

**EXPOSURE DRAFT  
ON  
PROPOSED NEW SYLLABUS FOR EXECUTIVE AND PROFESSIONAL  
PROGRAMME OF  
THE COMPANY SECRETARYSHIP COURSE**

The revision of syllabus is a process in continuum, to nurture the students in terms of capacity building, knowledge grinding and skills development. The evolving corporate environment and regulatory regime including expansion of globalization and the advancement in technology necessitated the revision of syllabus to make it contemporary. It was in this backdrop that the council of the Institute constituted Syllabus Review Committee with the objective to evaluate the existing syllabus from the perspective of demands and expectations of the corporate, regulators and other stakeholders and re-draw the syllabus to make it more robust, and highly focused to bring it at par with the emerging global trends in professional education.

In this direction, the Committee made a conscious effort to design the syllabus in such a manner that the expectations of members, students and other stakeholders are met and it is in alignment with the ICSI Vision 2020.

Before formulating the syllabus, the Committee sought and considered the views and suggestions from Regional Councils, Chapters, Oral Tuition faculty and subject experts and formulated the draft syllabus which was considered by the Council of the ICSI. The Council approved in principle the syllabus for Executive and Professional Programme and decided to publish it as Exposure Draft soliciting views and suggestions from members, students and all other stakeholders. The Exposure Draft is available on the website of the Institute [www.icsi.edu](http://www.icsi.edu).

We request members, students and all other stakeholders to send their views, comments and suggestions on the Proposed New Syllabus for Executive and Professional Programme of the Company Secretaryship Course on or before February 29, 2012, to Dr. S K Dixit, Director (Academics) at [sudhir.dixit@icsi.edu](mailto:sudhir.dixit@icsi.edu).

N K Jain  
Secretary & CEO  
The ICSI

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Detailed **Exposure Draft Syllabus** as follows:

**EXECUTIVE PROGRAMME  
DETAILED COURSE CONTENTS UNDER NEW SYLLABUS  
PAPER 1: COMPANY LAW (100 Marks)**

**Level of Knowledge:** Expert Knowledge

**Objective:** *To acquire knowledge and develop understanding of the regulatory framework of companies with reference to various provisions of Companies Act and its*

*schedules, rules, notifications, circulars, clarifications there under including case laws and Secretarial standards.*

## **Contents:**

### **1. Introduction**

- Historical Development of Concept of Corporate Law in India
- Company – Definition, Meaning, Nature and its Characteristics
- Nature and Forms of Business
- Company vis-à-vis other Forms of Business
- Concept of Corporate Personality, Corporate Veil, Limited Liability and Citizenship

### **2. Incorporation and its Consequences**

- Types of Companies and their incorporation
- Promoters – Meaning, Position, Duties, Rights, Responsibilities and Liabilities
- Formation of Companies – Procedural Aspects
- Memorandum of Association & Articles of Association and their Alteration
- Contracts and Conversion of Companies
- Commencement of Business
- Doctrine of *Ultra-Vires*, Constructive Notice, Indoor Management, *Alter Ego*

### **3. Financial Structure**

- **Concept of Capital and Financing of Companies** – Sources of Capital; Classes and Types of Shares; Equity Shares with Differential Rights; Issue of Shares at Par, Premium and Discount; Forfeiture and Surrender of Shares; Bonus Issues; Rights Issues; Issue of Sweat Equity Shares; Employees Stock Option Scheme; Private Placement; preference shares and other forms of securities
- **Alteration of Share Capital** – Reduction of Capital; Buy-Back of Shares
- **Prospectus** – Definition; Abridged Prospectus; Red-Herring Prospectus; Shelf Prospectus; Information Memorandum; Contents, Registration; Misrepresentations and Penalties
- **Debt Capital** – Debentures, Debenture Stock, Bonds; Recent Trends and Dynamics of Corporate Debt Financing; Debenture Trust Deed and Trustees; Conversion of and Redemption of Debentures
- **Securing of Debts:** Charges ; Creation, Modification and Satisfaction of Charges
- **Allotment and Certificates** – General Principles and Statutory Provisions related to Allotment; Minimum Subscription; Irregular Allotment; Procedure of Issue of Share Certificates and Warrants

### **4. Membership in a Company**

- Modes of Acquiring Membership
- Rights and Privileges of Members, Register of Members
- Dematerialisation and Rematerialisation of Securities
- Transfer and Transmission of Securities in Physical and Dematerialized forms
- Nomination

### **5. Management and Control of Companies**

- **Directors** – Types, Director's Identification Number (DIN), Appointment/Reappointment, Qualifications, Disqualifications, Vacation of Office, Retirement, Resignation and Removal **Managing and Whole-Time Directors and Manager**
- Role and Responsibilities of Directors
- Powers and Duties
- Loans to Directors

- Remuneration of Directors
- Office or Place of Profit
- Contracts in which Directors are Interested
- Board of Directors and its Committees
- **Company Secretary** – Appointment, Role and Responsibilities
- Company Secretary as a Key Managerial Personnel
- **Meetings:**
  - **Meetings of Board and Committees** – Frequency, Convening, Proceedings, Video Conferencing of Board/Committee(s); Resolution by Circulation; Minutes and Evidence
  - **General Meetings** – Kinds of Meetings; Law, Practice and Procedure Relating to Convening and Proceedings at General and Other Meetings; Notice, Quorum, Chairman, Proxy, Voting including Voting through Electronic Means; Resolutions, Circulation of Members' Resolution, etc.; Postal Ballot; Recording, Signing and Inspection of Minutes;
- Distribution of Powers of a Company – Division of Powers between Board and General Meetings; Acts by Directors in Excess of Authority; Monitoring and Management
- **Sole Selling and Buying Agents** – Meaning, Appointment and Reappointment, Removal; Powers of Central Government and Rules Framed for the Purpose

## 6. Investments, Loans and Deposits

- Law relating to making investments in and granting loans to other bodies corporate and giving guarantees and providing security
- Acceptance of Deposits, Renewal, Repayment, Default and Remedies

## 7. Accounts and Audit

- Books of Accounts
- Financial Statements
- Auditors – Appointment, Resignation and Removal; Qualification and Disqualification; Rights, Duties and Liabilities
- Audit and Auditor's Report
- Cost Audit and Special Audit

## 8. Dividends

- Profit and Ascertainment of Divisible Profits
- Declaration and Payment of Dividend
- Treatment of Unpaid and Unclaimed Dividend
- Transfer of Unpaid and Unclaimed Dividend to Investor Education and Protection Fund

## 9. Board's Report and Disclosures

- Contents and Annexures to Board's Report
- Directors' Responsibility Statement – Preparation and Disclosures
- Compliance Certificate – Need and Purpose; Issue and Signing by Practicing Company Secretary
- Corporate Governance Report

## 10. Registers, Forms and Returns

- Statutory Books and Registers prescribed under various provisions of the Company Law – Maintenance, Authentication Place of Keeping and Inspection
- Filing of various Forms and Returns with the Authorities
- Procedure and Penalties for Delayed Filing
- Annual Return – Nature and Significance; Contents; and Certification

## 11. Inspection and Investigation

- Inspection of Documents
- Powers of the Inspector
- Seizure of Books And Documents
- Inspector's Report
- Power of the Registrar of Companies
- Investigation into Affairs of the Company

## **12. Majority Rule and Minority Rights**

- Law relating to Majority Powers and Minority Rights
- Shareholder Remedies – Actions by Shareholders; Statutory Remedies; Personal Actions
- Prevention of Oppression and Mis-Management

## **13. Merger, De-merger, Amalgamation, Compromises and Arrangements – An Overview**

## **14. Producer Companies**

- Concept, Formation, Functioning and Dissolution

## **15. Limited Liability Partnerships**

- Concept, Formation, Membership, Functioning and Dissolution

## **16. Application of Company Law to Different Sectors**

- Banking
- Insurance
- Others

## **17. Offences and Penalties**

- Introduction
- Officer in Default
- Penalties
- Compounding of Offences

## **18. Winding up of Companies – An Overview**

- Concept and Modes
- Striking Off Name of Companies

## **19. An Introduction to E-Governance and XBRL**

## **PAPER 2: COST AND MANAGEMENT ACCOUNTING (100 Marks)**

**Level of Knowledge:** Working Knowledge

**Objective:** *To acquire knowledge and understanding of the concepts, techniques and practices of cost and management accounting and to develop skills for decision making.*

**Contents:**

### **1. Introduction to Cost and Management Accounting**

- **Cost Accounting:** Evolution, Meaning, Objectives and Scope
- Concepts of Costs , Classifications and Elements of Cost
- Cost Centre and Cost Unit

- Methods and Techniques of Costing
- Cost Accounting Standards
- Installation of a Costing System
- Practical Difficulties in Installing a Costing System
- Role of Cost Accountant in Decision Making
- **Management Accounting:** Evolution, Meaning, Objectives and Scope
- Tools and Techniques of Management Accounting
- Relationship of Cost Accounting, Financial Accounting, Management Accounting and Financial Management
- Conflicts in Profit versus Value Maximisation Principle
- Role of Management Accountant in Decision Making

## 2. Material Cost

- Materials Control – Concept and Techniques
- Procurement Procedures and Documentation: Methods of Purchasing; Procedure of Purchases, Stores and Issue of Material; Stock Verification
- Methods of Pricing of Material: FIFO, LIFO, Simple Average, Weighted Average
- Accounting and Control of Material Losses, Wastage, Scrap, Spoilage and Defectives
- Inventory Management: Techniques of fixing of minimum, maximum and reorder levels, Economic Order Quantity, ABC Analysis ; Stock Verification and Perpetual Inventory

## 3. Labour Cost

- Meaning and Classification of Labour Costs
- Accounting and Control of Labour Costs
- Time Keeping and Time Booking
- Attendance and Payroll Procedures, Time Recording, Overtime and Idle Time
- Labour turnover and Remedial Measures
- Efficiency Rating Procedures; Remuneration Systems and Incentive Schemes

## 4. Direct Expenses and Overheads

- **Direct Expenses:** Meaning, Nature, Collection, Classification and Treatment of Direct and Indirect Expenses
- **Overheads:** Meaning, Nature, Collection and Classification
  - Functional Analysis: Factory, Administration, Selling, Distribution, Research and Development
  - Behavioural Analysis: Fixed, Variable, Semi variable and Step Cost
- Allocation, Apportionment, Absorption and Control of Overheads
- Preparation of Cost Sheet

## 5. Activity Based Costing (ABC)

- Meaning, Importance, Characteristics
- Elements and Steps involved
- ABC vs. Traditional Costing
- Uses and Limitations

## 6. Cost Records

- Cost Ledgers – Integrated Accounts and Non-Integrated Accounts
- Reconciliation of Cost and Financial Accounts

