONAL PROGRAMME - MODULE-IV

10.05.2009 Sunday	Due Diligence and Corporate Compliance Management
11.05.2009 Monday	Governance, Business Ethics and Sustainability

**ABOVE MODEL EXAMINATIONS WILL BE CONDUCTED  
SUBJECT TO ENROLMENT OF SUFFICIENT NUMBER OF  
CANDIDATES.**

## WESTERN INDIA REGIONAL COUNCIL

### Foundation/Intermediate Programme Oral Coaching Classes

From May 2009 Foundation/Intermediate Programme Oral Coaching Classes will be held at Oral Coaching Centre at P N Doshi College, Ghatkopar, Mumbai. For further details/Registration contact : Sudipto Pal, Joint Director, WIRC of the ICSI at Tel: No. 09223542195.

THANE CHAPTER

### Oral Coaching Classes for Foundation, Executive and Professional Programmes for December 2009 Examinations

The Thane Chapter intends to commence next batch of Oral Coaching Classes for Foundation, Executive and Professional Programmes as under for December 2009 Examinations.

CS Course	Date	Timing
Foundation Programme (New Syllabus)	11.5.2009	6.30 to 8.30 P.M.
Executive Programme Both Modules (New Syllabus)	18.5.2009	-do-
Professional Programme (All Modules)	4.5.2009	-do-

For further details contact the Chapter Office at 203, Mankame Building, 2<sup>nd</sup> Floor, Opp. Saraswati Book Depot, Chendani Koliwada, Thane (W) 400 601. Phone 2544 4478/79, e-mail: [icsi\\_thanechapter@yahoo.co.in](mailto:icsi_thanechapter@yahoo.co.in)



## Companies/Practising Members Registered for Imparting Training

### LIST OF THE COMPANIES REGISTERED FOR IMPARTING TRAINING DURING THE MONTH OF FEBRUARY - 2009

Region	Training period	Stipend (Rs.)
<b>NORTHERN</b>		
Bharat BPO Services Ltd. B-151, Sector-63, Noida-201301	15 Months Training	Suitable
Hero Corporate Service Ltd. E-1, Qutab Hotel Complex Shaheed Jeet Singh Marg New Delhi-110016	15 Months Training	Suitable
Adidas India Marketing (P.) Ltd. # 93, Sector-32, Institutional Area Gurgaon-122001	03 Months Practical Training	Suitable
ThyssenKrupp Elevator (India) (P.) Ltd., Plot No. 330, Functional Industrial Estate, Patparganj Delhi-110092	15 Months Training	7500
Boeing International Corporation India (P.) Ltd., 10 <sup>th</sup> Floor, Eros Corporate Tower, Nehru Place New Delhi-110019	15 Months Training	Suitable
Bharti Wal-Mart (P.) Ltd. 4 <sup>th</sup> Floor, Prchid Centre Opposite Suncity, Golf Course Road, Sector-53, Gurgaon-122002	15 Months Training	Suitable
India Glycols Ltd. C-124, Okhla Industrial Area Phase-I, New Delhi-110020	03 Months Practical Training	Suitable
Blue Coast Hotels & Resorts Ltd. 415-417, Antriksh Bhawan 22, K.G.Marg, New Delhi-110001	15 Months Training	Suitable
Pacific Development Corporation Ltd. Pacific, 3 <sup>rd</sup> Floor, Plot No.1 Dr. Burman Marg, Site-IV Sahibabad Industrial Area Ghaziabad-201010	15 Months Training	Suitable
Unicon Securities (P.) Ltd. 69, 11 <sup>nd</sup> Floor, Regal Building Connaught Place, New Delhi-110001	15 Months Training	5000
Punjab Agro Industries Corportion 2-A, Sector 28-A, Madhya Marg Chandigarh-160002	15 Months Training	Suitable
Bonanza Portfolio Ltd. 4353/4C, Madan Street Ansari Road, Darya Ganj New Delhi-110002	03 Months Practical Training	Suitable
North Delhi Power Ltd. Grid Sub Station Building Hudson Lines, Kingsway Camp Delhi-110009	15 and 03 Months Practical Training	Suitable
Omaxe Ltd. 7, Local Shopping Centre Kalkaji, New Delhi-110019	03 Months Practical Training	Suitable
Seeta Portfolio Management Ltd. 2A-3A, Ground Floor, Pragati Bazar, Kapoorthala, Lucknow-226024	15 Months Training	2000

