

CHARTERED SECRETARY

THE JOURNAL FOR CORPORATE PROFESSIONALS



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Comprehensive guidelines on Offer For Sale (OFS) of Shares by Promoters through the Stock Exchange Mechanism

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Introduction of New Syllabus for the Executive and Professional Programmes of the Company Secretaryship Course

*New
President
&
Vice President of the
Council of the* 



**THE INSTITUTE OF
Company Secretaries of India**

IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

‘CHARTERED SECRETARY’ GREETES AND CONGRATULATES SHRI S. N. ANANTHASUBRAMANIAN AND SHRI HARISH K. VAID ON THEIR ELECTION AS PRESIDENT AND VICE PRESIDENT RESPECTIVELY OF THE COUNCIL OF THE INSTITUTE FOR THE YEAR 2013-14 AT THE COUNCIL MEETING HELD ON 19.01.2013



CS S. N. Ananthasubramanian
President, Council of The ICSI

CS S. N. Ananthasubramanian, B.Com (Hons) and a Fellow Member of the Institute has been elected as the PRESIDENT of the Council of The Institute of Company Secretaries of India (ICSI) w.e.f. 19th January, 2013. He was the Vice-President of ICSI in 2012.

A member of the Council of ICSI since 2007, he was re-elected in 2010 for the term 2011-2014. CS Ananthasubramanian has been in practice as a Company Secretary at Thane since 1991, having been in employment from 1976.

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

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

He was a member of various Committees of the Council of the ICSI including the Core Group for formulating the ICSI-Vision 2020. As Chairman, Management Committee of ICSI-Centre for Corporate Governance, Research & Training, Navi Mumbai between 2007-09, he successfully spearheaded the turnaround of the ICSI-CCGRT and its activities.

As member of Syllabus Review Committee and Board of Studies in 2007 and in 2011, he has contributed significantly in the development of contemporary syllabus for Company Secretaryship Course. He was the Chairman of the Task Force on Training in 2008 and in 2011 which has introduced the New Training Structure for students including the introduction of e-SIP, e-EDP, ICSI-Direct signifying online registration of students.

CS Ananthasubramanian also piloted the Guidelines for Advertisement by Company Secretary in Practice in 2007.

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



CS Harish K. Vaid
Vice President, Council of The ICSI

CS Harish K Vaid, a Commerce & Law Graduate, is a Fellow Member of The Institute of Company Secretaries of India, besides being a Life Member of Indian Law Institute, Member of All India Management Association, Fellow Member of the Institute of Administrative Management and Member of various Committees on Corporate Laws constituted by ASSOCHAM, Confederation of Indian Industries and PHD Chambers of Commerce & Industry.

Before joining the profession of Company Secretaries 31 years ago, he had served 7 years in various capacities in the Office of the Registrar of Companies and Ministry of Corporate Affairs, New Delhi. Presently heading the Corporate and Legal Departments of the well diversified Jaypee Group, he is designated as Sr. President (Corporate Affairs) & Company Secretary of Jaiprakash Associates Limited, the flagship Company of the Group. He is also Director on the Boards of various companies in India and abroad, besides being member of Managing Committee of various Societies, Trusts and Educational Institutions.

With an illustrious good academic career backed by widely acclaimed acumen in his chosen field of professional pursuit, CS Harish K Vaid has been taking keen and active interest in the activities of The Institute of Company Secretaries of India. He had been Chairman of the NIRC of the ICSI in the year 1987 and has been elected to the Central Council of the Institute for six terms, including the present term.

He is a Member of the Quality Review Board constituted by the Government of India for the ICSI. He had been Member, Editorial Advisory Board of Chartered Secretary, the Journal of the ICSI; Member, Managing Committee of Company Secretaries Benevolent Fund and Member of the various Committees constituted by the ICSI and Ministry of Corporate Affairs.

He has authored articles/technical papers, addressed & moderated various technical Seminars, symposia, talks, study circle meetings organized by various forums including The Institute of Company Secretaries of India, Institute of Cost Accountants of India, Field Offices of Ministry of Corporate Affairs and other professional bodies, both in India & abroad.

He has represented the ICSI and other leading Industry Associations before various Parliamentary Committees.

CS Vaid is widely travelled within India and abroad.

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► Harish K. Vaid

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01 >> Outgoing President Nesar Ahmad presenting a bouquet to S.N. Ananthasubramanian, the newly elected President of the Council of the Institute. Others standing from Left: Sutanu Sinha, M S Sahoo and A K Dixit.

02 >> Nesar Ahmad pinning the ICSI insignia to S.N. Ananthasubramanian, the newly elected President of the Council of the Institute.

03 >> S.N. Ananthasubramanian, pinning the ICSI insignia to Harish K. Vaid, the newly elected Vice President of the Council of the Institute.

04 >> S.N. Ananthasubramanian chairing the Council Meeting of the Institute.

05 >> Group photo of the newly elected President and the Vice President with Council Members and Senior Executives of the Institute - Sitting from Left: M.S. Sahoo, Arun Balakrishnan, Harish K. Vaid, S.N. Ananthasubramanian, Nesar Ahmad, Anil Murarka, P. Sesh Kumar, Ardhendu Sen. Standing from Left: R. Sridharan, B. Narasimhan, Atul H. Mehta, Sudhir Babu C, Atul Mittal, Sanjay Grover, P.K. Mittal, Vikas Y. Khare, Umesh H. Ved, Ashok Pareek, Sutanu Sinha and A.K. Dixit.

06 >> Felicitation Function: M.S.Sahoo greeting S.N.Ananthasubramanian, the newly elected President of the Council of the Institute.

07 >> Sutanu Sinha greeting Harish K Vaid, the newly elected Vice President of the Council of the Institute.

08 >> Address by the President of the Council of the Institute.

09 >> Address by the Vice President of the Council of the Institute.

10 >> A glimpse of Team ICSI.



11 » CSBF Cultural Evening - Chief Guest Hon'ble Justice D.R. Deshmukh (Chairman, CLB) seen with members of CSBF Core Group for the Event and other dignitaries.

12 » Release of Cultural Evening Souvenir - Standing from Left: Harish K. Vaid, Hon'ble Justice D.R. Deshmukh, H.S. Grover, P.K. Mittal and Nesar Ahmad.

13 » Signing of MOU between ICSI & IOD (India) - Standing from Left: Alka Kapoor, Sutanu Sinha, M.S. Sahoo, Lt. Gen. J.S. Ahluwalia (PVSM(Retd.)) President, IOD, India), Nesar Ahmad, Dr. S.K. Dixit, Manoj Rout (CEO, IOD India) and Banu Dandona.

14 » Launching of First International Chapter of ICSI at Dubai - Standing from Left: Sutanu Sinha, Shahjahan Beyabani, Andleeb Hamid Zuberi, Meeta Agarwal, Nandini Kaushal, Nesar Ahmed, Sunil Bahri, Ashish Kumar and B. Narasimhan.

15 » Meeting with Hon Consul General of India, Dubai- Standing from left : Sutanu Sinha, B. Narasimhan, Sanjay Verma (Hon Council General of India, Dubai), Nesar Ahmad, Sunil Bahri and Ashok Babu.

16 » NIRC - One Day Seminar on Be A Winner - Time to Outshine - Sitting on the dais from Left: Ranjeet Pandey, NPS Chawla, Dhananjay Shukla, Rajiv Bajaj, Dr. Sandeep Srivastava (Commissioner, Customs & Central Excise, Noida), Atul Mittal, Ashu Gupta, Manish Gupta and Vineet K. Chaudhary.

17 » NIRC - Inauguration of Renovated Building of NIRC - Nesar Ahmad inaugurating the renovated building. Others standing from Left: Ranjeet Pandey, Harish K. Vaid, Ashu Gupta, Rajiv Bajaj, M.S. Sahoo and Deepak Kukreja.



At a Glance

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Provisions in the Listing Agreement: Need for Convergence with the Mother Legislation » P-144

Ramaswami Kalidas

Companies which are desirous of having their securities listed in recognized Stock Exchanges for facilitating their trading have to enter into a Listing Agreement with the concerned Stock Exchanges. The Listing Agreement contemplates numerous compliances which are in addition to similar compliances under the Companies Act. A close study of the provisions of the Companies Act and the various clauses of the Listing Agreement will reveal a number of incongruities between the two. While pinpointing some such conflicting areas this article calls for a seamless integration of the requirements of the Act and the Listing Agreement so that compliances become simpler and painless.

Trust Discounted Pay-Back (Outlook of a Practitioner) » P-148

Sabyasachi Sengupta

While evaluating the feasibility / viability of capital investment proposals, the academicians the world over would invariably recommend the NPV rule as the decision making criterion essentially due to its conceptual superiority. However, while actually handling capital investment proposals in the industry a number of managers still resort to IRR technique despite the fact that for several years academicians had been repeatedly advising them against it essentially due to certain conceptual limitations of the IRR Rule which are inherent in an IRR modeling. Similarly, the Discounted Pay-Back (DPB) method of investment appraisal lacks credibility in the academic circuit because of the conceptual drawbacks that this method suffers from. Despite such limitations, some managers tend to resort to this method of investment appraisal while selecting investment options. Certain crucial practical realities encompassing a capital investment option actually justifies the level of trust that working managers still place on DPB method of investment appraisal. This article attempts to justify the continued popularity of the DPB method in practice despite its academic limitations.

Capital Raising Through Qualified Institutional Placement (QIP) » P-151

Meenu Pandey

QIPs are fast gaining ground as an alternative, viable route of raising money for mid-cap companies. A brief background and

legal guidelines issued by the SEBI to raise money through Qualified Institutional Placement (QIP) in stock markets is described here. Raising money through "Issue" is a most common way. The term 'Issue' means issuance of specified Securities. Primarily, issues can be classified as Public Issue, Rights Issue or Preferential Issues (also known as Private Placements). While public and rights issues involve a detailed procedure, private placements or preferential issues are relatively simpler.

Clouds Over Issue of Non-Compete Fees in Takeover Transactions » P-156

Murtuza M. Bohra

The new takeover code has made sweeping changes in the takeover regulation in India which is claimed to be in favor of minority shareholders. One of the crucial changes is total abolition of payment of 'non- compete fees' in takeover transaction. The non-compete fee is the price to be paid to the seller besides the offer price at the time of the M & A deals. The justification of non-compete fees has been a sticky issue. The SAT in E Land Fashion China Holdings Limited v. SEBI (Appeal No. 27 of 2011, dated May 24, 2011) considered the aspect of non-compete fees and reversed the order of SEBI by allowing the acquirer to pay the additional non-compete fees to the exiting promoters. However, this provision has now been shown a red light as following the TRAC recommendation SEBI made an amendment into Takeover Code for totally abolishing the provision of non-compete fees. This article will critically analyze the development in this regard and its impact on various players involved in an M & A deal.

Limited Liability Partnership - A New Tool for Providing Single Window Business/Professional Services » P-160

Pramod S. Shah

The LLP as an idea was first conceived by Naresh Chandra (2003) & J. J. Irani (2005) committee; however the concept paper was developed by MCA (Ministry of Corporate Affairs) in 2006. LLP Bill, 2008 was passed by Lok Sabha on 12th December, 2008 and it got President's assent on 9 January, 2009. The Limited Liability Partnership (LLP) Act which was notified in April 2009 allowed LLPs to be incorporated for the purposes of undertaking business in India. LLP is a very good substitute to formation of a private limited company. It may not be a good substitute for small family owned partnerships but will be excellent tool for professional partnerships. It is a new corporate form that it enables professional expertise and entrepreneurial initiative to combine, organize and operate in an innovative and efficient manner. LLP is a hybrid form of business with the features of both a body corporate as well as traditional partnership.



Investigation of title of Land & Immovable Properties and subsequent legal due diligence for its Acquisition

» P-168

Sanjay Lalit

Prior to an investment decision, it is advisable that a thorough analysis of the legal issues related to target company is undertaken. Given that, in case of ownership transfers by means of agreement, the validity of the current owner's ownership title is influenced by the validity of previous transfers, a due diligence legal report is very important for a safe transaction. The process of investigation of title is usually much more involved when land & immovable property is concerned, rather than moveable possessions.

» Legal World (LW 13 - 23)

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- ▶ **LW.11.02.2013** Delhi High Court dissolves a company under liquidation as no assets or properties were available for realisation.
- ▶ **LW.12.02.2013** Delhi High Court admits a winding up petition where the defense raised was found to be sham.
- ▶ **LW.13.02.2013** Dispute over handing over of the premises by the lessor to lessee being a bonafide dispute, winding up petition against the lessee company ought to be rejected as such disputes cannot be adjudicated in a summary procedure.[Del]
- ▶ **LW.14.02.2013** SAT upholds the penalty imposed on trader who indulged in circular/reversal/synchronized trades in a manner which led to creation of artificial volume in the scrip.
- ▶ **LW.15.02.2013** Manufacture and sale of specified goods that do not physically bear a brand name, from branded sale outlets, would disentitle an assessee from the benefit of S.S.I. exemption Notification.[SC]
- ▶ **LW.16.02.2013** Supreme Court allows depreciation at higher rate for asset leasing company on the leased vehicles.
- ▶ **LW.17.02.2013** In the absence of any evidence to show that manufacturer was party to fraud or misrepresentation by supplier of inputs, denial of credit is not justified.[CESTAT]
- ▶ **LW.18.02.2013** When the workers of the factory were less than 250, input credit for service tax paid on canteen services provided to them by outdoor caterer cannot be allowed.[CESTAT]
- ▶ **LW.19.02.2013** Once an employer loses confidence in his employee, there cannot be any justification for directing his reinstatement.[Del]
- ▶ **LW.20.02.2013** When the workman failed to show that he had completed 240 days with the Management in the year preceding his termination, he cannot claim benefit under Section 25F.[Del]

» From the Government (GN 22 - 43)

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- ▶ Amendments in the work distribution of Benches of CLB
- ▶ Amendment in the Order No. 10/36/2001-CLB dated, 07/12/2012
- ▶ Filing of Balance Sheet and Profit and Loss Account in eXtensible Business Reporting Language (XBRL) mode for the financial year commencing on or after 01.04.2011
- ▶ Comprehensive guidelines on Offer For Sale (OFS) of Shares by Promoters through the Stock Exchange Mechanism
- ▶ Guidelines for providing dedicated Debt Segment on Stock Exchanges
- ▶ Guidelines on Identification of Beneficial Ownership
- ▶ Application Supported by Blocked Amount (ASBA) facility
- ▶ Establishment of Connectivity with both depositories NSDL and CDSL - Companies eligible for shifting from Trade for Trade Settlement (TFTS) to Normal Rolling Settlement
- ▶ Amendments to SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Equity Listing Agreement.
- ▶ Rationalisation process for obtaining PAN by Investor
- ▶ Clarification on Clause 36 of the Equity Listing Agreement
- ▶ Application Supported by Blocked Amount (ASBA) facility in public/ rights issue
- ▶ Debt Allocation Mechanism for FII
- ▶ Securities and Exchange Board of India (Investment Advisers) Regulations, 2013.
- ▶ Notification under regulation 3 of the Securities and Exchange Board of India (Certification of Associated Persons in the Securities markets) Regulations, 2007.
- ▶ Notification under sub-regulation (2) of regulation 1 of the Securities and Exchange Board of India (Self Regulatory Organizations) Regulations, 2004
- ▶ Securities and Exchange Board of India (Self Regulatory Organizations) (Amendment) Regulations, 2013

» Other Highlights

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- ▶ New Syllabus For Executive And Professional Programmes
- ▶ CG & CSR Watch
- ▶ Members Admitted / Restored
- ▶ Certificate of Practice Issued / Cancelled
- ▶ Licentiate ICSI Admitted
- ▶ News From the Regions
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- ▶ Our Members
- ▶ Appointment Advertisements
- ▶ Prize Query
- ▶ PMQ Course in Corporate Governance



From the President



*"God, grant me the serenity to accept the things that
I cannot change; the courage to change the things that
I can and the wisdom to know the difference."*

-The Serenity Prayer



Dear Professional Colleagues,

I am humbled and honoured to have assumed the office of the President of our prestigious Institute and deem it a great privilege to be chosen to serve our profession.

I am aware of my responsibilities at a time when we are in the midst of major reforms on course. Our Council, having approved and adopted the Vision 2020 in 2011, soon initiated steps to translate the Vision into Concrete Agenda for Action. The Top Ten Goals formulated are an outcome of this and successful pursuit of their accomplishment would be my top priority. This will require the support of all concerned.

Transformation driven by change in

circumstances requires sustained efforts to succeed and brings forth better response to evolving situations leading to improved performance. This in turn calls for intelligent understanding of the context with clarity and discerning the underlying shifts to become more aware of the consequential change in the text which will follow. In the contextual change which is under way, Company Secretaries are poised for a much substantive role necessitating a complete overhaul of our mindset. This again calls for determination to challenge the status quo and the recognition to adapt to the dynamic realities. The need to perform a key managerial role as against ministerial duties, as of now, requires much-needed transformation in all of us. The functions, as defined in the Companies Bill, 2012 signify the enhanced expectations and each one of



us should strive harder to meet if not surpass them. It's perhaps time we realise, we should occupy the rightful place in the corporate boardrooms for which we need to imbibe professionalism, learn our lessons fast and make an indelible impact in our respective jobs.

Our Institute has been in the forefront in guiding our members in reinventing themselves and these efforts would continue with renewed thrust and vigour. The Council has drafted a Special Action Plan as regards Companies Bill such as Text Book on Company Law, Referencer on Company Law, Countrywide Seminars, Special Issues on all aspects of the Bill, Dedicated TV episodes on many aspects of Law and Compliance to be aired on select channels, etc.

ICSI has always stood as a beacon for good corporate governance and has taken several initiatives to further this cause. ICSI is poised to emerge as the sole, authoritative body of research, education and development of corporate governance professionals. This in turn calls for moving into the next orbit entailing enhanced responsibilities and effective performance. Towards this end, ICSI proposes to (a) develop a Corporate Governance Rating Module aided by its vast knowledge and expertise acquired in the course of bestowing National Award for Excellence in Corporate Governance (b) establish a viable structure for training and certification for Independent Directors and (c) hold workshops and seminars for propagating good Corporate Governance.

It is with a deep sense of pride and satisfaction that I record my sincere appreciation to my predecessors and my colleagues on the Council for leading many strategic initiatives which are now seeing

their reality. Syllabus Review, New Training Structure, E-learning/E-Training, E-Library, Revised ICSI Teaching/PPP Guidelines, Peer Review, ICSI Direct are singular accomplishments which deserve worthy mention.

In conclusion, I recall the stirring words of wisdom from the Noble Laureate Gurudev Rabindranath Tagore, in 'Geetanjali' which aptly and amply reflect one's sentiments at this hour:

*Where the mind is without fear and the head
is held high
Where knowledge is free
Where the world has not been broken up
into fragments
By narrow domestic walls
Where words come out from the depth of
truth
Where the tireless striving stretches its arms
towards perfection
Where the clear stream of reason has not
lost its way
Into the dreary desert sands of dead habit
Where the mind is led forward by thee
Into that heaven of freedom
My father
Let my country awake.*

Looking forward to your support and cooperation in this endless pursuit of professional growth and excellence.

With kind regards,

Yours sincerely,

*New Delhi
February 01, 2013*

*(CS S N ANANTHASUBRAMANIAN)
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Provisions in the Listing Agreement: Need for Convergence with the Mother Legislation

➤ Corporate professionals are under tremendous pressure of compliances under multitude of Regulations and statutes impacting operations of companies. Their tasks should not be rendered more cumbersome and tedious by their having to be confronted with two sets of requirements basically on the same issue. Therefore, there should be a seamless integration between the Listing Agreement and the Companies Act, so that compliances become simpler.

INTRODUCTION

Companies which are desirous of having the securities issued by them listed in recognized Stock Exchanges for facilitating their trading have to enter into a Listing Agreement with the concerned Stock Exchanges. As the process of listing is not confined only to shares issued by a company, what with there being a separate segment for listing of debt securities understandably, the requirements of the Agreement varies depending upon the type of security which is sought to be listed. The scope of this article is confined to the compliance requirements envisaged in the Listing Agreement leading up to the listing of shares issued by an Issuer Company.

Listing Agreement - The continually expanding list of myriad compliances

It will be apt to preface discussion with the introductory remark that the compliance requirements of the present day emanating from the Listing Agreement are quite arduous - a far cry from the halcyon days when listing was so much simpler and more often than not, resorted to as a mere subterfuge by corporations to derive a tax advantage arising from the fact that a Listed Entity would be considered for tax purposes as a "Company in which the public are substantially interested" within the meaning of the said expression under Section 2(18) of the Income Tax Act, 1961.

With the contours of change which have engulfed the Indian economy over the past decade or so, listing compliances are becoming more and more stringent, there being a continuous pursuit especially by the market regulator namely the SEBI to make the Indian capital market, stand shoulder to shoulder with the developed markets of the World, particularly where it comes to transparency and in ensuring timely dissemination of material information for the good of the investing public.

Typically, the compliance requirements under the Listing Agreement are either time based such as provision of intimation to the Exchange ahead of a Meeting of the Board say, for adoption of the accounts, recommendation of dividend etc or episodic i.e upon the achievement /happening of a material event such as an announcement regarding a corporate restructuring exercise, an acquisition, accomplishment of a milestone such as the commencement of commercial operations, commissioning of a project, so on and so forth. There is no need to provide a run-down on the compliances called upon by the Listing agreement in this discussion as this would be only analogous to carrying coal to Newcastle.

Need for seamless integration with the Mother Law

The focus of this discussion is to bring out the areas of conflict, the dichotomy that exists as between the provisions of the Listing



Agreement and the mother legislation namely the Companies Act, 1956 (hereinafter referred to as "The Act"). Reference is also made to certain specific provisions contained in the Companies Bill 2012 (hereinafter referred to as "The bill") which have the potential to enlarge the areas of conflict as also may lead to unnecessary redundancy in the matter of compliances. Such areas of conflict need to be ironed out, ensuring a seamless integration between the Listing Agreement and the Mother legislation.

Readers will agree that the underpinning of the Listing Agreement is the Companies Act, 1956. Notwithstanding that ever since the emergence of SEBI as a market regulator in the 1980s, the amendments to the Listing Agreement are being primarily administered by SEBI and hence in a sense, carry legal force, the fact remains that the listing agreement is subservient to the Mother law. In the event of a conflict between the two obviously the statute should and will prevail. That being so, it automatically follows that the Listing Agreement should not contain any provision which is inconsistent or runs contrary to the Mother law. Having said this, it would be now appropriate to bring to the fore the provisions in the listing agreement which are not in congruence with the Act as also look at the action proposed to be taken very recently by SEBI to eliminate such contradictions.

Section 285 v. Clause 49 of the Listing Agreement

Section 285 of the Act provides, *inter alia*, that a meeting of the Board shall be held at least once in every three months and at least four meetings shall be held in every year. The Act mandates that the Board should meet at least once every three months. While stating so, one should be conscious of the Departmental clarification contained in Letter No.40/3/72-CL-III dated 2.6.1973 which postulates, erroneously that the Board needs to meet once in a quarter and not once in every three months, as the plain words contained in section 285 suggest. In contrast, Clause 49 of the Listing Agreement provides that the maximum time gap between two meetings shall be four months and that the Board should meet at least four times in a year. Clause 173(1) of the Bill replicates the prescription contained on this issue in Clause 49 while providing that the gap between two meetings of the Board shall be 120 days. Assuming that the Bill gets transformed into an enactment, *ceteris paribus*, one area of divergence between the Act and the Agreement would be eliminated.

Definition of Independent Director

The Act does not contain a definition for the above expression. This is obviously due to the fact that the Act is not only not a contemporary piece of legislation, but it has also not been amended from time to time, to keep pace with the winds of change that have swept India Inc. Clause 49 of the Listing Agreement defines an Independent director. Clause 149(5) of the Bill also defines an Independent Director. A comparison between the two definitions reveals significant differences between the

» Having regard to the need for greater transparency for listed Companies the terms of reference of the Audit Committee under clause 49 of the Listing Agreement are far more elaborate as compared to Section 292A which has to be complied with by all types of companies answering to the threshold capital criteria.

two. Therefore upon the onset of the new Companies Act in its present form, listed entities will have the unenviable prospect of having to contend with two sets of criteria for determining the "Independence of a Director" unless in the interregnum, one of the definitions is harmonized with the other.

Conscious of the difficulties that would arise due to the conflict in the definition of the term, SEBI has in the Annexure to its consultative paper released on January 4, 2013 on review of corporate governance norms in India, indicated that the definition of "Independent Director" as per the Listing Agreement will be harmonized to align with the definition contained in clause 2(47) read in conjunction with Clause 149(5) in the Bill.

Audit Committee -Section 292A v. Clause 49

Section 292A of the Act mandates that every company which has a threshold capital of Rs 5 Crores or more shall constitute an Audit Committee which shall consist of not less than three persons of whom not less than two-thirds shall be Directors other than Managing or whole time directors. From the above prescribed composition, it can be inferred that the Managing/ Whole time directors too can be part of the Audit committee.

In contrast, Clause 49 of the Listing Agreement provides that the Audit Committee shall comprise of a minimum of three directors of whom the majority shall be independent. Further the Clause stipulates that the Finance Director, head of Internal Audit etc, may be present at meetings of the committee as invitees. From this, it obviously follows that Directors holding executive positions in the company cannot be members of the committee and can at best be invitees.

The other qualification which members of the Committee should possess as per Clause 49 of the Listing Agreement is financial literacy which refers to the ability to understand the financial statements of the company. Section 292A does not provide for a similar requirement.

Yet another area which strikes a discordant note is where it comes to the terms of reference of the Audit Committee. Having regard to the need for greater transparency for listed Companies



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Provisions in the Listing Agreement: Need for Convergence with the Mother Legislation



Setting up a Whistle Blower Mechanism/Policy in a listed company is still a recommendatory non mandatory requirement in the Listing Agreement. On the other hand, Clause 177(9) in the Bill contemplates the requirement of establishing a "Vigil Mechanism" which is synonymous with whistle blowing by every listed Company as also by other Companies satisfying the criteria to be prescribed.

the terms of reference of the Audit Committee under Clause 49 of the Listing Agreement are far more elaborate as compared to Section 292A which has to be complied with by all types of companies answering to the threshold capital criteria.

Clause 177 of the Bill, envisages the constitution of an Audit Committee by every listed company and by such other class of companies which are to be prescribed.

Where it comes to the composition of the committee, clause 177 of the Bill replicates the provisions of Clause 49 of the Listing Agreement. However, one significant variation is that whereas as per Clause 49 every member of the Committee is expected to have financial literacy, Clause 177 provides that the majority including the chairman should have the ability to understand financial statements.

Clause 177(7) of the Bill clarifies that "Key Managerial Personnel" which expression as per clause 2(51) of the Bill includes, *inter alia*, the CEO, the Managing Director, the Company Secretary shall have only the right to be heard at the meetings of the Committee without possessing the right to vote, thereby implying as in Clause 49 that persons holding executive positions in the company cannot be part of the Committee.

The terms of reference of the Committee as in Clause 177(4) of the Bill are much wider than in the existing Section 292A of the Act but do not encompass all the areas as visualized in Clause 49.

In the Annexure to the Consultative Paper dated January 4, 2013 which enumerates the proposed amendments to Clause 49 of the Listing Agreement pursuant to the introduction of the Companies Bill, 2012, SEBI has stated that the existing provisions in the Listing Agreement as regards constitution of the Audit Committee will be retained as they have a stricter requirement.

Whistle Blower Mechanism/Policy

Readers are aware that the requirement of setting up a Whistle Blower Mechanism/Policy in a listed company is still a recommendatory non mandatory requirement in the Listing Agreement. On the other hand, Clause 177(9) in the Bill

contemplates the requirement of establishing a "Vigil Mechanism" which is synonymous with whistle blowing by every listed Company as also by other Companies satisfying the criteria to be prescribed.

SEBI has indicated in its Consultative Paper dated January 4, 2013 that the existing provision in the Listing Agreement may be made mandatory and aligned with the Companies Bill. It is therefore, likely that the potential area of conflict on this point would be eventually resolved.

Nomination and Remuneration Committee

Clause (2) in Annexure ID to Clause 49 of the Listing Agreement provides for the non mandatory requirement of setting up a Remuneration Committee of the Board which, if set up, should consist of at least three directors, all of whom should be holding a non executive position with the Chairman being an Independent director. Clause 178(1) in the Bill lays down that the setting up of a Board committee of this genre would be compulsory for every listed company and other class of companies to be prescribed. The proposed composition of the Committee is similar to Clause 49 with the additional stipulation that one half of the Committee should consist of Independent directors. The Proviso to Clause 178 (1) provides that the Chairperson of the company (whether executive or non-executive) may be appointed a member of the Committee but he shall not chair the Committee.

SEBI has expressed the view that Clause 49 would need to be amended to align with the requirements of the Bill. However, the requirement of Independent chairman of the Committee as provided in the existing Clause 49 shall be retained in the new Clause 49.

Investors'/Shareholders' Grievances committee v. Stakeholders Relationship Committee

Clause 49 of the Listing Agreement mandates that a Board Committee to be designated as "Shareholders/Investors Grievance committee" be set up under the chairmanship of a non-executive director to specifically look into the redressal of shareholder and investors' complaints.

Clause 178(5) of the Bill contemplates the setting up of a Committee to resolve the grievances of the security holders of the company and the setting up of a "Stakeholders Relationship Committee" is proposed in case of those companies which have more than 1000 security holders such as shareholders, debenture holders, deposit holders etc. The scope of the existing requirement in Clause 49 will thus get widened as it will encompass stakeholders other than the shareholders.

SEBI has also expressed the view that the provisions of clause 49 of the Listing Agreement need to be aligned with the Companies Bill.



Corporate Social Responsibility(CSR) Committee

Clause 135 in the Bill stipulates that every company whether listed or not which has a net worth of Rupees 500 crore or more or a turnover of Rs 1000 Crore or more or a net profit of Rs 5 Crore or more has to constitute a CSR Committee to, *inter alia*, formulate and monitor the CSR policy of the company.

The Committee shall consist of three or more directors of whom at least one director shall be an independent director.

It is also expected that the company shall ensure to spend at least 2% of the average net profits made in the preceding three years. In the event that such expenditure is not incurred, the Board shall owe an explanation to the shareholders in its Report. It needs to be noted that as yet there is no corresponding requirement in the listing agreement.

Divergence in key definitions

Clause 49 of the Listing Agreement, *inter alia*, mandates that there shall be a complete disclosure to the Audit Committee of "related party" transactions entered into by the listed entity. The term "Related Party" shall carry the meaning given to the expression by Accounting Standard 18 (AS18). It is pertinent to note that the term "related party" has been defined by Clause 2(76) of the Bill. What is a cause for consternation is the fact that the proposed definition in the Bill is not in harmony with AS 18. In the same vein, the expression "price sensitive information" has been defined under Explanation (b) under Clause 195(1) of the Bill. This definition too is in variance with the definition to the above term as contained in Regulation 2(ha) of the SEBI (Prohibition of Insider Trading) Regulations, 1992.

Conscious of the divergence in some of the above definitions, SEBI has informed that the definitions of "Associate Company", "Financial Year", "Key Managerial Personnel", "related Party", "relative" etc. as per Clause 49 need to be aligned with the Bill.

Clause 121 of the Bill – Overlap with Clause 31(d) of Listing Agreement

Under Clause 31(d) of the Listing Agreement, a listed company is under obligation to furnish to the Stock Exchange promptly, the copy of the proceedings at all Annual and Extraordinary meetings of the Company.

The above compliance requirement is proposed to be inserted under Clause 121 of the Bill which enjoins upon every company to furnish to the Registrar of Companies, a report on the proceedings of the Annual General Meeting. A listed company may therefore, willy-nilly, come within the ambit of the Registrar's supervision.

Clause 93 of Bill- disclosure of promoter holdings

Clause 93 of the Bill envisages that every listed company shall file



with the Registrar of companies a return in the prescribed form which sets out changes in the holdings of the promoters and top ten shareholders within fifteen days from the occurrence of such changes. This disclosure could be somewhat analogous to filings already done by the listed companies under Clause 35 of the listing agreement as also the regulations of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations.

Conclusion

In the foregoing discussion, it has been endeavoured to identify the areas of divergence in the Listing Agreement when read in tandem with the Act and the Bill. If one runs through the proposed legislation in conjunction with the Listing Agreement, with a fine tooth comb, more and more areas of conflict could perhaps be discerned.

It is heartening to note that SEBI is already seized of the areas of divergence and efforts are already in place to iron out the differences.

There should be a seamless integration between the Listing Agreement and the Statute, so that compliances become simpler. Corporate professionals are already reeling under the weight of compliances which they are called upon to shoulder under a multitude of Regulations and statutes impacting operations of companies. Their tasks should not be rendered more cumbersome and tedious by their having to be confronted with two sets of requirements basically on the same issue. In such a case it may well be the case of the proverbial last straw that broke the Camel's back! This would only prove to be counterproductive and serve no useful purpose.

It is therefore urged that the powers that be introspect before the decks are cleared for the Companies Bill 2012 to become an enactment, and ensure that the areas of conflict some of which are already being addressed, as enumerated above are smoothened, redundancies in compliances eliminated thus paving the ground for proper and qualitative compliances on the part of India Inc.

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Trust Discounted Pay-Back (Outlook of a Practitioner)

➤ Discounted Pay Back (DPB) method of investment appraisal enjoys certain obvious "practical advantages" over the "academically superior" NPV & APV models of decision making. Therefore, prudent practising managers are reluctant to shelve the DPB concept altogether and hence this method of investment appraisal would continue to be used predominantly in the industry despite its "conceptual limitation".

INTRODUCTION

It is a well recognized and well established fact that Discounted Cash Flow (DCF) based models are regarded as ideally suited models while evaluating capital investment/project appraisal decisions. The DCF tools normally in use include (amongst others) the Net Present Value (NPV), Internal Rate of Return (IRR), Discounted Pay Back (DPB), Profitability Index (PI), Adjusted Present Value (APV) and Modified Internal Rate of Return (MIRR) techniques. Academicians, the world over stresses on NPV and APV (which is conceptually an extension of the NPV rule) as the most preferred models for project appraisal decisions, essentially because they are conceptually and logically sound. However, practitioners often resort to the IRR rule for decision making purposes despite the fact that academicians repeatedly advise them against it because of certain conceptual limitations which are inherent in such IRR modeling. The Discounted Pay Back (DPB) method of investment appraisal is yet another standard tool used by practitioners while appraising capital investments although it has been established beyond doubt that DPB rule used indiscriminately does not always provide the best decision. However, the conceptual limitations inherent in the DPB rule has not had encouraged the practitioners to shy away from this method of appraisal altogether. Practitioners often resort to DPB

while selecting investment options as much as they use the theoretically superior NPV model and the intuitively appealing IRR rule. Such a phenomenon (i.e. practitioner's preference for the DPB method despite its academic limitations) may be explained once we attempt to study the reasons (rather the ground realities), which prompts them to resort to DPB method for project appraisal decisions. In fact, certain crucial practical realities encompassing capital investment decisions actually justifies the level of trust the practising managers still place on DPB method of investment appraisal.