## 7. Costing Systems

- Unit and Output Costing

- Job Costing: Job Cost Cards , Collecting Direct Costs, Allocation of Overheads and its Applications
- Batch Costing: Features and Applications
- Contract Costing: Features, Distinction between Job and Contract Costing, Progress Payments, Retention Money, Escalation Clause, Contract Accounts, Accounting for Material, Accounting for Plant Used in a Contract, Contract Profit and Accounting Entries
- Process Costing: Features, Applications and Types of Process Costing, Process Loss, Abnormal Gains and Losses, Equivalent Units, Inter-Process Profit, Joint Products, By-Products and Accounting
- Service Costing: Features and Applications, Unit Costing and Multiple Costing, Application, Identification of Cost Unit and Cost Determination and Control

## **8. Marginal Costing**

- Meaning, Advantages, Limitations and Applications
- Breakeven Analysis
- Cost-Volume Profit Analysis
- P/V Ratio and its Significance
- Margin of Safety
- Absorption Costing: System of Profit Reporting and Stock Valuation
- Difference between Marginal Costing and Absorption Costing
- Income Measurement under Marginal Costing and Absorption Costing

## **9. Standard Costing**

- Definition, Significance and Applications
- Various Types of Standards
- Installation of Standard Costing System-for Material, Labour, and Overhead
- Variance Analysis for Materials, Labour and Overheads and Accounting Treatment of Variances
- Benchmarking for Setting of Standards
- Variance Reporting to Management

## **10. Budget, Budgeting and Budgetary Control**

- Budget Concept, Manual
- Fixed and Flexible Budgets
- Preparation and Monitoring of Various Types of Budgets
- Budgetary Control System: Advantages, Limitations and Installation
- Zero Base Budgeting
- Programme and Performance Budgeting

## **11. Cost Accounting Records and Cost Audit**

- Nature and Scope of Cost Audit
- Cost Accounting Records and Cost Audit under Companies Act, 1956
- Purpose, Scope and Advantages of Cost Audit
- Implementing Authorities of Cost Audit
- Cost Audit Techniques and Programmes
- Cost Audit Report
- Cost Auditor – Appointment, Rights and Responsibilities

## **12. Analysis and Interpretation of Financial Statements**

- Financial Statements: Nature, Attributes, Objectives, Importance, Limitations
- Recent Trends in Presenting Financial Statements
- Financial Statements Analysis: Types, Methods, Objectives, Limitations
- Ratio Analysis: Accounting, Uses, Classification, Advantages, Limitations

- Cash Flow Statement
- Fund Flow Statement
- Difference between Cash Flow and Fund Flow Statement
- Management Reporting

### **PAPER 3: ECONOMIC AND COMMERCIAL LAWS (100 Marks)**

**Level of Knowledge:** **Part A**-Advance Knowledge  
**Part B**- Working Knowledge

**Objective:** *To acquire knowledge and understanding of Economic and Commercial Laws.*

**Contents:**

#### **PART A: (70 Marks)**

##### **1. Foreign Exchange Management**

- Objectives and Definitions under FEMA, 1999
- Current Account Transactions and Capital Account Transactions
- FDI Policy
- Foreign Direct Investment in India and Abroad
- Acquisition and Transfer of Immovable Property in India and Abroad
- Establishment of Branch, Office etc. in India
- Export of Goods and Services
- Realization and Repatriation of Foreign Exchange
- Authorized Person
- Penalties and Enforcement
- Foreign Contribution ( Regulation )Act, 2010
- Foreign Contributions and Hospitality
- Exemptions
- Powers of Central Government
- Adjudication, Appeal and Compounding
- Offences and Penalties

##### **2. Foreign Trade Policy and Procedures**

- Main Features
- Special Focus Initiatives
- Served from India Scheme
- Export Promotion Council
- Vishesh Krishi and Gram Udyog Yojana
- Focus Market Scheme; Focus Product Scheme; Duty Exemption and Remission Schemes; Advance Authorization Scheme; DFRC; DEPB; EPCG, etc.
- EOUs, EHTPs, STPs, BPTs and SEZs

##### **3. Competition and Consumer Protection**

- Concept of Competition
- Development of Competition Law
- Competition Policy
- Competition Act, 2002 – Anti Competitive Agreements, Abuse of Dominant Position, Combination, Regulation of Combinations, Competition Commission of India; Appearance before Commission, Compliance of Competition Law
- Consumer Protection Act, 1986
- Consumer Protection in India
- Genesis of the Law and Objects
- Rights of Consumers
- Nature and Scope of Remedies
- Appearance before Consumer Dispute Redressal Forums

#### **4. Intellectual Property Rights**

- Introduction – GATT, WIPO and TRIPS
- Concept and Development of Intellectual Property Law in India
- Law and Procedure Relating to Patents, Trade Marks and Copyrights
- Geographical Indications
- Design Act
- Overview of Laws Relating to Other Intellectual Property Rights
- Intellectual Property Appellate Board

#### **5. Law relating to Arbitration and Conciliation**

- Introduction to UNCITRAL MODEL LAW
- Law of Arbitration in India
- Types of Arbitration
- Appointment of Arbitrators – Procedure
- Judicial Intervention
- Venue – Commencement
- Award – Time limit, Enforceability, Interest
- Recourse against Award – Appeals
- Conciliation and Compromise
- International Commercial Arbitration ; Foreign Awards
- Arbitration Agencies – ICADR, ICA, Chambers of Commerce, Professional Arbitrators
- Alternate Disputes Resolution

#### **6. Law relating to Transfer of Property**

- Important Definitions
- Types of Properties
- Movable and Immovable Property
- Properties which cannot be Transferred
- Rule Against Perpetuities
- *Lis Pendens*
- Provisions Relating to Sale
- Mortgage, Charge, Lease, Gift and Actionable Claim

#### **7. Law relating to Stamps**

- Methods of Stamping
- Consequences of Non-Stamping and Under-Stamping
- Impounding of Instruments
- Construction of Instruments for Determination of Stamp Duty Payable
- Adjudication
- Allowance and Refund
- Penal Provisions
- Concept of E-Stamping

#### **8. Law relating to Contract**

- Contract – Introduction
- Legality of Objects
- Standard Form of Contract
- Multinational Agreement
- E-Contracts
- Strategies and Constraints to enforce Contractual Obligations
- Special Contracts: Indemnity and Guarantee; Bailment and Pledge; Law of Agency

#### **9. Prevention of Money Laundering**

- Genesis



- Prevention of Money Laundering Act, 2005
- Concept and Definitions, Various Transactions, etc.
- Obligations of Banks and Financial Institutions
- RBI Guidelines on KYC

## **PART B: (30 Marks)**

### **10. Law relating to Essential Commodities, Weights and Measures**

- Overview of Essential Commodities Act, 1955
- Objects
- Powers of Central Government
- Seizure and Confiscation of Essential Commodities
- Summary Trial
- The Legal Metrology Act, 2009

### **11. Law relating to Societies**

- General Concept Relating to Registration of Societies
- Property of Societies
- Suits by and against Societies
- Enforcement of Judgment against Societies
- Dissolution of Societies

### **12. Law relating to Trusts**

- General Concept relating to Trusts
- Creation of Trust
- Duties and Liabilities of Trustees
- Rights and Powers of Trustees, Disabilities of Trustees
- Rights and Liabilities of the Beneficiary

### **13. Industries Development and Regulation**

- Objects and Definitions
- An Overview of Industrial Policy
- Regulatory Mechanism under IDRA
- The Micro, Small and Medium Enterprises Development Act, 2006

### **14. Law relating to Pollution Control and Environmental Protection**

- Concept of Sustainable Development and Bio Diversity
- Government Policy Regarding Environment
- Law Relating to Prevention and Control of Air Pollution and Water pollution
- Environment (Protection) Act, 1986
- National Green Tribunal
- Appearance before Environment Tribunal/Authority
- Public Liability Insurance Act, 1991

### **15. Law relating to Registration of Documents**

- Registration of Documents – Compulsory and Optional
- Time and Place of Registration
- Consequences of Non-Registration
- Description of Property
- Miscellaneous Provisions

## **PAPER 4: INFORMATION TECHNOLOGY AND SYSTEMS AUDIT (100 Marks)**

**Level of Knowledge:** Working Knowledge

**Objective:** *To acquire knowledge of Information Technology Law, Information Systems and Systems Audit.*

## **Contents:**

### **1. Information Technology Law**

- Information Technology Act – Definitions, Important terms under Information Technology Legislation
- Digital Signatures
- Electronic Records
- Certifying Authority
- Digital Signature Certificate
- Cyber Regulation Appellate Tribunal
- Offences and Penalties

### **2. Information Systems**

- Systems- An Overview
- Information and Data: Definition and Distinctions
- Information as a Corporate Resource
- Features and Qualities of Information
- Types of Information
- Process of Generating Information
- Value and Cost of Information
- Information Needs at Various Levels of Management
- Factors Influencing Information Needs
- Information Systems: Definition and Elements
- Information System Activities
- Types of Information Systems
- Information Systems in Business Management
- Recent Trends in Information Systems

### **3. Computer Hardware – An Overview**

- Computers: An Introduction
- Computer System: Concept, Types, Categories and Emerging Technologies
- Components of a Computer System
- Primary and Secondary Storage, Computer Storage Capacities
- Computer Peripherals – Inputs, Output and Storage Devices

### **4. Computer Software – An Overview**

- Computer Software: An Introduction, Software Trends
- Multi-Programming, Multi-Processing, Time Sharing, Batch Processing
- On-Line and Real Time Processing
- Application Software
- Systems Securities

### **5. Database Management**

- Data Base Concepts
- Data Structure
- Data Base Management System
- Data Base Files
- Data Mining and Warehousing

### **6. Programming – An overview**

- Programming: Concepts, Stages of Programming
- Programme Development Approach
- Algorithm, Flow Charting Concepts
- High Level Languages
- Machine Level Languages

## **7. Internet and Other Technologies**

- Internet and World-Wide Web, Intranets, Extranets, Applications Of Internet, Internet Protocols
- E-Commerce - Nature, Types (B2B, B2C, C2C), Supply Chain Management, CRM, Electronic Data Interchange (EDI), Electronic Fund Transfers (EFT), Payment Portal, E-Commerce Security
- Mobile Commerce, Bluetooth and Wi-Fi

## **8. Management Information Systems – An Overview**

- Concept, Evolution and Elements
- Structure
- Computerized MIS
- Approaches of MIS Development
- Pre-requisites of an Effective MIS
- MIS and Decision Support Systems
- MIS and Information Resource Management
- Artificial Intelligence and Expert System

## **9. Enterprise Resource Management**

## **10. E-Governance in India**

## **11. Systems Audit – An Overview**

- Nature, Significance and Scope of Systems Audit
- Steps Involved in Conducting Systems Audit
- Systems Audit and Management Functions
- Systems Audit of Computerized Secretarial Functions
- Norms and Procedure for Computerization, Computers Control and Security
- Testing of Computer Systems – Documentation Standards, Policies and Procedures, Audit Approach

## **PAPER 5: COMPANY ACCOUNTS AND AUDITING PRACTICES (100 Marks)**

**Level of Knowledge:** Advance Knowledge

**Objective:** *To acquire knowledge and understanding of the concepts, principles and practices of company accounts and auditing in accordance with statutory requirements.*