Integrated Capital Services Ltd.  
509, New Delhi House  
27, Barakhamba Road  
Connaught Place, New Delhi-110001

15 Months Training  
Suitable

### WESTERN

Poonawalla Astonish Stud (P.) Ltd., Sarosh Bhavan  
16-B/1, Dr. Ambedkar Road, Pune-411001

15 Months Training  
Suitable

Unique Structures & Towers Ltd.  
1-A, Light Industrial Area  
Bhilai-490026, Chattisgarh

15 and 03 Months Practical Training  
Suitable

Birla Cotsyn (India) Ltd.  
Dalamal House, Nariman Point  
Mumbai-400021

03 Months Practical Training  
Suitable

Asit C. Mehta Investment Intermediates Ltd., "Nucleus House", 5<sup>th</sup> Floor, Saki-Vihar Road, Andheri (East)  
Mumbai-400072

03 Months Practical Training  
Suitable

Precision Camshafts Ltd.  
E-102/103, MIDC, Akkalkot Road, Solapur-413006

15 and 03 Months Practical Training  
3500

### SOUTHERN

Thrivani Earthmovers (P.) Ltd.  
22/110, Greenways Road  
Fairlands, Salem-636016, Tamil Nadu

15 Months Training  
Suitable

The South India Paper Mills Ltd.  
# 1205/1206, Prestige Meridian II  
M.G.Road, Bangalore-560001

15 Months Training  
Suitable

### EASTERN

Shyam Sel & Power Ltd.  
29, Ganesh Chandra Avenue  
1<sup>st</sup> Floor, Kolkata-700013

15 Months Training  
Suitable

### CORRIGENDUM

The stipend of Rs. 17,000 published in January 2009 issue of Student Company Secretary Bulletin on page 27 against M/s. Usher Agro Limited, Mumbai may please be read as Rs. 7,000.

### LIST OF PRACTISING MEMBERS REGISTERED FOR THE PURPOSE OF IMPARTING TRAINING DURING THE MONTH OF FEBRUARY, 2009

SAPNA TOMAR Company Secretary In Practice S-4, J & K 121, Laxmi Nagar, Delhi- 110092	PCSA – 1869
SOMY JACOB Company Secretary In Practice 3 <sup>rd</sup> Floor, Sheikh Ali Complex 3 <sup>rd</sup> Cross, Off Hosur Road Koramangala 2 <sup>nd</sup> Block, Bangalore- 560068	PCSA – 1870
KADAMBARI MANISH DAVE Company Secretary In Practice 206, Simandhar Ayenoe, H.K. House Lane, Ashram Road, Ahmedabad-380009	PCSA – 1871

## Companies/Practising Members Registered for Imparting Training

<p>SUBHASISH BOSE Company Secretary In Practice 13, Ruby Park East, P.O.-Haitu 1<sup>st</sup> Floor, Kolkata-700078</p>	PCSA – 1872	<p>SRIDHAR NARAYANAN Company Secretary In Practice 5, Shreya GVS Road, Mulund(E) Mumbai- 400081</p>	PCSA – 1880
<p>SREEKUMAR P.S. Company Secretary In Practice 39/3525, Kausthubham, Manikkath Road Ravipuram, Kochi Ernakulam, Kerala- 682016</p>	PCSA – 1873	<p>K. NATESH Company Secretary In Practice NO 287, 9<sup>th</sup> Main 26<sup>th</sup> Cross, BSK II Stage Bangalore-560070</p>	PCSA – 1881
<p>PAYAL SHARMA Company Secretary In Practice Z-418 B, Sector –12, Noida</p>	PCSA – 1874	<p>R.P.S. KHURANA Company Secretary In Practice House No. 2407, Sector –35C, Chandigarh</p>	PCSA – 1882
<p>VINCENT P.D. Company Secretary In Practice 39/3525, Kausthubham, Manikkath Road Ravipuram, Kochi Ernakulam, Kerala- 682016</p>	PCSA – 1875	<p>ROHIT BAJAJ Company Secretary In Practice B-404, Pramukh Residency Side to P&amp;T Colony, Jodhpur Gam Road Ahmedabad–380 015</p>	PCSA – 1883
<p>PRASAD RAMESH PUSALKAR Company Secretary In Practice 522, Narayan Peth, Near Modi Ganpati Pune–411030.</p>	PCSA – 1876	<p>K.P.C. RAO Company Secretary In Practice H.No. 10-2-289/88, III Floor, Shanti Nagar Lane Opp. to Mahavir Hospital Masak Tank, Hyderabad-500 028</p>	PCSA – 1884
<p>VIJAY SHANKAR WADAGBALKAR Company Secretary In Practice 703-704, Happiness, Citi of Joy J.D. Road, ACC Compound, Mulund(W) Mumbai- 400080</p>	PCSA – 1877	<p>JAYSHRI TULSYAN Company Secretary In Practice 23A, N.S. Road, 7<sup>th</sup> Floor, R.No. 29 Kolkata–700 001</p>	PCSA – 1885
<p>ABHIJIT BHALCHANDRA Company Secretary In Practice A-6,Vishwakul Swanand Society Sahakarnagar #2, Pune– 411 009</p>	PCSA – 1878	<p>AMIT RAMESH BATHIA Company Secretary In Practice 3/A, Neelkanth Apts., Opp. Chitra Bldg. SVP Road, Kandivli (West) Mumbai–400067</p>	PCSA – 1886
<p>HARPREET SINGH Company Secretary In Practice 714, Jaina Tower –II, District Centre, Janak Puri New Delhi–110 058</p>	PCSA – 1879		