DISCOUNTED PAY BACK (MODEL and LIMITATIONS)

Conceptually, Discounted Pay Back (DPB) in relation to a capital investment represents the time taken (say, in years) by project cash flows (suitably converted into present value terms applying an appropriate hurdle rate of discount) to recover the initial investment of the project under review. For example, consider a situation where a company needs to invest either in Project X or Project Y where both projects call for an initial investment of Rs 10 crores (with zero salvage value). Let us also assume that these two projects are of equivalent risk class and the company had estimated that a hurdle rate of 15% may be regarded as the appropriate discount factor for discounting the project cash flows.



For simplicity sake we also assume that the useful life of these projects are identically same as well (say, 5 years in each case). Now, the present values of the cash flow stream generated by these projects across their useful lives are provided in the following Exhibit.

EXHIBIT

Note

- All estimated future cash flows (tabulated below) had already been converted to their respective present values applying an appropriate hurdle rate of 15%.
- "Year 0" represents the year when the initial investment would be incurred.

Year	Details	Project X PV of Cash Flow Stream Rs Crores	Project Y PV of Cash Flow Stream Rs Crores
0	Initial Investment	(10)	(10)
1	Anticipated Cash Return	5	3
2	Anticipated Cash Return	5	3
3	Anticipated Cash Return	4	4
4	Anticipated Cash Return	3	7
5	Anticipated Cash Return	2	5

The above table suggests that the NPV of Project Y is Rs 12 Crores (positive) as against Project X whose NPV works out to Rs 9 Crores (positive). Naturally, in the instant case (where the company is required to select only one out of these two projects), Project Y needs to be selected. However, the Exhibit clearly indicates that the DPB of Project X is only 2 years as compared to DPB of 3 years in case of Project Y. Now, in case the manager applies the DPB criterion for selection, he would prefer Project X over Project Y which - in effect, boils down to a wrong finance decision (conceptually). The conceptual limitation of DPB as a

➤ DPB ignores the cash flows beyond the payback period and hence it discriminates against projects which are expected to fetch higher cash flows after the payback, essentially, in later years of their useful lives. Therefore, it may be logically concluded that the DPB rule applied indiscriminately may not always fetch the best decision and hence, DPB is never recommended as a strong appraisal tool while evaluating capital investment options.

project appraisal criterion stems from the above understanding. To put it formally, DPB ignores the cash flows beyond the payback period and hence it discriminates against projects which are expected to fetch higher cash flows after the payback, essentially, in later years of their useful lives. Therefore, it may be logically concluded that the DPB rule applied indiscriminately may not always fetch the best decision and hence, DPB is never recommended as a strong appraisal tool while evaluating capital investment options. However, it is indeed strange that despite such a crucial conceptual limitation, DPB still enjoys widespread use and application in the industry. The reasons for such continued popularity of DPB so far as industry applications are concerned may only be appreciated once we recognize a few practical realities that encompass any capital investment.

PRACTICAL REALITY I (THE UNCERTAINTY EFFECT)

Business operates in an environment of uncertainty and managers can never be sure as to what would happen in future. There is always the upside possibility of events turning out to be better than anticipated and the downside possibility of everything going wrong. Implementing an investment project requires acceptance of the distinct possibility that managers have got it wrong and the project would finally fail. However, this does not mean that risk cannot be analyzed and actions taken to minimize its impact.

Now, projects which return their outlays swiftly naturally reduce the risk exposure of the organization undertaking the project. There is always a great deal of uncertainty as to whether estimated future cash flows would translate into reality or not. Prudent managers would tend to distrust distant year forecasts and may in effect choose to ignore cash flow projections beyond a certain specified number of years. This in turn may prompt managers to opt for the DPB rule while deciding on investment options. It may not be an exaggeration to draw an analogy and



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state that - just a couple of years back, a few corporations and institutions based at United States of America had committed the fundamental error of trusting forecasted cash flows that only pertained to a few years down the line and by this time it is also a well recognized fact that such estimated cash flows did not translate into reality jeopardizing their entire ventures altogether. Yes, ignoring estimated cash flows beyond the payback is a potential limitation of DPB rule, but, the question that needs to be addressed simultaneously is - in this harsh world of business, to what extent it makes good business sense to trust cash flow forecasts of distant years? In a nutshell, the "academic limitation" of DPB proves to be its most important "practical advantage".

PRACTICAL REALITY II (THE DEPRECIATION EFFECT)

Consider a situation where a profitable company that falls in the 35% tax bracket is planning to undertake a capital investment calling for an initial investment of Rs 15 Crores (with zero salvage value) having useful life of 3 years. This investment is expected to generate Earnings before Depreciation and Taxes (EBDT) of Rs 6 crores in the first year of operation and thereafter the EBDT is expected to grow at the applicable inflation rate of 7% (say) over the remaining years of its useful life. For simplicity sake let us assume that this particular investment is risk-free for all practical purposes and hence (to keep the exercise simple), we would discount the cash flows applying a hurdle rate of 7% only. We also assume (for calculation simplicity) that straight line depreciation policy is allowed for tax purposes.

Now, given the above set of assumptions, the forecast discounted cash flow stream of the project could be tabulated as under:

EXHIBIT II*

Details	Year 1	Year 2	Year 3
EBDT (growing at applicable inflation rate of 7%)	6.00	6.42	6.87
Depreciation (Straight Line)	(5.00)	(5.00)	(5.00)
PBT	1.00	1.42	1.87
Taxes (Applicable Tax Rate being 35%)	(0.35)	(0.50)	(0.65)
PAT	0.65	0.92	1.22
Cash Inflows (PAT plus Depreciation) - (X)	5.65	5.92	6.22
Discounting Factor (at the rate of 7%) - (Y)	0.93	0.87	0.82
Present Value of Cash Inflows - (X * Y)	5.25	5.15	5.10

* All figures are given in Crores of Rupees rounded off to two decimal points only.

Exhibit II distinctly reveals that despite the growth in earnings at the inflation rate of 7% (in this case), the real cash flows (i.e. cash flows depicted in present value terms) declines over time (Year 1 Rs 5.25 Crores, Year 2 Rs 5.15 Crores and Year 3 Rs 5.10 Crores respectively). The reason for such a phenomenon is



straight forward. Although the earnings are growing at 7% rate, another important contributor to the overall cash flow stream, namely, the depreciation tax shield is remaining constant (as we had considered straight line depreciation in the instant case). Pursuant to such straight line depreciation policy, the value of depreciation tax shield in this case amounts to a constant of Rs 1.75 crores (i.e. Rs 5 crores straight line depreciation multiplied by the tax rate of 35%) across each year of the useful life of the project under review. Now, as practitioners are aware that due to the impact of depreciation policy, real cash flows over time would reflect a declining trend over the years, they may be more interested in those projects, which returns the cash outlays quickly. In a nutshell, herein we observe another distinct reason as to why DPB rule enjoys credibility with practitioners. Moreover, it needs to be noted that the Indian Tax Laws essentially promotes the "reducing balance method" of depreciation (as against the straight line policy) and organizations would actually come across very few (rather - NO) capital projects which are risk-free. If we now fit the concept of "reducing balance method" of depreciation and a "higher rate of discount" in our previous example (as depicted in Exhibit II), the situation would make our observation even stronger, i.e. the declining trend of real cash flows over time would get magnified. Therefore, it is not a matter of surprise that practitioners often resort to DPB rule despite its "conceptual limitation".

PRACTICAL REALITY III (OTHER CONSIDERATIONS)

There are a few other reasons which also promote use of DPB in the industry. It is possibly the simplest way of communicating the idea about project profitability. In other words its main advantage lies in its simplicity. Moreover, capital rationing issues (both hard and soft rationing problems) is a key consideration while undertaking capital investments. Now, if funds are limited - there is an obvious advantage in receiving cash returns from projects sooner than later as such cash resources may be deployed in other attractive / profitable investment opportunities.

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Capital Raising Through Qualified Institutional Placement (QIP)

➤ The Securities and Exchange Board of India has allowed qualified financial institutions to directly invest in Indian equity market in order to widen the class of investors, attract more foreign funds, reduce market volatility and to widen the capital market. This article explains the important features of the QIP scheme.

Raising money through "Issue" is the most common practice of corporates. The term 'Issue' means issuance of Securities. Primarily, 'issues' can be classified as Public Issue, Rights Issue or Preferential Issues (also known as Private Placements). While public and rights issues involve a detailed procedure, private placements or preferential issues are relatively simpler.

Public issues can be further classified into (a) Initial Public Offerings (IPO) and (b) Further Public Offerings (FPO). In a public offering, the issuer makes an offer for new investors to enter its shareholding family. The issuer company makes detailed disclosures as per the DIP guidelines in its offer document and offers it for subscription. Initial Public Offering (IPO) is when an unlisted company makes either a fresh issue of securities or an offer for sale of its existing securities or both for the first time to the public. This paves way for listing and trading of the issuer's securities.

A Further Public Offering (FPO) is when an already listed company makes either a fresh issue of securities to the public or an offer for sale to the public, through an offer document. An offer for sale in such scenario is allowed only if it is made to satisfy listing or continuous listing obligations. In 2004, Government of India took steps to disinvest its ownership in few

Public Sector Companies adopting the 'offer for sale' mode. At that time, SEBI (DIP) Guidelines did not have specific provisions enabling 'offer for sale' by a listed company. The Board in its meeting held on February 10, 2004 had approved the adoption of a framework for disinvestment which exempted application of DIP Guidelines to offer for sale by listed PSUs. This was done in public interest to facilitate the disinvestment process of Government that would lead to larger investor/public participation in Government owned companies.

Rights Issue (RI) is that when a listed company proposes to issue fresh securities to its existing shareholders as on a record date. The rights are normally offered in a particular ratio to the number of securities held prior to the issue. This route is best suited for companies which would like to raise capital without diluting stake of its existing shareholders unless they do not intend to subscribe to their entitlements.

A Private Placement is a bypass to IPO or FPO in order to avoid the complicated procedural formalities. A private placement is an issue of shares or of convertible securities by a company to a select group of persons under Section 81 of the Companies Act, 1956 which is neither a rights issue nor a public issue. This is a quicker mode for a company to raise equity capital. A private placement of shares or of convertible securities by a listed



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company is generally known as preferential allotment. A listed company going for preferential allotment has to comply with the requirements contained in Chapter XIII of SEBI (DIP) Guidelines 2000. SEBI (DIP) Guidelines, 2000 were rescinded and SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 were notified on 26th August, 2009. Chapter VIII of the SEBI (ICDR) Regulations, 2009 provides for Qualified Institutional Placement.

The SEBI vide its circular no. CIR/ IMD/FII&C/3/2012 dated January 13, 2012 has allowed Qualified Financial Institutions (QFIs) to directly invest in Indian Equity market in order to widen the class of investors, attract more foreign funds, reduce market volatility and to deepen the Indian capital market.

Qualified Institutional Placement (QIP)

Qualified Institutional Placement is a capital-raising tool, primarily used in India, QIPs are fast gaining ground as an alternative, viable route of raising money for a mid-cap companies. Routed as a best method by which any company can go in for a follow-up offering of any kind, it being viewed as a new mantra to ensure a vibrant onshore private placement equity market. As per Regulation 81(b) of SEBI (ICDR) Regulations, Qualified Institutional Placement means allotment of eligible securities by a listed issuer to qualified Institutional Buyer on private placement basis in terms of SEBI (ICDR) Regulations.

Apart from preferential allotment, this is the only other speedy method of private placement whereby a listed company can issue shares or convertible securities to a select group of persons. QIP scores over other methods because the issuing firm does not have to undergo elaborate procedural requirements to raise this capital.

The Securities and Exchange Board of India (SEBI) introduced the QIP process through a circular issued on May 8, 2006 to prevent listed companies in India from developing an excessive dependence on foreign capital. Prior to the innovation of the qualified institutional placement, there was concern from Indian market regulators and authorities that Indian companies were accessing international funding via issue of securities, such as American Depositary Receipts (ADRs), in outside markets. The complications associated with raising capital in the domestic markets had led many companies to look at tapping the overseas markets. This was seen as an undesirable export of the domestic equity market. Hence the QIP was introduced to

encourage Indian companies to raise funds domestically instead of tapping overseas markets.

However for Qualified Institutional placement (QIP), only those companies whose shares are listed in NSE or BSE and those having a minimum public float as required in terms of the Listing agreement, are eligible. To provide sufficient flexibility and also to ensure that genuine companies do not suffer on account of rigidity of the parameters, SEBI has provided two other alternative routes to company not satisfying any of the above conditions, for accessing the primary Market, as under:

Qualified Institutional Buyers (QIBs)

Qualified Institutional Buyers (QIBs) are those institutional investors who are generally perceived to possess expertise and the financial muscle to evaluate and invest in the capital markets. In terms of clause 2 (zd) SEBI (ICDR) Regulations, 2009 a 'qualified institutional buyer' such QIBs (except promoters or related to promoters of the issuer, either directly or indirectly.) shall mean:

- (a) a mutual fund, venture capital, and foreign venture capital investor registered with the Board ;
- (b) a foreign institutional investor and sub-account (other than sub account which a foreign individual), registered with the Board;
- (c) a public financial institution as defined under Section 4A of the Companies Act, 1956;
- (d) a scheduled commercial bank;
- (e) a multilateral and bilateral development financial institutions;
- (f) a state financial development corporation;
- (g) an insurance company registered with SEBI insurance regulatory and development authority
- (h) a provident fund with minimum corpus of twenty crore rupees.
- (i) a pension fund with minimum corpus of twenty crore rupees.
- (j) National Investment Fund set up by a resolution no. F. No. 2/3/2005-DDII dated 23rd Nov., 2005 of the Govt. of India published in the Gazette of India.

These entities are required to be registered with SEBI as QIBs. Any entity falling under categories specified above are considered as QIBs for the purpose of participating in primary issuance process.

Participant in the Issue

This route is available only for QIBs, with a minimum 10%



allotment to mutual fund. The balance 90% can be allotted on discretionary basis. If no MF is agreeable to take up the minimum portion or any part thereof such minimum portion or part thereof be allotted to other QIBs.

However, no allotment is permitted directly or indirectly, to promoters or persons related to promoters QIBs. For these QIBs which have rights under a shareholders' agreement or a voting agreement with promoters, are deemed to be related to promoters.

Further QIBs having veto rights or the right to appoint any nominee director on the Board of the issuer, are also deemed to be promoters. However, QIBs who hold such rights as lenders are not deemed to be related to the promoter.

Eligible Securities

A listed company can issue:

- (i) Equity shares,
- (ii) Fully and partly convertible debentures,
- (iii) Non Convertible Debenture with warrants, or
- (iv) Any securities other than warrants which are convertible to equity shares.

The specified securities shall be made fully paid up at the time of allotment.

Investors

Only QIBs (as mentioned in clause 2 (zd) SEBI (ICDR) Regulations, 2009 shall be eligible for allotment of specified securities issued pursuant to this Chapter.

Conditions

1. Minimum of 10 per cent of specified securities issued pursuant to this Chapter shall be allotted to mutual funds. If no mutual fund is agreeable to take up the minimum portion or any part thereof, such minimum portion or part thereof may be allotted to other QIBs.
2. No allotment shall be made under this Chapter, either directly or indirectly, to any QIB being a promoter or any person related to promoter/s.

For the purpose of this clause, QIB who has all or any of the following rights shall also be deemed to be a person related to promoter/s:

- (a) Rights under a shareholders' agreement or voting agreement entered into with promoters or persons related to the promoters;
- (b) Veto rights; or
- (c) Right to appoint any nominee director on the board of the issuer.
3. Provided that a QIB who does not hold any shares in the issuer and who has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be a person related to promoter/s.



4. Where the specified security is NCD with warrant, an investor can subscribe to the combined offering of NCDs with warrants or to the individual instruments, i.e., either NCDs or warrants.
5. Investors shall not be allowed to withdraw their bids after the closure of issue.
6. The aggregate fund that raise through QIPs in one financial year shall not exceed five times of the net worth of the issuer at the end of its previous financial year.

Allotment of Securities under QIP

1. Listing Agreement should be complied.
2. Compliance with Foreign Direct Investment Norms in case of allotment to Non Resident Indians.
3. Minimum Number of allottees:-
 - Two- where the issue size is less than or equal to Rs. 250 crores.
 - Five- where the issue size is more than Rs. 250 crores.
4. No single allottee shall be allotted more than 50% of the issue size.
5. Minimum 10% shall be allotted to mutual fund. If the mutual fund does not subscribe to such minimum sum or part thereof, the issue may be allotted to other qualified institutional buyers.
6. No allotment shall be made either directly or indirectly to any QIB who is a promoter or any person related to promoter of the issuing company.
7. The issuer shall not be partly paid up securities. Provided that in case of allotment of non convertible debt instrument along with warrants, the allottees may pay the full consideration or part thereof payable with respect to warrants at the time of allotment of such warrant. Provided further that no allotment of equity shares shall be fully paid up.
8. An applicant for qualified institutional placement shall not withdraw his bids after the closure of the issue.
9. Issue of specified securities shall be made at a price not



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Capital Raising Through Qualified Institutional Placement (QIP)



less than the average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during the two weeks preceding the relevant date.

"Relevant Date" for the purpose of this Clause means the date of the meeting in which the Board of the company or the Committee of Directors duly authorized by the Board of the company, decides to open the proposed issue.

"Stock Exchange" for the purpose of this clause means any of the recognized stock exchanges in which the equity shares of the issuer of the same class are listed and in which the highest trading volume in such shares has been recorded during the two weeks immediately preceding the relevant date.

Prior Approval of the Stock Exchange to be obtained by submitting the following

1. Certified true copy of the resolution passed by the Board of Directors approving the placement of the securities with Qualified Institutional Buyers.
2. Copy of AGM notice sent to shareholders of the Company.
3. Certified true copy of the AGM resolution passed.
4. Draft placement document for the issue of specified securities.
5. Latest shareholding pattern of the company.
6. Net worth certificate by the Statutory Auditors of the company based on the audited figure of the previous year.
7. Confirmation from the lead merchant banker that the issue is being made in compliance with the Chapter VIII of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009.

8. The Managing Director/Company Secretary of the Company shall confirm that the minimum public shareholding under clause 40A & 35 complied with and shall be floated as per chapter VIII of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009.

Tenure of Convertible securities

The tenure of convertible securities issued through qualified institutional placement shall not exceed 60 months from the date of allotment.

Previous QIP

At least 6 months should have elapsed from the previous QIP. However, special resolution is mandatory.

Documents to be submitted to the Stock Exchange

1. Hard copy of the preliminary placement document.
2. Soft copy of the preliminary placement document.
3. Due diligence certificate of the lead Merchant Banker in Compliance with ICDR regulation.

Placement Document

1. Disclaimer that no offer is being made to the public or any other class of investors.
2. Financial Statements i.e. consolidated balance sheet & profit & loss account, CFS, related party transaction.
3. Merchant Bankers to the placement and other advisors.
4. Details of securities to the issue eg. Convertible securities, equity shares etc.
5. Risk Factors.
6. Market Price Information.
7. Use of proceeds after deduction of management fees, offer fees, commission etc.
8. Capitalization and indebtedness statement.
9. The audited consolidated and unconsolidated financial statement.
10. Report of Independent Auditors on the Financial Statements.
11. Management Disclosure and Analysis of financial condition and result of operations.
12. Industry and business description.
13. Organizational Structure and major shareholders.
14. Board of Directors and Senior Management.
15. Taxation aspect relating to the eligible securities.
16. Legal proceeding against the company and directors both as a plaintiff & defendant under various Acts.
17. Proceeding against the promoters.
18. Accountants.
19. General information e.g. details of shareholders, principal object of the company, etc.
20. Any material information which would enable the investor to take the informed decision.

The placement document shall be a private document provided



to select investors, through serially numbered copies. The placement document shall also be placed on the website of the concerned stock exchange and of the issuer with a disclaimer to the effect that it is in connection with an issue to SIBs under this Chapter and that no offer is being made to the public or to any other category of investors.

A copy of the placement document shall be filed with the Board for record purpose within 30 days of the allotment of specified securities.

Transferability of Specified Securities

Specified securities allotted shall not be sold by QIB for a period of one year from the date of allotment, except on a recognized stock exchange.

For the purpose of this clause, it is clarified that any sale by way of a bulk or block transaction in accordance with the procedures prescribed by the Board and the stock exchange, shall also be treated as a sale on a recognized stock exchange.

Listing of Securities under QIP

The Merchant banker shall submit the following for listing of securities:-

1. Certified true copy of the Board Resolution.
2. Certified true copy of the Annual General Meeting/ General Meeting Notice.
3. Certified true copy of the Annual General Meeting/ General Meeting Resolution.
4. Final Placement Document Copy.
5. Certificate from Company Secretary.
6. Certificate that the issue will be in compliance with chapter VII of SEBI (ICDR) Regulations, 2009.
7. Statutory Auditors/Practicing Chartered Accountants/ Practicing Company Secretary calculation of floor price.
8. Certificate from Company Secretary that
 - a. Clause 40 A of the Listing Agreement has been complied with.
 - b. Issue size is 5 time of net worth.
 - c. Relevant Date is followed properly.
9. Details of issue-opening date and closing date.
10. List of allottees.
11. In principle approval from the Stock Exchange.
12. Listing Fee & Processing Fee.
13. Certified true copy of the Shareholding Pattern.
14. Certified True Copy of the Amended Article and Memorandum of Association.
15. Copy of form filed with Registrar of Companies.
16. Relevant Document asked for by Stock Exchange.

Obligations of Merchant Bankers

Any issue and allotment of specified securities pursuant to this Chapter shall be managed by Merchant Banker(s) registered with SEBI. The merchant banker shall exercise due diligence.

The merchant banker shall furnish to each stock exchange on which the same class of shares or other securities are listed, a due diligence certificate stating that the issue is being made and complied with its requirements, along with the application made for seeking in-principle approval for listing of the specified securities. The merchant banker shall also furnish to each stock exchange on which the same class of shares or other securities are listed, the documents, undertakings, etc, if any, specified in the listing agreement for the purpose of seeking in-principle approval and final permission from Stock Exchanges for listing of the specified securities.

Issuer Certification

The issuer shall furnish a copy of the placement document to each stock exchange on which the same class of shares or other securities are listed. The issuer shall also furnish to each stock exchange on which the same class of shares or other securities are listed, a certificate stating that the issue is being made and complied with its requirements, along with the application made for seeking in principle approval for listing of the specified securities. The issuer shall also furnish to each stock exchange on which the same class of shares or other securities are listed, the documents, undertakings, etc, if any, specified in the listing agreement for the purpose of seeking in-principle approval and final permission from Stock Exchanges for listing of the specified securities.

Conclusion

Raising of capital through QIP is allowed by Securities and Exchange Board of India (SEBI) from its domestic markets without the need to submit any pre-issue filings to market regulators. QIP refers to private placement of shares or securities convertible into stock by a listed company only to qualified institutional buyers such as banks, insurance firms, mutual funds and foreign institutional investors. One key concern in QIPs is that unlike rights issue, it dilutes the stake of the existing shareholders. Hence, promoters whose stake is already low will not be very keen on the QIP route. QIP is resorted by companies where promoters' holding is significant. The main advantage of QIP is the speed with which things can be done. It is the shortest route. The money raising can be done in a week in comparison to other means of raising money, such as preferential rights issues which can take as much as three months.

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Article



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Clouds Over Issue of *Non-Compete Fees* in Takeover Transactions

➤ Non compete fee is the price to be paid to the seller besides the usual offer size at the time of merger and acquisition deals. The amended Takeover Code has done away with the provision relating to non compete fee. This article briefly analyses the implications of the non compete fee in M&A deals.

INTRODUCTION

The prime objective of any M&A deal in simple terms is to perk up the profits in any business adventure through combination of two or more business corporations. These deals also carry a responsibility that the shareholders, especially minority shareholders, are given an option either to sell their stake or retain it. That is, why there is a requirement of open offer in the heart of any acquisition deal. The open offer has to be fair and reasonable because it affects the minority rights, which is ensured through proper offer timing and appropriate offer size. The crucial aspect of the offer size is calculated in accordance with the provision under the takeover code.¹ But there is a little known concept of non-compete fees which is also considered while calculating the offer price. Non-compete fee is the price to be paid to the seller besides the usual offer size at the time of the M&A deals.² The justification of non-compete fees has been a sticky issue. Though, the provisions of Takeover Code expressly provide for such fees its validity has been challenged before

SAT.³ But this provision was shown a red light in as much as while following the TRAC recommendation SEBI made an amendment to Takeover Code for totally abolishing the provision of non-compete fees. This article critically analyzes the development in this regard and the impact it can have on various players involved in an M&A deal.

What is a non-compete fee?

The existence of non-compete fee lies in the non-compete clause. Therefore, to understand the non-compete fee it is important to understand a non-compete clause first. A non-compete clause is a term used in commercial transactions under which one party, usually an employee, agrees not to pursue a similar profession or trade in competition against another party, usually the employer. The use of such clauses is justified on the premise that upon their termination or resignation, an employee might begin working for a competitor or starting a business, and gain competitive advantage by abusing confidential information about their former employer's operations or trade secrets, or sensitive information such as customer/client lists, business practices, upcoming products, and marketing plans.

Hence, non-compete fee is the consideration paid usually to the

¹ Regulation 10 & 12 SEBI Substantial Acquisition of Shares and Takeover Regulation, 1997

² One of such latest instance is Vedanta Cairn Deal. In the Vedanta Cairns deal non-compete fee is proposed to be paid to the promoters in order to protect the investment of Vedanta. <<http://timesofindia.com/business/india-business/Oil-Ministry-frowns-upon-Vedanta-Cairn-deal/articleshow/6333607.cms>>, (last visited Sep 28, 2011).

³ Regulation 20(8), SEBI (Substantial Acquisition of Shares & Takeover) Regulation, 1997.



Non-compete fee is the price to be paid to the seller besides the usual offer size at the time of the M&A deals. The justification of non-compete fees has been a sticky issue. Though, the provisions of Takeover Code expressly provide for such fees its validity has been challenged before SAT. But this provision was shown a red light in as much as while following the TRAC recommendation SEBI made an amendment to Takeover Code for totally abolishing the provision of non-compete fees. This article critically analyzes the development in this regard and the impact it can have on various players involved in an M&A deal.

promoter so that they do not re-enter the same business and pose a threat to the acquired Company.

Legal position- Takeover code & Contract Act

Taking into consideration, the legal position, two prime legislations which deserve our attention are the Indian Contract Act and Takeover Code. As mentioned earlier Takeover Code doesn't prohibit the payment of such fees to the promoter however imposes a restriction on the acquirer in that the non-compete fee cannot exceed 25% of the price offered to shareholders in the open offer.⁴ The SAT has held in the Tata Tea Ltd. case⁵ that inclusion of such a fee is valid under the law however, the SEBI still has the power to interfere and determine the reasonableness of the payment in a specific case since there might be a situation where a payment may be made to a promoter who cannot compete in order to reduce the offer price.⁶ The SAT also said that the acquirer during the purchase of a business has every right to protect his investment and business from competition if the situation demands.⁷ Thus, SAT very prudently delineated that it is the responsibility of the SEBI to scrutinize every acquisition deal involving non-compete fee, balancing the interest of both investor and acquirer, before validating on the ground of reasonableness.⁸

Further, some of the experts assert that the inclusion of such a provision hits section 27 of the Indian Contract Act, which states that agreements in restraint of trade will be held void.⁹ However, an exception is created in favor of sale of goodwill where the restraint is within a specified local limit or time. The literal interpretation of the section makes all agreement in restraint of trade void and does not use the word 'reasonableness'. Judiciary

has however, developed and evolved the concept of 'reasonableness' maintaining that agreements which impose reasonable restriction are not void.¹⁰ The test involve three important steps, viz., (i) whether the agreement amounts to restraint of trade, (ii) whether it protects a legitimate interest and (iii) whether it is reasonable in the eyes of the parties and the public.¹¹

Analysis of *E Land Fashion China Holdings Limited v. SEBI*

The SAT in *E Land Fashion China Holdings Limited v. SEBI*¹² considered the aspect of non-compete fees and reversed the order of SEBI by allowing the acquirer to pay the additional non-compete fees to the exiting promoters. A brief analysis of it is provided hereunder.

The question before the tribunal succinctly was that whether the appellant is liable to pay to the public shareholders the non-compete fee that has been paid to the outgoing promoters of the company that has been taken over.

Facts

- ▶ The appellant entered into a share subscription agreement and a share purchase agreement with the target company and its promoters. Through this transaction the appellant would acquire 51% of the equity capital of the target Company at a price of Rs. 75 per share inclusive of a non-compete fee of Rs. 15 per share.
- ▶ Thereafter a shareholders' agreement was executed among appellant and the target company and its promoters. Since, the equity shares acquired by the appellant pursuant to the aforesaid agreements were in excess of 15% of the voting rights the regulations¹³ under the Takeover Code got triggered and this obligated the appellant to make an open offer in the target company, the provisions of got triggered.
- ▶ Accordingly, the appellant made an open offer to acquire

⁴ See Regulation 20(8), SEBI (Substantial Acquisition of Shares & Takeover) Regulation, 1997.

⁵ *Tata Tea Ltd. v. Securities Exchange Board of India*, Appeal No. 136 of 2008, decided on September 15, 2009.

⁶ *Ibid.* SAT held the valid on three grounds, viz., (i) it was within 25 per cent limit, (ii) reasonable and not general in eyes of law, (iii) was for a legitimate interest.]

⁷ *Supra* note 8.

⁸ Also see *Cementum IBV v. SEBI*, [2008] 83 SCL(SAT Mum), wherein SAT held the payment of the non-compete fee valid on the grounds of reasonableness.

⁹ Sandeep Parekh, 'Should promoters be paid premiums in M&As?', Business Standard, August 25, 2010 <<http://www.business-standard.com/india/news/should-promoters-be-paid-premiums-in-mas/405641/>>. Basically contending that if a law made by Parliament disallows non-compete payments, a regulation by SEBI cannot allow it and be the basis of discriminating between shareholders.

¹⁰ *Gujarat Bottling Co. Ltd. v. Coca Cola Co.*, AIR 1995 SC 2372. Also see, *Bholanath Shankar v. Lachmi Narain*, AIR 1931 All. 83; *Fraser & Co. v. Bombay Ice Mfg.*, (1905) ILR 29 Bom. 107.

¹¹ Per Lord Macnaghten, in *Nordenfellt v. Maxim Nordenfellt & Ammunition Co. Ltd.*, (1894) AC 535.

¹² Appeal No. 27 of 2011, dated May 24, 2011.

¹³ Regulation 10 and 12 of the Securities and Exchange Board (Substantial Acquisition of Shares and Takeovers) Regulation 1997.



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20% of the voting capital of the target company at a price of Rs. 60 per share. The offer price did not include the additional Rs. 15 which was offered to the promoter group.

- » Thereafter, SEBI directed the appellant to add the non-compete fee paid to the promoters to the offer price.

SEBI's Contention

SEBI argued that the non compete fee should be added to the offer price. It based its reasoning on majorly three grounds:-

- (i) the existing promoters were still continuing to hold substantial shares (post offer shareholding) in the company and that they were not exiting completely;
- (ii) the promoters had the right to appoint two directors and jointly select two independent directors in the company;
- (iii) the shares of the promoters had a lock in period of 3 years i.e. the promoters were not entitled to transfer their shares without the written approval of the acquirer.

Basically, the SEBI's argument was that the exiting promoters even post offer would continue to hold substantial shares in the company and also control the company. In such a scenario, SEBI argued, it was unlikely that the promoters would totally exit the target company and therefore, offer competition.

SAT's Ruling & Analysis

The SAT allowed the payment of the non-compete fee to the promoters of the target company on the ground that the promoters had the experience and expertise to compete with the target company at a future point in time. In arriving at this conclusion SAT heavily relied on its earlier ruling in *Tata Tea Ltd. v. Securities Exchange Board of India*¹⁴ and *Cementum I.B.V. v. SEBI*.¹⁵

Adopting and upholding the aforesaid judgments the Tribunal held that if the payment of non compete fee is based on a 'strong business rationale' and is not a mere tool to reduce the cost of acquisition to discriminate against the public shareholders, the Board or the tribunal is not entitled to intervene.

However the non-compete fee can only be paid when there is a "lurking fear of competition" which is a factual question and will have to be determined on a case to case basis. Further, the validity of a non-compete fee is not dependent on the extent of the threat of competition from the selling promoters i.e. even if the threat is remote it is not open for the Board or even the tribunal to intervene.

TRAC RECOMMENDATION & Amendment of Takeover Code

Surprisingly, the TRAC report¹⁶ recommends that the non-compete fee should be completely done away with. According to the Committee report the permissible payment of non-compete fee was a means to reduce the offer price and there have been a detrimental effect on the minority shareholders. While this may

¹⁶ Report of the Takeover Regulations Advisory Committee under the Chairmanship of Mrs. C. Achutan, July 19, 2010. The following observations of the TRAC are apposite:

"4.9.4 The Committee concluded that in keeping with the spirit of equal treatment for all shareholders, and the scope for abuse of non-compete payments, the Takeover Regulations ought to be explicit that consideration paid for the shares in any form to the selling shareholder and his affiliates, concurrent with the purchase of shares, whether termed as -control premium, or non-compete fees or otherwise must be added to the negotiated price per share for the purpose of determining open offer pricing.

4.9.5 The Committee concluded that once the extant exemption in respect of non-compete fee is deleted from the Takeover Regulations, and it is clearly articulated that apart from the share acquisition agreement, consideration in any form inclusive of all ancillary and collateral agreements shall form part of the negotiated price, it is in the selling shareholders' interests to ensure that the negotiated price truly reflects the value of the scrip fairly. Since this negotiated price in any case would be one of the parameters for fixing the offer price, if such price were higher than other proposed parameters, all shareholders will get the same negotiated price."

¹⁴ Appeal No. 136 of 2008, decided on September 15, 2009.

¹⁵ Appeal no. 28 of 2008 decided on July 8, 2008.



➤ Surprisingly, the TRAC report recommends that the non-compete fee should be completely done away with. According to the Committee report the permissible payment of non-compete fee was a means to reduce the offer price and there have been a detrimental effect on the minority shareholders. While this may be a disincentive for promoters looking to exit, the change is in keeping with the spirit of the takeover Code, the aim of which is essentially to safeguard interest of the public shareholder.

be a disincentive for promoters looking to exit, the change is in keeping with the spirit of the takeover Code, the aim of which is essentially to safeguard interest of the public shareholder.