**Contents:**

### **PART A: Company Accounts (70 Marks)**

#### **1. Share Capital Transactions**

- Issue of Shares: at Par, at Premium, at Discount, on Conversion and for consideration other than Cash; Forfeiture and Re-issue of Shares, Buyback of Shares, Redemption and Conversion of Preference Shares, Bonus Shares, Rights Issue, ESOPs, Sweat Equity Shares
- Alteration of Share Capital
- Underwriting of shares
- Treatment of Profit Prior to Incorporation, Preoperative and Preliminary Expenses

#### **2. Debentures**

- Issue of Debentures: at Par, at Premium, at Discount and for consideration other than Cash
- Accounting Treatment and Procedures

- Redemption of Debentures
- Conversion of Debentures into Shares

### **3. Final Accounts of Companies**

- Conceptual Framework, Preparation and Presentation of Financial Statements, Schedule VI, Interpretation and Scrutiny of Balance sheet
- Preparation of Final Accounts under Company Law

### **4. Corporate Restructuring**

- Concept and Accounting Treatment as per AS
- Methods of Amalgamations Accounting
  - The Pooling of Interests Method
  - The Purchase Method
- Consideration
- Treatment of Reserves, Goodwill and Pre- Acquisition & Post-Acquisition Profit
- Accounting in the books of Transferor and Transferee
- Merger and De-merger
- Acquisition of Business
- Internal Reconstruction

### **5. Consolidation of Accounts**

- Holding and Subsidiary Companies - Accounting Treatment, Disclosures and Consolidation of Accounts

### **6. Valuation of Shares and Intangible Assets**

- Valuation of Shares, Methods of Valuation, Price Earning Multiple Valuation, Discounted Cash Flow (DCF) Method
- Valuation of Intangibles: Brand, Goodwill and IPRs

### **7. Liquidation of Company**

- Preparation of Statement of Affairs including Deficiency /Surplus Account

### **8. Corporate Financial Reporting**

- Various Requirements of Corporate Reporting
- Value Added Statements: Economic Value Added (EVA), Market Value Added , Shareholders' Value Added

### **9. Accounting Standards**

- Relevance and Significance
- National and International Accounting Standards and Authorities
- Adoption, Convergence and Interpretation of International Financial Reporting Standards (IFRS) and Accounting Standards in India

## **PART B: Auditing Practices (30 Marks)**

### **10. Auditing Concepts**

- Nature, Scope and Significance of Auditing
- Basic Principles Governing an Audit
- Overview of Auditing and Assurance Standards- National and International

### **11. Types of Company Audit**

- Statutory Audit
- Internal Audit
- Branch Audit
- Joint Audit
- Special Audit
- CAG Audit

## **12. Internal audit**

- Forms of Audit - Propriety Audit, Compliance Audit and Efficiency Audit
- Nature, Scope and Techniques of Internal Audit; Functions and Responsibilities of Internal Auditors; Organisational Status of Internal Auditing Function, Internal Audit vis-à-vis Statutory Audit

## **13. Internal control**

- Nature, Scope And Elements
- Internal Control distinguished from Internal Check and Internal Audit
- Techniques of Internal Control System, Flow Charts, Internal Control Questionnaires
- Steps for Internal Control and Audit Evaluation
- Audit Testing – Need For Sampling and Various Approaches to Statistical Sampling
- Inter-Firm and Intra-Firm Comparisons – Ratio And Trend Analysis; Audit In Depth

## **14. Review of Internal Control**

- Review of Purchasing Operations
- Review of Efficacy of Management Information System
- Review of Selling and Distribution Policies and Programmes
- Review of Manufacturing Operations
- Review of Personnel Policies
- Appraisal of Management Decisions

## **15. Audit Engagement and Documentation**

- Audit Procedures: Audit Plan , Audit Programme, Vouching and Verification
- Documentation: Audit Working Papers and Files
- Sampling, Test Checking, Techniques of Test Checks

# **PAPER 6: CAPITAL MARKET AND SECURITIES LAWS (100 Marks)**

**Level of Knowledge:** Expert Knowledge

**Objective:** *To acquire knowledge and understanding of securities laws and the regulatory framework of capital markets.*

**Contents:**

## **Part A: Capital Market (60 Marks)**

### **1. Overview of Capital Market**

- Indian Capital Market
- Authorities Governing Capital Markets in India
- Profile of Securities Market
- Securities Market Reforms and Regulatory Measures to Promote Investor Confidence
- Features of Developed Capital Market: IOSCO
- Overview of Depository System in India

## **2. Capital Market Instruments and Rating**

- Capital Market Instruments: Equity, Debentures, Preference Shares, Sweat Equity, Non-Voting Shares, Share Warrants
- Pure, Hybrid and Derivatives
- Rating and Grading of Instruments: Concept, Scope and Significance, Regulatory Framework
- Rating Agencies in India, Rating Methodologies

## **3. Securities Market Intermediaries**

- Primary Market and Secondary Market Intermediaries: Role and Functions, Merchant Bankers, Stock Brokers, Syndicate Members, Registrars, Underwriters, Bankers to an Issue, Portfolio Managers, Debenture Trustees, Foreign Institutional Investors, Depositories, Depositories Participants, Custodians, Credit Rating Agencies, Venture Capitalists

## **4. Market Infrastructure Institutions - Stock Exchanges**

- Functions and Significance of Stock Exchanges
- Operations and Trading Mechanism of Stock Exchanges
- Settlement of Securities, Stock Market Indices, Risk Management, Surveillance Mechanism at Stock Exchanges, Straight through Processing
- Demutualization of Stock Exchanges
- SME Exchange

## **5. Debt Market**

- Debt Market: Instruments, Listing, Primary and Secondary Segment

## **6. Money Market**

- Growth of Money Market in India – Structure and Institutional Mechanism
- Money Market Instruments: Treasury Bills, Commercial Bills, Commercial Paper, Factoring Agreements & Discounting of Bill

## **7. Mutual Funds**

- Mutual Fund: Introduction, Definitions, Schemes, Risks Involved, Setting Up of Mutual Funds, Role in Financial Market
- Advantage of Investment in Mutual Fund
- Concept of Trustee and Asset Management Company
- Legal & Regulatory Framework
- Offer Document, Accounting Valuation & Taxation
- Investment Management: Equity & Debt Portfolio, Measuring & Evaluating Mutual Fund Performance
- Investor's Rights and Obligations

## **8. Venture Capital**

- Concept of Venture Capital
- Registration, Investment Conditions and Restrictions
- Foreign Venture Capital Investors
- Private Capital Funds

## **9. Collective Investment Schemes**

- Regulatory Framework
- Restrictions on Business Activities
- Submission of Information and Documents
- Trustees and their Obligations

## **10. Resource Mobilization in International Capital Market**

- Listing of Securities Issued Outside India
- Foreign Currency Convertible Bonds
- Global Depository Receipts
- American Depository Receipts
- External Commercial Borrowings
- Procedure for Issue of Various Instruments

## **11. Indian Depository Receipts**

- Indian Depository Receipts: Procedure for Making Issue of IDRs, Conditions for Issue of IDRs, Listing of IDRs

## **Part B: Securities Law (40 Marks)**

### **12. Securities Contracts (Regulation) Act, 1956**

### **13. SEBI Act, 1992**

- Objective, Power and Functions of SEBI
- Securities Appellate Tribunal, Appeals, Appearance before SAT

### **14. Depositories Act, 1996**

- Definitions, Setting up of Depository, its type, Role and Functions
- Depository Participants
- Admission of Securities
- Difference between Dematerialization & Rematerialisation
- Depository Process
- Inspection and Penalties
- Internal Audit and Concurrent Audit of Depository Participants

### **15. Issue and Listing of Securities**

- Listing of Securities
- Issue of Capital and Disclosure Requirements (ICDR)
- Procedure for Issue of Various Types of Shares and Debentures
- Employee Stock Option Scheme and Employee Stock Purchase Scheme
- Delisting of Securities

### **16. Regulatory Framework relating to Securities Market Intermediaries**

- Primary Market and Secondary Market Intermediaries: Role and Functions, Merchant Bankers, Stock Brokers, Syndicate Members, Registrars, Underwriters, Bankers to an Issue, Portfolio Managers, Debenture Trustees, Foreign Institutional Investors, Custodians, Credit Rating Agencies, Venture Capitalists

### **17. An Overview of Law relating to Insider Trading and Takeovers**

## **PAPER 7: INDUSTRIAL, LABOUR AND GENERAL LAWS (100 Marks)**

**Level of Knowledge:** Working Knowledge

**Objective:** *To acquire knowledge and understanding of Industrial, Labour and General Laws.*

**Contents:**

## **Part A: Industrial and Labour Laws (70 Marks)**

**1. Factories Act, 1948**

- Object and Scope
- Application and Major Provisions of the Act

**2. Minimum Wages Act, 1948**

- Object and Scope
- Application and Major Provision of Minimum Wages Act

**3. Payment of Wages Act, 1936**

- Object and Scope
- Application and Major Provisions of the Act

**4. Equal Remuneration Act, 1976**

- Object and Scope
- Application and Major Provisions of the Act

**5. Employees' State Insurance Act, 1948**

- Object and Scope
- Application and Major Provisions of the Act

**6. Employees' Provident Funds and Miscellaneous Provisions Act, 1952**

- Object and Scope
- Application and Major Provisions of the Act

**7. Payment of Bonus Act, 1965**

- Object and Scope
- Application and Major Provisions of Payment of Bonus Act

**8. Payment of Gratuity Act, 1972**

- Object and Scope
- Application and Major Provisions of Payment of Gratuity Act

**9. Workmen's Compensation Act, 1923**

- Object and Scope
- Application and Major Provisions of the Act

**10. Contract Labour (Regulation and Abolition) Act, 1970**

- Object and Scope
- Application and Major Provisions of the Act

**11. Maternity Benefit Act, 1961**

- Object and Scope
- Application and Major Provisions of the Act

**12. The Child Labour (Prohibition and Regulation) Act, 1986**

- Object and Scope
- Application and Major Provisions of the Act

**13. Industrial Employment (Standing Orders) Act, 1946**

- Object and Scope



- Application and Major Provisions of the Act

#### **14. Industrial Disputes Act, 1947**

- Object and Scope
- Application and Major Provisions of the Act

#### **15. Indian Trade Union Act, 1926**

- Object and Scope
- Application and Major Provisions of the Act

#### **16. The Labour Laws Exemption from Furnishing Returns and Maintaining Register by Certain Establishments Act, 1988**

- Object and Scope
- Application and Major Provisions of the Act

#### **17. Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959**

- Object and Scope
- Application and Major Provisions of the Act

### **Part B: General Laws (30 Marks)**

#### **18. Constitution of India**

- Broad Framework of the Constitution of India: Fundamental Rights, Directive Principles of State Policy
- Ordinance Making Powers of the President and the Governors
- Legislative Powers of the Union and the States
- Freedom of Trade, Commerce and Intercourse
- Constitutional Provisions relating to State Monopoly
- Judiciary, Writ Jurisdiction of High Courts and the Supreme Court
- Different Types of Writs - *Habeas Corpus*, *Mandamus*, *Prohibition*, *Quo Warranto* and *Certiorari*
- Concept of Delegated Legislation