### SCHEDULE OF ACADEMIC DEVELOPMENT PROGRAMMES (ADP)

Every student of the Institute, who has been sponsored for 15 months training either in a company or under a Company Secretary in Practice is compulsorily required to attend and complete 25 Hours Academic Development Programme (ADP). The duration of each ADP would be eight hours and those who have attended three such programmes would be deemed to have attended 25 Hours ADP.

**The Schedule of ADP proposed to be organized by various Regional Councils/Chapter :-**

Organised by	Duration of the Programme	Venue of the Programme	Contact Address
NIRC of the ICSI	20.06.2009	Office Premises	The Executive Officer, NIRC of the ICSI, ICSI-NIRC Building, Plot No. 4, Prasad Nagar, Institutional Area, New Delhi-110005 ☐ Tel. : 25763090/25767190, 25816593 ☐ Fax : 25722662 (STD CODE : 011) ☐ E-mail : niro@icsi.edu/icsi@eth.net
SIRC of the ICSI	04.07.2009	Office Premises	Deputy Director, SIRO of the ICSI, ICSI-SIRC Building, New No. 9, Wheat Crofts Road, Nungambakkam, Chennai-600034 ☐ Tel. : 044- 28279898/28222212 ☐ E-mail : siro@icsi.edu/ icsisirc@md3.vsnl.net.in.
EIRC of the ICSI	02.05.2009	Office Premises	Deputy Director, EIRC of the ICSI, ICSI-EIRC Building, 3-A, Ahiripukur 1 <sup>st</sup> Lane, Kolkata-700019 ☐ Tel. No.22832973/22816541, Fax:033-22816542, ☐ E.Mail: eiro@icsi.edu
Agra Chapter of NIRC of the ICSI	01.05.2009 & on 02.05.2009	Office Premises	Executive Officer, Agra Chapter of ICSI B-623, Kamla Nagar, Agra-282004. ☐ Telefax. : 0562- 2881618, ☐ E.Mail: agra@icsi.edu/anujain_cs@rediffmail.com

The schedule of other ADPs proposed to be organised by SIRC is as under : **SIRC** : (i) 03.10.2009 (ii) 05.12.2009.

# STUDENT COMPANY SECRETARY

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FOR FURTHER INFORMATION WRITE TO:

THE EDITOR  
STUDENT COMPANY SECRETARY



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# SHIFTING OF STUDENT SERVICES SECTION

the Directorate of Student Services in order to provide Single Window Services to the students - in close co-ordination with the Directorate of Information Technology, Directorate of Examinations and Directorate of Finance & Accounts is operating from a more spacious building located at Noida; which is one of the fully developed townships in the periphery of Delhi and also home to some of the big names in the field of Information Technology / IT Enabled Services. In view of the above, for all queries and services, students are advised to contact the following address: -

Director (Student Services)  
The Institute of Company Secretaries of India  
C-37, Sector-62, NOIDA – 201 309

Further, the contact numbers and E-Mail ids of the contact persons for various queries and services are furnished below. Students may please note that, it is in their own interest to address the query to the right person for prompt response.