Criticism

However, this could also become a hindrance to transactions: paying a price with the non-compete built in will increase the cost for the acquirer, whereas exclusion of a non-compete clause may not be acceptable from a commercial perspective.¹⁷ Also, the question that arises is whether the promoter's expectation for a higher price and a corresponding increase in cash outflow for the investor would make deals hard to materialize. On the positive side, a higher offer price would mean more cash for the public shareholder. Finance ministry held stakeholder consultations and the common view was that that it should be retained, but not be given to public shareholders, only to promoters because they have the knowledge and expertise of the business segment.¹⁸

CONCLUSION

Though the issue of payment of non-compete fee during acquisition has been put to an end by the amendment it has



generated two schools of thought. One which says that, people with a considerable stake in a company hold some extra value for the acquirer the person could be a technology innovator, a progressive leader or a manager with an in-depth understanding of the business and the environment and so on.¹⁹ The control premium/non-compete fees is often a recognition of this reality. On the other hand, it is held to be violative of Section 27 of Indian Contract Act and it suggests of bad corporate governance while distinguishing between minority shareholders' and promoters. It also entails adverse consequences for public and investor relations and on the corporate governance norms of the buyer.²⁰

Therefore, the total exclusion of non-compete fees from M&A deals generates a mixed reaction; it acts in favor of the minority shareholders and would obviously, defeat the interests of the promoter/majority shareholders. The considerations put forth in E Land Fashion China Holdings Limited that non-compete fee only be allowed on 'strong business rationale' and when there is a "lurking fear of competition" is quite reasonable and it balances the right of the parties. Hence, TRAC recommendations require a serious and imminent reconsideration. CS

¹⁹ See comments by Rashesh Shah, Chairman, Edelweiss Group, Should promoters be paid premiums in M&As?, available at <<http://www.business-standard.com/india/news/should-promoters-be-paid-premiums-in-mas/405641/>>, (Last visited Sep 28, 2011).

The US offers different classes of equity shares, the rules stipulate that "the consideration paid to any security-holder for securities tendered in the tender offer is the highest consideration paid to any other security holder for securities tendered in the tender offer". It also allows an exemption from the rule for compensation for past services performed, future services to be performed, or future services to be refrained from performing, by the security-holder if s/he is an employee.

Google, for example, has two classes of shareholders. Class A is publicly-traded and has one vote per share and Class B common stock has 10 votes per share. While Class A is widely held, the more powerful Class B is held by just about 100-odd executive officers, directors, management and employees. This ensures that these key people control over 67 per cent of the voting power. This kind of "control premium" on a different share class is common in the US. In India, however, different share class structures are not popular because the market and investors are not sophisticated enough to understand the valuation differences in these different classes of shares.

²⁰ Id. See, comments by Sandeep Parekh.

¹⁷ Available at <<http://www.webxbrl.com/otherpagetheme1.aspx?PAGENAME=Takeover%20Code:%20Clarity%20At%20Last&CompanyID=0>> (last visited Sep 28, 2011).

¹⁸ It was attended by Ministry of Corporate Affairs (MCA), Finance Ministry, SEBI and representatives from Industries. See 'Retain non-compete fee in takeover code: Industry officials' available at <http://www.moneycontrol.com/news/cnbc-tv18-comments/retain-non-compete-feetakeover-code-industry-officials_537684.html> (Last visited Sep 28, 2011).



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Limited Liability Partnership - A New Tool for Providing Single Window Business/Professional Services

➤ Limited liability Partnership is the latest addition to the recognized modes for carrying on business or rendering of professional services. Salient features of the LLP Act have been explained in this article.

INTRODUCTION

The limited liability partnership (LLP) as an idea was first conceived by the Naresh Chandra (2003) & J. J. Irani (2005) committee; however the concept paper was developed by MCA (Ministry of Corporate Affairs) in 2006. The LLP Bill, 2008 was passed by Lok Sabha on 12th December, 2008 and it got President's assent on 9 January, 2009. The Limited Liability Partnership (LLP) Act which was notified in April 2009 allowed LLPs to be incorporated for the purposes of undertaking business in India. LLP is a very good substitute to formation of a private limited company. It may not be a good substitute for small family owned partnerships but will be excellent tool for professional partnerships. It enables professional expertise and entrepreneurial initiative to combine, organize and operate in an innovative and efficient manner. LLP is a hybrid form of business with features of both a body corporate as well as traditional partnership.

The MCA has specified five new categories of professions which are eligible for forming firms under the Limited Liability Partnership Act. Already approved by the Cabinet, these Professions are over and above the earlier

categories of professionals like Company Secretaries, Chartered Accountants and Cost Accountants. The other Professions include Engineers, Lawyers, Architects, Actuaries and Financial Management Consultants. These Professions could form LLPs among themselves or in Collaboration with other specified Professionals.

An LLP is formed pursuant to a "Limited Liability Partnership agreement" which means any written agreement between the partners of the limited liability partnership or between the limited liability partnership and its partners, which determines the mutual rights, and duties of the partners and their rights and duties in relation to that limited liability partnership. LLPs as business vehicle provides an attractive proposition of limited liability. This form of Organisation is very popular in Singapore, Philippines, Thailand, Japan, U.K & many others.

COMPARISON BETWEEN EXISTING BUSINESS FORMS AND LLP

S. No	Conditions	Partnership	Company	LLP
1.	Prevailing Law	'The Indian Partnership Act,	'Companies Act, 1956'	'The Limited Liability



		1932' and various Rules made there under		Partnership Act, 2008' and various Rules made there under
2.	Registration	Registration is optional	Registration with Registrar of companies is mandatory.	Registration with Registrar of LLP mandatory.
3.	Creation	Created by Contract	Created by Law	Created by Law
4.	Distinct entity	Not a separate legal entity	Is a separate legal entity under the Companies Act, 1956.	Is a separate legal entity under the Limited Liability Partnership Act, 2008.
5.	Name of Entity	Any name as per choice	Name to contain 'Limited' in case of Public Company or 'Private Limited' in case of Private Company as suffix.	Name to contain 'Limited Liability Partnership' or 'LLP' as suffix.
6.	Cost of Formation	The Cost of Formation is negligible	Minimum Statutory fee for incorporation of Private Company is Rs.6,000/- and minimum Statutory fee for incorporation of Public Company is Rs. 19,000/-	The cost of Formation is statutory filling fees, which is comparatively lesser than the cost of formation of Company.
7.	Perpetual Succession	It does not have perpetual succession as this depends upon the will of partners.	It has perpetual succession and members may come and go.	It has perpetual succession and partners may come and go.
8.	Charter Document	Partnership Deed is a charter of the firm which denotes its scope of operation and rights and duties of the partners.	Memorandum and Articles of Association is the charter of the company which defines its scope of operation.	LLP Agreement is the charter of the LLP which denotes its scope of operation and rights and duties of the partners <i>vis-à-vis</i> LLP.



9.	Common Seal	There is no concept of common seal in partnership.	It denotes the signature of the company and every company shall have its own common seal.	It denotes the signature and LLP may have its own common seal, depending upon the terms of the Agreement.
10.	Formalities of Incorporation	In case of registration, Partnership Deed along with form / affidavit required to be filled with Registrar of firms along with requisite filing fee.	Various e.forms along with the Memorandum & Articles of Association are to be filled with Registrar of Companies with prescribed fees.	Various e.forms are to be filled with Registrar of LLP with prescribed fees.
11.	Legal Proceedings	Only registered partnership can sue third party.	A company is a legal entity which can sue and be sued.	A LLP is a legal entity which can sue and be sued.
12.	Foreign Participation	Foreign Nationals can not form Partnership Firm in India.	Foreign Nationals can be a member in a Company.	Foreign Nationals can be a Partner in a LLP.
13.	Number of Members	Minimum 2 and Maximum 20.	2 to 50 members in case of Private Company and Minimum 7 members in case of Public Company.	Minimum 2 partners and there is no limitation of maximum number of partners.
14.	Ownership of Assets	Partners have joint ownership of all the assets belonging to partnership firm	The company independent of the members has the	The LLP independent of the partners has the



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			ownership of assets.	ownership of assets.
15.	Rights/Duties/obligation of the Partners/Managing Partners/Directors	Rights/Duties/obligation of the partners are governed by Partnership Deed.	Rights/Duties/obligation of the directors are governed by AOA and resolution passed by shareholders or directors.	Rights/Duties/obligation of the partners are governed by LLP Agreement.
16.	Liability of Partners/Members	Unlimited. Partners are severally and jointly liable for actions of other partners and the firm and liability extend to their personal assets.	Generally limited to the amount required to be paid up on each share.	Limited, to the extent their contribution towards LLP, except in case of intentional fraud or wrongful act of omission or commission by the partner.
17.	Tax Liability	Income of Partnership is taxed at a Flat rate of 30% plus education cess as applicable.	Income of Company is Taxed at a Flat rate of 30% Plus surcharge as applicable.	Income of LLP is taxed at a Flat rate of 30% plus education cess as applicable.
18.	Principal/Agent Relationship	Partners are agents of the firm and other partners.	The directors act as agents of the company and not of the members.	Partners act as agents of LLP and not of the other partners.
19.	Transfer/Inheritance of Rights	Not transferable. In case of death the legal heir receives the financial value of share.	Ownership is easily transferable.	Regulations relating to transfer are governed by the LLP Agreement .
20.	Transfer of Share/Partnership rights in case of death	In case of death of a partner, the legal heirs have the right to get the refund of the capital contribution + share in accumulated profits, if any. Legal heirs will not become partners.	In case of death of member, shares are transmitted to the legal heirs.	In case of death of a partner, the legal heirs have the right to get the refund of the capital contribution + share in accumulated profits, if any. Legal heirs will not become partners.
21.	Director Identification	Partners are not required to obtain	Each director is required to have	Each Designated Partners is

	Number	any identification number.	a Director Identification Number before being appointed as Director of any company.	required to have a DPIN before being appointed as Designated Partner of LLP.
22.	Digital Signature	There is no requirement of obtaining Digital Signature.	As e.forms are filled electronically, atleast one Director should have Digital Signature.	As e.forms are filled electronically, atleast one Designated Partner should have Digital Signature.
23.	Dissolution	By agreement, mutual consent, insolvency, certain contingencies, and by court order.	Voluntary or by order of National Company Law Tribunal.* * yet to be constituted	Voluntary or by order of National Company Law Tribunal.* * yet to be constituted
24.	Transferability of Interest	A partner can transfer his interest subject to the Partnership Agreement.	A member can freely transfer his interest.	A partner can transfer his interest subject to the LLP Agreement.
25.	Admission as partner/member	A person can be admitted as a partner as per the partnership Agreement.	A person can become member by buying shares of a company.	A person can be admitted as a partner as per the LLP Agreement.
26.	Cessation as partner/member	A person can cease to be a partner as per the agreement.	A member/ shareholder can cease to be a member by selling his shares.	A person can cease to be a partner as per the LLP Agreement or in the absence of the same by giving 30 days prior notice to the LLP.
27.	Requirement of Managerial Personnel for day to day administration	No requirement of any managerial personnel; partners themselves administer the business.	Directors are appointed to manage the business and other statutory compliances on behalf of the members.	Designated Partners are responsible for managing the day to day business and other statutory compliances.
28.	Statutory Meetings	There is no provision in regard to holding of	Board Meetings and General Meetings are	There is no provision in regard to



		any meeting.	required to be conducted at appropriate time.	holding of any meeting.
29.	Maintenance of Minutes	There is no concept of any minutes.	The proceedings of meeting of the board of directors/ shareholders are required to be recorded in minutes book.	A LLP by agreement may decide to record the proceedings of meetings of the Partners/ Designated Partners.
30.	Voting Rights	It depends upon the partnership Agreement.	Voting rights are decided as per the number of shares held by the members.	Voting rights shall be as decided as per the terms of LLP Agreement.
31.	Remuneration of Managerial Personnel for day to day administration	The firm can pay remuneration to its partners.	Company can pay remuneration to its Directors subject to the provisions of the Companies Act, 1956.	Remuneration to partner will depend upon LLP Agreement.
32.	Contracts with Partners/ Director	Partners are free to enter into any contract.	Restrictions on Board regarding some specified contracts, in which directors are interested.	Partners are free to enter into any contract.
33.	Maintenance of Statutory Records	Required to maintain books of accounts as per Tax laws.	Required to maintain books of accounts, statutory registers, minutes, etc.	Required to maintain books of accounts.
34.	Annual Filing	No return is required to be filed with Registrar of Firms.	Annual Financial Statement and Annual Return are required to be filed with the Registrar of Companies every year.	Annual Statement of accounts and Solvency & Annual Return are required to be filed with Registrar of Companies every year.
35.	Share Certificate	The ownership of the partners in the firm is evidenced by Partnership Deed, if any.	Share Certificates are proof of ownership of shares held by the members in the Company.	The ownership of the partners in the firm is evidenced by LLP Agreement.
36.	Audit of	Partnership firms	Companies are	All LLP except

	accounts	are only required to have tax audit of their accounts as per the provisions of the Income Tax Act.	required to get their accounts audited annually as per the provisions of the Companies Act, 1956.	for those having turnover less than Rs.40 Lacs or Rs.25 Lacs contribution in any financial year are required to get their accounts audited annually as per the provisions of the LLP Act 2008.
37.	Applicability of Accounting Standards.	No Accounting Standards are applicable.	Companies have to mandatorily comply with accounting standards.	The necessary rules in regard to the application of accounting standards are not yet issued.
38.	Compromise/ arrangements/ merger/ amalgamation	Partnership cannot merge with other firm or enter into compromise or arrangement with creditors or partners.	Companies can enter into Compromise/ arrangements/ a merger/ amalgamation.	LLP's can enter into Compromise/ arrangements/ merger/ amalgamation.
39.	Oppression and mismanagement	No remedy exist, in case of oppression of any partner or mismanagement of Partnership.	Provisions providing for remedy against Oppression and mismanagement exist.	No provision relating to redressal in case of oppression and mismanagement.
40.	Whistle Blowing	No provision under Partnership Act, 1932.	No provision under the Companies Act, 1956.	Provision has been made to provide protection to employees & partners, providing useful information during an investigation or convicting any partner or firm.

KEY FEATURES OF LLP:

1. **Separate Legal Entity:** LLP is a separate legal entity from its partners.
2. **Limited liability:** Liability of the partner is limited to the extent of his contribution in the LLP. No exposure of personal assets of the partner, except in cases of fraud.
3. **Right to manage business:** Unlike corporate shareholders, the partners have the right to manage the business directly.



Article

Limited Liability Partnership - A New Tool for Providing Single Window Business/Professional Services

4. **Perpetual succession:** It has perpetual succession. It means LLP has existence, no matter how many changes occur in membership.
5. **Profit motive:** It should be 'for profit' business.
6. **Agreement:** The rights and duties of partners in LLP will be governed by the agreement between partners and the partners have the flexibility to devise the agreement as per their choice.
7. **Legal proceedings:** It is a legal entity which can sue and be sued.
8. **Compliances:** There are minimum compliances required to be complied with under LLP Act.
9. **Related Party Transactions:** There is no restriction for entering into contracts with related parties.
10. **Tax benefit:** Profit will be taxed only in the hands of LLP and not in the hands of its partners. Thus, it helps avoiding double taxation.
11. **No requirement for Minimum Capital Contribution:** There is a requirement for a minimum capital contribution from the partners, which then shall be available for the Creditors of the LLP or for a guarantee from the partners for the obligations of the LLP.
12. **Rights of Partners are transferable :** Section 42 (1) of the LLP Act, 2008 provides that the rights of a partner to a share of the profits and losses of the LLP and to receive distributions in accordance with the LLP agreement are transferable either wholly or in part.
13. **Partner can enter into transactions and give loan to the LLP:** Section 66 of the LLP Act, 2008 provides that a partner may lend money to and transact other business with the LLP and has the same rights and obligations with respect to the loan or other transactions as a person who is not a partner.
14. **Contributions may be given in Installments:** The Act does not prevent a partner from making his contributions in installments. However the Partner shall remain liable for the full amount that he has agreed to contribute but has not been paid up.

TAX IMPLICATIONS

A) Income Tax Act, 1961:

- ✓ Effective from A.Y. 2010-11, LLP treated as partnership firm, only under the Income Tax Act.
- ✓ Profits of the LLP taxed in the hands of LLP only and not in the hands of its partners.
- ✓ Remunerations and interest paid by LLP to its partners are taxed in the hands of Recipient partner under the head "Income from Business and Professions".
- ✓ Remuneration or interest on capital paid by LLP to its partners shall be allowed as deductible business expenditure out of profits of LLP, subject to ceiling limits specified in income tax act.
- ✓ There will be no surcharge on Income tax payable by LLP.
- ✓ Section 35 (DDA) has been amended by inserting sub-section (4A) to enable the LLP to claim deductions on

account of payments made to an employee at the time of voluntary retirement, effective from A.Y. 2011-12.

- ✓ Maximum amount of depreciation allowable in hands of LLP shall not exceed in any previous year, the amount of depreciation allowable to the company calculated at the applicable rates, had there been no conversion.
- ✓ Liability to file and sign Income tax returns had been imposed upon the designated partners.

The following table gives the tax effect on LLPs.

Sr No.	Particulars	LLP
1	Rate of Tax	30.9% (No surcharge from AY 2010-11)
2	Alternate Minimum Tax (AMT).	18.50% of Book profits
3	Dividend Distribution Tax.	NA
4	Tax-treatment of profit share/ dividend in hands of partners / members	Share of income of LLP in hands of partners exempt u/s 10(2A).
6	Method of Accounting.	Cash or Mercantile Accounting.
7	Interest on Capital.	Partners can be paid interest on capital and is deductible expense, provided it does not exceed 12%.
8	Deemed dividend under section 2(22) (e).	Loan by firm to partner not taxable as deemed dividend in the hands of partner.
9	Wealth tax.	NA
10	Presumptive Tax for AY 2010-11.	LLP's can avail presumptive tax schemes u/s 44 AD, 44AE, 44AF for AY 2010-11.
11	Presumptive Tax for AY 2011-12.	LLP's cannot avail presumptive tax schemes u/s new 44AD, for AY2011-12 and subsequent years.
12	Whether VRS received, exempt in hands of employees.	No tax exemption to employees of firms for VRA received from LLPs.

B) Alternate Minimum Tax:

- ✓ Where the regular tax payable for a previous year by a limited liability partnership is less than the alternate minimum tax payable for such previous year, the adjusted total income shall be deemed to be the total income of such limited liability partnership and LLP shall be liable to pay income tax on such total income.
- ✓ Adjusted total income shall be total income as increased by the deductions claimed under any section included in chapter VI-A C (deductions in respect of certain income and deductions claimed under section 10AA (Deduction available to SEZ units).
- ✓ Regular Tax means the tax payable under the income tax act for LLPs excluding the provisions of chapter 115JC.18.5% + Education Cess (3%) i.e. 19.05%.



- ✓ Surcharge not applicable on Limited Liability partnerships.

Tax Credit:

- ✓ The tax credit is allowed to the extent of the excess of the alternate minimum tax paid over the regular income tax.
- ✓ The tax credit to be allowed shall be the difference of the minimum alternate tax paid for any assessment year and the amount of tax payable by the assessee on his total income computed.
- ✓ In accordance with the other provisions of this act tax credit will be carried forward for a maximum period of ten years. Tax credit will be carried forward for a maximum period of 10 years from the year in which such credit arose.

FOREIGN DIRECT INVESTMENT (FDI) IN LLPs

- ✓ The cabinet committee on economic Affairs approved the proposal to amend the policy on allowing foreign direct investment (FDI) in Limited Liability Partnership LLP Firms.
- ✓ FDI in LLPs will be allowed only in 'open' sectors, subject to Government approval. Thus sectors like manufacturing, hospitality, services etc. would largely be open.
- ✓ Further, it has been provided that no FDI in a LLP would be allowed where there are FDI-linked performance related conditions. Thus no FDI would be allowed in sectors such as Non-Banking Finance Companies or Development of Townships, Housing, Built-up infrastructure and Construction-development projects etc.
- ✓ LLPs with FDI will not be allowed to operate in agricultural/plantation activity, print media or real estate business.
- ✓ An Indian Company, having FDI will be permitted to make downstream investment in LLPs only if the Company, as well as the LLP are Operating in sectors where 100% FDI is allowed, through the automatic route and there are no FDI - linked Performance related condition.
- ✓ Foreign capital Participation in the capital structure of the LLPs will be allowed only by way of Cash consideration received by inward remittance, through normal banking channels or by debit to NRE /FCNR account of the person concerned maintained with an authorized dealer /authorized bank.
- ✓ Foreign Institutional Investors (FIIs) and Foreign Venture Capital Investors (FVCIs) will not be permitted to invest in LLPs.
- ✓ LLPs will not be permitted to avail External Commercial Borrowings (ECBs.)
- ✓ An Indian company having FDI, will be permitted to make downstream investment in LLPs only if, both the Company as well as the LLP are operating in sectors where 100% FDI is allowed through the automatic route and there are no FDI-linked performance related conditions.

SECRETARIAL COMPLIANCES

- 1. Minimum number of Designated partners**
Every LLP shall have at least two partners who would be designated partners and out of which at least one partner shall be resident in India.
- 2. Procuring Director Identification Number**
Every Designated partner will have to obtain a Director's Identification Number (DIN). It is valid for lifetime.
- 3. Consent**
An individual shall give his prior consent to the LLP in Form 9 to act as designated partner.
- 4. Particulars of Designated partner**
Filing of consent of designated partner to act as such with the Registrar of Companies in e-form 4 within 30 days of the appointment as the designated partner.
- 5. Vacancy of Designated partner**
Filing of vacancy in designated partner within 30 days of vacancy and intimation of same to Registrar of LLP.
- 6. Incorporation Document**
The Incorporation document shall be filed in Form 2 with Registrar within 30 days of the date of Incorporation along with fees.
- 7. Books of accounts**
LLP shall maintain proper books of Accounts for each year on cash basis or on accrual basis and according to the double entry system of Accounting at its registered office.
- 8. Annual accounts**
A statement of accounts and solvency signed by the Designated partner, is required to be filed with registrar in e-form 8 within 6 months from the end of financial year.
- 9. Annual Returns**
An Annual Return is required to be filed with Registrar in e-form 11 within 60 days from the end of financial year.
- 10. Investment/Borrowing**
The LLP Agreement shall govern the investment / borrowing powers of the partners/designated partners as the act/Rules are silent.
- 11. Remuneration to partners/Designated partners**
The LLP Act, 2008 and the LLP Rules, 2009 are silent in this regard. The partners/designated partner may get the remuneration as mentioned in the LLP agreement or as discussed among partner/designated partner as the Act/Rules are silent.

EVENT BASED COMPLIANCES

- 1. Shifting of Registered office of the LLP (within local limits)**
 - a. Check the procedure if any mentioned in the LLP agreement.
 - b. If the procedure is mentioned in the LLP agreement for shifting the registered office, follow the same.
 - c. If LLP agreement is silent about the procedure then take consent of all the partners for shifting of registered office of LLP/ Minutes of decision/ resolution.



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- d. File e-form 15 with the registrar intimating the change in place of registered office within 30 days of such change.

2. Shifting of Registered office of the LLP (within state)

- a. Check the procedure if any mentioned in the LLP agreement.
- b. If the procedure is mentioned in the LLP agreement for shifting the registered office, follow the same.
- c. If LLP agreement is silent about the procedure then take consent of all the partners for shifting of registered office of LLP/ Minutes of decision/ resolution.
- d. File e-form 15 with the registrar intimating the change in place of registered office within 30 days of such change.

3. Shifting of Registered office (Outside the state)

- a. Check the procedure if any mentioned in the LLP agreement.
- b. If the procedure is mentioned in the LLP agreement for shifting the registered office, follow the same.
- c. If LLP agreement is silent about the procedure then take consent of all the partners for shifting of registered office of LLP/ Minutes of decision/ resolution.
- d. Publish a general notice not less than 21 days before filing any notice with registrar, in a daily newspaper published in English and in the principal language of the district in which the registered office of the LLP is situated and circulating in that district giving notice of change in registered office.
- e. Obtain consent of the secured creditors if any before filing the form.
- f. File e-form 15 with the registrar intimating the change in place of registered office within 30 days of such change.

4. Appointment of partner/Designated partner

- a. Decide the partner/ Designated Partner.
- b. Check the procedure if any mentioned in the LLP agreement.
- c. If the procedure is mentioned in the LLP agreement for appointment, follow the same.
- d. Partner has to give the particulars to the LLP in form 6
- e. If partner is to be appointed as the Designated partner make DIN - 1 application.
- f. File e-form 4 to intimate the Registrar about appointment of partner/designated partner.

5. Cessation of Partner/Designated partner:

- a. Intimation of cessation of partner / Designated partner to the LLP
- b. File e-form 4 with Registrar of LLP for cessation of partner / designated partner.

6. Increase in contribution of the LLP

- a. The LLP Act, 2008 or the LLP Rules, 2009 are silent in this regard. Hence, the procedure for increase in contribution of an LLP shall be governed by the provisions of the LLP agreement.
- b. File e-form 3 within 30 days from the date of modification of the agreement.

DETAILED PROCEDURE FOR REGISTERING LLP

1. Deciding the Partners and Designated Partners

A LLP can be incorporated with a minimum of at least two partners who can be Individuals or bodies Corporate through their nominees. Further for incorporating an LLP, of the total number of partners, atleast two shall be Designated Partners, of which atleast one must be an Indian Resident.

Parameters for deciding the Partners and Designated Partners:

1. Atleast Two Partners; Individual or Body Corporate through individual nominees.
2. Minimum of Two Individuals as Designated Partners, of total no. of Partners.
3. Atleast One Designated Partner to be Resident Indian.

A person 'Resident in India' means a person who has stayed in India for a period of not less than one hundred and eighty two days during the immediately preceding one year. (Explanation to Section-7(i)).

'Designated Partner' means a partner who is designated as such in the incorporation documents or who become a designated partner by and in accordance with the Limited Liability Partnership Agreement.

2. To obtain Director Identification Number (DIN) & Digital Signature Certificate:

- ✓ All designated partners of the proposed LLP shall obtain "Director Identification Number (DIN)" by filing an application individually online in Form - DIN 1.
- ✓ Partner/Designated partner of LLP/proposed LLP, whose signatures are to be affixed on the e-forms has to obtain class 2 or class 3 Digital Signature Certificate (DSC) from any authorized certifying agency.

3. To Apply for Name of LLP:

- ✓ To file Form-1 for reservation of name and fill in the details.
- ✓ Any partner or designated partner in the proposed LLP may submit Form-1.
- ✓ Details of minimum two designated partners of the proposed LLP, one of them must be a resident of India, is required to be filled in the application for reservation of name. Only individuals or nominees on behalf of the bodies corporate as partners can act as designated partners.

The name of the limited liability partnership shall not be similar or identical with Company or LLP already registered in India and it should not contain words prohibited under the 'Emblems and Names (Prevention of improper use) Act, 1950 or which are also not 'Undesirable' in the opinion of Central Government or which satisfies the conditions prescribed under rule 18(2).

In case any Body Corporate is partner, copy of Board resolution authorizing the incorporation of LLP shall be attached.



4. After Name Approval following procedure is to be followed:

- ✓ To file Form-2 "Incorporation Document and Statement" & Pay the prescribed registration fee as per the slab given in Annexure A of the LLP Rules, 2009, based on the total monetary value of contribution of partners in the proposed LLP.
- ✓ Statement in the e-form is to be digitally signed by a person named in the incorporation document as a designated partner having permanent DIN and also to be digitally signed by an advocate/company secretary/chartered accountant/cost accountant in practice and engaged in the formation of LLP.
- ✓ On submission of complete documents the Registrar after satisfying himself about compliance with relevant provisions of the LLP Act will register the LLP, maximum within 14 days of filing of Form-2 and will issue a certificate of incorporation in Form-16.

5. To File LLP agreement (i.e. Form-3) and Partners' details (i.e. Form-4):

- ✓ Form 3 - Information with regard to LLP agreement and changes, if any made therein
In case the LLP Agreement is executed outside India, then it must be notarized and consularized.
- ✓ Form-4 (Notice of Appointment of Partner/Designate Partner, his consent etc.)-Consent of each partner to become a partner of Limited Liability Partnership along with their address and identity proof to be filed with the Registrar of Companies in Form 4 with the prescribed fee simultaneously at the time of filing Form-2 or within 30 days of the date of incorporation.

6. Subscription Sheet:

Just like in case of Company formation, the partners are required to subscribe their names along with signatures to the subscription sheet, which shall be witnessed by any chartered Accountant/Company Secretary/Advocate in practice.

In case the subscription sheet is executed outside India, then it must be notarized and consularized.

MERGERS AND WINDING UP OF LLP

1. Compromises by LLPs with their creditors or arrangements, including mergers and amalgamations are permissible. (Rule 35 of the LLP Rules.) Sections 58 of the LLP Act provides for compromise, arrangements or reconstruction of LLPs.
2. Section 59-61 deals with the winding up and dissolution of a limited liability partnership.
3. Winding up of an LLP may be either voluntary or by the Tribunal.
4. The various grounds of winding up of an LLP by a Tribunal are:

- (a) If the LLP decides (by resolution) that the LLP would be wound up by the tribunal;
- (b) If the number of partners of the LLP is reduced below two;
- (c) If the LLP is unable to pay its debts;
- (d) If the LLP has acted against the interests of the sovereignty and integrity of India, the security of state or public order;
- (e) If the LLP has made a default in filing with the Registrar the statements of accounts and solvency or annual return for any five consecutive financial years;
- (f) If the tribunal is of the opinion that it is just and equitable that the LLP be wound up.

5. Section 37 of the LLP Act provides for the circumstances under which the name of a defunct LLP could be removed by the Registrar.

INTEGRATION OF LLP CELL WITH THE MCA

- ✓ The Ministry has integrated the LLP system into MCA-21 in the month of June 2012 by allowing filing & approval of LLP forms at MCA-21 website (www.mca.gov.in) for better e-governance facility for stakeholders, by making necessary changes in e-forms.
- ✓ On post integration, old e-forms of the existing LLP system lying in "Pending User Clarification" (PUCL) status cannot be re-opened.
- ✓ The documents already filed by the LLPs (i.e. pre 11th June'2012) are in the process of being transferred to the MCA21 electronic record room.

AMENDMENTS TO LLP RULES

MCA has notified Limited Liability Partnership (Amendment) Rules, 2012 vide, G.S.R (E) dated June 5, 2012 thereby making further amendments in the existing Limited Liability rules, 2009. The aforesaid notification is effective from June 11th, 2012.

- ✓ In case of incorporation of LLP, the Partners are now required to file consent to act as Partner/Designated Partner in Form 2 along with the incorporation application. Earlier, the consent of the Partners was filed through Form 4.
- ✓ Form 4 shall be filed only for any change in the constitution of Partners (any addition, removal or change in the designation of the Partner) once the LLP is incorporated.
- ✓ Inclusion of words like Bank, Insurance, Banking etc. in the LLP Name will require approval from regulatory authority.
- ✓ For inclusion of words like company secretary, chartered accountant, advocates or other similar words in the name of the LLP, approval of the respective council is to be attached along with Form 2, incorporation application.

Since the LLP system has been integrated with MCA system, all the existing e-forms have been substituted with new e-forms with certain changes.

CS



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Investigation of title of Land & Immovable Properties and subsequent legal due diligence for its Acquisition¹

➤ The general practices and process involved in conducting legal & business due diligence for acquiring land & immovable properties and checklist of various documents required to be obtained and examined have been set out in this article.

INTRODUCTION

Generally, due diligence review (DDR) refers to the care, a reasonable person should take before entering into an agreement or doing a transaction with another party. The Dictionary meaning of Due is 'Sufficient' & 'Diligence' is 'persistent effort to work.' DDR is a process whereby an individual or an organization, seeks sufficient information about a business entity to reach an informed judgment as to its value for a specific purpose.

Legal due diligence is often carried out by the potential buyer or investor on the business of the potential seller. Due diligence could be considered an in-depth review of all business documents and records in an effort to assess the health and viability of the business to be acquired. In ordinary course of business, due diligence is an investigation of a business or person prior to executing a term sheet/formal agreement/contract, or an act with a certain standard of care. It can be a legal obligation, but the term will more commonly apply

to voluntary investigations.

The term "due diligence", first came into common use as a result of the United States' Securities Act of 1933. This Act included a defence in Section 11, referred to as the "Due Diligence" defence, which could be used by broker-dealers when accused of inadequate disclosure to investors of material information with respect to the purchase of securities. As long as broker-dealers exercised "due diligence" in their investigation into the company whose equity they were selling, and disclosed to the investor what they found, they would not be held liable for non-disclosure of information that was not discovered in the process of that investigation. Originally, due diligence was limited to public offerings of equity investments, but over a period of time it has come to be associated with investigations of private mergers and acquisitions as well.

Due diligence can be further sub-divided to include an initial screening of the deal with a subsequent detailed and analytical evaluation in determining the suitability of a business deal before proceeding to the advanced stage in which the deal - valuation and deal structuring is conducted. Every investor approaches due diligence differently. Some investors or their authorised legal

¹ Some provisions of this Article have been drawn from Statutory Enactments and related practices while rest of the discussion is based on the practical exposure of the author in making various investments in few Venture Capital Undertakings of SEBI Registered Venture Capital Funds.



Due diligence is permitted by the vendor/seller once one or more prospective buyers or investors have been identified either by the seller or Investment Banker. The identification of potential buyers is a role that can be greatly enhanced by employing an Investment/Merchant Banker or Law Firm/Legal Counsel or some other appropriate agency. Due diligence is often permitted once the prospective buyers have signed a Non-Disclosure Agreement (NDA). Due diligence documents often contain copies of the most confidential data a company possesses.

counsels may request information in a detailed manner all at once, while others may simply request information at different times or stages. Regardless of an investor's method to obtain information on a potential company, it is a proven fact that exercising thorough due diligence is indicative of prudent approach and more profitable returns.

In India the concept of due diligence closely associated with the doctrine of notice actual, constructive or imputed. Section 3 of the Transfer of Property Act, 1882 defines "notice". The definition of "notice" is critical to the proper understanding of the Indian legal concept of due diligence.

"A person is said to have notice of a fact when he actually knows that fact, or when, but for wilful abstention from an enquiry or search which he ought to have made, or gross negligence, he would have known it."

Explanation I -

Where any transaction relating to immovable property is required by law to be and has been effected by a registered instrument, any person acquiring such property or any part of, or share or interest in, such property shall be deemed to have notice of such instrument as from the date of registration, where the property is not all situated in one sub-district, or where the registered instrument has been registered under sub-section (2) of section 30 of the Indian Registration Act, 1908, from the earliest date on which any memorandum of such registered instrument has been filed by any Sub-Registrar within whose sub-district any part of the property which is being acquired or of the property wherein a share or interest is being acquired, is situated.

Provided that -

- (1) the instrument has been registered and its registration completed in the manner prescribed by the Indian Registration Act, 1908 and the rules made there under;
- (2) the instrument or memorandum has been duly entered or filed as the case may be in books kept under section 51 of that Act, and
- (3) the particulars regarding the transaction to which the instrument relates have been correctly entered in the index kept under Section 55 of that Act.