#### **19. Interpretation of Statutes**

- Need for Interpretation of a Statute
- General Principles of Interpretation
- Internal and External Aids to Interpretation
- Primary and Other Rules

#### **20. An Overview of Law relating to Specific Relief; Limitation and Evidence**

#### **21. Code of Civil Procedure**

- Elementary Knowledge of the Structure of Civil Courts, their Jurisdiction
- Basic Understanding of Certain Terms - Order, Judgment and Decree, Stay Of Suits, *Res Judicata*
- Suits by Companies, Minors
- Basic Understanding of Summary Proceedings, Appeals, Reference, Review and Revision

#### **22. Indian Penal Code and Criminal Procedure Code**

- Important Definitions and Salient Features, *Mens Rea*
- Cognizable and Non-Cognizable Offences, Bail, Continuing Offences, Searches,

- Limitation for taking Cognizance of Certain Offences

## **23. Right to Information**

- Salient Features of the Right to Information (RTI) Act, 2005
- Objective
- Public Authorities & their Obligations
- Designation of Public Information Officers (PIO) and their Duties
- Request for Obtaining Information
- Exemption from Disclosure
- Who is excluded
- Information Commissions (Central & State) and their Powers
- Appellate Authorities
- Penalties
- Jurisdiction of Courts
- Role of Central/State Governments

**PROFESSIONAL PROGRAMME**  
**DETAILED COURSE CONTENTS UNDER NEW SYLLABUS**  
**PAPER 1: ADVANCE COMPANY LAW AND PRACTICE (100 Marks)**

**Level of Knowledge:** Expert Knowledge

**Objective:** *To acquire expert knowledge of the practical and procedural aspects of the Companies Act.*

**Contents:**

**1. Company Formation and Conversion**

- Choice of Form of Business Entity; Conversion/ Re-conversion of One Form of Business Entity into Another
- Incorporation of Private Companies, Public Companies, Companies Limited by Guarantee and Unlimited Companies and their Conversions/ Re-conversion/Re-registration
- Formation of Nidhi Companies, Producer Companies and Mutual Benefit Funds
- Commencement of Business and New Business; Pre Incorporation Agreements and Contracts
- Formation of Non Profit Companies
- Procedure Relating to Foreign Companies Carrying on Business in India

**2. Procedure for Alteration of Memorandum and Articles**

- Alteration of Various Clauses of Memorandum: Name Clause, Situation of Registered Office Clause, Objects Clause, Capital Clause and Liability Clause
- Effects of Alteration of Articles

**3. Procedure for Issue of Securities**

**Part A: Shares**

- Public Issue, Rights Issue and Bonus Shares, Issue of Shares at Par/Premium/Discount; Issue of Shares on Preferential /Private Placement Basis
- Allotment, Calls on Shares and Issue of Certificates
- Issue of Sweat Equity Shares, Employees Stock Option Scheme (ESOPs), Employees Stock Purchase Scheme (ESPS), Shares with Differential Voting Rights
- Issue and Redemption of Preference Shares
- Alteration of Share Capital - Forfeiture of Shares and Reissue of Forfeited Shares; Increase, Consolidation, Conversion and Re-conversion into Stock, Subdivision and Cancellation and Surrender of Shares
- Buy Back of Shares
- Reduction of Share Capital

**Part B: Debt Instruments**

- Issue of Debentures and Bonds, Creation of Security and Debenture Redemption Reserve, Drafting of Debenture Trust Deed, Redemption of Debentures, Conversion of Debentures into Shares
- Deposits

**4. Procedure relating to Membership, Transfer and Transmission**

- Induction of Members, Nomination of Shares, Variation of Shareholders' Rights, Cessation of Membership including Dispute Resolution
- Transfer/Transmission/Transposition
- Admission of Securities in Electronic Mode
- Dematerialization/ Rematerialisation of Securities
- Compliances relating to Insider Trading and Takeovers

**5. Directors and Managerial Personnel**

- Obtaining DIN
- **Directors and Managerial Personnel**- Appointment, Reappointment, Resignation, Removal and Varying Terms of Appointment/Re-appointment
- Payment of Remuneration to Directors and Managerial Personnel and Disclosures thereof; Compensation for Loss of Office
- Waiver of Recovery of Remuneration
- Making Loans to Directors, Disclosure of Interest by a Director, Holding of Office or Place of Profit by a Director/Relative
- **Company Secretary** - Appointment, Resignation and Removal
- **Company Secretary in Practice** - Appointment, Resignation and Removal

## 6. Meetings

- **Collective Decision Making Forums** - Authority, Accountability, Delegation and Responsibility
- **Board Meetings** - Convening and Management of Meetings of Board and Committees; Preparation of Notices and Agenda Papers
- **General Meetings** - Convening and Management of Statutory Meeting, Annual and Extra-Ordinary General Meetings, Class Meetings; Creditors' Meetings; Preparation of Notices and Agenda Papers; Procedure for Passing of Resolutions by Postal Ballot; Voting through Electronic Means; Conducting a Poll and Adjournment of a Meeting
- **Post-Meeting Formalities** - Preparation of Minutes and Dissemination of Information and Decisions

## 7. Auditors

- **Auditors** - Procedure for Appointment/Re-appointment, Resignation and Removal of Statutory Auditors and Branch Auditors; Appointment of Cost Auditors
- Special Auditors; CAG audit

## 8. Distribution of Profit

- Ascertainment of Distributable Profits and Declaration of Dividend; Payment of Dividend
- Claiming of Unclaimed/Unpaid Dividend; Transfer of Unpaid/Unclaimed Dividend to Investor Education and Protection Fund

## 9. Procedure relating to Charges

- Creation and Registration, Modification, Satisfaction of Charges
- Inspection of charges

## 10. Procedure relating to Inter-Corporate Loans, Investments, Guarantees and Security

- Making Inter-Corporate Loans, Investments, Giving of Guarantee and Security

## 11. Preparation & Presentation of Reports

- Preparation of Financial Statements, Auditors' Report, Directors' Report and Report on Corporate Governance

## 12. E- Filing

- Filling and Filing of Returns and Documents
  - (a) Annual Filing, i.e., Annual Accounts; XBRL Filing, Compliance Certificate, Annual Return
  - (b) Event Based Filing

## 13. Striking off Names of Companies

- Law and Procedure

#### 14. Recent Trends and Developments in Company Law

#### 15. Trusts and Non Profit Organisation

### **PAPER 2: DRAFTING, APPEARANCES AND PLEADINGS (100 Marks)**

**Level of Knowledge:** Expert Knowledge

**Objective:** *To acquire expert knowledge of drafting, pleadings and advocacy techniques.*

**Contents:**

#### **1. General Principles of Drafting and Relevant Substantive Rules**

- Drafting: Concept, General Principles and relevant substantive rules thereof
- Basic Components of Deeds, Endorsements and Supplemental Deeds, Aids to Clarity and Accuracy, Legal Requirements and Implications

#### **2. Drafting and Conveyancing relating to Various Deeds and Agreements**

- Conveyancing in General, Object of Conveyancing
- Drafting of various Agreements including Sale Agreements, Joint Venture and Foreign Collaboration Agreements, Arbitration; Guarantees, Counter Guarantees; Bank Guarantee, Hypothecation Agreement, Outsourcing Agreements, Service Agreements, E-Contracts, Leave and License
- Promissory Note, Power of Attorney- General and Special, Will, Relinquishment Deed, Deed of Dissolution of Partnership, Hire-Purchase Agreement, Deed of Family Settlement and Other Deeds
- Deed of Sale of Land, Building, Mortgage, License, Lease, Assignment, Trust, Gift, Partnership
- Drafting of Writs, Partnership Deed, Sale Agreements, Collaboration Agreements, Hypothecation Agreements, E-Contracts
- Shareholder's Agreement

#### **3. Drafting of Agreements under the Companies Act**

- Pre incorporation Contracts; Memorandum and Articles of Association and other Agreements

#### **4. Pleadings**

- Pleadings in General; Object of Pleadings; Fundamental Rules of Pleadings
- Civil: (i) Plaint Structure; Description of Parties (ii) Written Statement (iii) Interlocutory Application (iv) Original Petition (v) Affidavit (vi) Execution Petition and (vii) Memorandum of Appeal and Revision (viii) Petition under Article 226 and 32 of the Constitution of India (ix) Special Leave Petition
- Criminal: (i) Complaints (ii) Criminal Miscellaneous Petition (iii) Bail Application and (iv) Memorandum of Appeal and Revision
- Application for Setting Aside Ex-Parte Decree; Ordinary Suit of Recovery; Suit under Order XXXVII of Code of Civil Procedure, 1908
- Suit for Permanent Injunction; Application for Temporary Injunction; Suit for Specific Performance; General Principles of Criminal Proceedings; Application under Section 125 of Code of Criminal Procedure, 1973; F.I.R under Section 154 of Code of Criminal Procedure, 1973

#### **5. Appearances**

- Appearance before Tribunals/Quasi Judicial Bodies such as CLB, SAT, NCLT, CCI, TRAI and Appellate Authorities

- Drafting of Affidavit in Evidence; Arguments on Preliminary Submissions, Arguments on Merits; Legal Pleadings and Written Submissions
- Dress Code, Etiquettes and Court Craft

## 6. Compounding of Offences

- Compounding of Offences under the Companies Act, SEBI Act, FEMA
- Consent Orders

## 7. Practical Exercises

- Notice to the Tenant under section 106 of Transfer of Property Act
- Notice under Section 80 of Code of Civil Procedure, 1908
- Reply to Notice
- General Power of Attorney
- Will
- Agreement to Sale
- Deed of Sale
- Suit for Dissolution of Partnership
- Petition for grant of Probate / Letters of Administration
- Petition under Section 397 of Companies Act, 1956
- Application for Appointment of Receiver/Local Commissioner
- Application for Compromise of Suit
- Application for Appointment of Guardian
- Application to Sue as an Indigent Person under Order 33, Code of Civil Procedure
- Appeal from Original Decree under Order 41, Code of Civil Procedure
- Appeal from Orders under order 43 of Code of Civil Procedure
- Revision Petition / Review Petition
- Application under Section 5 of Limitation Act
- Application for Execution
- Application for Caveat Section 148A of Code of Civil Procedure
- Writ Petition
- Application under Section 482 of Code of Civil Procedure
- Compounding of Offences by way of Compromise under Section 320(i) Code of Criminal Procedure
- Lease Deed / Mortgage Deed
- Special Power of Attorney
- Relinquishment Deed
- Partnership Deed / LLP Agreement
- Reference to Arbitration and Deed of Arbitration
- Deed of Gift
- Notice under Section 434 of the Companies Act
- Notice for Specific Performance of Contract

## PAPER 3: DIRECT TAX LAWS AND PRACTICE (100 Marks)

**Level of Knowledge:** Advance Knowledge

**Objective:** To acquire knowledge of practical and procedural aspects relating to Direct Tax Laws.

**Contents:**

### Part A: Income Tax and Wealth Tax (75 Marks)

#### 1. Basics and Definitions – Income Tax Act , 1961

- Background, Concept and Mechanism of Income Tax
- Definitions, Concept of Income, Previous Year, Assessment Year, Distinction between Capital and Revenue Receipts and Expenditure, Residential Status
- Basis of Charge and Scope of Total Income