S. No.	Nature of Query	Contact Person	Telephone Number (STD Code :120; From Delhi : 95120)	E-Mail id
1.	Registration Status/ Issue of Study Material, etc. for			
	(a) Intermediate Course/Executive Programme	Mr. T P Balasubramanian/ Ms. Anju Gupta	4239993-98	ss_reg@icsi.edu
	(b) Foundation Programme	Mr. D P Dagar/ Ms. Rajesh Sharma	Extension 2022 & 2023	ss_fond@icsi.edu
	(c) Denovo/Extn./Final Enrolment	Ms. Durga Shankar/ Ms. Harvinder Kaur	4239993-98 Extension 2126	ss_post@icsi.edu
2.	Paper-wise Exemption/ Non-receipt of Registration Letter/ Identity Card/ Student Company Secretary Bulletin/ CS Foundation Course Bulletin	Mr. B S Chopra/ Mr. Om Prakash	4239993-98 Extension 2124/2131	ss_enrol@icsi.edu ss_misc@icsi.edu
3.	Coaching Completion Certificates/ Suggested Answers and Response Sheet Status / Compulsory Computer Training	Mr. Vinod Jetly/ Ms. Neelam Wadhwa	4239993-98 Extension 2122/2128	ss_coaching@icsi.edu
4.	Issue of Admission Certificate for Examinations	Ms. Hema Malini/ Ms. Archana Goel	4239993-98 Extension 2123/2125	e0082@icsi.edu
5.	Duplicate Pass Certificate			
	(a) Intermediate/Executive Programme	Ms. Hema Malini/ Mr. Siya Ram	4239993-98 Extension 2125	e0395@icsi.edu
	(b) Foundation/ Final/Professional	Ms. Archana Goel/ Ms. Prem Lata	4239993-98 Extension 2125	e0223@icsi.edu
6.	Transcripts/ Verification of Qualifications (only for students)	Ms. Hema Malini/ Ms. Archana Goel	4239993-98 Extension 2123/2125	ss_lic@icsi.edu

In case of any difficulty, Shri Sohan Lal, Director(Student Services) may be contacted at Tel. No. 4239999.

# COMPANY SECRETARIES EXAMINATIONS – JUNE, 2009


## TIME TABLE & PROGRAMME

MORNING SESSION 9.30 AM TO 12.30 PM		AFTER-NOON SESSION 1.30 PM TO 4.30 PM				
DATE AND DAY	FINAL (OLD SYLLABUS)	FOUNDATION (OLD SYLLABUS)	EXECUTIVE PROGRAMME (NEW SYLLABUS)	INTERMEDIATE (OLD SYLLABUS)	FOUNDATION PROGRAMME (NEW SYLLABUS)	PROFESSIONAL PROGRAMME (NEW SYLLABUS)
02.06.2009 Tuesday	Advanced Company Law and Practice	English and Business Communication	General and Commercial Laws	General and Commercial Laws	English and Business Communication	Company Secretarial Practice
03.06.2009 Wednesday	Secretarial Practice relating to Economic Laws and Drafting & Conveyancing	Basic Economics and Business Environment	Company Accounts, Cost & Management Accounting	Company Accounts and Cost & Management Accounting	Economics and Statistics	Drafting, Appearances and Pleadings
04.06.2009 Thursday	Secretarial, Management and Systems Audit	Financial Accounting	Tax Laws	Tax Laws	Financial Accounting	Financial, Treasury and Forex Management
05.06.2009 Friday	Financial, Treasury and Forex Management	Elements of Business Laws and Management	Company Law	Management Information Systems & Corporate Communication	Elements of Business Laws and Management	Corporate Restructuring and Insolvency
06.06.2009 Saturday	Corporate Restructuring – Law and Practice	Information Systems and Quantitative Techniques	Economic and Labour Laws	Company Law	Company Law	Strategic Management, Alliances and International Trade
07.06.2009 Sunday	Banking and Insurance – Law & Practice	GROUP-III	Securities Laws and Compliances	Company Secretarial Practice	Company Secretarial Practice	Advanced Tax Laws and Practice
08.06.2009 Monday	World Trade Organisation – International Trade, Joint Ventures and Foreign Collaborations		Securities Laws and Compliances	Economic, Labour and Industrial Laws	Economic, Labour and Industrial Laws	Due Diligence and Corporate Compliance Management
09.06.2009 Tuesday	Direct and Indirect Taxation – Law and Practice	GROUP-III	GROUP-III	Securities Laws and Compliances	Securities Laws and Regulation of Financial Markets	Governance, Business Ethics and Sustainability
10.06.2009 Wednesday	Human Resources Management and Industrial Relations			GROUP-III	GROUP-III	GROUP-III



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