Explanation II

Any person acquiring any immovable property or any share or

interest in any such property shall be deemed to have notice of the title, if any person who is for the time being in actual possession thereof.

Explanation IIIA

A person shall be deemed to have had notice of any fact if his agent acquires notice thereof whilst acting on his behalf in the course of business to which that fact is material: Provided that, if the agent fraudulently conceals the fact, the principal shall not be charged with notice thereof as against any person who was a party to or otherwise cognisant of the fraud.

It is because of these legal presumptions that Purchasers/Investors/Acquirer used to conduct investigations of the Sellers' title to the respective property. By and large, due diligence is conducted during the course of disinvestments, strategic investments by private equity funds, acquisition of an undertaking/business, acquisition of shareholding interest, overseas investments and listing of securities in overseas market. The process of due diligence is instrumental in gathering information about a seller/target company, its business; and the environment in which a target company operates. The objective is to ensure that prospective investors make an informed investment decision. The acquirer used to conduct or arrange an investigation into the affairs of a business entity prior to its acquisition, flotation, restructuring or other similar transaction.

Due diligence is permitted by the vendor/seller once one or more prospective buyers or investors have been identified either by the seller or Investment Banker. The identification of potential buyers is a role that can be greatly enhanced by employing an Investment/Merchant Banker or Law Firm/Legal Counsel or some other appropriate agency. Due diligence is often permitted once the prospective buyers have signed a Non-Disclosure Agreement (NDA). Due diligence documents often contain copies of the most confidential data a company possesses.

The suggested procedure and documents which are required to be collected and examined for the purpose of Due Diligence is given in a sequential manner hereinbelow, though there can be need based deviations and modifications in the related proposed Due Diligence process as per the requirement of respective assets/business to be acquired :-

I. Due Diligence in respect of Owner of the Property



Article

Investigation of title of Land & Immovable Properties and subsequent legal due diligence for its Acquisition



(i) If Seller/Vendor is a Corporate/Company one needs to obtain :-

- ☐ Name of the Company
- ☐ Principal place of business
- ☐ Registered office of Company/Mailing address of the Company
- ☐ Telephone/Fax No

Documents to be collected:

- ☐ Certificate of Incorporation
- ☐ Certificate of Commencement of Business
- ☐ Memorandum & Articles of Association
- ☐ Minutes of Board & Shareholders Meetings
- ☐ Register of Directors
- ☐ Register of members/shareholders with Share Holding details
- ☐ Loan & Mortgage Documents
- ☐ Other Secretarial records and statutory books and registers
- ☐ Resolutions of the Board of Directors to sign, execute, negotiate and names of persons authorized to sign the relevant letters & documents pertaining to the property in question
- ☐ Copy of Income Tax PAN Card or PAN allotment letter
- ☐ Details of the Bank Accounts
- ☐ Audited Annual Reports for the last 3 years (Not applicable in case of New Company)

(ii) If the Seller/Vendor is a Trust one needs to obtain:

- ☐ Names of Trustees, Sponsors & Settlers
- ☐ Names and Addresses of Beneficiaries
- ☐ Names and Addresses of the Founders, Managing Trustee, the Managers/Directors
- ☐ Objective of The Trust
- ☐ Whether the Trust is Registered or Un-registered
- ☐ Names of the Authorised Signatories
- ☐ Telephone and fax numbers

Documents to be collected:

- ☐ Trust Deed or any officially valid document to identify the trustees, settlers, beneficiaries and those holding Power of Attorney, Founders/Managers/ Directors and their addresses
- ☐ Certificate of Registration of Trust Deed, if registered
- ☐ Power of Attorney granted to transact business on Trust's behalf
- ☐ Resolution of the Managing Body of the Trust/Foundation/Association
- ☐ Specimen signatures of the authorised persons signing on behalf of the Trust
- ☐ Copy of Income Tax PAN Card or PAN allotment letter
- ☐ Details of Bank Account
- ☐ Audited/Unaudited Accounts for the preceding 3 years.

(iii) If the Vendor is a Partnership Firm

- ☐ Name of Partnership firm
- ☐ Address of Firm
- ☐ Names and Addresses of all Partners
- ☐ Telephone numbers of the Firm and Partners

Documents to be collected

- ☐ Partnership Deed
- ☐ Certificate of Registration
- ☐ Power of Attorney granted to a Partner or any employee to transact business on its behalf
- ☐ Any officially valid document to identify the Partners and those holding Power of Attorney and their addresses
- ☐ Specimen signatures of the authorised persons signing on behalf of the Firm
- ☐ Copy of telephone bill - (if not available then Letter from the entity and its telephone bill, if the Firm is based in the same premises of any other entity)
- ☐ Details of Bank Account of the Partnership Firm
- ☐ Copy of PAN Number or PAN allotment letter
- ☐ Accounts for the preceding 3 years.

(iv) If the Vendor is an Individual or Group of Individuals

- ☐ Name of Individual/Individuals
- ☐ Address of Individual /Individuals
- ☐ Telephone numbers of Individual/Individuals

Documents to be collected

- ☐ Name and Address Proof of Individual/Individuals.
- ☐ Copy of PAN Number or PAN allotment letter
- ☐ Power of Attorney granted to Individual by the other Individuals
- ☐ Any officially valid document to identify the Individuals and those holding Power of Attorney and their addresses
- ☐ Specimen signatures of the authorised person/Individuals signing on behalf of the other individuals
- ☐ Details of Bank Account of the Individual/Group of Individuals
- ☐ Accounts for the relevant period



(v) For the other related Subsidiaries and other Special Purpose Vehicle Companies (SPVs)

- ☐ Name of the Company
- ☐ Principal place of business
- ☐ Registered office of Company/Mailing address of the Company
- ☐ Telephone/Fax No

Documents to be collected:

- ☐ Certificate of Incorporation
- ☐ Memorandum & Articles of Association
- ☐ Minutes of Board & Shareholders Meetings
- ☐ Register of Directors
- ☐ Share Holding details
- ☐ Register of members/shareholders
- ☐ Secretarial records and statutory books and registers
- ☐ Resolution of the Board of Directors to sign, execute, negotiate and names of persons authorized to sign the relevant letters and definitive agreements
- ☐ Copy of Income Tax PAN Number or PAN allotment letter
- ☐ Details of the Bank Accounts
- ☐ Audited Annual Reports

II. Due Diligence in respect of Title of the Property

i) Documents required for Acquisition of Land at Metro Cities /Towns/ Municipal areas

1. Property Registered Card
2. Coastal Survey /City Survey Plan
3. Development Plan Remarks
4. Town Planning Remarks
5. Assistant Engineers Survey Remarks
6. Approved Plans of the Property
7. Assessment/Inspection Extract
8. Category of Building Certificate
9. Repair Cess Bill of Municipal corporation
10. Search Report of Title for the last 30 years or more from an Advocate
11. Title Certificate from an Advocate

ii) Documents required for Title Investigation of Agricultural Land/Non Agricultural land/Check List for the title verification of the property

1. Latest 7/12 Extract & Mutation Entries: This informs about the type of ownership, total number of owners (and their share in property) of the property, loan on the property, tenant in the property (if any), cultivable and non cultivable areas in the property, source of irrigation (if any), assessment for the property. Mutations are the entries made by the Revenue Department in respect of any change in ownership of the property due to death of the owner, loan obtained by any owner etc.

2. Maps: To check Gu-book maps provided by the government agencies, that will give a better idea about the exact location of the property and access to the property.

3. Village Form No. 6 /mutation entry : (Record of Rights)
This form is also called register of mutation. Mutation means

substitution of the names of a person in the Record of Right. This is a record of changes in the record of right. Transfer may be by Will, Sale, Mortgage, Lease, Exchange, Gift or Inheritance. This is very useful record as one can find out history of land.

4. 6 C Certificates: 6 C Certificates is a document which gives information about the names of all legal heirs of deceased occupant or the name of the deceased "other right holder." Names of the heirs with whom land is in actual possession. ("Occupant") This document is very important as, it is noticed that sometimes names of female legal heirs are not appearing on revenue documents, to avoid such ambiguities it is advisable to check 6C Certificate.

5. Village Form No. 8: This Form gives account details of the holder of land in respect of various lands held by him in the said village.

6. 8 A Extract Khate (Utara of Gat Scheme) & Ceiling Limit:

As per the type of the property there is a limit provided for the holding of the Land, the Purchaser must check that the Land which he is going to purchase will not cross his limit as well as they also have to check the present owner is also not holding it as excess land. 8 A Extract is a document which gives an idea about the exact holding of the owner; therefore it is advisable to check that document for calculation of the total holding of the present owner.

7. Village Form No. 12: This Form gives a record of crops cultivated on the land including the area covered, names and numbers of the fruit trees and fuel trees, source of water for irrigation such as wells, tube wells and rivers etc and areas: under grass, under building, roads and other non agricultural used.

8. Reservation on property: The purchaser should also check reservation on property. An enquiry should be made with the Local Authority to ascertain, whether the property: affected by Land Acquisition Act, Notification, Set-back, reserved for public purpose under the Development Plan etc. Sometimes Government may by notification reserve land for purposes such as (i) Rehabilitation of Dam Affected Public, (ii) Play Ground, (iii) School etc. Therefore any development in such land is not permissible, and it is necessary for the purchaser to check such reservation on the property.

The Purchaser should also collect and verify the following documents:

- (i) Documents pertaining to the layout/construction put up on the Property, if any, including all consents and approvals obtained from appropriate statutory authorities;
- (ii) Latest Title deeds, Conveyance/ Sale Deeds, and previous title deeds covering a period of at least 30 years plus property tax and other statutory outgoing cess/tax paid receipts for the past 30 years, including the current year;
- (iii) Details/ documents pertaining to any mortgage (including equitable mortgage); encumbrance or charge created in respect of the Property, including those that have been satisfied as on date;



Article

Investigation of title of Land & Immovable Properties and subsequent legal due diligence for its Acquisition

- (iv) Certificate, if any, issued by the concerned District Collector for transfer of the said property;
- (v) Documents pertaining to approvals, filings and intimations obtained or made under the provisions of the Urban Land (Ceiling and Regulation) Act, 1976 If any;
- (vi) Zone Clearance Certificate from appropriate statutory authorities;
- (vii) Non Agricultural Permission, if any;
- (viii) Non Agricultural Layout;
- (ix) If any litigation pending in respect of property then details of the same;
- (x) Various tax bills from Governmental Agencies;
- (xi) NOC from revenue authority for the sale of the said land;

The Purchaser must also do/consider the following aspects before entering into an agreement for Purchase of the property.

(i) Purchases of Land for Bonafide Industrial Purpose in Maharashtra: Non- Agriculturists can purchase any property for bonafide industrial purpose up to a limit of 10 hectares, but to purchase land more than 10 Hectares it is necessary to take permission from Industrial Commissioner.

(ii) Coastal Regulation Zone (CRZ) and other zones: As no development is allowed in CRZ, it is necessary for the purchaser to check whether the land in question falls under such zones or not.

(iii) Possession of the present owner: It is very important and the purchaser should check possession of the present owner by personal visit to the property.

(iv) Search in Office of Sub-Registrar: To conduct a search in the Office of Sub- Registrar in whose jurisdiction the property is located. It is advisable for the purchaser to hire a Local Lawyer to do this activity. This search will give information about all recorded transactions of the property for the respective period.

(v) Public Notice: Few Property transactions are un-registered or for some Property transactions which could be disputed and not in the Public Domain, it is advisable for the Purchaser to check or cross-verify such transaction through Public Notice at least in two Local News papers and ask/invite for objections for their proposed property transaction. This publication of Public Notice will help the Purchaser to satisfy them about the title of the property.

iii) Additional Steps for Acquisition of Agricultural/Non Agricultural Land/Immovable Property

- 1) **Check List:** Prepare detailed check list of documents required from Seller.
- 2) **Examine the Relevant Documents:** The document determines the rights and powers of the particular person, duties and liabilities, contractual obligations and/or fulfilment etc. Documents give the idea and intention of the parties at the time of entering into contract.
- 3) **Adjudication:** If the parties to the agreement are not sure about the stamp duty to be payable, they can make an application to the Collector for determination of the duty payable under the Act on such document. The process of

making application made to Collector for his opinion regarding the stamp duty chargeable on the document is called adjudication.

- 4) **Board Resolution:** Before signing the final agreements, the Seller and Purchaser's Company are required to identify Authorised Signatories to execute the required documents by passing an appropriate Board Resolution.
- 5) **Stamp duty, Registration:** Stamp Duty is payable on the agreement value of the property or the market value whichever is higher. If a document creates a third party right in respect of an immovable property then it requires compulsory registration.
- 6) **Execution of Documents:** The term "execution" means signing of the document. Before a document is registered, proper stamp duty as may be applicable to the nature of the instrument is paid.

III. Drafting of Title Documents

On the completion of satisfactory business and legal due diligence, the Purchaser should plan for drafting of required Definitive Agreement in consultation with their Legal Counsels.

Title Documents could be Agreement for Sale, Sale Deed, Deed of Conveyance, Deed of Transfer, Possession Letter, Joint Venture Agreements, Undertakings, Affidavits, Indemnity Bond, Declarations etc. These Documents are the most important part of the property purchase activity. The Purchaser must also include the following Indemnity/Guarantees/representation & warranties in the proposed Title Documents from the present owner :-

- (a) about his title over the property in question;
- (b) about his possession over property;
- (c) about non reservation of the property;
- (d) the said property does not relate to any public activity;
- (e) the said property is not a Trust Property;
- (f) the said property is not a Government Granted Land;
- (g) that no-one has any right (road/ parking) over said property;
- (h) points about the existing structure on property
- (i) If the said property is ancestral one then it is necessary to make all members of the family as consenting parties for the deed;
- (j) about Non Litigant nature of property in question. Normally, there is a view that any transaction in respect of a property which is under litigation is null and void in the eyes of law;
- (k) boundaries of the property gives clear idea about the exact location of the property. Therefore it is necessary to mention it clearly in the Title-Deed, apart from this, it is advisable to attach a map showing exact location of the property;

IV. Execution of Definitive documents and preparing checklist for execution Activities Before Execution of Definitive Documents

- i. To obtain Internal Approvals from Investment/ Management Committee/ Board of Directors/ Managing Director;



» Due Diligence Process is an essential step for minimising business risks and avoiding reliance on the Seller's untested warranties in relation to the Assets to be acquired. With this due diligence process, companies are better able to grow through mergers and acquisitions, spin-offs, and alliances. Due diligence process adds power to the corporate decision maker adding to the existing strengths of management and staff, creating more value for a unit or division, as well as improving its abilities and success rate when acquiring or merging with new business entities.

- ii. To arrange vetting / obtain Approval of Draft Agreements to be executed from the Solicitors /Advocates
- iii. To obtain updated Title Search Report or Certificate
- iv. To arrange Original/Copy of Public Notice (English+ Regional).
- v. To ascertain if any structure on the said property.
- vi. To find any supportive document is required/copies of various permissions/NOCs.
- vii. To complete the Adjudication of the said Agreement for the stamp duty purpose.
- viii. To arrange all the Annexures to the Agreement.
- ix. To arrange Stamp Duty, Registration amount.
- x. To arrange Common Seal/Rubber Stamp of Seller and Purchaser, Photographs of signatories, xerox copies of Income Tax PAN card of Seller and Purchaser.
- xi. To check the mode of Payment of the stamp duty and registration charges.
- xii. To arrange Bank Account details of Sellers/Vendors.
- xiii. To decide the mode of payment of Consideration amount to the Owner/Vendor.
- xiv. To check the details of payment by electronic transfer/RTGS.
- xv. To check the Procedure for Registration of Agreement (Time required, Authorised Persons presence of Sellers & Purchasers required for registration, Timings of Registration, Documents for Registration, Copies of necessary Document).
- xvi. To take token for registration and arrange the registration of documents at Sub-Registrar's office.
- xvii. To arrange the execution of Documents and Registration at Sub-Registrar Office.
- xviii. Execution of Letter of possession of the property.
- xix. Collect all original documents from Owners/Sellers as agreed.

xx. Collect the Original Sale deed from the office of Sub Registrar.

V. Check list after the execution of Definitive Documents & Safe keeping of Original documents.

- (i) Prepare Original File: Original documents are valuable and most important hence have to be kept in safe custody with some key Legal Official or Company Secretary or alternatively in locker of some Bank or Safe Vault of some reputed Operating Agency.
- (ii) Prepare Office File: The xerox of Original documents should be kept in an additional file for day to day reference and any other necessary action thereto.
- (iii) Register of Original Documents: Particulars/List of Original Documents (kept in safe custody as above) should be entered in some Register.

VI. Check list of the compliances to be done after the execution of Agreement After complying with all the necessary requirements, the Legal Department should have a joint meeting with the concerned departments for the following essential activities:

- 1 Application for change or revenue record, Property Card in the name of the Purchaser/Acquirer to The City Survey Officer/Collector/Tehsildar.
- 2 Obtain copy of Index II or 7/12 extract , record of rights etc. in the name of Purchaser /Acquirer.
- 3 Application for change of name to Assessment Department/ Municipal record.
- 4 Application for the change of name to Electricity Board or concerned authority.
- 5 Application for the change of name in other concerned authority/Govt. department.

Conclusion :

The above stated Legal due diligence process may be suitably modified depending on the need of the relevant business transactions. The Acquirer's Due Diligence Team viz. Legal Counsels/Investment Bankers etc. should also have healthy amount of scepticism about the claims of the Seller Company's Management. Sometime, Seller's managerial executives do not tell the truth, sometimes unintentionally or due to negligence they fail to discuss the important facts. During the course of due diligence process, in addition to the simply trusting the statements of management, the Buyer must also verify management's statements. Due Diligence Process is an essential step for minimising business risks and avoiding reliance on the Seller's untested warranties in relation to the Assets to be acquired. With this due diligence process, companies are better able to grow through mergers and acquisitions, spin-offs, and alliances. Due diligence process adds power to the corporate decision maker adding to the existing strengths of management and staff, creating more value for a unit or division, as well as improving its abilities and success rate when acquiring or merging with new business entities.

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Corporate Laws

LW.11.02.2013

SHRI RAM BEARING LTD v. TRISHAKTI
ELECTRONICS P. LTD [DEL]

C. A. No.2386 of 2012 in C.P.No. 179 of 1994

Indermeet Kaur, J.
[Decided on 11/12/2012]

Companies Act - Sections 454(5), 468, 477, 481 - company under liquidation - OL could not take possession of any moveable and immoveable assets of the Company - no other assets available for realization - whether the company should be dissolved and liquidation proceedings be brought to an end - Held, yes.

Brief facts

The respondent company was wound up on 17.9.1999 and put under liquidation proceedings. The registered office of the Company was located at C-37 Cannaught Circus, New Delhi. The factory premises of the company was located at C-42, Sector-2, Noida (UP). On reaching the registered office of the Company no signboard was found there; the same was the position *qua* the factory premises; on reaching there no signboard was found of the factory either.

Out of seven directors of the Company, three of the ex-directors had got their statements recorded. As per their statements the only asset of the Company was the factory at C-42, Sector-2, Noida which was owned by the Company. These statements also revealed that day to day business and the records of the Company were being handled by Vipin Sahni, ex-director of the Company. Statement of affairs was not filed by the ex-directors. Record has also not been handed over by them.

The last audited balance sheet of the Company for the year 31.03.1995 reflected that there are three secured creditors i.e. UPFC, State Bank of Hyderabad and SRF Finance Ltd. UPFC

had sought a discharge as its dues had been settled and it was accordingly discharged vide order dated 01.05.2007. State Bank of Hyderabad informed the Official Liquidator that it had no knowledge about the latest position about the assets of the Company; further the account had been assigned to ARCIL by the Bank. Statements of Vipin Sahni and Kiran Sahni, ex-directors of the Company were recorded wherein it was revealed that another company, namely, Kalpatru Export (P) Ltd. had purchased the factory premises of the Company (in liqn.).

In this scenario, the Official Liquidator could not take possession of any moveable and immoveable assets of the Company. Therefore, this application has been filed under Section 481 of the Companies Act, 1956 seeking dissolution of the Company M/s. Trishakti Electronics (P) Ltd.

Decision: Application allowed.

Reason

In spite of best efforts the addresses of the other ex-directors could not be traced. On 21.02.2012, the Official Liquidator had been directed to handover the claim notices to Vipin Sahni for inviting claims. Symbolic possession of the premises of the Company at C-42 Sector 2, Noida UP was taken; it was informed that this property had been purchased by Kalpatru Export (P) Ltd. in 1994-1995.

On 21.02.2012, this Court had directed Vipin Sahni to deposit a sum of Rs. 1 lac towards the ad-hoc rent of the aforementioned property which was deposited in the office of the Official Liquidator on 23.02.2012. Claims were invited by publication in the newspapers, namely, Hindustan Times (English Edition) and Dainik Jagran (Hindi Edition). No claims have been received except the claim of the petitioning creditor i.e. Sri Ram Bearing Ltd. (SBL); the claim of the petitioning creditor to the tune of Rs. 3,03,505.08/- along with interest at the rate of 8% per annum totalling a sum of Rs. 7,52,700/- has since been paid to the petitioning creditor and undertaking of Vipin Sahni and Kiran Sahni has been noted that in case any claim arises in future i.e. of the secured creditor, unsecured creditor, workman or any other category they will satisfy the said claim. There are no other assets available for realization. In view of the aforementioned factual position, no useful purpose would be served in keeping the company alive. As per the books of account maintained by the office of Official Liquidator the fund position of the company as on 20.11.2012 is Rs. 89,724/-.

In the case of *Meghal Homes (P) Limited v. Shree Niwas Girni K.K. Samiti & ors.* (2007)7 SCC 753, the Supreme Court, *inter alia*, in paragraph 31 thereof, held as under :-

"When the affairs of the Company had been completely wound up or the Court finds that the Official Liquidator cannot proceed with the winding up of the Company for want of funds or for any



other reason, the Court can make an order dissolving the Company from the date of that order. This puts an end to the winding-up process."

In view of the above decision of the Supreme Court and the facts and circumstances of this case, the liquidation proceedings deserve to be brought to an end. Consequently, M/s. Trishakti Electronics (P) Ltd. is dissolved under Section 481 of the Companies Act. The Official Liquidator is permitted to transfer the balance fund i.e. Rs. 89,724 available in the Company's account to the Reserve Bank of India after creating provision for payment of government fee, audit fee and other liquidation expenses. The Official Liquidator is permitted to close the books of account of the company. A copy of this order shall be communicated to the Registrar of Companies within 30 days by the Official Liquidator.

LW.12.02.2013

NITI INTERNATIONAL LTD v. SHREE SAGARMATHA DISTRIBUTORS PVT LTD [DEL]

C.P.No. 149 of 2005

S. Muralidhar, J.
[Decided on 03/01/2013]

Companies Act, 1956 - Section 433 - winding up - non payment of admitted debt - sham defence put up by respondent - whether petition to be admitted - Held, Yes.

Brief facts

The Petitioner, a company registered in Hong Kong was supplying to the Respondent computer peripherals and digital cameras. The case of the Petitioner is that in respect of the invoices dated 5th and 29th November 2003 US Dollars (USD) 25,467.90 and USD 26,159.00 were due respectively from the Respondent. The said amounts were payable with interest @ 15% per annum from the expiry of 90 days as stipulated in the invoices. It is stated that as on 28th February 2005 a sum of USD 59,743.90 (i.e., USD 51,626.90 as principal and USD 8,117 as interest) was outstanding. As the respondent was not making the payment the present winding up petition was filed under Section 433 (e) of the Act on 26th April 2005.

Decision: Petition admitted.

Reason

As far as the question of defects is concerned, the Respondent has not placed on record any document to substantiate such plea. Also it does not appear that the Respondent raised any such protest contemporaneously with the receipt of supplies

from the Petitioner. Such defence appears to have been taken for the first time in the reply to the legal notice sent by the Petitioner to the Respondent.

In para 3 (viii) of the counter affidavit the Respondent has purportedly quantified the losses suffered by it on account of supply of defective/low quality/sub-standard goods. However, there is no document to substantiate these averments of the Respondent either. The Petitioner pointed out that the goods purportedly returned by the Respondent were not those supplied by the Petitioner under the two invoices which form the subject matter of the present petition.

Further, learned counsel for the Petitioner refers to the Respondent's acknowledgement in its balance sheet that the Petitioner is a creditor and as on 31st March 2006, according to the Respondent, an outstanding amount of Rs. 23,42,856 was still owing to the Petitioner and Rs. 46,51,702 was due to Win Jing Industry (Hong Kong). It is acknowledged that the outstanding amount as on 31st March 2006 to both Petitioners is Rs. 69, 94,558.

In the circumstances, the Court is satisfied that the Respondent is unable to liquidate its debts owed to the Petitioner and that a case has been made out for the appointment of a provisional liquidator (PL) to take over the assets of the Respondent.

Although the Petitioner has not subsequently filed any fresh application under Section 450 of the Act seeking the appointment of a PL, considering the fact that the present petition has been pending for more than seven years and none has been appearing for the Respondent for the last two hearings since 31st August 2012, the Court is of the view that any further delay in the appointment of a PL will defeat the ends of justice. It is imperative to secure the assets of the company at the earliest to ensure their availability to meet the dues of the creditors upon proof of their claims. It is not as if the company was unaware of the petition and the applications. Pursuant to the notice issued to it the Respondent has been appearing and contesting the petition for the last over seven years. However, for the last two hearings none has been appearing for the Respondent for reasons that are not discernible. Even today despite a pass over none appeared for the Respondent. The position remained unchanged even after lunch when the petition continued to be heard. In the considered view of this Court, these are sufficient special reasons for the Court to dispense with notice to the Respondent prior to the appointment of the PL in terms of Section 450(2) of the Act read with Rule 106(1) of the Rules. In addition, the Court would like to refer to Section 443 (1)(d) read with Rule 9 of the Rules which permits the Court to pass any order to secure the ends of justice.

In the considered view of this Court, in the absence of



Respondent denying its liability which is reflected in its audited balance sheet as on 31st March 2006, the entry in the books of accounts of the Respondent that the aforementioned amounts were outstanding to the Petitioner should be taken to be acknowledgment of the debt. In the above circumstances, this Court is satisfied that the Respondent is unable to liquidate its debts within the meaning of Section 433(2) of the Act.

Accordingly, the petition is admitted. The OL is appointed as PL of the Respondent. The PL is directed to take over the assets of the Respondent together with its books of accounts and other relevant records as may be available at the registered office of the Respondent. The OL is permitted to seek police assistance where required.

LW.13.02.2013

PLD INTERNATIONAL PVT LTD v. REEBOK INDIA COMPANY [DEL]

C.P. No. 612 of 2012

S. Muralidhar, J.
[Decided on 04/01/2013]

Companies Act 1956 - Section 433 - winding up - disputes over unpaid rent - time of handing over possession of premises highly disputed - whether petition to be admitted - Held, No.

Brief facts

The Petitioner gave on rent to the Respondent the ground floor of the property (hereafter rented premises) on a monthly rent of Rs.4,25,000/- subject to deduction of tax at source on applicable rate and payment of service tax, with effect from 1st May, 2010. It is asserted by the Petitioner, which assertion is disputed by the Respondent, that possession of the rented premises was handed over by the Petitioner to the Respondent on 1st May, 2010. It is further stated that the Respondent defaulted in payment of the rent from 1st May 2010 and finally some cheques were received in January, 2011 which did not clear the arrears. Even thereafter the Respondent continued to be irregular in the payment of rent. It is stated that till September 2011 as against the total outstanding rent of Rs.72,25,000/- (exclusive of service tax), the Respondent had paid only Rs.49,72,500/- (exclusive of TDS).

The Petitioner sent an e-mail to the Respondent on 26th September, 2011 demanding the outstanding rent and arrears of service tax enclosing an account statement for the period from May 2010 till September 2011 with break ups for TDS, service tax, rent due, rent paid etc. It is stated that in December

2011 the Respondent paid the service tax amount, without interest up to date. However, the arrears of rent were not cleared.

In the petition it is averred that when the Petitioner's representative met the representative of the Respondent and the Respondent orally acknowledged its liability to pay the admitted dues. However, since the dues were not paid and the statutory notice dated 14th May, 2012 sent to the Petitioner under Section 434 of the Act was also not replied to, the Petitioner filed the present petition seeking the winding up of the Respondent.

Decision: Petition dismissed.

Reason

In the absence of any document showing that in fact possession of the premises were handed over to the Respondent in May, 2010 and in light of the stand taken by the Respondent that possession was handed over to it only in December 2010, the said issue raises a disputed question of fact which cannot be decided without evidence led by the parties. In the circumstances this Court is unable to come to the conclusion at this stage that the defence of the Respondent is sham, false or *mala fide*. If indeed there is an arbitration agreement between the parties there is no reason as to why it cannot avail of that remedy and must necessarily seek the remedy of winding up.

In the present case this Court is not satisfied at this stage, on the basis of the documents placed on record by the Petitioner, that the defence of the Respondent is moonshine or false. The Court recalls the observation in *NEPC India Ltd. v. Indian Airlines Ltd.* (2003) 2 Comp. LJ 122 to the effect that the machinery of winding up should not be allowed to be utilised merely as a means of realizing its debts.

Accordingly, this Court declines to entertain the present petition and dismisses it as such. It would be, however, open to the Petitioner to seek other appropriate remedies that may be available to it in accordance with law.

LW.14.02.2013

SANDEEP JAIN v. SECURITIES AND EXCHANGE BOARD OF INDIA [SAT]

Appeal No. 225 of 2011

P. K. Malhotra, Presiding Officer & S. S. N. Moorthy,
Member
[Decided on 20/12/2012]



Regulations 3 and 4 of the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 read with section 15J of the Securities and Exchange Board of India Act, 1992 - trader indulging in circular/reversal and synchronised trading in shares - whether imposition of penalty is justified - Held, Yes.

Brief facts

The appellant, an individual, is an investor and a trader in the share market. The Board conducted investigations into buying, selling and dealing in the scrip of Asian Star Company Ltd (the company) for the period October 10, 2008 to November 20, 2008 and noticed wide variation in the price of the scrip. The role of the brokers and their clients, who traded in the scrip of the company on the Bombay Stock Exchange, was scrutinized and it was observed that certain entities, connected to each other, had indulged in circular/reversal/synchronized trades in a manner which led to creation of artificial volume in the scrip. The appellant was identified as one of the persons who traded in the scrip and was alleged to be involved in manipulative trades.

It was alleged that, appellant and the "Metha group" had dealt in synchronized and structured trades which amounts to significant percentage of total market value. It was also alleged that 87.33 per cent of the total market volume and 72.33 per cent of the total number of trades were contributed by synchronized trading and 44.95 per cent of the total market volume and 85.51 per cent of the total number of trades were contributed by structured trades. The details of the trading done by the appellant through Swastika Investment Mart Ltd., a market intermediary, were also provided to the appellant. It was noted that the appellant had lent his name and allowed trading in his account. The appellant's account was operated by Pradesh Nimawat and Suresh Hanswal who were the entities trading in the shares of the company. It was, therefore, alleged that the appellant, in connivance with Swastika, Pradesh and Suresh, entered into these fraudulent transactions which affected the price of the shares leading to market manipulation.

Decision: Appeal dismissed.

Reason

After hearing learned counsel for the parties and perusing the material available on record, we are not inclined to interfere in the order passed by the adjudicating officer. We agree with learned counsel for the respondent Board that the alibi, that appellant does not understand English is not acceptable as he has given all his information in the KYC form in English and has also signed the said application form in English. His reply dated January 27, 2009 to the show cause notice is also in English where he has admitted the trades and claimed that they were entered in the normal market condition and on the basis of price

prevailing in the market at the time of trading. We have also taken note of the fact that the transactions pertain to the year 2008 and the appellant was asked to provide details of his transactions which he justified by his letter dated January 27, 2009. Thereafter, a show cause notice was issued to him on March 20, 2010. A personal hearing was granted on February 8, 2011. Till then he had not filed any complaint with the police authorities. If the transactions entered into on his behalf by Pradesh and Suresh through Swastika Investment Mart Ltd. were not authorised by him, he would not have justified these transactions in his reply to the show cause notice and would have immediately taken corrective measures. Filing of FIR only on March 10, 2011 i.e. much after the personal hearing is only an afterthought and cannot be accepted as a good defense. We are not inclined to agree with learned counsel for the appellant that adjudicating officer has not followed the procedure while conducting the adjudication proceedings. While the propositions as laid down in various cases cited by learned counsel for the appellant are not disputed, the appellant has not been able to demonstrate as to how these principles have been violated in dealing with his case. Perusal of the record shows that the appellant was given a show cause notice which was replied by him. Thereafter, a personal hearing was also granted and after considering the material available on record, the impugned order was passed. It, therefore, cannot be said that the principles of natural justice were not followed. We are also not inclined to agree with learned counsel for the appellant that the order is based on conjectures and surmises. The adjudicating officer has given details of the transactions as well as the interconnection between the parties in the show cause notice as well as in the impugned order. In such transactions of manipulative trades, it is difficult, nay impossible, to find direct evidence. Findings in such cases are based on circumstantial evidence. We are fully satisfied that the adjudicating officer has placed sufficient material on record to conclude that the transactions were manipulative in nature. The appellant in its letter dated January 27, 2009 has not denied these transactions. We are also not inclined to agree with the learned counsel for the appellant that either the penalty is excessive or that the adjudicating officer has not taken into account the factors for adjudging the quantum of penalty as stated in Section 15J of the Act. We have read paragraphs 22 and 23 of the impugned order which deal with penalty. Section 15HA of the Act provides that if any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty of Rs. 25 crore or three times the amounts of profit made out of such practices, whichever is higher. The adjudicating officer has imposed a penalty of Rs. 8 lacs only. We do not find it disproportionate to the allegation established against the appellant.

In view of the foregoing discussion, we have no hesitation in upholding the impugned order passed by the adjudicating officer.



Tax Laws

LW.15.02.2013

COMMISSIONER OF CENTRAL EXCISE v. AUSTRALIAN FOODS INDIA (P) LTD [SC]

Civil Appeal No. 2826 of 2006

D.K. Jain & Jagdish Singh Khehar, JJ.
[Decided on 14/01/2013]

Central Excise Act, 1944 - Exemption notification for branded goods - biscuits sold from exclusive branded outlets - no brand name affixed on the biscuits - whether assessee is entitled to claim duty exemption under the notification - Held, No.

Brief facts

Pursuant to an inspection at the sales outlet of the Respondent (hereinafter referred as "the Assessee"), revealed that the Assessee was engaged in the manufacture and sale of cookies from branded retail outlets of "Cookie Man". The brand name used the words "Cookie Man" accompanied with a logo depicting the smiling face of a mustachioed chef. The Assessee was selling some of these cookies in plastic pouches/containers on which the brand name described above was printed. No brand name was affixed or inscribed on the cookies. Excise duty was duly paid, on the cookies sold in the said pouches/containers. However, on the cookies sold loosely from the counter of the same retail outlet, with plain plates and tissue paper, duty was not paid.