#### 2. Incomes which do not form part of Total Income

3. **Computation of Total Income under Various Heads:** Salaries, Income from House Property, Profit and Gains of Business or Profession, Capital Gains, Income from Other Sources
4. Income of Other Persons included in Assessee's Total Income; Aggregation of Income and Set Off or Carry Forward of Losses; Various Deductions to be made in Computing Total Income, Rebates and Relief's; Applicable Rates of Taxes and Tax Liability
5. Taxation of Individuals including Non-Residents, Hindu Undivided Family, Firms, LLP, Association of Persons, Cooperative Societies, Trusts, Charitable and Religious Institution
6. Classification and Tax Incidence on Companies; Computation of Taxable Income and Assessment of Tax Liability, Dividend Distribution Tax, Minimum Alternate Tax and Other Special Provisions Relating to Companies
7. Tax Deduction at Source, Tax Collection at Source, Recovery and Refund of Tax; Provisions of Advance Tax

## **8. Tax Planning**

- Concept of Tax planning
- Tax planning with reference to setting up a New Business; Location; Nature of Business; Tax Holiday, etc.
- Tax Planning with regard to Specific Management Decisions such as Mergers and Takeovers; Employees' Remuneration; Voluntary Retirement
- Tax Planning with reference to Financial Management Decisions such as Borrowing or Investment Decisions; Reorganization or Restructuring of Capital

## **9. Tax Management**

- Provisions concerning Procedure for Filing Returns, Signatures, E-Filing, Assessment, Reassessment and Settlement of Cases
- Special Procedure for Assessment of Search Cases, E-Commerce Transactions, Liability in Special Cases
- Collection and Recovery of Tax; Refunds, Appeals and Revisions; Penalties Imposable, Offences and Prosecution

## **10. Wealth Tax Act, 1956**

- Background, Concept and Charge of Wealth Tax
- Assets, Deemed Assets and Assets Exempt from Tax
- Valuation of Assets, Computation of Net Wealth
- Return of Wealth Tax and Provisions concerning Assessment

## **Part B: International Taxation (25 Marks)**

### **11. Basic Concepts of International Taxation**

- Residency Issues; Source of Income; Tax Havens; Withholding Tax, Unilateral Relief and Double Taxation Avoidance Agreements
- Controlled Foreign Corporation

### **12. Advance Rulings and Tax Planning**

- Authority for Advance Rulings, its Power and Procedure; Applicability
- Tax Planning and Special Provisions relating to Certain Incomes of Non-Resident Corporates

### 13. Transfer Pricing

- Concepts, Meaning of International Transactions
- Computation of Arm's Length Price & Methods
- Documentation and Procedural Aspects

### 14. Taxation of Inbound & Outbound Transactions

- Taxation of Passive Investments; Capital Gains and Losses
- Taxation of Income, Property, Branch Profit, Foreign Income Exclusions
- Foreign Tax Credit (Deemed Paid System vs. Current Pooling System)
- Controlled Foreign Corporations; Passive Foreign Investment Companies; Cross Border Merger, Acquisitions and Transfers

## PAPER 4: SECRETARIAL AUDIT, COMPLIANCE MANAGEMENT AND DUE DILIGENCE

**Level of Knowledge:** Expert Knowledge

**Objective:**

- (i) *To acquire thorough understanding of secretarial audit and Corporate Compliance Management.*
- (ii) *To acquire understanding of the due diligence of various business transactions.*

**Contents:**

### Part A: Secretarial Audit (25 Marks)

#### 1. Secretarial Standards

- Concept, Scope and Advantages
- Secretarial Standards issued by the ICSI
- Compliance of Secretarial Standards for Good Governance
- Relevance of Guidance Note(s)

#### 2. Secretarial Audit

- Need, Objective and Scope
- Periodicity and Format for Secretarial Audit Report
- Benefits of Secretarial Audit
- Professional Responsibilities and Penalties

#### 3. Checklist for Secretarial Audit

### Part B: Due Diligence and Compliance Management (75 Marks)

#### 4. Due Diligence – An Overview

- Introduction, Nature, Need and its Significance
- Objectives, Scope and Types of Due Diligence
- Process of Due Diligence
- Concept of Data Room in Due Diligence
- Due Diligence vs. Audit

#### 5. Issue of Securities

- Introduction and Regulatory Framework
- Pre and Post Issue Due Diligence – IPO/FPO
- Due Diligence – Preferential Issues of Listed and Unlisted Companies
- Employee Stock Option, Bonus Issue, Rights Issue, Debt Issues
- Issue of Securities by SMEs
- Role of Company Secretary in Issue of Securities



## **6. Depository Receipts Due Diligence**

- Introduction; Broad Regulatory Framework; Parties, Approvals, Documentation and Process
- Issue of ADRs, GDRs, IDRs and FCCBs

## **7. Merger & Acquisition (M&A) Due Diligence**

- Introduction
- Stages of M&A Due Diligence
- Data Room Management
- Business, Financial, Legal and Corporate Governance Due Diligence
- HR and Cultural Due Diligence
- Impact of Due Diligence on Valuation
- Takeovers and Acquisitions Due Diligence

## **8. Competition Law Due Diligence**

- Introduction
- Need for Competition Compliance Programme
- Mergers & Acquisitions and Competition Law Aspects
- Reasons for Due Diligence of Competition Law Aspects
- Process of Due Diligence of Competition Law Aspects
- Due Diligence of Various Agreements
- Some Common Anti Competitive Practices
- Due Diligence on Abuse of Dominance
- Due Diligence Checklist for Compliance with Competition Act 2002
- Checklist for Anti Competitive Agreements/Abuse of Dominant Position/Regulation of Combinations

## **9. Legal Due Diligence**

- Introduction
- Objectives, Scope, Need and Process
- General Documents/Aspects to be covered
- Possible Hurdles in Carrying out a Legal Due Diligence and Remedial Actions

## **10. Due Diligence for Banks**

- Introduction
- Need for Due Diligence for Banks
- Process of Due Diligence for Banks
- Due Diligence Report to Banks

## **11. Environmental Due Diligence**

- Introduction
- Need for Environmental Due Diligence
- Process involved in Environmental Due Diligence
- Regulatory Framework relating to Environment
- Check List on Major Regulatory Compliances
- Environmental Guidelines for Industries by Ministry of Environment
- Environmental Impact Assessment
- Environmental Management Plan
- Preparation of Risk Analysis Matrix
- Identification of Potential Issues
- Impact Analysis
- Suggestions and Mitigation Measures

## **12. Search and Status Reports**

- Importance and Scope

- Verification of Documents relating to Charges
- Requirements of Financial Institutions and Corporate Lenders
- Preparation of Report

### **13.Compliance Management**

- Concept and Significance
- Establishment of Compliance Management System
- Absolute, Apparent and Adequate Compliance
- Compliance Management System Audit

## **PAPER 5: INDIRECT TAX LAWS AND PRACTICE (100 Marks)**

**Level of Knowledge:** Advance Knowledge

**Objective:** *To acquire expert knowledge of the practical and procedural aspects of Indirect Tax Laws.*

**Contents:**

### **Part A: Central Excise and Custom Laws (50 Marks)**

#### **1. Introduction**

- Special Features of Indirect Tax Levies - All Pervasive Nature, Contribution to Government Revenues; Constitutional Provisions Authorizing the Levy and Collection of Duties of Central Excise and Customs

#### **2. Central Excise Laws**

- Basis of Chargeability of Duties of Central Excise - Goods, Manufacture, Classification and Valuation of Excisable Goods
- CENVAT Credit Mechanism
- Registration, Assessment, Provisional Assessment, Manner of Payment of Duty, Exemption, Recovery and Refunds of Duties
- Clearance of Excisable Goods; Invoice System, Central Excise Bonds; Maintenance of Accounts and Records and Filing of Returns, Large Tax Payer Units, Excise Audit 2000
- Small Scale Units: Duties Payable by Small Scale Units, Set-Off of Duties – Concept, Meaning and Scheme;
- Export Incentives under Central Excise
- Investigation, Adjudication, Appeal and Revision, including Appearance before CESTAT by Company Secretary as Authorized Representative; Settlement of Cases, Advance Ruling
- Search, Seizure, Arrest, Prosecution and Compounding ; Offences and Penalty
- Miscellaneous Provisions under Central Excise

#### **3. Customs Laws**

- Levy of Customs Duties, Types of Customs Duty Leviable, Tariff Classification & Exemptions, Valuation of Imported and Exported goods
- Provision of Assessment, Payment of Duties, Recovery and Refund of Customs Duties
- Procedure for Clearance of Imported and Exported Goods such Duty Drawback, Baggage
- Transportation and Warehousing
- Confiscation of Goods and Conveyances and Imposition of Penalties; Search, Seizure and Arrest, Offences and Prosecution Provisions
- Adjudication, Appeal and Revision; Settlement of Cases, Advance Ruling
- Other Relevant Areas and Case Studies under Custom Laws and Rules

#### **4. Promissory Estoppel in Fiscal Laws – Principles and Applicability with reference to Indirect Taxes**

5. **Tax Planning and Management** – Scope and Management in Customs, with Specific Reference to important Issues in the Respective Areas

#### **Part B: Service Tax (30 Marks)**

6. Background, Statutory Provisions, Taxable Services, Valuation, Administrative Mechanism and Procedural Aspects, Rate and Computation of Tax
7. Assessment, Levy, Collection and Payment of Service Tax, Exemptions, CENVAT Credit for Service Tax, Returns, Appeals, Revisions, Advance Rulings, Settlement Commission

#### **Part C: Value Added Tax (20 Marks)**

8. Background, Concept and Mechanism of VAT, Liability under VAT, VAT on Works Contract; Right to use Property
9. Set off and Composition Scheme, Computation of VAT, Procedural Aspects including Registration, Preparation and Filing of E>Returns, Rates of Tax, Assessment, Refunds, Audit, Appeals, Revision and Appearances
10. Central Sales Tax; Tax on Inter- State Trade and Exports - Registration, Preparation and Filing of E>Returns, Rates of Tax, Assessment and Refunds

### **PAPER 6: ETHICS, GOVERNANCE AND SUSTAINABILITY**

**Level of Knowledge:** Advance Knowledge

**Objective:** *To acquire knowledge of ethics, emerging trends in good governance practices and sustainability.*

**Contents:**

#### **Part A: Ethics and Governance (70 Marks)**

##### **1. Introduction**

- Ethics, Business Ethics, Corporate Governance, Governance through Inner Consciousness and Sustainability

##### **2. Ethical Principles in Business**

- Role of Board of Directors
- Organization Climate and Structure and Ethics
- Addressing Ethical Dilemmas
- Code of Ethics; Ethics Committee; Ethics Training; Integrity Pact
- Case Studies and Contemporary Developments

##### **3. Conceptual Framework of Corporate Governance**

- Introduction, Need and Scope
- Evolution of Corporate Governance
- Developments in India
- Developments in Corporate Governance – A Global Perspective
- Elements of Good Corporate Governance