Upon consideration of the explanation furnished by the Assessee, the Commissioner *inter-alia* came to the conclusion (relevant for the controversy at hand) that unless the specified goods or the packaging in which these are sold, bear the brand name or the logo, prescribed S.S.I. exemption cannot be denied. Thus, the Commissioner held that since there was neither any material evidence nor averment to prove that the brand name was embossed on the cookies, the Assessee was eligible to avail of the benefit of small scale exemption in respect

of cookies sold loosely from the counter of the retail outlet. Being aggrieved by the order, both the Department and the Assessee filed cross appeals before the Tribunal, which affirmed the decision of the Commissioner. Therefore, the revenue appealed to the Supreme Court challenging the decision.

Decision: Appeal allowed.

Reason

The short question of law which arises for consideration in this appeal is, whether the manufacture and sale of specified goods that do not physically bear a brand name, from branded sale outlets, would disentitle an Assessee from the benefit of S.S.I. Notification No. 1/93-C.E., dated 28th February, 1993, as amended from time to time.

It is settled law that in order to claim benefit of a notification, a party must strictly comply with the terms of the notification. If on wording of the notification the benefit is not available then by stretching the words of the notification or by adding words to the notification benefit cannot be conferred. The Tribunal has based its decision on a decision delivered by it in *Rukmani Pakkwell Traders v. CCE* (1999) 109 ELT 204 (CEGAT). We have already overruled the decision in that case. In this case also we hold that the decision of the Tribunal is unsustainable. It is accordingly set aside.

As aforesaid, once it is established that a specified good is a branded good, whether it is sold without any trade name on it, or by another manufacturer, it does not cease to be a branded good of the first manufacturer. Therefore, soft drinks of a certain company do not cease to be manufactured branded goods of that company simply because they are served in plain glasses, without any indication of the company, in a private restaurant. The good will continue to be a branded good of the company that manufactured it. The same principle would apply in the case of potato chips, chocolates, biscuits, wafers, powders and other such goods often sold from various locations.

In case of goods sold from exclusive single brand retail outlets or restaurants or stores, the fact that a good is sold from such a store ought to be a relevant fact in construing if the good is its branded good or not. In the case of such goods, perhaps a rebuttable presumption arises in favour of such goods being branded goods of the specified store. Such a presumption can be rebutted if it is shown that the specified good being sold is in fact a branded good of another manufacturer. Thus, branded potato chips, soft drinks, chocolates etc. though sold from such outlets, will not be considered to be goods of such outlets. However, all other goods, sold without any appearance of a brand or trade name on them, would not be deemed unbranded goods; to the contrary, they may be deemed to be branded goods of that outlet unless a different brand or trade name appears.



Hence, we hold that it is not necessary for goods to be stamped with a trade or brand name to be considered as branded goods under the SSI notification, discussed above. A scrutiny of the surrounding circumstances is not only permissible, but necessary to decipher the same; the most important of these factors being the specific outlet from which the good is sold. However, such factors would carry different hues in different scenarios. There can be no single formula to determine if a good is branded or not; such determination would vary from case to case. Also, our observations must be limited to this notification and not supplanted to other laws with similar subject matter pertaining to trade names and brand names.

Applying the said principles on the facts at hand, we fail to see how the same branded cookies, sold in containers, can transform to become unbranded ones, when sold from the same counter, or even from an adjoining counter, without packaging carrying the brand name. Admittedly, on the same cookies, physically bearing brand "Cookie Man" sold in containers carrying brand name duty is paid. It is interesting to note that Learned Counsel appearing on behalf of the Assessee first argued that to determine if the cookies sold from the counter are branded or not, scrutiny must be limited to the case of the cookies themselves without looking at the surrounding circumstances; yet went on to argue that the tissues and plates they were served on did not bear the brand of the specified good. Either the environment of the goods can be looked into, or cannot be taken into consideration at all. Once it is established, as in the instant case, that the environment of the goods can be gone into to construe if it is branded or not, we do not see why the environment of the goods should be limited to the plates and tissues, on which they are served. As aforesaid, in the instant case, the cookies were sold from a dedicated outlet of "Cookie Man" where no other products but those of the Assessee were sold. The invoices carry the name of the company and the cookies were sold from a counter of the store. In our opinion, the store's decision to sell some cookies without containers that are stamped with its brand or trade name does not change the brand of the cookies. We are convinced that the cookies sold even without inscription of the brand name, indicate a clear connection with the brand name, in the course of Assessee's business of manufacture and sale of cookies under the brand name "Cookie Man". They continue to be branded cookies of "Cookie Man" and hence cannot claim exemption under the SSI Notification.

LW.16.02.2013

I.C.D.S. LTD v. COMMISSIONER OF INCOME TAX [SC]

Civil Appeal Nos. 3282, 3286, 3287, 3288, 3289 and

3290 of 2008.

D.K. Jain & Jagdish Singh Khehar, JJ.

[Decided on 14/01/2013]

Income Tax Act, 1961 - Section 32 - Depreciation - Asset leasing - Lessor claimed depreciation on leased vehicles at higher rate - Department disallowed contending that the vehicles are not owned by the Lessor - whether correct - Held, No. Whether depreciation to be allowed at higher rate - Held, Yes.

Brief facts

The Assessee is a public limited company, classified by the Reserve Bank of India (RBI) as a non-banking finance company. It is engaged in the business of hire purchase, leasing and real estate etc. The vehicles, on which depreciation was claimed, are stated to have been purchased by the Assessee against direct payment to the manufacturers. The Assessee, as a part of its business, leased out these vehicles to its customers and thereafter, had no physical affiliation with the vehicles. In fact, lessees were registered as the owners of the vehicles, in the certificate of registration issued under the Motor Vehicles Act, 1988 (hereinafter referred to as "the MV Act").

In its return of income for the relevant assessment years, the Assessee claimed, among other heads, depreciation in relation to certain assets, (additions made to the trucks) which, as explained above, had been financed by the Assessee but registered in the name of third parties. The Assessee also claimed depreciation at a higher rate on the ground that the vehicles were used in the business of running on hire.

The Assessing Officer disallowed claims, both of depreciation and higher rate, on the ground that the Assessee's use of these vehicles was only by way of leasing out to others and not as actual user of the vehicles in the business of running them on hire. It had merely financed the purchase of these assets and was neither the owner nor user of these assets.

Aggrieved, the Assessee preferred appeals at every stage up to the present appeal before the Supreme Court.

Decision: Appeal allowed.

Reason

The provision on depreciation in the Act reads that the asset must be "owned, wholly or partly, by the Assessee and used for the purposes of the business". Therefore, it imposes a twin requirement of 'ownership' and 'usage for business' for a successful claim under Section 32 of the Act.

The Revenue attacked both legs of this portion of the section by



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contending: (i) that the Assessee is not the owner of the vehicles in question and (ii) that the Assessee did not use these trucks in the course of its business. It was argued that depreciation can be claimed by an Assessee only in a case where the Assessee is both, the owner and user of the asset.

We would like to dispose of the second contention before considering the first. Revenue argued that since the lessees were actually using the vehicles, they were the ones entitled to claim depreciation, and not the Assessee. We are not persuaded to agree with the argument. The Section requires that the Assessee must use the asset for the "purposes of business". It does not mandate usage of the asset by the Assessee itself. As long as the asset is utilized for the purpose of business of the Assessee, the requirement of Section 32 will stand satisfied, notwithstanding non-usage of the asset itself by the Assessee. In the present case before us, the Assessee is a leasing company which leases out trucks that it purchases. Therefore, on a combined reading of Section 2(13) and Section 2(24) of the Act, the income derived from leasing of the trucks would be business income, or income derived in the course of business, and has been so assessed. Hence, it fulfills the aforesaid second requirement of Section 32 of the Act viz. that the asset must be used in the course of business.

We may now advert to the first requirement i.e. the issue of ownership. No depreciation allowance is granted in respect of any capital expenditure which the Assessee may be obliged to incur on the property of others. Therefore, the entire case hinges on the question of ownership; if the Assessee is the owner of the vehicles, then he will be entitled to the claim on depreciation, otherwise, not.

The Revenue's objection to the claim of the Assessee is founded on the lease agreement. It argued that at the end of the lease period, the ownership of the vehicle is transferred to the lessee at a nominal value not exceeding 1% of the original cost of the vehicle, making the Assessee in effect a financier. However we are not persuaded to agree with the Revenue. As long as the Assessee has a right to retain the legal title of the vehicle against the rest of the world, it would be the owner of the vehicle in the eyes of law. A scrutiny of the sale agreement cannot be the basis of raising question against the ownership of the vehicle. The clues *qua* ownership lie in the lease agreement itself, which clearly point in favour of the Assessee. We agree with the following observations of the Tribunal in this regard:

It is evident from the above that after the lessee takes possession of the vehicle under a lease deed from the Appellant-company it (sic.) shall be paying lease rent as prescribed in the schedule. The ownership of the vehicles would vest with the Appellant-company viz., ICDS as per Clause (4) of the agreement of lease. As per Clause (9) of the Lease agreement, M/s. ICDS is having right of inspection at any

time it wants. As per Clause (18) of the Lease agreement, in case of default of lease rent, in addition to expenses, interest etc. the Appellant company is entitled to take possession of the vehicle that was leased out. Finally, as per Clause (19), on the expiry of the lease tenure, the lessee should return the vehicle to the Appellant company in working order.

It is true that a lease of goods or rental or hiring agreement is a contract under which one party for reward allows another the use of goods. A lease may be for a specified period or in perpetuity. A lease differs from a hire purchase agreement in that lessee or hirer, is not given an option to purchase the goods. A hiring agreement or lease unlike a hire purchase agreement is a contract of bailment, plain and simple with no element of sale inherent. A bailment has been defined in Section 148 of the Indian Contract Act, as "the delivery of goods by one person to another for some purpose, upon a contract that they shall, when the purpose is accomplished, be returned or otherwise disposed of according to the directions of the person delivering them".

As far as the factual portion is concerned now we could come to a conclusion that leasing of vehicles is nothing but hiring of vehicles. These two aspects are one and the same. Therefore, in the facts of the present case, we hold that the lessor i.e. the Assessee is the owner of the vehicles. As the owner, it used the assets in the course of its business, satisfying both requirements of Section 32 of the Act and hence, is entitled to claim depreciation in respect of additions made to the trucks, which were leased out.

With regard to the claim of the Assessee for a higher rate of depreciation, the import of the same term "purposes of business", used in the second proviso to Section 32(1) of the Act gains significance. We are of the view that the interpretation of these words would not be any different from that which we ascribed to them earlier, under Section 32 (1) of the Act. Therefore, the Assessee fulfills even the requirements for a claim of a higher rate of depreciation, and hence is entitled to the same.

LW.17.02.2013

ARVIND ENTERPRISES, AVON STEELS (INDIA) &
J.L.AUTOPARTS v. CCE [CESTAT]

Excise Appeal No.3350-3351 & 3435 of 2010 [Arising out of Order-In-Appeal No.113-116/CE/Appl/DLH-IV/2010, dated 28.07.10 issued by CCE, Delhi-M]

Ms. Archana Wadhwa, Judicial Member.
[Decided on 14/01/2013]



Cenvat Credit Rules, 2004 - Rule 15 - denial of Cenvat credit - raw material manufacturer found to be issuing Cenvatable invoices without supplying materials - Recipients of materials penalised by denial of Cenvat claimed on the material received from the raw material manufacturer - whether denial of credit correct - Held, No.

Brief facts

M/s J.L.Autoparts are engaged in the manufacture of auto parts and were availing the benefit of Cenvat credit of duty paid on the inputs. The said inputs were being received by them from two registered dealers, i.e., M/s Arvind Enterprises and M/s Avon Steels (India) under the cover of Cenvatable invoices being issued by the said two dealers. The said two dealers received the inputs from M/s Haryana Steel & Alloys Ltd. (hereinafter referred to as HSAL).

Investigations were conducted at the end of HSAL by the officers of DGCEI and during the course of investigation, it transpired that HSAL were issuing the invoices of carbon steel billets, alloys and MS billets to various manufacturers without actually supplying the goods. On the above basis, proceedings were initiated against the appellant for confirmation of demand by denying the Cenvat credit on the basis of invoices issued by M/s Arvind Enterprises and M/s Avon Steels (India). The show cause notice so issued culminated into an order passed by Addl. Commissioner confirming the demand of duty and penalty. The said order was put to challenge by the appellant as also by Revenue.

Decision: Appeals allowed.

Reason

After hearing both the sides and after going through the impugned order, I find that entire case of the Revenue is based upon the statement of Ramesh Rawat, Executive Director, HSAL. It stands deposed in the said statement of Rawat that in respect of certain items, he was only issuing the invoices and was not supplying the goods. The said statement of Rawat does not stand agreed upon by the two dealers, i.e., M/s Arvind Enterprises and M/s Avon Steels. In his statement Arvind Tiwari, authorised signatory of said two dealers have clearly deposed that they were receiving the goods from HSAL along with the invoices. It is not the Revenue's case that HSAL was not manufacturing the raw material or were clearing/diverting their final product to other persons. Further the statement of Tiwari stands corroborated by the statement of K.K.Sharma of the manufacturing unit, M/s J.L.Autoparts. It is also seen that all the payments were made to the dealers by cheque and there is no allegation much less any proof of flow back of the money from dealers to the appellant. Revenue has also not made any enquiries from the transporters as regards the transportation of the goods in question. As such the denial of Cenvat credit on the sole statement of manufacturer of the inputs, without taking

into consideration the statement of the first stage dealer as also the statement of the manufacturing unit is not justified. It is further seen that manufacturing unit has entered all the inputs in their records which stands shown to have been used in the manufacture of their final product and cleared on payment of duty. If the Revenue's case as regards non-receipt of inputs is accepted, a vacuum remains to be answered as to how the final product stands manufactured by M/s J.L.Autoparts. Revenue has not shown any alternate procurement of the raw material, in the absence of which M/s J.L.Autoparts could not have manufactured their final product.

At this stage, I may refer to some of the precedent decisions. Tribunal in the case of the *Prachi Poly Products Ltd*, 2005(186)ELT 100(Tri.) observed that where the appellants have taken all reasonable steps to ensure that duty has been paid on inputs received by them and on which they took credit-Credit cannot disallowed on account of denial by manufacturer as regards payment of duty. In the case of *Varanasi Domestic Appliances (P) Ltd*, 2007(213) ELT 286(Tri.), it was observed that in the absence of any evidence to show that manufacturer were party to fraud or misrepresentation by supplier of inputs, denial of credit not justified.

As observed in the precedent paragraphs, Revenue's entire case is based upon the sole statement of Rawat of HSAL and there is no inculpatory statements of either the first stage dealer or the recipient of the inputs and there is no evidence available on record supporting the Revenue's stand. I find no reasons to deny the credit to M/s J.L.Autoparts. Accordingly, confirmation of demand against them along with penalty imposed is set aside.

As regards, penalties imposed upon the two dealers, I find that in as much as it stands held that the Revenue has no evidence on record to support the allegation of non-receipt of raw material, I find no reasons to uphold the said penalties, the same are accordingly set aside.

LW.18.02.2013

IFB INDUSTRIES LTD V. COMMISSIONER OF CENTRAL EXCISE [CESTAT]

Central Excise Appeal No. 2603 of 2011 [Arising out of Order-in-Appeal No. 172/2011-CE dated 07.06.2011 passed by the Commissioner of Central Excise, (Appeals-I), Bangalore]

P. G. Chacko, Member (Judicial).
[Decided on 09/01/2013]



CENVAT Credit Rules, 2004 read with Section 46 of the Factories Act, 1948 - outdoor canteen service - employees less than 250 - whether input credit permissible on the service tax paid to the outdoor caterer - Held, No.

Brief facts

This appeal filed by the assessee is against demand of service tax and education cess for the period from January to August 2009. The authorities below denied CENVAT credit to the said extent on Outdoor Catering Service and Repair/Maintenance of Guest House on the ground that these were not input services defined under Section 2(l) of the CENVAT Credit Rules, 2004. They also demanded interest on the CENVAT credit amount.

Decision: Appeal dismissed.

Reason

I have given careful consideration to the submissions. The show-cause notice in this case had proposed to deny CENVAT credit to the assessee in respect of outdoor catering service and repair/maintenance of guest house on the basic premise that these services/activities did not qualify to be input services under Rule 2(l) of the CCR 2004. The adjudicating authority proceeded on the same premise and accordingly denied CENVAT credit to the assessee. The first appellate authority also followed suit and passed the impugned order. In the result, the first and foremost issue debated before this Tribunal is whether the aforesaid activities/services would qualify to be input services for CENVAT credit purpose.

As regards outdoor catering service, the above issue was considered by the Tribunal's Larger Bench in *Commissioner v. GTC Industries Ltd*, 2008 (12) S.T.R. 468 (Tri.-L.B.). One of the reasons stated by the Bench for finding nexus between outdoor catering service and the manufacturing activity of the assessee was that the cost of subsidised food supplied by them to workers in the factory canteen by the use of outdoor catering service was included in the cost of production of excisable goods in the factory. The second reason noted by the Bench was that it was mandatory for a factory having more than 250 workers to provide canteen facility within the factory premises under Section 46 of the Factories Act, 1948. The cumulative effect was that the requisite nexus was found between outdoor catering service and the manufacturing activity and, accordingly, the former came to be recognised as an input service. The decision of the Larger Bench in *GTC Industries Ltd*. case was upheld by the Bombay High Court (Nagpur Bench) in the case of *Commissioner v. Ultratech Cement Ltd*, 2010 (260) E.L.T. 369 (Bom). This apart, the Karnataka High Court, in *Commissioner v. Stanzen Toyotetsu India (P) Ltd*, 2011 (23) S.T.R. 444 (Kar), highlighted the statutory obligation of a factory (employing more than 250 workers) under Section 46 of the Factories Act and proceeded

to determine whether the assessee discharged such obligation so as to claim nexus between outdoor catering service (canteen service) and their manufacturing activity.

Thus, what emerges from the Bombay High Court's judgement in *Ultratech Cement* case and the Karnataka High Court's judgement in *Stanzen Toyotetsu* case is that there is a nexus between outdoor catering service (canteen service) and manufacturing activity where the canteen service is provided by the manufacturer in discharge of the statutory obligation under Section 46 of the Factories Act and the cost of such service is factored into the cost of production of the final product.

In the instant case, admittedly, the appellant did not have any statutory obligation to provide canteen service during the period of dispute inasmuch as they employed less than 250 workers during that period. Had the appellant employed more than 250 workers in their factory during the said period, they would have contended to that effect in their reply to the show-cause notice. Such contention would have been raised in defence *vis-a-vis* the department's allegation that the outdoor catering service used by them in the factory canteen was not an input service. Therefore, the submission of the learned consultant that the number of workers was not mentioned in the show-cause notice and, hence, the status of input service cannot be denied to outdoor catering service on the basis of the number of workers cannot be accepted. I reiterate that the number of workers, if more than 250, is a defence *vis-a-vis* the show-cause notice in this case, rather than a ground for the show-cause notice itself.

For the reasons already stated, the impugned order denying CENVAT credit to the assessee on outdoor catering service cannot be interfered with.

As regards guest house maintenance service, the claim of the appellant is that it was used for accommodating business guests and conducting business meetings. This claim is an *ipse dixit* with no evidentiary support. Ordinarily, a guest house is meant to house guests. Business meetings are ordinarily held in the conference room of the manufacturing company. If that be so, some positive evidence is required to substantiate the appellant's claim that their guest house was used for conducting business meetings and accommodating business guests. No such evidence is forthcoming in this case. Therefore, the activity of repairing/maintaining the guest house cannot be held to have any nexus with the manufacturing activity of the assessee.

In the result, the appellant is not entitled to CENVAT credit on outdoor catering service and repair/maintenance of guest house for the period of dispute. The impugned order is sustained and the appeal is dismissed.



Labour & Industrial Laws

LW.19.02.2013

MAHENDRA PAL VERMA v. TAJ MAHAL HOTEL [DEL]

LPA No.842/2012

Rajiv Sahai Endlaw, J.
[Decided on 11/01/2013]

Industrial Disputes Act, 1947 - Section 11(A) - dismissal from service- employee stolen the watch of a guest who stayed in the Hotel - employee replacing the stolen watch - after disciplinary proceedings management dismissed him- whether the dismissal is justified-Held, Yes.

Brief facts

The appellant was employed for Housekeeping in the respondent Hotel since the year 1981. He was on 12.05.1998 charged with having on 08.05.1998 stolen the Timex watch of a guest/patron of the respondent Hotel from the room of the said guest/patron. The departmental inquiry conducted found the appellant guilty and the Disciplinary Authority of the respondent Hotel inflicted the punishment of dismissal from service of the appellant. The appellant raised an industrial dispute and on which a reference was made. The industrial adjudicator returned an award holding the appellant guilty and upheld the dismissal. The appellant challenged the award before the Single Judge without any success. Hence this Appeal.

Decision: Appeal dismissed.

Reason

The counsel for the appellant has before us also sought to challenge the finding of the departmental inquiry. This is not the stage for the same. Upon dispute being raised by the appellant, the Industrial Adjudicator went through the record of the departmental inquiry and did not find any perversity in the findings arrived at. On challenge by the appellant, the learned Single Judge also undertook the said exercise. We have however, to satisfy our conscience, again gone through the records and are unable to arrive at a different conclusion.

The counsel for the appellant next sought to impugn before us the findings of the Industrial Adjudicator of the departmental inquiry having been conducted fairly and properly and in accordance with the principles of natural justice. No averment as to the impartiality of the Inquiry Officer was however found in the Statement of Claim made by the appellant before the Industrial Adjudicator. Admittedly, no challenge to the impartiality of the Inquiry Officer was made during the inquiry proceedings also. The counsel for the appellant during the hearing however handed over a copy of the replication filed to the written statement of the respondent employer before the Industrial Adjudicator but the only plea taken therein also is of the Inquiry Officer being under the influence of the management and no further. The counsel for the appellant is also unable to show any basis having been laid for such argument in the evidence recorded before the Industrial Adjudicator. We thus do not find any merit in the said plea. Yet another submission of the counsel for the appellant is that the punishment is disproportionate since according to the inquiry also, the stolen watch was returned by the appellant. Again that has no relevance. The Supreme court in *Disciplinary Authority-cum-Regional Manager v. Nikunja Bihari Patnaik* (1996) 9 SCC 69 and in *Chairman & Managing Director, United Commercial Bank v. P.C. Kakkar* (2003) 4 SCC 364 held that once an employee is held guilty of acting without authority, it is no defence to say that there was no loss caused therefrom. We may further add that once an employer loses confidence in his employee, there cannot be any justification for directing his reinstatement. Reliance in this regard can be placed on *Bharat Heavy Electricals Ltd v. M. Chandrasekhar Reddy* AIR 2005 SC 2769. We thus do not find any merit in this appeal which is dismissed.

LW.20.02.2013

MAHESH v. NDMC [DEL]

W.P.(C) 3130/2006

Mukta Gupta, J.
[Decided on 18/12/2012]

Industrial Disputes Act, 1947 - Dismissal from job - workman was absent from duty due to imprisonment for involvement in criminal case - employer dismissed him from the services on the ground of absence from duty - workman later acquitted - whether dismissal justified - Held, Yes.

Brief facts

The Petitioner was initially employed as a muster roll Mali with the Respondent from 17th October, 1988. In July, 1994 due to his alleged involvement in a criminal case he was arrested and sent to judicial custody and hence could not intimate the



Management about his absence, as a result of which his services were orally terminated in July, 1994. On 24th January, 1995 he was released on bail thereafter he met Chattar Singh, Section Officer of the Management asking him to allow him to join his duty. However, he was informed by Chattar Singh that he cannot be allowed to join back unless he is completely exonerated from all criminal charges. The workman was convicted by the Trial Court in 1996 against which an appeal was filed before the Additional District Judge which was decided in favour of the Petitioner in 2000 by which the Trial Court decision was quashed and the Petitioner was acquitted. Several representations were made by the workman asking for his reinstatement with full back wages and continuity of services. However, the same were never replied by the Management. Thus the workman filed his statement of claim before the Assistant Labour Commissioner leading finally to a reference of an industrial dispute. The award of the Industrial adjudicator was against the workman, who challenged the award in the present writ appeal.

Decision: Writ appeal dismissed.

Reason

It is the persistent case of the workman that he was employed with the Management as a regular muster roll employee from 17th October, 1988 till the date of his termination. The workman in his cross-examination has stated that he is in possession of an identity card to show that he was on a regular muster roll, however, the workman has failed to produce any such document before the learned Tribunal. The workman further stated that he had continuously worked with the Management from the date of his appointment till the date of his termination however, in his cross-examination he admitted that he had not worked continuously. He has stated that he had not worked for three or four months w.e.f. January, 1989 when all muster roll employees were given a break. Also he had not worked in May, 1989 and for five months in 1990 w.e.f. January, 1990 and again stated that he had not worked from January, 1990 till 20th August, 1990. He has also stated that he had not worked in December, 1990 as there was a general strike and that in 1991 and 1992, he had not worked for more than 20 days in any particular month and finally that he has not worked in January, 1994 also.

On the other hand, the Management witness (MW1) Chattar Singh has in his evidence by way of an affidavit stated that the workman was employed on a temporary muster roll as a mazdoor and was performing temporary nature of work and as soon as such work was completed the services of such temporary workers were automatically dispensed with. He has further stated that the workman performed his duties only on those days for which sanction of muster roll existed and was paid wages on daily basis for the actual days of performance of his duties with breaks in service up to 30th June, 1994. MW1 has also produced list Ex. MW1/1 showing the days on which

the workman had actually worked with the Management. A perusal of Ex. MW1/1 show that the workman has not worked continuously from 17th October, 1988 till 30th June, 1994 rather during his entire term with the Management he has completed only 728 days with the Respondent.

We find that this Court has repeatedly taken the view that the burden of proof is on the claimant to show that he had worked for 240 days in a given year. This burden is discharged only upon the workman stepping in the witness box. This burden is discharged upon the workman adducing cogent evidence, both oral and documentary. In cases of termination of services of daily-waged earners, there will be no letter of appointment or termination. There will also be no receipt or proof of payment. Thus in most cases, the workman (the claimant) can only call upon the employer to produce before the court the nominal muster roll for the given period, the letter of appointment or termination, if any, the wage register, the attendance register, etc. Drawing of adverse inference ultimately would depend thereafter on the facts of each case.

In fact a perusal of Ex. MW1/1 shows that the workman has not completed 240 days with Respondent in the year preceding his termination or in any particular year. The workman has also not cross-examined MW1 on the said exhibit or in any way proved before the learned Tribunal that the said document was forged or fabricated. Otherwise also, as per judgment of the Hon'ble Supreme Court in *R.M. Yellatti v. The Assistant Executive Engineer* (2006) 1 SCC 106 the onus was on the workman to show that he had completed 240 days with the Management in the year preceding his termination which he failed to discharge. Hence, he cannot claim benefit under Section 25F.

The contention of the workman that services of the workman were verbally terminated from 1st July, 1994 due to his involvement in a criminal case and further when he was released on bail on 24th January, 1995 he met Chattar Singh asking him to allow him to rejoin his duty but was not allowed to do so is also without any basis. The workman has not produced any document to show that his services were terminated on 1st July, 1994 and that he made any representation before the Management after he was released on bail. In fact the workman has stated in his cross-examination that he had not made a representation in writing and only on 11th October, 2000 he requested the management to take him back on duties. However, this document has also not been exhibited before the Tribunal. Clearly the workman has failed to show that he made any effort to resume his duties after his alleged termination. As against the management witness stated that monthly muster roll was prepared and when the muster roll of July 1994 was prepared the name of the Petitioner was not entered into as he was not present being in Police custody.

In the light of the above discussion, I find no infirmity in the impugned award granting no relief to the Petitioner. The petition is dismissed.



Saathi Haath Badhana

Company Secretaries Benevolent Fund (CSBF) Cultural Evening (Held on 12.1.2013) at Air Force Auditorium, New Delhi

The Managing Committee of Company Secretaries Benevolent Fund (CSBF) has organised another "Cultural Evening" in the series on 12th January, 2013 to further strengthen the corpus of the Benevolent Fund at Air Force Auditorium, New Delhi after the grand success of the Cultural Evening organised by the CSBF on 9th January, 2010.

Hon'ble Mr. Justice Dilip Raosaheb Deshmukh, Chairman, Company Law Board was the Chief Guest and various other dignitaries from Company Law Board, Ministry of Corporate Affairs, Registrar of Companies and Ministry of Information & Broadcasting, apart from Past Presidents, Chairman and Past Chairmen of the NIRC of the Institute, graced the occasion by their benign presence. More than 900 members and other distinguished invitees enjoyed the Cultural Evening comprising various performances.

CS Harish K Vaid, Chairman, Core Group for the Event in his welcome speech expressed his desire that every member of ICSI should become member of CSBF so that not only the corpus of the Fund goes up but also the benefits of the Fund is extended to the family of each and every member in terms of need. He expressed his gratitude for the efforts made by CS Nesar Ahmad, CS Pradeep K. Mittal, CS Sanjay Grover, CS Atul Mittal and CS Rajiv Bajaj.

He also expressed his gratitude to the members of the Core Group, comprising CS H.S. Grover, Co-Chairman, CS R. P. Tulsian, CS K. L. Jaisingh, CS V. P. Gupta, CS G. P. Madaan, CS S. Kumar, CS D. P. Gupta, CS Nesar Ahmad and CS Sutanu Sinha besides all concerned including the support provided by the sponsors, advertisers, media and members of the Institute to make the programme a reality. He made a special mention of the untiring efforts made by the Secretariat under the leadership of CS Sutanu Sinha, Chief Executive.

The theme of the Cultural Evening was "Heaven on the Earth". The programme started with Durga Stuti by a renowned artist followed by presentation of fascinating performance of folk dances from Jammu & Kashmir, Rajasthan & various states of India and stimulating display of martial art by the Song & Drama Division of the Ministry of Information & Broadcasting. There were marvelous performances by the members of the ICSI and their family members. CS Simranjeet Singh, member of the Institute presented Raag Multani and Sufi song, Ms. Rupender Madaan, wife of CS G P Madaan, member of the Managing Committee of CSBF presented a fabulous medley, Ms. Deepika and Meenakshi performed Fusion dance and Ms. Ekta daughter of CS Deepak Kukreja, member of the Institute performed wonderful dance on Tare Jameen Pe. CS Poonam Ahuja, Fellow Member of the ICSI remarkably compered the programme in

association with Mr. Sarthak Sharma.

On this occasion, a film on CSBF was screened to educate and inform the members on the benefits of becoming members of the Company Secretaries Benevolent Fund. The script and concept of the film was taken from a film "One More Chance" written and conceptualised by Mr. Kaushal Mandalia, HR Consultant who permitted the use of the same by CSBF.

CS H.S. Grover, Co-Chairman of the Core Group for the Event coordinated release of Souvenir on CSBF at the hands of Hon'ble Chief Guest Mr. Justice Dilip Raosaheb Deshmukh.

The programme was widely covered by electronic and print media. The event / interview of CS Harish K. Vaid, Chairman of the Core Group for the Event was covered by IBN7 (TV 18) apart from broadcast by AIR FM Rainbow 102.6, FEVER 104 FM.

The programme resulted in creating greater awareness of CSBF and good number of new members were admitted to the Fund. Besides this, a sum of over Rs.45 lacs was mobilised through the event.

With a view to encourage new Members of ICSI who are yet to settle in their career to become members of CSBF, a New Scheme was launched with the sponsorship by Jaypee Group through the courtesy of CS Harish K Vaid. Under the Scheme, the Life Membership Fee of CSBF for such Members shall be provided out of initial donation of Rs. 3.00 lacs provided by the Jaypee Group, which financial assistance may be returned by the beneficiaries once they settle down in their career so that the same could be used to help other similar cases. Encouraged by the said announcement, a few other Member participants also announced financial assistance to the tune of Rs. 2.35 lacs for similar revolving fund to be created for this purpose. The modalities of these Schemes are being worked out.

CS S. S. Marthi, the then Chairman of the Southern India Regional Council presented a cheque for Rs.7,43,566/-, generated from the musical nite organised by SIRC of ICSI at Chennai on November 11, 2012. CS Rajiv Bajaj, the then Chairman of the Northern India Regional Council of ICSI also presented a cheque for Rs.8,64,657/- being 5% of NIRC's surplus for the year 2011-12 to CSBF on this occasion.

CS H. S. Grover expressed his gratitude to one and all who supported the cause and made the programme a grand success. He also observed that such programmes play a vital role for achieving the twin objectives of creating greater awareness about CSBF and for enhancing the corpus of the Fund.



From the Government



Corporate Laws

01 Amendments in the work distribution of Benches of CLB

[Issued by the Company Law Board vide File no.10/43/2005-CLB dated 17.01.2013.]

In exercise of the powers conferred by Sub-Section 4(B) of Section 10(E) of the Companies Act, 1956 (1 of 1956) read with Regulation 4 of the Company Law Board Regulations, 1991, the Company Law Board, hereby, in partial modification of the order of the even number dated 06.09.2012, makes the following amendments in the work distribution of the Benches for the purpose of exercising and discharging the Board's powers and functions in the manner specified below :-

"After the expression "b. Shri B.S.V. Prakash Kumar, Member (Judicial)." mentioned under sub para (2) of para (c) of the order dated 06.09.2012, the expression "c. Shri Dhan Raj, Member (Technical)" shall be inserted".

2. This order shall come into force with immediate effect.

P.K. Malhotra
Secretary

02 Amendment in the Order No. 10/36/2001-CLB dated, 07/12/2012

[Issued by the Company Law Board vide File no.10/36/2001-CLB dated 21.12.2012.]

In exercise of the powers conferred by sub-section (4B) and sub-section (6) of Section 10(E) of the companies Act, 1956 (1 of 1956) read with Regulation 4 of the Company Law Board Regulations, 1991, the Company Law Board, hereby, in partial modification makes the following amendment in the Order of the Company Law Board issued vide Order No. 10/36/2001-CLB dated, 07/12/2012 namely:-

1. In the said Order, -
 - (i) After the expression "the" and before the expression "Company Law Board" the expression "Chairman" appearing in the third line of the main body of the order shall be omitted.
 - (ii) After the expression "Regional Bench" and before the expression "to any other Regional Bench" appearing in the third line of the proviso under para 1. (ii), the expression "to any Member or" shall be inserted.
2. This order shall come into force with immediate effect.

P.K. Malhotra
Secretary

03 Filing of Balance Sheet and Profit and Loss Account in eXtensible Business Reporting Language (XBRL) mode for the financial year commencing on or after 01.04.2011

[Issued by the Ministry of Corporate Affairs vide General Circular No. 1/2013 dated 15.01.2013.]

In continuation of the Ministry's General Circular Nos: 16/2012 dated 06.07.2012, 34/ 2012 dated 25.10.2012 and 39/2012 dated 12.12.2012 on the subject cited above, it is stated that the time limit to file the financial statements in the XBRL mode without any additional fee / penalty has been extended up to 15th February 2013 or within 30 days from the due date of AGM of the company, whichever is later.

All other terms and conditions of the General Circular No. 16/2012 dated 06.07.2012 will remain the same.

Sanjay Kumar Gupta
Deputy Director

04 Comprehensive guidelines on Offer For Sale (OFS) of Shares by Promoters through the Stock Exchange Mechanism

[Issued by the Securities and Exchange Board of India vide CIR/MRD/DP/04/2013 dated 25.01.2013.]

1. Comprehensive guidelines on sale of shares through OFS mechanism were issued vide circular no CIR/MRD/DP/18/2012 dated July 18, 2012. Based on past experience of sale of shares through OFS, the mechanism of OFS has been found to be useful by



market participants and popular for offloading shares of promoters in listed companies in order to achieve minimum public shareholding. With the deadline of June 2013 to achieve minimum public shareholding approaching, to encourage promoters to offload their shares through OFS route and based on market feedback, it has been decided to modify the OFS framework to make it more economical, efficient and transparent.

2. The aforesaid circular is amended as under:

2.1. Para 1 (b) (ii) shall be replaced by the following:

All promoters/promoter group entities of top 100 companies by market capitalisation in any of the last four completed quarters, market capitalisation being calculated as average market capitalisation in a quarter.

2.2. Para 2(c) shall be replaced by the following:

Indicative Price is the volume weighted average price of all the valid bids.

2.3. Para 5(d) (ii) shall be replaced by the following:

Orders shall be placed during trading hours.

2.4. Para 5 (d) (iii) shall be omitted.

2.5. Para 5(e) (i) shall be replaced by the following:

A separate window for the purpose of sale of shares through OFS shall be created. The following orders shall be valid in the OFS window:

A. Orders with 100% of margin paid upfront by institutional investors and non-institutional investors. Such orders can be modified or canceled at any time during the trading hours.

B. Orders without paying upfront margin by institutional investors only. Such orders cannot be modified or cancelled by the investors or stock brokers, except for making upward revision in the price or quantity.

2.6. Para 5 (e) (ii) shall be replaced by the following:

Cumulative bid quantity shall be made available online to the market throughout the trading session at specific intervals in respect of orders with 100% upfront margin and separately in respect of orders placed without any upfront margin. Indicative price shall be disclosed to market throughout the trading session. The indicative price shall be calculated based on all valid bids/orders.

2.7. Para 6 (a) shall be replaced by the following:

Clearing Corporation shall collect 100% margin in cash from non-institutional investors. In case of institutional investors who place orders/bids with 100% of margin upfront, custodian confirmation shall be within trading hours. In case of institutional investors who place orders without upfront margin, custodian confirmation shall be as per the existing rules for secondary market transactions. The funds collected shall neither be utilized against any other

obligation of the trading member nor co-mingled with other segments.

2.8. Para 6 (b) shall be replaced by the following:

In case of order/bid modification or cancellation, such funds shall be released/ collected on a real time basis by clearing corporation.

2.9. Para 8 (i) (b) shall be replaced by the following:

Settlement shall take place on trade for trade basis. For non-institutional orders/bids and for institutional orders with 100% margin, settlement shall take place on T+1 day. In case of orders/bids of institutional investors with no margin, settlement shall be as per the existing rules for secondary market.

2.10. Para 8 (ii) (a) shall be replaced by the following:

In case of default in pay-in by any investor, 10% of the order value shall be charged as penalty from the investor and collected from the broker. This amount shall be credited to the Investor Protection Fund of the stock exchange.

3. All other conditions for sale of shares through OFS framework shall be as per SEBI circular CIR/MRD/DP/18/2012 dated July 18, 2012.

4. Stock Exchanges are directed to:

4.1. take necessary steps and put in place necessary systems for implementation of the above.

4.2. make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision.

4.3. bring the provisions of this circular to the notice of the member brokers of the stock exchange to also to disseminate the same on their website.

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

Maninder Cheema
Deputy General Manager

05 Guidelines for providing dedicated Debt Segment on Stock Exchanges

[Issued by the Securities and Exchange Board of India vide CIR/MRD/DP/03/2013 dated 24.01.2013.]

1. The market for debt securities differs from equity markets in several ways such as risk, returns, liquidity, type of participants and method of trading. While publicly issued debt securities are listed, traded and settled in a manner similar to equity, privately placed debt is usually traded between institutional investors on



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'Over the Counter' (OTC) basis. Such OTC transactions are mandatorily reported on reporting platforms at FIMMDA, BSE and NSE. The settlement for such transactions is different from that in equity markets or publicly issued debt securities.

2. Whereas the equity markets in India offer trading infrastructure comparable to the best available globally, the debt markets lack such infrastructure. In order to cater to the unique characteristics of debt markets, it has been decided to provide dedicated a debt segment on the stock exchanges.
3. The debt segment shall offer separate trading, clearing, settlement, reporting facilities and membership to deal in:
 - (i) "debt securities" as defined in Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (ii) Government Securities, Treasury Bills, State Government loans, SLR and Non-SLR Bonds issued by Financial Institutions, municipal bonds, single bond repos, basket repos and CBLO kind of products subject to RBI approval, where required;
 - (iii) Securitised debt instruments as defined in SEBI (Public Offer and Listing of Securitised Debt Instruments) Regulations, 2008;
 - (iv) any other debt instruments as may be specified from time to time by the competent authority.
4. An existing stock exchange or new stock exchange desirous of setting up debt segment may make an application to SEBI, providing operational, regulatory and any other necessary details.
5. The broad framework /features for debt segment shall be as under-

(A) Listing: This segment shall list all the securities and debt instruments mentioned at para 3 above.

(B) Trading :

- (i) The debt segment shall offer electronic, screen based trading providing for order matching, request for quote, negotiated trades etc.
- (ii) The trading facility may be provided using exchange network including using access methods such as internet trading, mobile trading or any other methods specified by SEBI.
- (iii) The debt segment shall provide separate platforms for the markets described below -
 - a. Retail market - which shall be a market for listing of and trading in publicly-issued debt instruments and where participation by registered trading members can be on their own account or for execution of orders placed their clients.
 - b. Institutional market - which shall be a market for non-publicly-issued debt instruments with a market lot size of minimum Rs 1 crore.
- (iv) In addition to institutional investors, Direct Market Access (DMA) facility shall be extended to other

investors to participate in Institutional market of debt segment. In this regard, the provisions as stipulated in SEBI circular MRD/ DoP/SE/Cir- 7 /2008 dated April 03, 2008, MRD/DoP/SE/Cir- 03 /2009 dated February 20, 2009 and CIR/MRD/DP/ 20 /2012 August 02, 2012 and modifications thereto shall be applicable.

(C) Trading Rules:

- (i) The trading hours shall be from 9:00 hours to 17:00 hours to be in alignment with trading hours of government securities as issued by RBI.
- (ii) The day count convention of Actual/Actual shall be followed for calculating interest rates.
- (iii) The stock exchange shall facilitate availability of price quotes on clean price, dirty price and yield.
- (iv) There shall be no shut period during which trades/ transfers are restricted for payment of interest or part redemptions. For other corporate actions such as redemptions/ put-call options, issuers may choose to specify a shut period.
- (v) The record date shall be fixed not more than 15 days prior to date of corporate action which shall be displayed on trading terminal by stock exchanges.
- (vi) In case of negotiated trades by members of the debt segment, the trades shall be reported to stock exchange within 30 minutes of the trade.

(D) Clearing and Settlement:

- (i) All trades shall be cleared and settled through a clearing corporation. For this purpose, all trading members shall be self clearing members or may clear through a clearing member.
- (ii) The settlement shall depend on the market type, as given below:
 - a) *For institutional market:* All trades shall be settled on T+1 rolling settlement on DVP-I basis using RBI RTGS account. Stock exchanges/clearing corporation may opt to provide clearing and settlement on DVP-II or DVP-III basis for this market in future and shall put in place appropriate risk management framework for the same.
 - b) *For retail market:* The trades shall be settled on T+2 rolling settlement on DVP-III basis with settlement guarantee.

(E) Risk management framework:

- (i) For retail market, a uniform margin rate of 10% shall be applicable on debt instruments with rating of AA or above (or with similar rating nomenclature) by recognised credit rating agencies and 25% for all other debt instruments. Further, in case of shortages, there shall be compulsory close-out with a mark up of 5% in case of debt instruments which are assigned a credit rating of AA and above and 10% in case of other debt instruments.



- (ii) For institutional market, as and when settlement is done on DVP-II or DVP-III basis, appropriate margins may be prescribed after approval by SEBI.
- (iii) The clearing corporation shall specify appropriate risk management framework for each market, wherein it shall, inter-alia, provide for computation and collection of margins, capital adequacy norms and collateral requirements for the clearing members, settlement guarantee fund as applicable. This shall be approved by SEBI.
- (F) Trade repository:** With an objective to have centralised repository for trades in debt instruments, the stock exchanges shall report trade information to a common trade repository as may be specified by SEBI.
- (G) Membership:**
 - (i) Any entity desirous of becoming trading member, self clearing member and/or clearing member of debt segment shall seek registration under SEBI (Stock Broker and Sub-Broker) Regulations, 1992.
 - (ii) Institutions such as scheduled commercial banks, primary dealers, pension funds, provident funds, insurance companies, mutual funds and any other investors as may be specified by sectoral regulators from time to time, can trade on the debt segment either as clients of registered trading members or directly as trading member on proprietary basis only (i.e own-account trades only). Such institutions desirous of trading on own account only shall be given trading membership under SEBI (Stock Broker and Sub-Broker) Regulations, 1992 as proprietary trading member.
 - (iii) For an interim period of six months from the date of this circular or till the application for registration as per amended SEBI (Stock Broker and Sub-Broker) Regulations, 1992 is refused by the Board or till cessation of membership, whichever is earlier, the transitional provisions shall be -
 - a. *Institutional market of debt segment:* Any existing registered trading member and/or clearing member/self clearing member in derivative segment or currency derivatives segment desirous of trading or clearing trades in debt segment shall be permitted to trade or clear trades.
 - b. *Retail market of debt segment:* Any existing registered stock broker/trading member and /or clearing member/self clearing desirous of trading or clearing trades in debt segment shall be permitted to trade or clear trades.
 - (iv) The trading member, proprietary trading member, clearing member and self clearing member of debt segment shall have net worth and deposit as prescribed in SEBI (Stock Broker and Sub-broker) Regulations, 1992.
 - (v) The Base Minimum Capital for stock broker/trading member shall be in line with SEBI circular dated December 19, 2012.
 - (vi) The stock exchanges and clearing corporation may specify additional membership criteria for trading member/proprietary trading member and clearing member/self clearing member respectively.
- (H) Market Making:** With the view to infuse liquidity in the market, market makers shall be permitted in the debt segment. Market making may be provided by merchant bankers, issuers through brokers or any other entity as may be specified. The rules for market making shall be specified by the stock exchanges with approval of SEBI.
- 6. The stock exchanges and clearing corporations desirous of introducing debt segment are advised to -
 - (i) Incorporate /frame separate Bye Laws, Rules and Regulations on debt segment in consonance with aforesaid guidelines
 - (ii) Make necessary amendment to their existing byelaws, rules and/or regulations , if required
 - (iii) Send duly completed application for introducing debt segment to SEBI, along with necessary byelaws and rules.
- 7. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Maninder Cheema
Deputy General Manager

06 Guidelines on Identification of Beneficial Ownership

[Issued by the Securities and Exchange Board of India vide CIR/MIRSD/2/2013 dated 24.01.2013.]

1. SEBI Master Circular No. CIR/ISD/AML/3/2010 dated December 31, 2010 has mandated all registered intermediaries to obtain, as part of their Client Due Diligence policy, sufficient information from their clients in order to identify and verify the identity of persons who beneficially own or control the securities account. The beneficial owner has been defined in the circular as the natural person or persons who ultimately own, control or influence a client and/or persons on whose behalf a transaction is being conducted, and includes a person who exercises ultimate effective control over a legal person or arrangement.
2. SEBI has also prescribed uniform Know Your Client (KYC) requirements for the securities markets vide circular nos. CIR/MIRSD/16/2011 dated August 22, 2011



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and MIRSD/SE/Cir-21/2011 dated October 5, 2011. The SEBI KYC Registration Agency (KRA) Regulations, 2011 have been notified and guidelines have been issued under these regulations from time to time.

3. Further, the Prevention of Money Laundering Rules, 2005 also require that every banking company, financial institution and intermediary, as the case may be, shall identify the beneficial owner and take all reasonable steps to verify his identity. The Government of India in consultation with the regulators has now specified a uniform approach to be followed towards determination of beneficial ownership. Accordingly, the intermediaries shall comply with the following guidelines.

A. For clients other than individuals or trusts:

4. Where the client is a person *other than an individual or trust*, viz., company, partnership or unincorporated association/body of individuals, the intermediary shall identify the beneficial owners of the client and take reasonable measures to verify the identity of such persons, through the following information:
 - a. The identity of the natural person, who, whether acting alone or together, or through one or more juridical person, exercises control through ownership or who ultimately has a controlling ownership interest.
Explanation: Controlling ownership interest means ownership of/entitlement to:
 - i. more than 25% of shares or capital or profits of the juridical person, where the juridical person is a company;
 - ii. more than 15% of the capital or profits of the juridical person, where the juridical person is a partnership; or
 - iii. more than 15% of the property or capital or profits of the juridical person, where the juridical person is an unincorporated association or body of individuals.
 - b. In cases where there exists doubt under clause 4 (a) above as to whether the person with the controlling ownership interest is the beneficial owner or where no natural person exerts control through ownership interests, the identity of the natural person exercising control over the juridical person through other means.
Explanation: Control through other means can be exercised through voting rights, agreement, arrangements or in any other manner.
 - c. Where no natural person is identified under clauses 4 (a) or 4 (b) above, the identity of the relevant natural person who holds the position of senior managing official.

B. For client which is a trust:

5. Where the client is a trust, the intermediary shall identify

the beneficial owners of the client and take reasonable measures to verify the identity of such persons, through the identity of the settler of the trust, the trustee, the protector, the beneficiaries with 15% or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.

C. Exemption in case of listed companies:

6. Where the client or the owner of the controlling interest is a company listed on a stock exchange, or is a majority-owned subsidiary of such a company, it is not necessary to identify and verify the identity of any shareholder or beneficial owner of such companies.

D. Applicability for foreign investors:

7. Intermediaries dealing with foreign investors' viz., Foreign Institutional Investors, Sub Accounts and Qualified Foreign Investors, may be guided by the clarifications issued vide SEBI circular CIR/MIRSD/11/2012 dated September 5, 2012, for the purpose of identification of beneficial ownership of the client.

E. Implementation:

8. The provisions of this circular shall come into force with immediate effect. Intermediaries are directed to review their Know Your Client (KYC) and Anti- Money Laundering (AML) policies accordingly.
9. The Stock Exchanges and Depositories are directed to:
 - a. bring the provisions of this circular to the notice of the Stock Brokers and Depository Participants, as the case may be, and also disseminate the same on their websites;
 - b. make amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision in co-ordination with one another, as considered necessary;
 - c. monitor the compliance of this circular through half-yearly internal audits and inspections; and
 - d. communicate to SEBI, the status of the implementation of the provisions of this circular.
10. In case of mutual funds, compliance of this circular shall be monitored by the Boards of the Asset Management Companies and the Trustees and in case of other intermediaries, by their Board of Directors.
11. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.

Krishnanand Raghavan
Deputy General Manager



07 Application Supported by Blocked Amount (ASBA) facility

[Issued by the Securities and Exchange Board of India vide CIR/CFD/DIL/4/2013 dated 23.01.2013.]

1. SEBI, vide Circular No. CIR/CFD/DIL/8/2010 dated October 12, 2010, enabled the syndicate / sub-syndicate members to procure ASBA forms (hereinafter referred as "Syndicate ASBA") from the investors, upload the relevant details in the bidding platform and forward the forms to the Self Certified Syndicate Banks (SCSBs) for signature verification, blocking of funds, etc., and thereafter, for forwarding the forms to the registrar to the issue.
2. Pursuant to the above, SEBI, vide Circular No. CIR/CFD/DIL/1/2011 dated April 29, 2011, enabled the ASBA facility through syndicate / sub syndicate members from 12 bidding centers and advised all the SCSBs which are providing ASBA facility in any of these 12 centers, to name atleast one branch where syndicate/sub-syndicate members can submit the ASBA forms.
3. Further, SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 introduced an additional mechanism for investors to submit application forms in public issues using the stock broker ("broker") network of Stock Exchanges, who may not be syndicate members in an issue. The said Circular envisages enabling the facility to submit the application forms in more than 1000 locations which are part of the nationwide broker network of the Stock Exchanges, by March 1, 2013.
4. In partial modification of the Circular No. CIR/CFD/DIL/1/2011 dated April 29, 2011 and in order to facilitate syndicate / sub-syndicate members/ non-syndicate members to accept ASBA forms from investors in the locations :
 - a. All the SCSBs having a branch in the location of broker centers of stock exchanges, notified in terms of clause 6 of Circular dated October 4, 2012, are required to name at least one branch before March 1, 2013, where syndicate / sub-syndicate members/ non-syndicate members can submit the ASBA forms.
 - b. The Stock Exchanges shall ensure that the details of the locations of their broker centers are disclosed on their websites and regularly updated in terms of Circular dated October 4, 2012.
5. Merchant Bankers shall ensure that appropriate disclosures are made in the offer document in this regard.
6. All intermediaries are directed to comply with the

instructions contained in this circular.

7. This circular shall be applicable for Red Herring Prospectus/ Prospectus / Letter of Offer filed with Registrar of Companies/ Stock Exchanges, as the case may be, on or after March 1, 2013.
8. This circular is issued in exercise of the powers conferred under Section 11 read with Section 11A of the Securities and Exchange Board of India Act, 1992.
9. This circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework" and "Circulars".

Harini Balaji

Deputy General Manager

08 Establishment of Connectivity with both depositories NSDL and CDSL – Companies eligible for shifting from Trade for Trade Settlement (TFTS) to Normal Rolling Settlement

[Issued by the Securities and Exchange Board of India vide CIR/MRD/DP/ 01 /2013 dated 21.01.2013.]

1. It is observed from the information provided by the depositories that the companies listed in Annexure 'A' have established connectivity with both the depositories.
2. The stock exchanges may consider shifting the trading in these securities to normal Rolling Settlement subject to the following:
 - a) At least 50% of other than promoter holdings as per clause 35 of Listing Agreement are in dematerialized mode before shifting the trading in the securities of the company from TFTS to normal Rolling Settlement. For this purpose, the listed companies shall obtain a certificate from its Registrar and Transfer Agent (RTA) and submit the same to the stock exchange/s. However, if an issuer-company does not have a separate RTA, it may obtain a certificate in this regard from a practicing company Secretary/Chartered Accountant and submit the same to the stock exchange/s.
 - b) There are no other grounds/reasons for continuation of the trading in TFTS.
3. The Stock Exchanges are advised to report to SEBI, the action taken in this regard in the Monthly/Quarterly Development Report.

Maninder Cheema

Deputy General Manager





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Annexure A

Sr. No.	Name of the Company	ISIN
1.	Elder Projects Limited	INE975E01017
2.	Risa International Limited	INE001O01011
3.	Mapro Industries Limited	INE848M01019
4.	Surya Industrial Corporation Limited	INE060N01019
5.	Croitre Industries Limited	INE987M01015
6.	The Anandam Rubber Company Limited	INE618N01014

09 Amendments to SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Equity Listing Agreement.

[Issued by the Securities and Exchange Board of India vide CIR/CFD/DIL/03 /2013 dated 17.01.2013.]

1. SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI (ESOS & ESPS) Guidelines") were issued to enable listed entities to reward their employees through stock option schemes and stock purchase schemes and to ensure that such schemes introduced by the companies are within the regulated framework.
2. It has come to the notice of SEBI that some listed entities have been framing their own employees benefit schemes wherein Trusts have been set up to deal in their own securities in the secondary market, which was not envisaged within the purview of SEBI (ESOS and ESPS) Guidelines 1999.
3. It is apprehended that some entities may frame such schemes with the purpose of dealing in its own securities with the object of inflating, depressing, maintaining or causing fluctuation in the price of the securities by engaging in fraudulent and unfair trade practices. Such dealing in the company's shares by the Trusts may also raise regulatory concerns regarding compliance with SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003 and SEBI (Prohibition of Insider Trading) Regulations, 1992.
4. In order to address the concerns over acquisition of shares by employee welfare Trusts from the secondary market, it has been decided to prohibit the listed entities from framing any employee benefit schemes involving acquisition of own securities from the secondary market.
5. In order to implement the above decision, certain listing conditions are hereby specified by way of inserting Clause 35C in the Equity Listing Agreement as given in Annexure I.

6. In respect of those companies, which have already framed and implemented before the date of this circular any employee benefit schemes involving dealing in the securities of the company, which are not in accordance with SEBI (ESOS and ESPS) Guidelines, it has been decided that:-
 - (i) such companies will be required to inform the details of their schemes to the Stock Exchanges within 30 days from date of this circular, in the format provided in Annexure II to this circular and to disseminate the said information on their website.
 - (ii) such companies shall align any existing employee benefit schemes with SEBI (ESOS and ESPS) Guidelines on or before June 30, 2013.
7. In view of the above, it has also been decided to amend the SEBI (ESOS and ESPS) Guidelines 1999 as provided in Annexure III. The amendments made vide this circular shall come into force with immediate effect.
8. All stock exchanges are advised to ensure compliance with this circular, and carry out the necessary amendments in their Listing Agreement accordingly.
9. This circular is being issued in exercise of the powers under Section 11 read with Section 11A of the Securities and Exchange Board of India Act, 1992.
10. This circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework" and "Issues and Listing".

Sunil Kadam
General Manager

Annexure –I

Amendments to Equity Listing Agreement

1. After Clause 35B, a new clause 35C shall be inserted to read as under:

"35C. (i) The issuer agrees that all the employee benefit schemes involving the securities of the company shall be in compliance with SEBI (Employee Stock Option Schemes and Employee Stock Purchase Schemes) Guidelines, 1999 and any other guidelines, regulations etc. framed by SEBI in this regard.

(ii) The issuer further agrees that all the employee benefit schemes already framed and implemented by the company involving dealing in the securities of the company, before the insertion of this clause shall be aligned with and made to conform to SEBI (Employee Stock Option Schemes and Employee Stock Purchase Schemes) Guidelines, 1999 by June 30, 2013."
2. In Clause 35B of the Listing Agreement, all references to "Companies (Passing of the Resolution by Postal Ballot) Rules 2001" shall be replaced with "*Companies (Passing of the Resolution by Postal Ballot) Rules 2011*".



Annexure –II

Format for furnishing the details of employee benefit schemes involving dealings in secondary market, not covered under SEBI (ESOS and ESPS) Guidelines 1999

1. Name of the Issuer:
2. Name of the Scheme:
3. Date of implementation:
4. Mode of Implementation (Trust/Direct):
5. Brief particulars about the Scheme (modus operandi): Details of Trust, Trustees, and their relationship with Promoters or Directors of the company
6. Whether promoters/persons belonging to the promoter group/directors, are also beneficiaries in the scheme. If so, the details thereof and their entitlements:
7. No. of shares held by Trust/any other agency managing the scheme as on the date of the circular
8. How the Trust/agency is proposing to deal with the existing holding (whether to be transferred to the employees, or to be sold in the market for transferring the benefits to the employees, if so, details regarding proposed date of such transfer or sale shall be given) Such date shall not be later than June 30, 2013 :
9. Details of persons who are entitled to shares or benefits accruing out of the shares, which form part of more than 1 percent of the paid up share capital, as on the date of the circular in the following format:

Name of the employee	Whether falling under Promoter/ promoter group/ directors	No. of entitled shares	% of such entitlement over the paid-up share capital	No. of shares transferred/ allotted to them/ benefits of which is passed on to them out of (3)
(1)	(2)	(3)	(4)	(5)

10. Details of secondary market purchases/sales by the company/Trust/ any other agency managing the scheme if any, since April 01, 2012 in the following format:

Sl	Date/time	Type of Transaction (Purchase/Sale)	No. of Securities	Price at which Purchased/sold

Annexure III

Amendments to SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

After clause 22A, the following new clause shall be inserted namely:

“22B. Prohibition on acquisition of securities from secondary market

No ESOS/ESPS shall involve acquisition of securities from the secondary market.”

10 Rationalisation process for obtaining PAN by Investors

[Issued by the Securities and Exchange Board of India vide CIR/MIRSD/01 /2013 dated 04.01.2013.]

1. Please refer to SEBI circular no CIR/MIRSD/16/2011 dated August 22, 2011; MIRSD/SE/Cir-21/2011 dated October 5, 2011 and CIR/MIRSD/11/2012 dated September 05, 2012.
2. With a view to bring about operational flexibility and in order to ease the PAN verification process, the intermediaries may verify the PAN of their clients online at the Income Tax website without insisting on the original PAN card, provided that the client has presented a document for Proof of Identity other than the PAN card.
3. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

A.S.Mithwani

Deputy General Manager

11 Clarification on Clause 36 of the Equity Listing Agreement

[Issued by the Securities and Exchange Board of India vide CIR/CFD/DIL/2/2013 dated 03.01.2013.]

1. It has been brought to our notice that certain listed companies have been giving monthly disclosure of their sales/turnover/production figures to their respective trade bodies/industry associations and the same is not disclosed to the stock exchanges.
2. The listed companies are guided by Clause 36 of the Listing Agreement of the stock exchanges which, inter-alia, states that:

“The Issuer will intimate to the Stock Exchanges, where the company is listed immediately of events such as strikes, lock outs, closure on account of power cuts, etc. and all events which will have a bearing on the performance / operations of the company as well as price sensitive information both at the time of occurrence of the event and subsequently after the cessation of the event in order to enable the security holders and the public to appraise the position of the Issuer and to avoid the establishment of a false market in its securities. In addition, the Issuer will furnish to Exchange on request such information concerning the



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Issuer as the Exchange may reasonably require”.

3. It is therefore, reiterated that all the events or material information which will have a bearing on the performance / operations of the company as well as price sensitive information shall be first disseminated to the stock exchanges as required under Clause 36 of the Listing Agreement.
4. Stock exchanges are advised to take into account the requirements of this Circular and to bring the same to the notice of the listed companies.
5. This Circular is issued in exercise of the powers conferred under Section 11 read with Section 11A of the Securities and Exchange Board of India Act, 1992.
6. This Circular is available on SEBI website at www.sebi.gov.in under the categories “Legal Framework” and “Issues and Listing”.

Sunil Kadam
General Manager

12 Application Supported by Blocked Amount (ASBA) facility in public/ rights issue

[Issued by the Securities and Exchange Board of India vide CIR/CFD/DIL/1/2013 dated 02.01.2013.]

1. This has reference to SEBI Circular No. CIR/CFD/DIL/12/2012 dated September 13, 2012, on the captioned subject. It has been reported that some Banks/Merchant Bankers are misinterpreting the aforesaid circular and the applications by banks have been made/accepted using an account held with the applicant bank itself.
2. In terms of Para 4 of the aforementioned circular dated September 13, 2012, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB/s. Such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.
3. All other provisions of the aforesaid circulars remain unchanged.
4. This circular shall be applicable with immediate effect.
5. This circular is issued in exercise of the powers conferred under Section 11 read with Section 11A of the Securities and Exchange Board of India Act, 1992.
6. This circular is available on SEBI website at www.sebi.gov.in under the categories “Legal Framework” and “Issues and Listing”.

Harini Balaji
Deputy General Manager

13 Debt Allocation Mechanism for FII

[Issued by the Securities and Exchange Board of India vide CIR/IMD/FIIC/1/2013 dated 01.01.2013.]

1. SEBI vide circular CIR/IMD/FIIC/1/2012 dated January 03, 2012 had provided the facility of re-investment of up to two years from the date of the circular or to the extent of twice the size of the debt portfolio, to those FIIs and sub-accounts that had already acquired limits and/or invested in debt in the manner prescribed in the said circular. The facility of reinvestment period was not allowed for all new allocations of debt limits to FIIs/subaccounts after the issuance of the said circular.
2. SEBI vide circular CIR/IMD/FIIC/22/2012 dated November 07, 2012 had stated that beginning January 01, 2014, the FIIs/Sub-Accounts could re-invest during each calendar year to the extent of 50% of their debt holdings at the end of the previous calendar year. It is clarified that from January 01, 2014 onwards, the circular CIR/IMD/FIIC/22/2012 dated November 07, 2012 will be applicable uniformly to all FIIs investing in debt securities irrespective of whether the FII had acquired limits/made investments before January 03, 2012 or not.
3. In light of the representations received and in order to provide operational flexibility to those FIIs/ sub-accounts which did not hold any debt investment limits as on January 03, 2012 and purchased debt investment limits thereafter, it has been decided that they shall be allowed a cumulative re-investment facility to the extent of 50% of their maximum debt holding at any point of time during the calendar year 2013.
4. To illustrate, an example is given below:
An FII/ Sub-Account “XYZ” did not hold any debt investment limits as on January 03, 2012. It had purchased fresh debt limits on January 07, 2012. The following table gives the particulars of XYZ’s transactions in debt securities:

Step	Buy	Sell	Current Holding	Maximum holding at any point of time during the calendar year	Value of sale which FII/SA can make without losing its investment limits	Cumulative sale by the FII/SA during the calendar year	Value of sale which can be further made by FII/SA without losing limit
1 (On Jan 07, 2012)	1000	0	1000	1000	500	0	500
2	0	500	500	1000	500	500	0
3	6000	0	6500	6500	3250	500	2750
4	1000	0	7500	7500	3750	500	3250
5	0	3000	4500	7500	3750	3500	250



6	600	0	5100	7500	3750	3500	250
7	5000	0	10100	10100	5050	3500	1550
8	0	1550	8550	10100	5050	5050	0
9	450	0	9000	10100	5050	5050	0
10	1100	0	10100	10100	5050	5050	0

All figures in INR cr

5. From January 01, 2014, the re-investment facility as indicated in the SEBI circular CIR/IMD/FIIC/22/2012 dated November 07, 2012 would be available during each calendar year to those FIIs which hold debt investments as on December 31 of the previous calendar year.
6. In respect of those FIIs which do not hold any debt investments as on December 31 of the previous calendar year, the re-investment facility given at Para 3 of this circular would be available during each calendar year.
7. It is further clarified that the re-investment facility for those FIIs/ sub-accounts having debt limit prior to January 03, 2012, will remain available till December 31, 2013 in terms of the SEBI circular dated January 03, 2012.
8. The re-investment period, i.e. 5 working days for Government Debt and 15 working days for Corporate Debt shall remain the same as per the SEBI Circular CIR/IMD/FIIC/18/2010 dated November 26, 2010.

This circular shall come into effect immediately.

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

A copy of this circular is available at the web page "F.I.I." on our website www.sebi.gov.in. The custodians are requested to bring the contents of this circular to the notice of their FII clients.

S Madhusudhanan
Deputy General Manager

14 Securities and Exchange Board of India (Investment Advisers) Regulations, 2013.

[Published in the Gazette of India extraordinary Part-III, Section 4, Vide No. LAD-NRO/GN/2012-13/31/1778 dated 21.01.2013.]

In exercise of the powers conferred by sub-section (1) of Section 30 read with clause (b) of sub-section (2) of Section 11 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities and Exchange Board of India hereby, makes the following regulations, namely, —

CHAPTER I PRELIMINARY

Short title and commencement.

1. (1) These regulations may be called the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013.
- (2) These regulations shall come into force on the ninetieth day from the date of their publication in the Official Gazette.

Definitions.

2. (1) In these regulations, unless the context otherwise requires, the terms defined herein shall bear the meanings assigned to them below, and their cognate expressions shall be construed accordingly,.
 - (a) "Act" means the Securities and Exchange Board of India Act, 1992 (15 of 1992);
 - (b) "Board" means the Securities and Exchange Board of India established under section 3 of the Act;
 - (c) "body corporate" shall have the meaning assigned to it in or under sub-section (7) of section 2 of the Companies Act, 1956 (1 of 1956);
 - (d) "certificate" means a certificate of registration granted under these regulations;
 - (e) "change in control" in relation to a company or a body corporate, means:
 - (i) if its shares are listed on any recognized stock exchange, change in control within the meaning of clause (e) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (ii) in any other case, change in the controlling interest or change in legal form.

Explanation.— For the purpose of sub-clause (ii), the expression "controlling interest" means an interest, whether direct or indirect, to the extent of more than fifty percent of voting rights or interest;
 - (f) "company" means a company incorporated under the Companies Act, 1956;
 - (g) "consideration" means any form of economic benefit including non-cash benefit, received or receivable for providing investment advice;
 - (h) "financial planning" shall include analysis of clients of current financial situation, identification of their financial goals, and developing and recommending financial strategies to realise such goals;
 - (i) "firm" means a partnership firm registered under Indian Partnership Act, 1932 (9 of 1932);
 - (j) "form" means any of the forms set out in the First Schedule;
 - (k) "inspecting authority" means any one or more



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persons appointed by the Board to exercise powers conferred under regulation 23;

- (l) "investment advice" means advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products, and advice on investment portfolio containing securities or investment products, whether written, oral or through any other means of communication for the benefit of the client and shall include financial planning:

Provided that investment advice given through newspaper, magazines, any electronic or broadcasting or telecommunications medium, which is widely available to the public shall not be considered as investment advice for the purpose of these regulations;

- (m) "investment adviser" means any person, who for consideration, is engaged in the business of providing investment advice to clients or other persons or group of persons and includes any person who holds out himself as an investment adviser, by whatever name called;
- (n) "limited liability partnership" means a partnership formed and registered under The Limited Liability Partnership Act, 2008(6 of 2009);
- (o) "NBFC" means a Non-Banking Financial Company regulated by Reserve Bank of India;
- (p) "NISM" means the National Institute of Securities Market established by the Board;
- (q) "partner" means partner of the firm or a limited liability partnership who renders investment advice on behalf of the firm or limited liability partnership;
- (r) "representative" means an employee or an agent of an investment adviser who renders investment advice on behalf of that investment adviser.
- (2) The words and expressions used and not defined in these regulations but defined in the Act, the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Companies Act, 1956 (1 of 1956), or any rules or regulations made thereunder shall have the same meanings respectively assigned to them in those Acts, rules or regulations made thereunder or any statutory modification or re-enactment thereto, as the case may be.

CHAPTER II

REGISTRATION OF INVESTMENT ADVISERS

Application for grant of certificate.

3. (1) On and from the commencement of these regulations, no person shall act as an investment adviser or hold itself out as an investment adviser unless he has obtained a certificate of registration from the Board under these regulations:

Provided that a person acting as an investment adviser immediately before the commencement of these regulations may continue to do so for a period of six months from such commencement or, if it has made an application for a certificate under subregulation (2) within the said period of six months, till the disposal of such application.

- (2) An application for grant of certificate of registration shall be made in Form A as specified in the First Schedule to these regulations and shall be accompanied by a nonrefundable application fee to be paid in the manner specified in Second Schedule.