##### **4. Board Effectiveness - Issues and Challenges**

- Board Composition; Diversity in Board Room; Types of Directors; Board's Role and Responsibilities
- Chairman, CEO, Separation of Roles
- Relationship between Directors and Executives
- Visionary Leadership

- Board Charter, Meetings and Processes
- Directors' Training and Development
- Performance Evaluation of Board and Directors

## **5. Board Committees**

- Introduction
- Various Board Committees, their Composition, Role and Responsibilities, Contribution to Board Governance
  - Audit Committee
  - Shareholders Grievance Committee
  - Remuneration Committee
  - Nomination Committee
  - Corporate Governance Committee
  - Corporate Compliance Committee
  - Other Committees

## **6. Legislative Framework of Corporate Governance in India**

- Under Listing Agreement, SEBI Guidelines, Companies Act
- Corporate Governance in
  - PSUs
  - Banks
  - Insurance Companies

## **7. Legislative Framework of Corporate Governance – An International Perspective**

- Australia
- Singapore
- South Africa
- United Kingdom
- Contemporary Developments in the Global Arena

## **8. Risk Management and Internal Control**

- Risk and its Classification
- Risk Management and Oversight
- Enterprise Risk Management
- Internal Control
- Roles and Responsibilities of Internal Control
- Disclosure about Risk, Risk Management and Internal Control

## **9. Corporate Governance and Shareholder Rights**

- Rights of Shareholders
- Challenges in Exercising Shareholders Rights
- Corporate Governance issues with regard to Related Party Transactions
- Role of Investor Associations in Securing Shareholders Rights
- Role of Institutional Investors in Corporate Governance

## **10. Corporate Governance and Other Stakeholders**

- Employees
- Customers
- Lenders
- Vendors
- Government
- Society

## **11. Corporate Governance Forums**

- The Institute of Company Secretaries of India
- National Foundation for Corporate Governance
- Organisation for Economic Co-operation and Development
- Global Corporate Governance Forum
- Institute of Directors
- Commonwealth Association of Corporate Governance
- International Corporate Governance Network
- The European Corporate Governance Institute
- Conference Board
- The Asian Corporate Governance Association
- Corporate Secretaries International Association

## **Part B: Sustainability (30 Marks)**

### **12.Sustainability**

- Meaning and Scope
- Corporate Social Responsibility and Corporate Sustainability
- Sustainability Terminologies and Meanings
- Why is Sustainability an Imperative
- Sustainability Case Studies
- Triple Bottom Line (TBL)

### **13.Corporate Sustainability Reporting Frameworks**

- Global Reporting Initiative Guidelines
- National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business
- International Standards
- Sustainability Indices
- Principles of Responsible Investment
- Challenges in Mainstreaming Sustainability Reporting
- Sustainability Reporting Case Studies

### **14.Legal Framework, Conventions, Treaties on Environmental and Social Aspects**

### **15.Principle of Absolute Liability – Case Studies**

### **16.Contemporary Developments – Integrated Reporting**

## **PAPER 7: FINANCIAL, TREASURY AND FOREX MANAGEMENT**

**Level of Knowledge:** Expert Knowledge

**Objective:** *To acquire expert knowledge of practical aspects of the management and techniques of financial, treasury and forex management.*

**CONTENTS:**

### **1. Nature and Scope of Financial Management**

- Nature, Significance, Objectives and Scope (Traditional, Modern and Transitional Approach)
- Risk-Return and Value of the Firm
- Financial Distress and Insolvency
- Financial Sector Reforms and their Impact
- Functions of Finance Executive in an Organisation

### **2. Capital Budgeting**

- Time Value of Money
- Planning and Control of Capital Expenditure
- Capital Budgeting Process

- Techniques of Capital Budgeting- Discounted and Non-Discounted Cash Flow Methods, Choice of Methods
- Capital Rationing; Risk Evaluation and Sensitivity Analysis, Simulation for Risk Evaluation
- Linear Programming and Capital Budgeting Decisions - under Constraints and with Multiple Objectives using Mathematical Programming Models, Inflation, Uncertainty and Evaluation using Statistical Decision Theory
- Analysis of Capital Budgeting Decisions- Some Case Studies

### **3. Capital Structure**

- Meaning and Significance
- Capital Structure vis-à-vis Financial Structure; Planning and Designing; Optimal Capital Structure
- Determinants of Capital Structure; Capital Structure and Valuation - Theoretical Analysis
- EBIT – EPS Analysis, EBITDA Analysis (Earning before Interest, Tax, Depreciation and Amortization)
- Risk and Leverage; Measures of Operating and Financial Leverage, Effects of Leverage on Shareholders' Returns

### **4. Cost of Capital**

- Meaning; Factors Affecting Cost of Capital
- Measurement of Cost of Capital, Weighted Average Cost of Capital, Marginal Cost of Capital

### **5. Financial Services**

- Meaning, Significance, Scope and Structure of Financial Services
- Types of Financial Services- Merchant Banking, Securitization of Debt, Loan Syndication, Housing Finance, Custodial and Advisory

### **6. Project Finance**

- Project Planning - Preparation of Project Report
- Project Appraisal under Normal, Inflationary and Deflationary Conditions
- Project Appraisal by Financial Institutions – Lending Policies and Appraisal Norms by Financial Institutions and Banks; Loan Documentation, Project Review and Control; Social Cost and Benefit Analysis of Project. (UNIDO Approach), Term Loans from Financial Institutions and Banks; Lease and Hire Purchase Finance; Venture Capital Funds; Private Equity; International Finance and Syndication of Loans, Deferred Payment Arrangements; Corporate Taxation and its Impact on Corporate Financing
- Financing Cost Escalation

### **7. Dividend Policy**

- Introduction; Types, Determinants and Constraints of Dividend Policy
- Forms of Dividend
- Different Dividend Theories - Walter's Model, Gordon's Model and Modigliani-Miller Hypothesis of Dividend Irrelevance
- Dividend Policy - Practical and Legal Constraints
- Corporate Dividend Practices in India

### **8. Working Capital**

- Meaning, Types, Determinants and Assessment of Working Capital Requirements
- Operating Cycle Concept and Applications of Quantitative Techniques
- Management of Working Capital - Cash, Receivables, Inventories; Financing of Working Capital; Banking Norms and Macro Aspects

- Factoring and Forfeiting

## 9. Security Analysis and Portfolio Management

- **Security Analysis** - Measuring of Systematic and Unsystematic Risk, Fundamental Analysis (Economic, Industry and Company), Technical Approach and Efficient Capital Market Theory
- **Portfolio Management** - Meaning, Objectives; Portfolio Theory – Traditional Approach; Fixed and Variable Income Securities, Markowitz Portfolio Theory; Modern Approach - CAPM Model; Economic Value Added, Sharpe Single & Multi Index Model; Arbitrage Pricing Theory (APT); Risk Adjusted Measure of Performance

## 10. Derivatives and Commodity Exchanges- An Overview

## 11. Treasury Management

- Meaning, Objectives, Significance, Functions and Scope of Treasury Management
- Relationship between Treasury Management and Financial Management; Role and Responsibilities of Chief Finance Officer
- Tools of Treasury Management; Internal Treasury Controls; Environment for Treasury Management
- Liquidity Management, Regulation, Supervision and Control of Treasury Operations, Implications of Treasury on International Banking

## 12. Forex Management

- Nature, Significance and Scope of Forex Management
- Foreign Exchange Market and its Structure
- Foreign Exchange Rates and its Determination
- Exchange Rate Quotes; Types of Exchange Rates; Forex Trading; Currency Futures and Options
- Foreign Exchange Risk Exposures and their Management; Exchange Rate Forecasting; Risk in Foreign Exchange Business

## 13. Practical Problems and Case Studies

### PAPER 8: CORPORATE RESTRUCTURING, VALUATION AND INSOLVENCY

**Level of Knowledge:** Advance Knowledge

**Objective:** *To acquire knowledge of the legal, procedural and practical aspects of Corporate Restructuring, Valuation and Insolvency.*

**Contents:**

#### Part A - Corporate Restructuring (50 Marks)

##### 1. Introduction and Concepts

- Meaning of Corporate Restructuring
- Need, Scope and Modes of Restructuring
- Historical Background
- Emerging Trends
- Planning, Formulation and Execution of Various Corporate Restructuring Strategies - Mergers, Acquisitions, Takeovers, Disinvestments and Strategic Alliances, Demerger and Hiving off
- Expanding Role of Professionals

##### 2. Merger and Amalgamation

- Introduction

- Legal, Procedural, Economic, Accounting, Taxation and Financial Aspects of Mergers and Amalgamations including Stamp Duty and Allied Matters
- Interest of Small Investors
- Merger Aspects under Competition Law
- Jurisdiction of Courts; Filing of Various Forms
- Amalgamation of Banking Companies and Government Companies
- Cross Border Acquisition and Merger

### **3. Corporate Demerger and Reverse Merger**

- Concept of Demerger; Modes of Demerger - by Agreement, under Scheme of Arrangement
- Demerger and Voluntary Winding Up
- Legal and Procedural Aspects; Tax Aspects and Reliefs
- Reverse Mergers – Procedural Aspects and Tax Implications

### **4. Takeover**

- Meaning and Concept
- Types of Takeovers; Legal Aspects – SEBI Takeover Regulations
- Disclosure and Open Offer Requirements
- Bail Out Takeovers and Takeover of Sick Units
- Takeover Defences
- Cross Border Takeovers

### **5. Funding of Merger and Takeover**

- Financial Alternatives; Merits and Demerits
- Funding through various Types of Financial Instruments including Equity and Preference Shares, Debentures, Securities with Differential Rights, Swaps, Stock Options; ECBs, Funding through Financial Institutions and Banks
- Rehabilitation Finance
- Management Buyouts/Leveraged Buyouts

### **6. Financial Restructuring**

- Reduction of Capital
- Reorganization of Share Capital
- Buy-Back of Shares – Concept and Necessity
- Procedure for Buy-Back of Shares by Listed and Unlisted Companies

### **7. Post Merger Reorganization**

- Factors involved in Post Merger Reorganization
- Integration of Businesses and Operations
- Assessing Accomplishment of Post Merger Objectives; Measuring Post Merger Efficiency

### **8. Case Studies**

## **Part B – Valuation (30 Marks)**

### **9. Introduction**

- Meaning, Objective & Scope of Valuation
- Principles of Valuation
- Preliminary Work relating to Valuation
- Valuation Standards and Valuation Analysis

### **10. Valuation Techniques**

- Historical Earnings Valuation



- Asset Based Valuation
- Market Based Valuation

### **11.Regulatory and Taxation Aspects**

- Legal & Regulatory aspects related to Valuation such as SEBI Regulations/ RBI Regulations
- Income Tax Implications

### **12.Valuations for Different Strategies**

- Merger & Acquisition, Demerger, Slump Sale
- Liquidation and Corporate Insolvency
- Internal & External Restructuring
- Valuation of Intangibles
- Valuation of Securities

## **Part C – Insolvency (20 Marks)**

### **13.Introduction**

- Concept of Insolvency, Historical Developments
- History of Bankruptcy Laws in USA, UK and India

### **14.Revival, Rehabilitation and Restructuring of Sick Companies**

- Sick Companies and their Revival with Special Reference to the Law and Procedure relating to Sick Companies

### **15. Securitization and Debt Recovery**

- Overview of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002; Process; Participants
- Special Purpose Vehicle (SPV), Asset Reconstruction Companies (ARCs), Qualified Institutional Buyers (QIB)
- Overview of the Recovery of Debts Due to Banks and Financial Institutions Act, 1993
- Tribunal, Procedure; Compromises and Arrangements with Banks and Creditors

### **16.Winding Up**

- Concept; Modes of Winding Up; Administrative Machinery for Winding Up
- Winding up Process and Procedure; Managing Stakeholders and Parties in Liquidation; Conducting Meetings of Shareholders/Creditors; Dealing with Contracts; Managing Estate
- Outsourcing Responsibilities to Professionals/Service providers such as Valuers, Security Agencies
- Best Practices in Performing Liquidation/Administrator Functions; Accountability and Liabilities; Role of Liquidators and Insolvency Practitioners
- Consequences of Winding Up; Winding Up of Unregistered Companies; Dissolution

### **17.Cross Border Insolvency**

- UNCITRAL Model Law on Cross Border Insolvency
- UNCITRAL Legislative Guide to Insolvency Law
- World Bank Principles for Effective Insolvency and Creditor Rights
- Asian Development Bank Principles of Corporate Rescue and Rehabilitation

## **PAPER 1: BANKING AND INSURANCE- LAW AND PRACTICE (100 Marks)**

**Level of Knowledge:** Expert Knowledge

**Objective:** *To acquire specialized knowledge of law and practice relating to Banking and Insurance.*

**Contents:**

### **Part A: BANKING LAW (60 Marks)**

- 1. Overview of Banking System**
- 2. Regulatory Framework and Compliances**

**A.** Provisions of RBI Act 1935, Banking Regulation Act 1949, Prevention of Money Laundering Act, 2002

**B.** Government and RBI's Powers

- Opening of New Banks and Branch Licensing
- Constitution of Board of Directors and their Rights
- Banks Share Holders and their Rights
- CRR and SLR Concepts
- Cash-Currency Management
- Winding up – Amalgamation and Mergers
- Powers to Control Advances – Selective Credit Control – Monetary and Credit Policy
- Audit and Inspection
- Supervision and Control – Board for Financial Supervision – its Scope and Role
- Disclosure of Accounts and Balance Sheets
- Submission of Returns to RBI
- Corporate Governance

### **3. Legal Aspects of Banking Operations**

- Case Laws on Responsibility of Paying and Collecting Banker Indemnities or Guarantees – Scope and Application – Obligations of a Banker – Precautions and Rights – Laws relating to Bill Finance, LC and Deferred Payments – Laws Relating to Securities – Valuation of Securities – Modes of Charging Securities – Lien, Pledge, Mortgage, Hypothecation etc – Registration of Firms/Companies – Creation of Charge and Satisfaction of Charge

### **4. Banking Related Laws**

- Law of Limitation – Provisions of Bankers Book Evidence Act – Special Features of Recovery of Debts Due to Banks and Financial Institutions Act, 1993
  - a. TDS
  - b. Banking Cash Transaction Tax
  - c. Service Tax
  - d. Asset Reconstruction Companies
- The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
  - a. The Consumer Protection Act, 1986
  - b. Banking Ombudsman
  - c. Lok Adalats
  - d. Lender's Liability Act

## **5. Banker – Customer Relations**

- The legal relationship between the Banker and Customer, the Multifarious Transactions between them and the Rights and Duties of the Parties springing out of such relationship
- 1. Nature of Banking Business
- 2. Legal Nature of Banker-Customer Relationship and their Mutual Rights and Duties
- 3. Special Categories of Customers, such as Corporations, Partnership Firms, Hindu Joint Families, Unincorporated Bodies, Trusts, Joint Account Holders, Minors, Nominee Accounts, Liquidator, Mercantile Agents, Non-Resident Indians, Foreigners and the Legal Incidence of Each
- 4. Different Types of Accounts such as Current Accounts, Savings Bank Account and Fixed Deposits
- 5. Other Transactions between Banker and Customer such as Safe Deposit Vaults, Financial Advice, Letters of Introduction and Other Services Rendered by Banks
- 6. special features of the relationship between banker and customer – Their mutual rights and duties – lien – Power to combine different accounts – Secrecy of account

## **6. Loans and Advances**

- Law, Practice and Policies governing the employment of the funds in the hands of the banker with special reference to the lending banker
- State Policy on Loans and Advances – Priority sector advances and socio-economic policies – Self-Employment Schemes – Women Entrepreneurs – Small Scale Industries – Agricultural Finance, Export Finance, etc – How the banker profitably uses the fund – Call loans and loans repayable at short notice – Loans and advances – Overdrafts – Legal control over bank's deployment of funds

## **7. Securities for Banker's Loans**

- The legal issues involved in and the practice governing the different kinds of securities for banker's advances and loans
- Guarantees, pledge, lien, mortgage, charge – subject matters of collateral security
  - a. Corporate Securities
  - b. Documents of title to goods
  - c. Land and Buildings
  - d. Book debts
  - e. Life Policies
- Factoring; Bill Discounting; Bank Guarantees; Letters of Credit; Commercial Papers

## **8. Financial Analysis of Banks**

- Introduction; Role of financial analysis in financial management; Techniques of Financial Analysis; DuPont Model of Financial Analysis; Special issues in Financial Analysis of Banking Industry

## **9. Financial System: An Overview**

- Introduction; Role of Financial System; Capital Flow Through Intermediary Financial Institutions; Direct Capital Flow; Primary Market Products; Primary Market Issue Facilitators; Secondary Market; Economic Importance of Financial Markets

## **10. Financial Management in Banks: An Introduction**

- Introduction; Objectives of Financial Management; Scope of Financial Management; Managing Bank Liabilities; Managing Bank Assets; Asset-Liability Management; Managing Liquidity and Risk

#### **11. Bank Financial Management**

- Overview of Financial System; Introduction to Financial Management in Banks; Financial Analysis of Banks
- Management of Funds: Sources
- Management of Funds: Investments
- Risk Management: An Overview; Estimating/Forecasting of Risks; Measuring Risks; Management of Risks; Asset-Liability Management
- Special Issues- Mergers and Acquisitions; Accounting Policies; Pricing of Bank Products & Services
- Marketing of Financial Services
- Financial Services in India

#### **12. Marketing of Banking Services**

- Banking Products and Services
- Distribution, Pricing and Promotion Strategy for Banking Services
- Attracting and Retaining Bank Consumers

#### **13. Merchant Banking and Allied Services**

- Issue Management; Stock Broking Services; Corporate Finance; Project Finance Services; Advisory and Consultancy Services

#### **14. Marketing of Mutual Funds, Insurance, Pension Funds and Government Securities**

- Mutual Fund Markets in India: An Overview
- Marketing of Insurance, Pension Funds and Govt. Securities
- Segmentation, Targeting and Positioning
- Development and Launching of New Products
- Marketing Strategies for Mutual Funds

#### **15. Beyond Tomorrow**

- Directions of Growth and Beyond Tomorrow
- IT and its Implications
- Globalisation and its Impact on Financial Services Markets

#### **16. International Banking Management**

- International Banking : An Overview
- Legal & Regulatory Framework
- International Banking Operations Management
- Risk Management in International Banking
- Special Issues: Technology and International Banking; Globalisation and International Banking; Financial Innovations in International Banking

#### **17. Electronic Banking and IT in Banks**

- IT in Banking : An Introduction
- IT Applications in Banking- Computer-Based Information Systems for Banking; Electronic Banking; Electronic Fund Management

- Enabling Technologies of Modern Banking- Electronic Commerce and Banking; Supply Chain Management; Customer Relationship Management; Integrated Communication Networks for Banks
- Security and Control Systems
- Planning and Implementation of Information Systems

#### **18. Risk Management in Banks**

- Risk Management: An Overview
- Credit Risk Management
- Liquidity and Market Risk Management
- Operational Risk Management
- Special Issues- Risk Management Organisation; Reporting of Banking Risk; Risk Adjusted Performance Evaluation

#### **19. Ethics and Corporate Governance in Banks**

- Ethics and Business
- Corporate Governance
- Corporate Social Responsibility
- Governance in Financial Sector

### **Part B: INSURANCE LAW (40 Marks)**

#### **20. General Principles of Insurance Contract- I**

- Nature of Contract of Insurance -Insurance and Indemnity -Insurance and Guarantee - Insurance and Wager -Feature of Insurance Contract -Types of Insurance Contract -Risk Trading Indemnity, Subrogation and Contribution

#### **21. General Principles of Insurance Contract -II**

- Insurable Interest -*Uberrimae fidei* and Disclosure -Principle of Moral Hazards -Proximate Cause -Reinsurance -Concept of Agency in Insurance Contract

#### **22. Life Insurance**

- General Principles of Life Insurance Contract -Proposals and Policy -Representation - Assignment and Nomination -Title and Claims -Tax Law Implications -Concept of Trusts in Life Policy -stamp Duties -Life Insurance Corporation -Role and Function

#### **23. General Insurance -I**

- Different Types of General Insurance -General Insurance and Life Insurance -Nature of Fire Insurance -Representation -Various Types of Fire Policy Subrogation -Double Insurance - Contribution and Average -Proximate Cause -Claims and Recovery
- Accident and Motor Insurance -Nature -Disclosure -Terms and Conditions -Claims and Recovery -Third Party Insurance -Compulsory Motor Vehicle Insurance -Accident Insurance
- Burglary Insurance -Nature, Terms and Conditions
- Medical Insurance -Nature, Terms and Conditions

#### **24. General Insurance- II**

- Regulation of Insurance Business, Insurance Act and IRDA Act; Powers and Functions of IRDA

- Marine Insurance Scope and Nature -Types of Policy -Insurable Interest -Disclosure and Representation -Insured
- Perils -Proximity Cause -Voyage -Warranties -Loss and Abandonment -Losses and Average - Measurement of Subrogation, Contribution -Under Insurance

## **PAPER 2: INTERNATIONAL TRADE- LAW AND PRACTICE (100 Marks)**

**Level of Knowledge:** Expert Knowledge

**Objective:** *To acquire advance knowledge in international trade, law, procedure and practices.*

**Contents:**

### **1. Introduction**

- International Trade- Reasons and Motivation
- Emerging Trends in International Trade
- International Marketing
- International Financial Management
- International Business Strategy
- Risk and Insurance in International Trade
- Instruments of Payments
- Regional Trading Blocks
- Regulatory Institutions of International Trade
- Role of WTO, IMF, World Bank
- INCO Terms
- Non Tariff Barriers

### **2. Global Competitiveness**

- Macroeconomic and Business Strategy Perspective
- Framework for Assessing Competitiveness- Various Approaches
- International and National Competitiveness Studies
- Government Policy and Competitiveness
- Competitiveness through Integrated Process Management