Exemption from registration.

4. The following persons shall not be required to seek registration under regulation 3 subject to the fulfillment of the conditions stipulated therefor, –
- (a) Any person who gives general comments in good faith in regard to trends in the financial or securities market or the economic situation where such comments do not specify any particular securities or investment product;
- (b) Any insurance agent or insurance broker who offers investment advice solely in insurance products and is registered with Insurance Regulatory and Development Authority for such activity;
- (c) Any pension advisor who offers investment advice solely on pension products and is registered with Pension Fund Regulatory and Development Authority for such activity;
- (d) Any distributor of mutual funds, who is a member of a self regulatory organisation recognised by the Board or is registered with an association of asset management companies of mutual funds, providing any investment advice to its clients incidental to its primary activity;
- (e) Any advocate, solicitor or law firm, who provides investment advice to their clients, incidental to their legal practise;
- (f) Any member of Institute of Chartered Accountants of India, Institute of Company Secretaries of India, Institute of Cost and Works Accountants of India, Actuarial Society of India or any other professional body as may be specified by the Board, who provides investment advice to their clients, incidental to his professional service;
- (g) Any stock broker or sub-broker registered under SEBI (Stock Broker and Sub- Broker) Regulations, 1992, portfolio manager registered under SEBI (Portfolio Managers) Regulations, 1993 or merchant banker registered under SEBI (Merchant Bankers) Regulations, 1992, who provides any investment advice to its clients incidental to their primary activity:



Provided that such intermediaries shall comply with the general obligation(s) and responsibilities as specified in Chapter III of these regulations:

Provided further that existing portfolio manager offering only investment advisory services may apply for registration under these regulations after expiry of his current certificate of registration as a portfolio manager;

- (h) Any fund manager, by whatever name called of a mutual fund, alternative investment fund or any other intermediary or entity registered with the Board;
- (i) Any person who provides investment advice exclusively to clients based out of India:

Provided that persons providing investment advice to Non-Resident Indian or Person of Indian Origin shall fall within the purview of these regulations;

- (j) Any representative and partner of an investment adviser which is registered under these regulations:

Provided that such representative and partner shall comply with regulation 7 of these regulations;

- (k) Any other person as may be specified by the Board.

Furnishing of further information, clarification and personal representation.

5. (1) The Board may require the applicant to furnish further information or clarification regarding matters relevant to investment advisory services for the purpose of consideration of the application filed under sub-regulation (2) of regulation 3.
- (2) The applicant or his authorised representative, if so required, shall appear before the Board for personal representation.

Consideration of application and eligibility criteria.

6. For the purpose of the grant of certificate the Board shall take into account all matters which are relevant to the grant of certificate of registration and in particular the following, namely,—
 - (a) whether the applicant is an individual or a body corporate or a firm;
 - (b) whether in case the applicant is an individual, he is appropriately qualified and certified as specified in regulation 7;
 - (c) whether in case the applicant is a body corporate, all the representatives of the applicant who provide investment advice are appropriately qualified and certified as specified in regulation 7;
 - (d) whether in case the applicant is a firm or a limited liability partnership, all partners who are engaged in giving investment advice are qualified and certified

as specified in regulation 7.

- (e) whether the applicant fulfills the capital adequacy requirements as specified in regulation 8;
- (f) whether the applicant, its representatives and partners, if any, are fit and proper persons based on the criteria as specified in Schedule II of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008;
- (g) whether the applicant has the necessary infrastructure to effectively discharge the activities of an investment adviser;
- (h) whether the applicant or any person directly or indirectly connected with the applicant has in the past been refused certificate by the Board and if so, the grounds for such refusal;
- (i) whether any disciplinary action has been taken by the Board or any other regulatory authority against any person directly or indirectly connected to the applicant under the respective Act, rules or regulations made thereunder;
- (j) In case a bank or an NBFC proposes to undertake investment advisory services, whether it has been permitted by Reserve Bank of India and the application is made through a subsidiary or separately identifiable department or division;
- (k) In case any body corporate, other than a Bank or NBFC, which proposes to undertake investment advisory services, whether, the application is made through a separately identifiable department or division;
- (l) In case an entity incorporated outside India undertakes to provide investment advisory services under these regulations, whether, it has set up a subsidiary in India and whether such subsidiary has made the application for registration;
- (m) In case a foreign citizen proposes to undertake investment advisory services, whether the applicant has set up an office in India and proposes to undertake investment advisory services through such office.

Qualification and certification requirement.

7. (1) An individual registered as an investment adviser under these regulations and partners and representatives of an investment adviser registered under these regulations offering investment advice shall have the following minimum qualifications, at all times:
 - (a) A professional qualification or post-graduate degree or post graduate diploma in finance, accountancy, business management, commerce, economics, capital market, banking, insurance or actuarial science from a university or an institution recognized by the central



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government or any state government or a recognised foreign university or institution or association; or

- (b) A graduate in any discipline with an experience of at least five years in activities relating to advice in financial products or securities or fund or asset or portfolio management.
- (2) An individual registered as an investment adviser and partners and representatives of investment advisers registered under these regulations offering investment advice shall have, at all times, a certification on financial planning or fund or asset or portfolio management or investment advisory services:
 - (a) from NISM; or
 - (b) from any other organization or institution including Financial Planning Standards Board India or any recognized stock exchange in India provided that such certification is accredited by NISM.:

Provided that the existing investment advisers seeking registration under these regulations shall ensure that their partners and representatives obtain such certification within two years from the date of commencement of these regulations:

Provided further that fresh certification must be obtained before expiry of the validity of the existing certification to ensure continuity in compliance with certification requirements.

Capital adequacy.

8. (1) Investment advisers which are body corporate shall have a net worth of not less than twenty five lakh rupees.

Explanation.— For the purposes of this regulation, "networth" means the aggregate value of paid up share capital plus free reserves (excluding reserves created out of revaluation) reduced by the aggregate value of accumulated losses, deferred expenditure not written off, including miscellaneous expenses not written off, and capital adequacy requirement for other services offered by the advisers in accordance with the applicable rules and regulations.

- (2) Investment advisers who are individuals or partnership firms shall have net tangible assets of value not less than rupees one lakh:

Provided that existing investment advisers shall comply with the capital adequacy requirement within one year from the date of commencement of these regulations.

Grant of certificate of registration.

9. The Board on being satisfied that the applicant complies with the requirements specified in regulation 6 shall send intimation to the applicant and on receipt of the payment of registration/renewal fees as specified in Second Schedule, grant certificate of registration in Form B under First Schedule, subject to such terms and conditions as the Board may deem fit and appropriate.

Period of validity of certificate.

10. The certificate of registration granted under regulation 9 shall be valid for a period of five years from the date of its issue.

Renewal of certificate.

11. (1) Three months before the expiry of the period of validity of the certificate, the investment adviser may, if he so desires, make an application in Form A for grant of renewal of certificate of registration.
- (2) The application for renewal under sub-regulation (1) shall be dealt with in the same manner as if it were an application made under sub-regulation (2) of regulation 3 for grant of certificate.

Procedure where registration is refused.

12. (1) After considering an application made under regulation 3, if the Board is of the opinion that a certificate should not be granted to the applicant, it may reject the application after giving the applicant a reasonable opportunity of being heard.
- (2) The decision of the Board to reject the application shall be communicated to the applicant within thirty days of such decision.
- (3) Where an application for a certificate is rejected by the Board, the applicant shall forthwith cease to act as an investment adviser:

Provided that nothing contained in this regulation shall affect the liability of the applicant towards its existing clients under law.

Conditions of certificate.

13. The certificate granted under regulation 9 shall, *inter alia*, be subject to the following conditions:-
 - (a) the investment adviser shall abide by the provisions of the Act and these regulations;
 - (b) the investment adviser shall forthwith inform the Board in writing, if any information or particulars previously submitted to the Board are found to be false or misleading in any material particular or if there is any material change in the information already submitted;
 - (c) the investment adviser, not being an individual, shall include the words "investment adviser" in its name:



Provided that if the investment advisory service is being provided by a separately identifiable department or division or a subsidiary, then such separately identifiable department or division or subsidiary shall include the words "investment adviser" in its name;

- (d) individuals registered as investment advisers shall use the term "investment adviser" in all their correspondences with their clients.

Recognition of body or body corporate for regulation of investment advisers.

- 14. (1) The Board may recognize any body or body corporate for the purpose of regulating investment advisers.
- (2) The Board may, at the time of recognition of such body or body corporate, delegate administration and supervision of investment advisers to such body or body corporate on such terms and conditions as may be specified by the Board.
- (3) The Board may specify that no person shall act as an investment adviser unless he is a member of a recognized body or body corporate and in such event, provisions of these regulations and byelaws or articles of such body or body corporate shall apply *mutatis mutandis* to such investment advisers.

CHAPTER III

GENERAL OBLIGATIONS AND RESPONSIBILITIES

General responsibility.

- 15. (1) An investment adviser shall act in a fiduciary capacity towards its clients and shall disclose all conflicts of interests as and when they arise.
- (2) An investment adviser shall not receive any consideration by way of remuneration or compensation or in any other form from any person other than the client being advised, in respect of the underlying products or securities for which advice is provided.
- (3) An investment adviser shall maintain an arms-length relationship between its activities as an investment adviser and other activities.
- (4) An investment adviser which is also engaged in activities other than investment advisory services shall ensure that its investment advisory services are clearly segregated from all its other activities, in the manner as prescribed hereunder.
- (5) An investment adviser shall ensure that in case of any conflict of interest of the investment advisory activities with other activities, such conflict of interest shall be disclosed to the client.
- (6) An investment adviser shall not divulge any

confidential information about its client, which has come to its knowledge, without taking prior permission of its clients, except where such disclosures are required to be made in compliance with any law for the time being in force.

- (7) An investment advisor shall not enter into transactions on its own account which is contrary to its advice given to clients for a period of fifteen days from the day of such advice.

Provided that during the period of such fifteen days, if the investment adviser is of the opinion that the situation has changed, then it may enter into such a transaction on its own account after giving such revised assessment to the client at least 24 hours in advance of entering into such transaction.

- (8) An investment advisor shall follow Know Your Client procedure as specified by the Board from time to time.
- (9) An investment adviser shall abide by Code of Conduct as specified in Third Schedule.
- (10) An investment adviser shall not act on its own account, knowingly to sell securities or investment products to or purchase securities or investment product from a client.
- (11) In case of change in control of the investment adviser, prior approval from the Board shall be taken.
- (12) Investment advisers shall furnish to the Board information and reports as may be specified by the Board from time to time.
- (13) It shall be the responsibility of the Investment Adviser to ensure that its representatives and partners, as applicable, comply with the certification and qualification requirements under Regulation 7 at all times.

Risk profiling.

- 16. Investment adviser shall ensure that,-
 - (a) it obtains from the client, such information as is necessary for the purpose of giving investment advice, including the following:-
 - (i) age;
 - (ii) investment objectives including time for which they wish to stay invested, the purposes of the investment ;
 - (iii) income details;
 - (iv) existing investments/ assets;
 - (v) risk appetite/ tolerance;
 - (vi) liability/borrowing details.
 - (b) it has a process for assessing the risk a client is willing and able to take, including:
 - (i) assessing a client's capacity for absorbing loss;



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- (ii) identifying whether client is unwilling or unable to accept the risk of loss of capital;
- (iii) appropriately interpreting client responses to questions and not attributing inappropriate weight to certain answers.
- (c) where tools are used for risk profiling, it should be ensured that the tools are fit for the purpose and any limitations are identified and mitigated;
- (d) any questions or description in any questionnaires used to establish the risk a client is willing and able to take are fair, clear and not misleading, and should ensure that:
 - (i) questionnaire is not vague or use double negatives or in a complex language that the client may not understand;
 - (ii) questionnaire is not structured in a way that it contains leading questions.
- (e) risk profile of the client is communicated to the client after risk assessment is done;
- (f) information provided by clients and their risk assessment is updated periodically.

Suitability.

17. Investment adviser shall ensure that,-

- (a) All investments on which investment advice is provided is appropriate to the risk profile of the client;
- (b) It has a documented process for selecting investments based on client's investment objectives and financial situation;
- (c) It understands the nature and risks of products or assets selected for clients;
- (d) It has a reasonable basis for believing that a recommendation or transaction entered into:
 - (i) meets the client's investment objectives;
 - (ii) is such that the client is able to bear any related investment risks consistent with its investment objectives and risk tolerance;
 - (iii) is such that the client has the necessary experience and knowledge to understand the risks involved in the transaction.
- (e) Whenever a recommendation is given to a client to purchase of a particular complex financial product, such recommendation or advice is based upon a reasonable assessment that the structure and risk reward profile of financial product is consistent with client's experience, knowledge, investment objectives, risk appetite and capacity for absorbing loss.

Disclosures to clients.

18. (1) An investment adviser shall disclose to a prospective client, all material information about itself including its business, disciplinary history, the

terms and conditions on which it offers advisory services, affiliations with other intermediaries and such other information as is necessary to take an informed decision on whether or not to avail its services.

- (2) An investment adviser shall disclose to its client, any consideration by way of remuneration or compensation or in any other form whatsoever, received or receivable by it or any of its associates or subsidiaries for any distribution or execution services in respect of the products or securities for which the investment advice is provided to the client.
- (3) An investment adviser shall, before recommending the services of a stock broker or other intermediary to a client, disclose any consideration by way of remuneration or compensation or in any other form whatsoever, if any, received or receivable by the investment adviser, if the client desires to avail the services of such intermediary.
- (4) An investment adviser shall disclose to the client its holding or position, if any, in the financial products or securities which are subject matter of advice.
- (5) An investment adviser shall disclose to the client any actual or potential conflicts of interest arising from any connection to or association with any issuer of products/securities, including any material information or facts that might compromise its objectivity or independence in the carrying on of investment advisory services.
- (6) An investment adviser shall, while making an investment advice, make adequate disclosure to the client of all material facts relating to the key features of the products or securities, particularly, performance track record.
- (7) An investment adviser shall draw the client's attention to the warnings, disclaimers in documents, advertising materials relating to an investment product which it is recommending to the client.

Maintenance of records.

19. (1) An investment adviser shall maintain the following records,-
- (a) Know Your Client records of the client;
 - (b) Risk profiling and risk assessment of the client;
 - (c) Suitability assessment of the advice being provided;
 - (d) Copies of agreements with clients, if any;
 - (e) Investment advice provided, whether written or oral;
 - (f) Rationale for arriving at investment advice, duly signed and dated;
 - (g) A register or record containing list of the clients, the date of advice, nature of the advice, the



products/securities in which advice was rendered and fee, if any charged for such advice.

- (2) All records shall be maintained either in physical or electronic form and preserved for a minimum period of five years:

Provided that where records are required to be duly signed and are maintained in electronic form, such records shall be digitally signed.

- (3) An investment adviser shall conduct yearly audit in respect of compliance with these regulations from a member of Institute of Chartered Accountants of India or Institute of Company Secretaries of India.

Appointment of compliance officer.

20. An investment adviser which is a body corporate or a partnership firm shall appoint a compliance officer who shall be responsible for monitoring the compliance by the investment adviser in respect of the requirements of the Act, regulations, notifications, guidelines, instructions issued by the Board.

Redressal of client grievances.

21. (1) An investment adviser shall redress client grievances promptly.
- (2) An investment adviser shall have adequate procedure for expeditious grievance redressal.
- (3) Client grievances pertaining to financial products in which investments have been made based on investment advice, shall fall within the purview of the regulator of such financial product.
- (4) Any dispute between the investment adviser and his client may be resolved through arbitration or through Ombudsman authorized or appointed for the purpose by any regulatory authority, as applicable.

Segregation of execution services.

22. Investment advisers which are banks, NBFCs and body corporate providing distribution or execution services to their clients shall keep their investment advisory services segregated from such activities:

Provided that such distribution or execution services can only be offered subject to the following:

- (a) The client shall not be under any obligation to avail the distribution or execution services offered by the investment adviser.
- (b) The investment adviser shall maintain arms length relationship between its activities as investment adviser and distribution or execution services.
- (c) All fees and charges paid to distribution or execution service providers by the client shall be paid directly

to the service providers and not through the investment adviser.

CHAPTER IV INSPECTION

Board's right to inspect.

23. The Board may *suo motu* or upon receipt of information or complaint appoint one or more persons as inspecting authority to undertake inspection of the books of accounts, records and documents relating to investment advisers for any of the following reasons, namely: -
 - (a) to ensure that the books of account, records and documents are being maintained by the investment adviser in the manner specified in these regulations;
 - (b) to inspect into complaints received from clients or any other person, on any matter having a bearing on the activities of the investment adviser;
 - (c) to ascertain whether the provisions of the Act and these regulations are being complied with by the investment adviser;
 - (d) to inspect into the affairs of a investment adviser, in the interest of the securities market or in the interest of investors.

Notice before inspection.

24. (1) Before ordering an inspection under regulation 23, the Board shall give not less than ten days notice to the investment adviser.
- (2) Notwithstanding anything contained in sub-regulation (1), where the Board is satisfied that in the interest of the investors no such notice should be given, it may by an order in writing direct that the inspection of the affairs of the investment adviser be taken up without such notice.
- (3) During the course of an inspection, the investment adviser against whom the inspection is being carried out shall be bound to discharge its obligations as provided in regulation 25.

Obligation of investment adviser on inspection.

25. (1) It shall be the duty of every investment adviser in respect of whom an inspection has been ordered under the regulation 23 and any other associate person who is in possession of relevant information pertaining to conduct and affairs of such investment adviser, including representative of investment adviser, if any, to produce to the inspecting authority such books, accounts and other documents in his custody or control and furnish him with such statements and information as the inspecting authority may require for the purposes of inspection.
- (2) It shall be the duty of every investment adviser and any other associate person who is in possession of relevant information pertaining to conduct and



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affairs of the investment adviser to give to the inspecting authority all such assistance and shall extend all such co-operation as may be required in connection with the inspection and shall furnish such information as sought by the inspecting authority in connection with the inspection.

- (3) The inspecting authority shall, for the purposes of inspection, have power to examine on oath and record the statement of any employees, directors, partners or person responsible for or connected with the activities of investment adviser or any other associate person having relevant information pertaining to such investment adviser.
- (4) The inspecting authority shall, for the purposes of inspection, have power to obtain authenticated copies of documents, books, accounts of investment adviser, from any person having control or custody of such documents, books or accounts.

Submission of report to the Board.

26. The inspecting authority shall, as soon as possible, on completion of the inspection submit an inspection report to the Board:

Provided that if directed to do so by the Board, the inspecting authority may submit an interim report.

Action on the inspection report.

27. The Board may after consideration of the inspection report and after giving reasonable opportunity of hearing to the investment advisers or its authorized representatives, issue such directions as it deems fit in the interest of securities market or the investors including,-
 - (a) requiring an investment adviser not to provide investment advice for a particular period;
 - (b) requiring the investment adviser to refund any money collected as fees, charges or commissions or otherwise to the concerned clients along with the requisite interest.
 - (c) prohibiting the investment adviser from operating in the capital market or accessing the capital market for a specified period.

CHAPTER V

PROCEDURE FOR ACTION IN CASE OF DEFAULT

Liability for action in case of default.

28. An investment adviser who -
 - (a) contravenes any of the provisions of the Act or any regulations or circulars issued thereunder;
 - (b) fails to furnish any information relating to its activity as an investment adviser as required by the Board;
 - (c) furnishes to the Board information which is false or

- misleading in any material particular;
- (d) does not submit periodic returns or reports as required by the Board;
- (e) does not co-operate in any enquiry, inspection or investigation conducted by the Board;
- (f) fails to resolve the complaints of investors or fails to give a satisfactory reply to the Board in this behalf, shall be dealt with in the manner provided under the Securities and Exchange Board of India (Intermediaries) Regulations, 2008.

CHAPTER VI MISCELLANEOUS

Power of the Board to issue clarifications etc.

29. In order to remove any difficulties in the application or interpretation of these regulations, the Board may issue clarifications and guidelines in the form of circulars.

Power of the Board over body or body corporate recognized under regulation 14.

30. The Board reserves the right to alter, modify and overrule any decision, action taken or penalties imposed by the body or body corporate recognized under regulation 14.

FIRST SCHEDULE

FORM A

Securities and Exchange Board of India (Investment Advisers) Regulations, 2013

[See Regulations 3 and 11]

Application for Grant of Certificate of Registration/Renewal as investment adviser Securities and Exchange Board of India

SEBI Bhavan, C4-A, G Block, Bandra Kurla Complex,
Bandra (East), Mumbai 400051 - India

INSTRUCTIONS

1. This form is meant for use by the applicant for grant of certificate of registration as an investment adviser.
2. The applicant should complete this form, and submit it, along with all supporting documents to the Board at its head office at Mumbai.
3. This application form should be filled in accordance with these regulations.
4. The application shall be considered by the Board provided it is complete in all respects.
5. All answers must be legible and all the pages must be numbered with signature/ stamp on each page of the form.
6. Information which needs to be supplied in more detail may be given on separate sheets which should be



attached to the application form and appropriately numbered.

7. The application must be signed.
8. The application must be accompanied by an application fee as specified in the Second Schedule to these regulations.

1. GENERAL INFORMATION

- (a) Name, address of the registered office, address for correspondence and principal place of business, telephone number(s), fax number(s), e-mail address of the applicant.
- (b) Whether application is for registration/ renewal. Provide registration number if the application is for renewal of certificate.
- (c) Name, direct line number, mobile number and e-mail of the contact person(s).
- (d) Legal structure of applicant - Whether the applicant is an individual, body corporate (including company), partnership firm or limited liability partnership.
- (e) Whether the applicant is a bank /NBFC.
- (f) Date and place of incorporation/ establishment, if any. If the applicant is incorporated outside India, details of such incorporation.
- (g) Whether the applicant is engaged in investment advisory services prior to making application under these regulations.
- (h) Whether the applicant is registered with SEBI, RBI, IRDA or PFRDA in any capacity. If so, details of such registration.
- (i) Write-up on the activities of the applicant.
(For renewal application, provide details of existing investment advisory services including number and type of clients, assets under advice, revenue, profitability, products/ securities on which investment advice was provided, etc.)

2. DETAILS OF APPLICANT (Provide details of only the section applicable to you)

I. In case applicant is an individual:

1. Whether the applicant has:
 - a. A professional qualification or post-graduate degree or post graduate diploma in finance, accountancy, business management, commerce, economics, capital market, banking, insurance or actuarial science from a university or an institution recognized by the Central Government or any State Government or a recognised foreign university or institution or association; or
 - b. A graduate in any discipline with an experience of at least five years in activities relating to advice in financial products or securities or fund or asset or portfolio management.

(Provide self certified copies of supporting documents).

2. Copy of certification obtained in accordance with regulation 7(2).
(If the applicant is an existing investment adviser applying for fresh registration, then provide a declaration stating that it shall obtain such certification within two years from the date of commencement of these regulations and submit a copy of the certification to the Board within 15 days of receipt of such certification.)
3. Number of employees and agents of the applicant, if any, who shall render investment advice under these regulations on behalf of the applicant.
Provide documents as mentioned in points (1) to (2) above for such employees/ agents.
4. Enclose identity proof and address proof of the applicant.
5. Details of ownership/directorship of the applicant in any companies or partnership interest in any firm or limited liability partnership.
6. Copy of Income Tax Return/ Copy of Form 16 for the last 3 years.
7. Copy of assets and liabilities statement and certification of net tangible assets certified by a chartered accountant (not more than six months old at the time of filing of application). Please note that membership number of the Chartered accountant must be included in the certificate,

II. In case applicant is a company:

1. Shareholding pattern and profile of the directors (Enclose identity proof and address proof of the directors).
2. Number of employees and agents of the applicant (hereinafter referred to as "representatives") who render/ propose to render investment advice under these regulations on behalf of the applicant.
3. Declaration by the applicant that its representatives currently comply with the certification and qualification requirements under regulation 7. *(If the applicant is an existing investment adviser applying for fresh registration, then provide a declaration stating that the applicant shall ensure that all its representatives obtain such certification within two years from the date of commencement of these regulations and after all its representatives obtain the certification, a declaration to that effect shall be submitted to SEBI.)*
4. Declaration by the applicant that it shall ensure that its representatives comply with the certification and qualification requirements under Regulation 7 at all times.
5. List of associated companies registered with SEBI, RBI, IRDA or PFRDA along with the registration number.



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6. If applicant is a bank or NBFC, then copy of approval from RBI for undertaking investment advisory services.
7. Net worth certificate by a chartered accountant, not more than six months old. Please note that membership number of the chartered accountant must be included in the certificate,

III. In case applicant is a partnership firm or a limited liability partnership:

1. Names and Beneficial ownership pattern of the partners engaged/proposed to engage in investment advice (Enclose identity proof and address proof of the partners).
2. Whether the aforesaid partners have:
 - a. A professional qualification or post-graduate degree or post graduate diploma in finance, accountancy, business management, commerce, economics, capital market, banking, insurance or actuarial science from a university or an institution recognized by the Central Government or any State Government or a recognised foreign university or institution or association; or
 - b. A graduate in any discipline with an experience of at least five years in activities relating to advice in financial products or securities or fund or asset or portfolio management.
(Provide self certified copies of supporting documents).
3. Copy of certification obtained by the aforesaid partners in accordance with regulation 7(2).
(If the applicant is an existing investment adviser applying for fresh registration, then provide a declaration stating that all the partners engaged in investment advice shall obtain such certification within two years from the date of commencement of these regulations and after all such partners obtain the certification, a declaration to that effect shall be submitted to SEBI.)
4. Declaration that the aforesaid partners shall obtain fresh certification before expiry of the validity of the existing certification to ensure continuity in compliance with certification requirements.
5. Copy of assets and liabilities statement and certification of net tangible assets of the partnership firm certified by a chartered accountant (not more than six months old at the time of filing of application). Please note that membership number of the chartered accountant must be included in the certificate.

IV. In case applicant is a body corporate (other than company or limited liability partnership):

1. Shareholding pattern and profile of the directors (Enclose identity proof and address proof of the directors).
2. Whether the applicant is set up or established under the laws of the Central or State Legislature and

whether the applicant is permitted to carry on of the activity of an investment adviser (Enclose relevant extract of the relevant Statute/Act).

3. Number of employees and agents of the applicant (hereinafter referred to as representatives) who render/ propose to render investment advice under these regulations on behalf of the applicant.
4. Declaration by the applicant that its representatives currently comply with the certification and qualification requirements under regulation 7. (If the applicant is an existing investment adviser applying for fresh registration, then provide a declaration stating that the applicant shall ensure that all its representatives obtain such certification within two years from the date of commencement of these regulations and after all its representatives obtain the certification, a declaration to that effect shall be submitted to SEBI.)
5. Declaration by the applicant that it shall ensure that its representatives comply with the certification and qualification requirements under regulation 7 at all times.
6. Net worth certificate by a chartered accountant, not more than six months old. Please note that membership number of the chartered accountant must be included in the certificate.

3. BUSINESS PLAN

1. Proposed business plan & means of achieving the same.
2. The type of products/ securities on which investment advice is proposed to be rendered.
3. Process for risk profiling of the client and for assessing suitability of advice.

4. DETAILS OF INFRASTRUCTURE

1. Details of office space, office equipment, furniture and fixtures, communication facilities, research capacity, research software for undertaking investment advisory services.
2. Declaration that the applicant has the necessary infrastructure to effectively discharge the activities of an investment adviser.

5. EXECUTION SERVICES

1. If the applicant is a body corporate, whether the applicant proposes to offer distribution or execution services to its clients.
2. If yes, provide a declaration that the services are being offered through a subsidiary/ separately identifiable department or division.

6. OTHER INFORMATION/DECLARATIONS/REGULATORY ACTIONS



- (a) Details of all settled and pending disputes in the last 5 years.
- (b) Whether any previous application for grant of certificate made by any person directly or indirectly connected with the applicant has been rejected by the Board; If yes, provide details of the same.
- (c) Whether any disciplinary action has been taken by the Board or any other regulatory authority against any person directly or indirectly connected with the applicant under the Act or the regulations made there under in the last 5 years. If yes, provide details of the action.
- (d) Whether the applicant/directors/promoters/ partners have been indicted/involved in any economic offence in the last 5 years. If yes, provide details of the same.
- (e) A credit report/ score from CIBIL for the applicant. *(For applicants other than financial institutions & banking companies)*
- (f) Declaration that the applicant, its representatives and partners, if any, are fit and proper persons based on the criteria as specified in Schedule II of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008;
- (g) Declaration that the applicant shall not obtain any consideration by way of remuneration or compensation or any other form whatsoever, from any person other than the client being advised, in respect of the underlying products or securities for which advice is provided to the client.
- (h) Any other information considered relevant to the nature of services to be rendered by the applicant.

7. DECLARATION STATEMENT

I/We hereby agree and declare that the information supplied in the application, including the attachment sheets, is complete and true.

AND I/ we further agree that, I/we shall notify the Securities and Exchange Board of India immediately any change in the information provided in the application.

I/ We further agree that I/ we shall comply with, and be bound by the Securities and Exchange Board of India Act, 1992, and the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013, guidelines/instructions as may be announced by the Securities and Exchange Board of India from time to time.

I/ We further agree that as a condition of registration, I/ we shall abide by such operational instructions/directives as may be issued by the Securities and Exchange Board of India from time to time.

For and on behalf of
(Name of the applicant)

Authorized signatory/ Applicant
(Signature)
(Date and Place)

FORM B Securities and Exchange Board of India (Investment Adviser) Regulations, 2013 [See regulation 9]

Certificate of registration as investment adviser

- I. In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), read with the regulations made there under, the Board hereby grants a certificate of registration to
as an investment adviser subject to the conditions specified in the Act and in the regulations made thereunder.

- II. The Registration Number of the investment adviser is IN/IA/.....,

Date :

Place : MUMBAI

By Order
Sd/-

For and on behalf of
Securities and Exchange Board of India

SECOND SCHEDULE Securities and Exchange Board of India (Investment Advisers) Regulations, 2013 [Regulation 9]

FEES

1. Every applicant shall pay non-refundable application fees of five thousand rupees along with the application for grant or renewal of certificate of registration.
2. Applicants which are individuals and firms shall pay a sum of ten thousand rupees as registration/ renewal fee at the time of grant or renewal of certificate by the Board.
3. A body corporate shall pay a sum of one lakh rupees as registration/ renewal fee at the time of grant or renewal of certificate by the Board.
4. The fee referred to in paragraph 1, 2 and 3 shall be paid



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by the applicant within fifteen days from the date of receipt of intimation from the Board by a demand draft in favor of 'Securities and Exchange Board of India' payable at Mumbai or at respective regional or local office.

THIRD SCHEDULE

Securities and Exchange Board of India (Investment Advisers) Regulations, 2013
[See sub-regulation (9) of regulation 15]

CODE OF CONDUCT FOR INVESTMENT ADVISER

1. Honesty and fairness

An investment adviser shall act honestly, fairly and in the best interests of its clients and in the integrity of the market.

2. Diligence

An investment adviser shall act with due skill, care and diligence in the best interests of its clients and shall ensure that its advice is offered after thorough analysis and taking into account available alternatives.

3. Capabilities

An investment adviser shall have and employ effectively appropriate resources and procedures which are needed for the efficient performance of its business activities.

4. Information about clients

An investment adviser shall seek from its clients, information about their financial situation, investment experience and investment objectives relevant to the services to be provided and maintain confidentiality of such information.

5. Information to its clients

An investment adviser shall make adequate disclosures of relevant material information while dealing with its clients.

6. Fair and reasonable charges

An investment adviser advising a client may charge fees, subject to any ceiling as may be specified by the Board, if any. The investment adviser shall ensure that fees charged to the clients is fair and reasonable.

7. Conflicts of interest

An investment adviser shall try to avoid conflicts of interest as far as possible and when they cannot be avoided, it shall ensure that appropriate disclosures are made to the clients and that the clients are fairly treated.

8. Compliance

An investment adviser including its representative(s) shall comply with all regulatory requirements applicable to the conduct of its business activities so as to promote the best interests of clients and the integrity of the market.

9. Responsibility of senior management

The senior management of a body corporate which is registered as investment adviser shall bear primary responsibility for ensuring the maintenance of appropriate standards of conduct and adherence to proper procedures by the body corporate.

U.K. Sinha
Chairman

15 Notification under regulation 3 of the Securities and Exchange Board of India (Certification of Associated Persons in the Securities markets) Regulations, 2007.

[Published in the Gazette of India extraordinary Part-III, Section 4, Vide No. LAD-NRO/GN/2012-13/30/5474 dated 11.01.2013.]

In terms of sub-regulation (1) of regulation 3 of the Securities and Exchange Board of India (Certification of Associated Persons in the Securities Markets) Regulations, 2007 (hereafter referred to as "the Regulations"), the Board may require, by notification, any category of associated persons as defined in the Regulations to obtain requisite certification(s).

Accordingly, it is notified that with effect from the date of this notification, the associated persons functioning as approved users and sales personnel of the trading members of an equity derivative exchange or equity derivative segment of a recognized stock exchange shall obtain certification for the purpose of sub-regulation (2) of regulation 16C of the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992 from the National Institute of Securities Market (hereafter referred to as "NISM") by passing the NISM- Series- VIII: Equity Derivative Certification Examination (hereafter referred to as "EDCE") as mentioned in the NISM communiqué No. NISM/Certification/Series – VIII:ED/2012/01 dated September 20, 2012.

The trading members shall ensure that all such associated persons who are approved users or sales personnel as on the date of this notification obtain certification by passing EDCE within two years from the date of this notification:



Provided that a trading member, who engages or employs any such associated person who is an approved user or sales personnel, after the date of this notification, shall ensure that such person obtains certification by passing EDCE within one year from the date of his employment:

Provided further that an associated person, who is an approved user or sales personnel, has obtained any of the following certifications as on the date of this notification,-

- a) BSE's Certificate on Derivatives Exchange of Bombay Stock Exchange Limited;
- b) NCFM- Derivative Market (Dealers) Module of National Stock Exchange of India Limited,

shall be exempted from the requirement of obtaining certification by passing EDCE till the validity of the said certification.

U.K. Sinha
Chairman

16 Notification under sub-regulation (2) of regulation 1 of the Securities and Exchange Board of India (Self Regulatory Organizations) Regulations, 2004

[Published in the Gazette of India extraordinary Part-III, Section 4, Vide No. LAD-NRO/GN/2012-13/28/5470 dated 08.01.2013.]

In exercise of the powers conferred by subregulation (2) of regulation 1 of the Securities and Exchange Board of India (Self Regulatory Organizations) Regulations, 2004 (hereinafter referred to as "the Regulations"), the Securities and Exchange Board of India hereby appoints the date of this notification as the date on which the Regulations shall come into force in relation to distributors engaged by asset management companies of mutual funds and distributors engaged by portfolio managers.

U.K. Sinha
Chairman

17 Securities and Exchange Board of India (Self Regulatory Organizations) (Amendment) Regulations, 2013

[Published in the Gazette of India extraordinary, Part-III, Section 4, vide No. LAD-NRO/GN/2012-12/27/5469 dated 07.01.2013.]