### **3. Foreign Trade Policy and Procedures**

- Introduction to Foreign Trade Policy
- Institutional Framework for Export Promotion
- Export Incentives and Facilities
- EPZ/FTZ/100% EOUs
- Quality Control for Exports
- Export Prospects for Select Products and Services

### **4. Export-Import Policy and Procedures**

- Pre-Shipment and Post Shipment Finance
- SEZ-Incentives and Benefits
- Method of Realizing Export Payments and Ensuring Guaranteed Export Payment
- Central Excise Clearance Formalities
- Customs Regulations and Clearance Formalities for Exports & Imports
- Duty Draw Back Claims Procedure
- Payments Against Exports
- Payments Against Imports

- Foreign Exchange Risk Management
- Warehousing

## **5. International Trade and Trading Blocks**

- Theory and Policy
- Institutionalization of International Trade
- Pre-GATT Scenario, GATT and International Trade
- Establishment of World Trade Organization
- Other International Trade Organizations including Regional Trading Blocks- ASEAN, SAARC, SAPTA, NAFTA, Etc.
- Double Taxation Avoidance Agreements (DTAA)

## **6. World Trade Organisation**

- Basic Principles of WTO and GATT- Functions and Areas of Operations
- Various Agreements under WTO
- Dispute Settlement under WTO- Rules, Regulations and Procedures relating to Settlement of Disputes under WTO

## **7. Anti-Dumping Duties**

- WTO Provisions on Anti-Dumping
- Anti-Dumping Laws, Anti-Dumping Duties, Regulatory Framework, Procedure and Developments

## **8. Subsidies and Countervailing Duties**

- WTO Provisions
- Administration
- Procedure and Emerging Trends

## **9. Foreign Collaborations and Joint Ventures**

- Foreign Direct Investment Policy, Industrial Policy
- Kinds of Collaboration and Joint Ventures
- Drafting of Agreement
- Restrictive Clauses in the Foreign Collaboration/Joint Venture Agreements
- International Commercial Arbitration

## **10. Logistics Management**

- Logistics Framework- Concept, Objective and Scope
- Transportation, Warehousing, Inventory Management, Packing and Unitization, Control and Communication
- Role of IT in Logistics, Logistics Service Firms and Third Party Logistics

## **PAPER 3: INTELLECTUAL PROPERTY RIGHTS - LAW AND PRACTICE (100 Marks)**

**Level of Knowledge:** Expert Knowledge

**Objective:** *To acquire advance knowledge of law and practices relating to intellectual property.*

**Contents:**

### **1. Introduction**

- Meaning, Relevance, Business Impact, Protection of Intellectual Property
- Copyrights, Trademarks, Patents, Designs, Trade Secrets and Geographical Indications
- Competing Rationales for Protection of Intellectual Property Rights
- Introduction to the leading International Instruments concerning Intellectual Property Rights: the Berne Convention, Universal Copyright Convention, The Paris Convention, TRIPS, The World Intellectual Property Organization (WIPO) and the UNESCO

## **2. Patents**

- Concept of Patent
- Product / Design Patents & Terminology
- Ownership of Patents
- Duration of Patents- Law and Policy Consideration
- Elements of Patentability
- Patentable Subject Matter
- Utility, Novelty and Non-Obviousness
- Procedure for Filing Patents and Grounds for Opposition
- Worldwide Patent Protection (TRIPS, Paris Convention, Patent Co-operation Treaty and Patent Harmonization including *Sui-Generis* System)

## **3. Building Patent Databases & Library Generation**

- Patent Offices in India
- Patent search through Internet
- Patent search through Library / Records
- Organization of Patent Library
- Patent Information and Databases

## **4. Preparation of Patents Documents**

- Lab Notebooks/Log Books/Record Books
- Methods of Invention Disclosures
- Prior Art Search & Public Domain Information
- Patent Application Contents
- Patent Reading & Writing Methods

## **5. Process for Examination of Patent**

- Filing Process
- Strategic Patent Applications
- Process for Examination & Prosecution
- Reissue & Reexamination
- Patent Marking
- 3rd Party Licensing

## **6. Software Patents**

- Software Patenting in Indian & International Jurisdiction

## **7. Design Patents**

- Product Designs & Drawings



- Shapes
- International Standards
- Instruments

## **8. Patent Infringement**

- Literal Infringement
- Doctrine of Equivalence and Doctrine of Colorable Variation
- Contributory Infringement
- Defenses to Infringement including Experimental Use, Inequitable Conduct, Patent Misuse
- Legal Aspects (Act, Rules, Procedures)
- Government use of Inventions and Acquisition of Inventions by Central Government
- Injunction and Related Remedies
- Appeals to Appellate Board

## **9. Recent Developments in Patent System**

- Patentable Inventions with Special Reference to Biotechnology Products entailing Creation of New Forms of Life

## **10. Trademarks**

- The rationale of protection of trademark as (a) an aspect of commercial and (b) of consumer rights
- Definition and concept of Trademarks
- Different kinds of marks (brand names, logos, signatures, symbols)
- Use of a Mark
- Registration of Trademarks-Procedure
- Opposition to Registration-Procedure
- What Marks are Registrable / Not Registrable
- Concurrent Registration
- Similarity of Marks
- Assignment / Transmission / Licensing of Trademarks
- Infringement of Trademarks
- Passing off Action
- Offences and Penalties
- International Conventions
- Domain Names / Trademarks
- WIPO Internet Domain Name Process

## **11. Copyrights**

- Nature of Copyright
- Works in which Copyrights subsist
- Author & Ownership of Copyright
- Rights Conferred by Copyright
- Assignment, Transmission, Licensing of Copyrights
- Infringement of Copyrights
- Remedies & Actions for Infringement of Copyrights
- Copyright Societies, Office, Board, Registration of Copyrights & Appeals
- International Conventions
- Copyright pertaining to Software/Internet

- Remedies, especially, possibility of Anton Pillar Injunctive Relief in India

## **12. Industrial Designs**

- What is a Registrable Design
- What is not a Design
- Novelty & Originality
- Registration of Designs
- Copyright under the Design Act
- Assignment, Transmission, Licenses
- Infringement
- Remedies

## **13. Geographical Indications and Trade Secrets**

- Meaning and Nature
- Conditions & Procedure for Registration
- Offences and Penalties

## **14. Key Business Concerns in Commercializing Intellectual Property Rights**

- Competition and Confidentiality Issues, Antitrust Laws
- Employee Confidentiality
- Assignment of Intellectual Property Rights
- Technology Transfer Agreements
- Intellectual Property Issues in the Sale of Business
- Care & Maintenance of Confidential Information
- Legal Auditing of Intellectual Property
- Due Diligence of Intellectual Property Rights in a Corporate Transaction

## **15. Management of Intellectual Property**

## **16. Valuation of Intellectual Property**

## **17. Recent Trends and Development**

# **PAPER 4: COMMODITY, MONEY & CAPITAL MARKET (100 Marks)**

**Level of Knowledge:** Expert Knowledge

**Objective:** *To acquire advance knowledge relating to structure, functioning, operational policies and practices of various markets.*

**Contents:**

## **Part A: Commodity and Money Market (40 Marks)**

### **1. Introduction to Commodity Market**

- Origin of Commodity Market in India
- Products, Participants and Functions
- Commodity Derivatives Markets
- Difference between Commodity and Financial Derivatives
- Evolution of Commodity Exchanges, Global Commodity Derivatives Exchanges, Latest Developments
- NCDEX Platform – Structure, Exchange Membership, Risk Management, Clearing and Settlement System and Commodities Traded on the NCDEX Platform

## **2. Application of Commodity Futures**

- Instruments Available for Trading - Forward Contracts, Futures and Options, Pay Off for F&O, using Futures versus Options
- Pricing Commodity Futures-Investment Assets versus Consumption Assets
- Cost of Carry Model, Futures Basis
- Using Commodity Futures for Hedging, Speculation and Arbitrage

## **3. Trading, Clearing and Settlement**

- Trading- Futures Trading System, Entities in the Trading System, Commodity Futures Trading Cycle, Order Types and Trading, Parameters, Margins for Trading in Futures, Charges, Hedge Limits
- Clearing and Settlement- Clearing, Settlement, Risk Management, Margining at NCDEX and Standard Portfolio Analysis of Risk (SPAN)

## **4. Regulatory Framework of Commodity Derivatives**

- Rules Governing Commodity Derivatives Exchanges, Participants, Investor Grievances and Arbitration
- Implications of Sales Tax, Value Added Tax (VAT) and Obligations
- Electronic Spot Exchange - NCDEX Spot Exchange Ltd. (NSPOT)

## **5. Introduction to Money Market**

- Financial Systems in India, Money Market, Debt Market, Capital Market, Need for Correlating them
- Characteristics of Money Market, Call Money Market- Players, Utility and Regulatory Body; Commercial Paper-Players, Utility and Issuing and Paying Agent; Certificate of Deposit; Treasury Bills
- Difference between Capital Market and Money Market

## **PART B: Capital Market (60 Marks)**

### **6. Introduction to Capital Market in India**

- Meaning, Nature and Role
- Features of Developed Capital Market, Reforms in the Capital Market
- Capital Market- Instruments and Innovation in Financial Instruments

### **7. An Overview of Legal and Regulatory Framework**

- Capital Market Regulatory Framework
  - i. Securities Contracts (Regulation) Act, 1956
  - ii. SEBI Act, 1992
  - iii. Depositories Act, 1996
  - iv. Authorities Governing Capital Markets- Objective, Power and Functions of SEBI
  - v. Securities Appellate Tribunal, Appearance before SAT

### **8. Primary and Secondary Market in India**

- Primary Capital Market Scenario in India
- Primary Market Intermediaries, Primary Market Activities, Methods of Raising Resources from International Market

- Secondary Market Scenario in India
- Reforms in Secondary Market, Organization and Management, Trading and Settlement, NEAT/BOLT System
- Market Types, Auction Listing of Securities, Stock Market Index, Stock Brokers, Sub-Brokers, Broker- Clients Relationship, Trading Mechanism Steps taken by SEBI to Increase Liquidity in the Stock Market

## **9. Depository System in India**

- Overview of Depository System in India
- Depositories Act; Definitions, Setting Up Depository; its Type; Role and Functions of Depository; Depository Participants; Dematerialization vs. Immobilization, Rematerialisation, Depository Process, Inspection and Penalties; Internal Audit and Concurrent Audit of Depository Participants

## **10. Debt market**

- Importance, Participants, Types of Instrument, Primary and Secondary Segments of Debt Market

## **11. Collective Investment Schemes**

- Regulatory Framework Governing Collective Investment Schemes
- Restrictions on Business Activities, Submission of Information and Documents
- Trustees and their Obligations

## **12. Financial Institutions in India**

- Role and Policy Measures relating to Development Banks and Financial Institution in India, Products and Services offered by Financial Institutions

## **13. Venture Capital**

- Concept of Venture Capital, Regulatory Framework, Nature and Scope,
- Venture Capital in India, Venture Capital Firms Registration, Investment Conditions and Restrictions
- Foreign Venture Capital Investors, Private Capital Funds
- Factoring Agreements & Discounting of Bill