In exercise of the powers conferred by section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following regulations to

amend the Securities and Exchange Board of India (Self Regulatory Organizations) Regulations, 2004, namely:-

1. These regulations may be called the Securities and Exchange Board of India (Self Regulatory Organizations) (Amendment) Regulations, 2013.
2. They shall come into force on the date of their notification in the Gazette of India.
3. In the Securities and Exchange Board of India (Self Regulatory Organizations) Regulations, 2004,-
 - i. In regulation 1, in sub-regulation (2), -
 - a. in the proviso, the symbol "." shall be substituted with the symbol ":" ;
 - b. after the proviso, the following new proviso shall be inserted, namely-
"Provided further that the provisions of these regulations shall come into force in relation to different classes of intermediaries on such dates as the Board may by notification in the Official Gazette appoint."
 - ii. In regulation 2, in sub-regulation (1),-
 - a. after clause (e), the following new clause shall be inserted, namely,-
"(ea) "distributor" means distributor as defined in clause (g) of subregulation (1) of regulation 2 of the Securities and Exchange Board of India (Certification of Associated Persons in the Securities Markets) Regulations, 2007;"
 - b. clause (h), shall be substituted with the following, namely,-
"(h) "intermediary" means intermediary as defined in clause (g) of subregulation (1) of regulation 2 of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008;"
 - c. after clause (h), the following new clause shall be inserted, namely,-
"(ha) "issuer" means issuer as defined in clause (i) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Certification of Associated Persons in the Securities Markets) Regulations, 2007;"
 - iii. In regulation 3, in sub-regulation (1), the following proviso shall be inserted, namely,-

"Provided that for the purpose of this sub-regulation a distributor shall be deemed to be an intermediary."

U.K. Sinha
Chairman



News From the Institute



Institute News

Members Admitted

Sl. No.	Name	Membership No.	Region
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FELLOWS*

1	Sh. Sudhindra Prakash Ghali	FCS - 7037	SIRC
2	Sh Shyamal Kumar Biswas	FCS - 7038	EIRC
3	Ms. Tanu Arora	FCS - 7039	WIRC
4	Ms. Geeta Shukla	FCS - 7040	EIRC
5	Sh. Sridhar S	FCS - 7041	SIRC
6	Sh. Sanjay Kumar Gupta	FCS - 7042	NIRC
7	Sh Sanjaya Kumar Dash	FCS - 7043	WIRC
8	Sh. Nitin Mittal	FCS - 7044	NIRC
9	Mrs. Neelam Jagdish Thanvi	FCS - 7045	WIRC
10	Sh. Vishal Subhashrao Bhosale	FCS - 7046	WIRC
11	Ms. Rakhi Agarwal	FCS - 7047	SIRC
12	Sh. Nikunj Jaysukhlal Savaliya	FCS - 7048	WIRC
13	Sh. Sanjay Kumar Goel	FCS - 7049	NIRC
14	Sh. Sudhir Anand	FCS - 7050	NIRC
15	Sh. Pandurang Tukaram Kumbhar	FCS - 7051	WIRC
16	Sh. Chetan Anant Joshi	FCS - 7052	WIRC
17	Sh. Puna Kumar Singh	FCS - 7053	SIRC
18	Ms. Rita Malgaonkar	FCS - 7054	WIRC
19	Ms. Neha Bharat Shah	FCS - 7055	WIRC
20	Sh. Pardeep Kumar Gupta	FCS - 7056	NIRC
21	Ms. Sudhanya Roy Choudhury	FCS - 7057	EIRC
22	Sh. Amit Jain	FCS - 7058	NIRC
23	Sh. Anuj Kumar	FCS - 7059	NIRC
24	Sh. P M Abdul Sameer	FCS - 7060	SIRC
25	Sh. Shashikant L Nayak	FCS - 7061	WIRC
26	Ms. Vijeta Sharma	FCS - 7062	NIRC
27	Sh. Dhaval Narendra Soni	FCS - 7063	WIRC

ASSOCIATES*

1	Mr. Prashant Mishra	ACS - 31532	WIRC
2	Mr. Nitin Gupta	ACS - 31533	NIRC
3	Ms. Samina Asrar	ACS - 31534	NIRC
4	Ms. Suman Kanayalal Makhija	ACS - 31535	WIRC
5	Ms. Aletta Alexander Fernandes	ACS - 31536	WIRC
6	Mr. Rahul Hirachand Patwi	ACS - 31537	WIRC
7	Mr. Prakash C	ACS - 31538	SIRC
8	Ms. Punam Kumari Sharma	ACS - 1539	EIRC
9	Mr. Rajdeep Saha	ACS - 31540	EIRC
10	Mr. Kaustubh Onkar Moghe	ACS - 31541	WIRC
11	Ms. Sneha K Das	ACS - 31542	SIRC

12	Ms. Suravi Goyal	ACS - 31543	EIRC
13	Ms. Harsha Bukalsaria	ACS - 31544	EIRC
14	Ms. Anubhuti Arora	ACS - 31545	NIRC
15	Ms. Silky Pasari	ACS - 31546	EIRC
16	Mr. Manish Kumar Verma	ACS - 31547	NIRC
17	Ms. Nidhi Jain	ACS - 31548	NIRC
18	Ms. Ritu Kumari	ACS - 31549	NIRC
19	Mr. Raju Balodi	ACS - 31550	NIRC
20	Mr. Nakul Shrikant Tillu	ACS - 31551	WIRC
21	Ms. Anshu	ACS - 31552	NIRC
22	Mr. Avinash Pratap	ACS - 31553	NIRC
23	Ms. Purnima Bhalla	ACS - 31554	NIRC
24	Mr. Sahil Pandey	ACS - 31555	NIRC
25	Mr. Anupam Agr	ACS - 31556	NIRC
26	Mr. Manish Lokwani	ACS - 31557	NIRC
27	Ms. Joshna N H	ACS - 31558	SIRC
28	Ms. P Latha	ACS - 31559	SIRC
29	Ms. Shivangi Agarwal	ACS - 31560	NIRC
30	Ms. Nikita Sharma	ACS - 31561	NIRC
31	Ms. Ishita Sharma	ACS - 31562	NIRC
32	Ms. Mayuri Rath	ACS - 31563	NIRC
33	Ms. Kanika Singla	ACS - 31564	NIRC
34	Mr. Akanshu Sharma	ACS - 31565	NIRC
35	Ms. Tanya Sethi	ACS - 31566	NIRC
36	Mr. Amit Kumar Garg	ACS - 31567	NIRC
37	Ms. Reena Rajnikant Shah	ACS - 31568	WIRC
38	Ms. Rashmi Joshi	ACS - 31569	WIRC
39	Mr. Satyajit Patil	ACS - 31570	WIRC
40	Ms. Bhuwaneshwari Rathore	ACS - 31571	SIRC
41	Ms. Julie Chakraborty	ACS - 31572	EIRC
42	Ms. Krishna Panda	ACS - 31573	EIRC
43	Mr. Sunil Kumar Varma	ACS - 31574	EIRC
44	Mr. S Kuppan	ACS - 31575	SIRC
45	Mr. Vaibhav Jain	ACS - 31576	EIRC
46	Ms. Manisha Banthia	ACS - 31577	WIRC
47	Ms. Priyanka Sharma	ACS - 31578	EIRC
48	Mr. Vignesa Somathurai Pandian	ACS - 31579	SIRC
49	Mr. Deepak Shenoy	ACS - 31580	WIRC
50	Mr. Srinivasa Rao Korlepara	ACS - 31581	SIRC
51	Ms. Dimple Ashwinbhai Mehta	ACS - 31582	WIRC
52	Mr. Ritul Bharat Parmar	ACS - 31583	WIRC
53	Ms. Asmita Raje	ACS - 31584	WIRC
54	Ms. Pragya Virendra Tiwari	ACS - 31585	WIRC
55	Ms. Bhavna Koderbhai Patel	ACS - 31586	WIRC
56	Mr. Gaurang Madhao Warhadpande	ACS - 31587	WIRC
57	Ms. Swati Surendra Jain	ACS - 31588	SIRC
58	Mr. Mahesh Deepak Palimkar	ACS - 31589	WIRC
59	Ms. Raina Rohit Shah	ACS - 31590	WIRC
60	Ms. Nidhi Agrawal	ACS - 31591	WIRC
61	Mr. Prashanth Kamath	ACS - 31592	SIRC
62	Ms. P Prema Sona Bharathi	ACS - 31593	SIRC
63	Ms. Priyanka Singal	ACS - 31594	NIRC
64	Ms. Anuradha Mishra	ACS - 31595	NIRC
65	Mr. Gaurav Gurnani	ACS - 31596	NIRC
66	Ms. Krati Choudhary	ACS - 31597	NIRC
67	Ms. Komal Khandelwal	ACS - 31598	NIRC
68	Ms. Payal Daga	ACS - 31599	NIRC
69	Ms. Kratika Bhagchandani	ACS - 31600	NIRC
70	Mr. Varun Kumar Jindal	ACS - 31601	NIRC
71	Ms. Mitali Khunteta	ACS - 31602	NIRC
72	Ms. Priyanka Ramola	ACS - 31603	NIRC
73	Mr. Ajay Singh	ACS - 31604	NIRC
74	Ms. Kuljinder Kaur	ACS - 31605	NIRC
75	Mr. Prateek Bhansali	ACS - 31606	NIRC
76	Mr. Sanjay Bansal	ACS - 31607	NIRC
77	Ms. Rupali Srivastava	ACS - 31608	NIRC

* Admitted on 20th December, 31st December, 2012 and 10th January, 2013



78	Ms. Jaspreet Kaur	ACS - 31609	NIRC	143	Ms. Vertika Srivastava	ACS - 31674	NIRC
79	Ms. Yashi Singh	ACS - 31610	NIRC	144	Ms. Nupur Gera	ACS - 31675	NIRC
80	Ms. Pooja Kirtani	ACS - 31611	NIRC	145	Mr. Lav Mishra	ACS - 31676	WIRC
81	Ms. Kamini Mehta	ACS - 31612	NIRC	146	Ms. Kavitha G Shah	ACS - 31677	SIRC
82	Ms. Minakshi Tak	ACS - 31613	NIRC	147	Mr. Prabhuram A Kaushik	ACS - 31678	SIRC
83	Ms. Archita Gangwar	ACS - 31614	NIRC	148	Ms. Amruta Prakash Pawar	ACS - 31679	WIRC
84	Ms. Preeti Srivastava	ACS - 31615	NIRC	149	Mr. Pradeep Kumar	ACS - 31680	NIRC
85	Ms. Meenal Khare	ACS - 31616	SIRC	150	Mr. Nikhil Chauhan	ACS - 31681	NIRC
86	Ms. Punita Umesh Rathi	ACS - 31617	WIRC	151	Mr. Nikhil Vivek Mandalkar	ACS - 31682	WIRC
87	Ms. Sangeeta Ghose	ACS - 31618	EIRC	152	Ms. Swinky Bathla	ACS - 31683	NIRC
88	Mr. Sandeep Tulsidas Ruparel	ACS - 31619	WIRC	153	Mr. Sunil Kumar Garg	ACS - 31684	NIRC
89	Ms. V Revathy	ACS - 31620	SIRC	154	Ms. Harpreet Singh Sidhu	ACS - 31685	NIRC
90	Ms. Jyoti Mahatma	ACS - 31621	EIRC	155	Ms. Swati Khandelwal	ACS - 31686	EIRC
91	Ms. Pratima Yadav	ACS - 31622	EIRC	156	Mr. Anish Agarwal	ACS - 31687	EIRC
92	Mr. Subhash Thakur	ACS - 31623	NIRC	157	Mr. Vidya Bharati S	ACS - 31688	SIRC
93	Ms. Laxmi Ayyappa Guru	ACS - 31624	WIRC	158	Ms. Pushpalata Vashistha Tiwari	ACS - 31689	WIRC
94	Ms. Vishakha Binani	ACS - 31625	EIRC	159	Ms. Pratiksha Sharma	ACS - 31690	EIRC
95	Mr. Kunjabihari Yadav	ACS - 31626	NIRC	160	Ms. Ringe Angmu Bhutia	ACS - 31691	EIRC
96	Ms. Swati Gupta	ACS - 31627	NIRC	161	Mr. Amit Kumar	ACS - 31692	EIRC
97	Ms. Ruchika Mohanty	ACS - 31628	NIRC	162	Mr. Rajanikanta Senapati	ACS - 31693	EIRC
98	Ms. Bernadette Dominic	ACS - 31629	NIRC	163	Mr. Angad Chawla	ACS - 31694	NIRC
99	Mr. Ankit Garg	ACS - 31630	NIRC	164	Ms. Nisha Jain	ACS - 31695	WIRC
100	Ms. Prabha Chellapandian Thevar	ACS - 31631	WIRC	165	Mr. Jay Prakash	ACS - 31696	NIRC
101	Ms. Deepshikha Mittal	ACS - 31632	NIRC	166	Mr. Ajay Kumar Pandey	ACS - 31697	NIRC
102	Ms. Mehak Khanna	ACS - 31633	NIRC	167	Mr. Bijender Sharma	ACS - 31698	NIRC
103	Ms. Manisha Khanna	ACS - 31634	NIRC	168	Mr. Sanjay Kumar	ACS - 31699	NIRC
104	Ms. Pooja Kansal	ACS - 31635	NIRC	169	Mr. Sunny Jain	ACS - 31700	NIRC
105	Mr. Lalit Narayan Dwivedi	ACS - 31636	NIRC	170	Ms. Khushboo Rani	ACS - 31701	NIRC
106	Mr. Subodh Kumar Daga	ACS - 31637	NIRC	171	Ms. Khushboo Gupta	ACS - 31702	NIRC
107	Ms. Nidhi Singh	ACS - 31638	NIRC	172	Ms. Sakshi Batra	ACS - 31703	NIRC
108	Mr. Vijay Tanwani	ACS - 31639	WIRC	173	Ms. Sonali Grover	ACS - 31704	NIRC
109	Ms. Sakshi Narang	ACS - 31640	NIRC	174	Ms. Deepti Rawat	ACS - 31705	NIRC
110	Ms. Amninder Kaur	ACS - 31641	NIRC	175	Mr. Anup Kumar Pandey	ACS - 31706	NIRC
111	Mr. Gunjan Kumar Singh	ACS - 31642	NIRC	176	Ms. Deepti Arora	ACS - 31707	NIRC
112	Mr. Alok Nath Singh	ACS - 31643	NIRC	177	Mr. Rachit Mittal	ACS - 31708	NIRC
113	Mr. Sumit Kochar	ACS - 31644	NIRC	178	Ms. Neha Pundeer	ACS - 31709	NIRC
114	Mr. Ashish Sharma	ACS - 31645	NIRC	179	Ms. Priyanka Chaudhary	ACS - 31710	NIRC
115	Mr. Soumyojit Mondal	ACS - 31646	NIRC	180	Ms. Bhoomika Dhawan	ACS - 31711	NIRC
116	Ms. Aarti Garg	ACS - 31647	NIRC	181	Mr. Mayur Sanghi	ACS - 31712	NIRC
117	Ms. Samiksha Bansal	ACS - 31648	NIRC	182	Mr. Avi Sangal	ACS - 31713	NIRC
118	Ms. Jinal Harshkumar Bhavsar	ACS - 31649	WIRC	183	Mr. Vikram Singh	ACS - 31714	NIRC
119	Ms. Nikitaben Rashminkumar Shah	ACS - 31650	WIRC	184	Ms. Rakhi Rani	ACS - 31715	NIRC
120	Ms. Vidhi Nitinkumar Damani	ACS - 31651	WIRC	185	Ms. Timsy Aggarwal	ACS - 31716	NIRC
121	Mr. M Saravanan	ACS - 31652	SIRC	186	Mr. Sandeep	ACS - 31717	NIRC
122	Ms. Sneha Prabhakar Patil	ACS - 31653	SIRC	187	Ms. Neha Madhav Joshi	ACS - 31718	WIRC
123	Mr. Ratnesh P S Tomar	ACS - 31654	WIRC	188	Ms. Deepa Achamma John	ACS - 31719	SIRC
124	Ms. Manisha Babubhai Solanki	ACS - 31655	WIRC	189	Ms. Nidhi Mehrotra	ACS - 31720	NIRC
125	Mr. Dinesh Singh Jhala	ACS - 31656	WIRC	190	Ms. Neelam Jagdish Mundada	ACS - 31721	WIRC
126	Ms. Deepa Singal	ACS - 31657	NIRC	191	Ms. Monika Prakashbhai Thadeshvar	ACS - 31722	WIRC
127	Ms. Velidhi Vara Mounika	ACS - 31658	SIRC	192	Ms. Swati Agarwal	ACS - 31723	WIRC
128	Ms. Priya Balbirchand Agarwal	ACS - 31659	NIRC	193	Ms. Avani Pradeep Ruparel	ACS - 31724	WIRC
129	Ms. Mona Ranjan Srivastava	ACS - 31660	SIRC	194	Ms. Dhara Alpesh Modi	ACS - 31725	WIRC
130	Ms. Manjula Paidi	ACS - 31661	SIRC	195	Ms. Pratima Agarwal	ACS - 31726	NIRC
131	Ms. Apoorva Khanolkar	ACS - 31662	WIRC	196	Mr. Jiteshkumar Ramchandra Varkal	ACS - 31727	WIRC
132	Mr. Arvindkumar Rajendra Sinh Yadav	ACS - 31663	WIRC	197	Ms. Pradnya Dilip Loya	ACS - 31728	WIRC
133	Ms. Sheetal Nagesh Karkera	ACS - 31664	WIRC	198	Ms. Punita Shankar Aggarwal	ACS - 31729	WIRC
134	Ms. Vidya Ramkrishna Deshmukh	ACS - 31665	WIRC	199	Mr. Vinit Chandrakant Rode	ACS - 31730	WIRC
135	Ms. Bhargavi Maheshuni	ACS - 31666	SIRC	200	Mr. Alak Deepakbhai Vyas	ACS - 31731	WIRC
136	Mr. Snehansu Dutta	ACS - 31667	EIRC	201	Ms. Vinita Dilipkumar Thakar	ACS - 31732	WIRC
137	Mr. Sunil Ramratan Dhoot	ACS - 31668	WIRC	202	Ms. Madhu Poonamchand Dharewa	ACS - 31733	WIRC
138	Ms. Vinita Venugopal Nair	ACS - 31669	WIRC	203	Ms. Mrunal Shirish Shukla	ACS - 31734	WIRC
139	Mr. Vikas Purushottam Tarekar	ACS - 31670	WIRC	204	Ms. Swechha Gajanan Shende	ACS - 31735	WIRC
140	Ms. Rithisha Nair K	ACS - 31671	SIRC	205	Mr. Bhavesh Suresh Mewada	ACS - 31736	WIRC
141	Mr. Sreeram K S	ACS - 31672	SIRC	206	Ms. Swati Maheshwari	ACS - 31737	WIRC
142	Mr. Shubham Gupta	ACS - 31673	NIRC	207	Ms. Manjusha R	ACS - 31738	SIRC
				208	Mr. S Vikas Reddy	ACS - 31739	SIRC



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209	Mr. Narasimha Pai P	ACS - 31740	SIRC	40.	Sh. Shirish Datar	ACS - 12220	WIRC
210	Mr. Mohamed Javed Sherif	ACS - 31741	SIRC	41.	Sh. Prakash Vithal Page	FCS - 3332	WIRC
211	Mr. Karthick S S	ACS - 31742	SIRC	42.	Ms. Nina Upendra Trivedi	ACS - 16573	WIRC
212	Mr. Ravi Teja Chunduru	ACS - 31743	SIRC	43.	Sh. Raju Kantilal Jariwala	ACS - 3708	WIRC
213	Ms. Smriti Sharma	ACS - 31744	NIRC	44.	Ms. Bhargavi K	ACS - 23508	SIRC
214	Mr. Lokesh Gupta	ACS - 31745	NIRC	45.	Ms. Kruti Shah	ACS - 29550	WIRC
215	Mr. Anuj Kumar Solanki	ACS - 31746	NIRC	46.	Ms. Kavita Ramesh Sagalia	ACS - 29357	WIRC
216	Ms. Neha Pahuja	ACS - 31747	NIRC	47.	Sh. Gulshan Kumar Bhatia	ACS - 12908	NIRC
217	Ms. Rachita Rawat	ACS - 31748	NIRC	48.	Ms. Dakshita Chopra	ACS-28949	NIRC
218	Ms. Prigya Gupta	ACS - 31749	NIRC	49.	Sh. Sanjay Gupta	ACS - 11554	EIRC
219	Ms. Priyanka Singh	ACS - 31750	NIRC	50.	Sh. D Madhusudhana Reddy	FCS - 6503	SIRC
220	Ms. Tanu Sachdeva	ACS - 31751	NIRC	51.	Ms. Sajeeda Mehmood Bagdadi	ACS - 18156	SIRC
221	Ms. Ankita	ACS - 31752	NIRC	52.	Ms. Toral Pratap Joshi	ACS-23258	WIRC
222	Mr. Vineet Gupta	ACS - 31753	NIRC	53.	Mr. Ajay Kumar Shukla	ACS - 29238	NIRC
223	Ms. Surabhi Jain	ACS - 31754	EIRC	54.	Ms. Mansi Toprani	ACS - 11803	WIRC
224	Mr. D Ashok	ACS - 31755	WIRC	55.	Ms. Anuradha Sharma	ACS - 23894	NIRC
225	Ms. Gogri Dhvani Arvind	ACS - 31756	WIRC	56.	Ms. Swati Verma	ACS - 23742	NIRC
226	Ms. Mitali Pradeep Oza	ACS - 31757	WIRC	57.	Mr. V Radhakrishnan	ACS - 27797	SIRC
227	Ms. Sneha Vasant Shah	ACS - 31758	WIRC	58.	Ms. Rashmi Sharma	ACS - 23292	NIRC
228	Mr. Sri Bala Aditya Yanamandra	ACS - 31759	SIRC	59.	Ms. Monika Arora	ACS - 17705	NIRC
229	Ms. Sujata Joshi Ratnakar	ACS - 31760	SIRC	60.	Ms. Vandana Singh	ACS - 15290	NIRC
230	Ms. Vidisha Choudhary	ACS - 31761	NIRC	61.	Sh. Raju Kantilal Jariwala	ACS - 3708	WIRC
Restored*				62.	Ms. K Vaidehi	ACS - 5671	SIRC
1.	Mrs. Jayshri Tulsyan	ACS - 22456	EIRC	63.	Sh. R. Venkataraman	ACS - 15098	NIRC
2.	Sh. Kanhaiya Gupta	ACS - 16108	EIRC	64.	Sh. Sridhar Rengan	ACS - 5563	WIRC
3.	Sh. Ajay Sirohia	ACS - 16227	EIRC	65.	Sh. R K Mehta	ACS - 5739	NIRC
4.	Sh. Soumitra Ghose	FCS - 3950	EIRC	66.	Sh. Krishan Kumar	ACS - 17474	NIRC
5.	Sh. Suman Kumar Agarwal	ACS - 17813	EIRC	67.	Ms. Ruchitra Joshi	ACS - 28865	NIRC
6.	Sh. Narayan Mandhana Laxmi	FCS - 5785	EIRC	68.	Sh. Gurdeep Singh Bakshi	ACS - 12888	NIRC
7.	Sh. Ajay Kumar Jain	FCS - 4729	EIRC	69.	Mrs. Divya Jalla	ACS - 29631	SIRC
8.	Sh. N J Dalal	ACS - 1997	EIRC	70.	Sh. Suber Ahsan Rangwala	ACS - 3111	SIRC
9.	Sh. Mahesh Chand Gupta	FCS - 2702	EIRC	71.	Sh. Yogesh Kumar Sharma	ACS - 12542	NIRC
10.	Sh. Pradeep Lal Mehta	FCS - 3224	EIRC	72.	Sh. Vivekanand Sharan	FCS - 4629	EIRC
11.	Sh. Vivek Bajaj	ACS - 14882	EIRC	73.	Ms. Sonal Vishwambhar Joshi	ACS - 17127	WIRC
12.	Sh. Bajrang Lal Banthia	ACS - 15384	EIRC	74.	Sh. Tushar Seth	ACS - 18412	NIRC
13.	Sh. Vijay Sarathi Vadlamani	ACS - 17902	SIRC	75.	Ms. Karuna Sharma	ACS - 19328	NIRC
14.	Ms. G Akila	ACS - 18642	SIRC	76.	Ms. Raqshanda Niazi	ACS - 23736	NIRC
15.	Sh. K V Rangarao	FCS - 1050	SIRC	77.	Sh. Atul Kumar Agarwal	ACS -12558	NIRC
16.	Sh. Saddi Mahipal Reddy	ACS - 11212	SIRC	78.	Sh Alok Rudra	ACS - 20398	SIRC
17.	Sh. Sanjay Choudhary	ACS - 7115	SIRC	79.	Sh. A Gopikumar	ACS - 12483	SIRC
18.	Sh. M Shankar	ACS - 2935	SIRC	80.	Ms. Monika Kataria	FCS - 5490	NIRC
19.	Sh. V. Ramesh	ACS - 13909	SIRC	81.	Sh. Atul Gupta	ACS - 10145	NIRC
20.	Sh. V K Goenka	ACS - 4875	EIRC	82.	Ms. Richa Chauhan	ACS - 23560	WIRC
21.	Ms. Sapna Heerachand Jain	ACS - 24524	NIRC	83.	Sh. Narinder Kumar Garg	FCS - 4114	NIRC
22.	Ms. Akansha Bhargava	ACS - 27331	NIRC	84.	Sh. Abhay Raj Singh	ACS - 18867	NIRC
23.	Mr. Pravin Kumar	ACS - 28507	EIRC	85.	Sh. Ramesh Kumar Ganeriwala	FCS - 3216	EIRC
24.	Sh. Amit Vijay Karia	ACS - 23211	WIRC	86.	Sh. Nidjelli Anjaneyulu	ACS - 14263	SIRC
25.	Sh. Tejomurtula Ramoji	ACS - 22671	SIRC	87.	Sh. V E Mascarenhas	ACS - 168	EIRC
26.	Sh. Raja Ganapathi	ACS - 15392	SIRC	88.	Sh. Deepak K Ghaisas	ACS - 3848	WIRC
27.	Sh. K P Vasanthakumar	ACS - 9074	SIRC	89.	Sh. Gagan Choudhary	ACS - 15421	WIRC
28.	Sh. Rajesh Gupta	ACS - 4233	NIRC	90.	Sh. Hari Kishan Nawal	ACS - 4669	EIRC
29.	Sh. Dharmender Kumar	ACS - 17989	NIRC	91.	Sh. Deepak Kumar Agarwal	ACS - 14370	NIRC
30.	Sh. Akhilesh Kumar Nand	ACS - 13669	NIRC	92.	Sh. P K Narula	ACS - 3655	NIRC
31.	Sh K C Bajpai	ACS - 5133	NIRC	93.	Sh. Pawan Kumar Choudhary	FCS - 3705	WIRC
32.	Sh. Mahesh Kashinath Gavaskar	ACS - 11398	WIRC	94.	Sh. Kiran S Modi	ACS - 9941	WIRC
33.	Ms. Meera Krishnakumar	ACS - 29779	SIRC	95.	Sh. Manish Kumar Jain	FCS - 3920	NIRC
34.	Ms. Bharti Gangwani	ACS - 19695	WIRC	96.	Ms. Tanu Ritesh Sarin	ACS - 18875	NIRC
35.	Sh. G S Kurmi	ACS - 11970	WIRC	97.	Dr. Sanjeev Gemawat	FCS - 3669	NIRC
36.	Ms. Anila Agrawal	ACS - 15698	NIRC	98.	Ms. Leena M Satyanarayanan	ACS - 13009	SIRC
37.	Ms. Anita Jhawar	ACS - 21733	WIRC	99.	Ms. Priyanka Gulati	ACS - 23630	NIRC
38.	Sh. Manoj Kumar Baheti	ACS - 15471	EIRC	100.	Sh. Abhishek Goenka	ACS - 18127	EIRC
39.	Sh. Ashok J Vageriya	FCS - 5704	WIRC	101.	Ms. Veena G Kamat	ACS - 23788	SIRC
				102.	Sh. L J Nagananda	ACS - 3346	SIRC
				103.	Ms. Anita Kumari Singh	ACS - 26413	EIRC
				104.	Ms. Deepa Shrivastava	ACS - 27295	SIRC
				105.	Ms. Rekha C V	ACS - 20195	SIRC

* Restored from 21st December 2012 to 20th January, 2013



106.	Sh. Umesh Chander Sharma	ACS - 8522	NIRC	22	Ms. Ashwini Sharadkumar Shah	ACS - 26104	11528	WIRC
107.	Sh. Chandra Kumar Jain	ACS - 19850	EIRC	23	Sh. Rajesh P	ACS - 25647	11529	NIRC
108.	Sh. Manoj Kumar Maggon	ACS - 13273	NIRC	24	Mr. Anil Xavier	ACS - 29393	11530	SIRC
109.	Sh. Paras Mittal	ACS - 19875	NIRC	25	Sh. Gourav Khatri	ACS - 20999	11531	NIRC
110.	Ms. Rupali Kapahi	ACS - 19522	NIRC	26	Sh. Pramod Prasad Kothari	ACS - 15855	11532	NIRC
111.	Mr. Nitesh Choudhary	ACS - 28511	WIRC	27	Mrs. Monika Sharma	ACS - 28192	11533	NIRC
112.	Sh. Ashutosh Kumar Singh	ACS - 14900	NIRC	28	Ms. Devika Maheshwari	ACS - 25812	11535	NIRC
113.	Ms. Lakshmi Gupta	ACS - 29901	NIRC	29	Ms. Prachi Aggarwal	ACS - 31250	11536	NIRC
114.	Sh. Arun Kumar Kedia	ACS - 12251	EIRC	30	Ms. Sheetal Verma	ACS - 23662	11537	WIRC
115.	Ms. Shweta Maheshka	ACS - 18758	EIRC	31	Mr. Deepak Rastogi	ACS - 31185	11538	NIRC
116.	Ms. Nirmal Dixit	FCS - 3578	NIRC	32	Ms. Rita Malgaonkar	FCS - 7054	11539	WIRC
117.	Mr. Rahas Bihari Panda	ACS - 22095	NIRC	33	Mr. Nitin Shah	ACS - 30904	11540	NIRC
118.	Sh. Rai Chand Lunia	ACS - 2409	WIRC	34	Ms. Rubi Jha	ACS - 30884	11541	WIRC
119.	Sh. L Sridhar	FCS - 4183	SIRC	35	Ms. Nidhi Khandelua	ACS - 22292	11542	NIRC
120.	Ms. Puja Agarwal	ACS - 27450	EIRC	36	Sh. P Rajagopalan	ACS - 9560	11544	SIRC
121.	Sh. Ankur Mehrotra	ACS - 20221	SIRC	37	Sh. Subramanian Narayanan	ACS - 24815	11545	WIRC
122.	Sh. Inder Kumar Gupta	FCS - 276	NIRC	38	Ms. Somya Mittal	ACS - 31171	11546	NIRC
123.	Sh. P K Jain	ACS - 10044	WIRC	39	Mr. Sagar Ramrao Deo	ACS - 31425	11547	WIRC
124.	Mr. Gulshan Kumar Batra	ACS - 29667	NIRC	40	Ms. Vidya Chandrashekar			
125.	Mr. Sanjay Kishor Dingare	ACS - 28541	WIRC		Yalavatti	ACS - 15890	11548	WIRC
126.	Sh. Periasamy Boopalan	ACS - 5365	SIRC	41	Mrs. Sweta Bhatt	ACS - 21552	11549	WIRC
127.	Sh. Sunil Todi	ACS - 7266	WIRC	42	Mr. Niraj Kumar Verma	ACS - 31226	11550	NIRC
128.	Sh. Pankaj Maganlal Varasada	ACS - 4422	WIRC	43	Ms. Harpreet Kaur Bhamra	ACS - 25174	11551	EIRC
129.	Ms. Sunita Ajay Virat	ACS - 16678	NIRC	44	Mr. Anirudha Moreshwar			
130.	Mr. Vikas Mohanlal Agarwal	ACS - 28954	WIRC		Paralikar	ACS - 31269	11552	WIRC
131.	Dr. Krishna Behari Agarwal	FCS - 1200	NIRC	45	Mr. Himanshu Sharma	ACS - 27235	11553	NIRC
132.	Sh. Ullal Narendra Kini	FCS - 3070	NIRC	46	Mr. Lalit Sethi	ACS - 31350	11554	NIRC
133.	Ms. Santoshri Roy	ACS - 13552	NIRC	47	Ms Chhama Goel	ACS - 20274	11555	NIRC
134.	Sh. Manoj Kumar Digga	ACS - 16792	EIRC	48	Mr. Chandrakant Ramchandra			
135.	Ms. Shalini Budhwar	ACS - 20316	NIRC		Pathare	ACS - 31419	11556	WIRC
136.	Ms. Vincy George	ACS - 22688	NIRC	49	Ms. Minal Vipin Ladda	ACS - 31499	11557	WIRC
				50	Ms. Satyawadi Aanal Milankumar	ACS - 31502	11558	WIRC
				51	Mr. V K Harish Babu	ACS - 31413	11559	SIRC
				52	Mr. Buntly Mubarakali Hudda	ACS - 31507	11560	WIRC
				53	Mr. Ankur Sultania	ACS - 31316	11562	EIRC
				54	Sh. Vivek Dwivedi	ACS - 17712	11563	NIRC
				55	Sh. Bipul Kumar	ACS - 23515	11564	NIRC
				56	Mr. Vishnu Dutt Sharma	ACS - 31223	11565	WIRC
				57	Ms. Abhilasha Sarswat	ACS - 31299	11566	NIRC
				58	Ms. Monika Thanvi	ACS - 31494	11567	WIRC
				59	Mr. Vishant Kumar Jain	ACS - 30319	11568	NIRC
				60	Sh Vinay Kumar Jha	ACS - 21501	11569	NIRC
				61	Mr. Kamaljit Singh	ACS - 30881	11570	NIRC
				62	Sh. Manoj Sharma	ACS - 10894	11571	NIRC
				63	Mr. Damoder Bethamalla	ACS - 31450	11572	SIRC
				64	Ms. Isha Lalit Jain	ACS - 25888	11573	WIRC
				65	Mr. Rakesh Joshi	ACS - 31309	11574	NIRC
				66	Mr. Avnish Malpani	ACS - 29772	11575	NIRC
				67	Mr. Mahesh Deepak Palimkar	ACS - 31589	11576	WIRC
				68	Ms. Priyanka Toshniwal	ACS - 30643	11577	NIRC
				69	Mr. Swaroop Singh Bhati	ACS - 31397	11578	WIRC
				70	Mr. Sandeep Sharma	ACS - 31167	11579	EIRC
				71	Mr. Rajat Samar	ACS - 31433	11580	NIRC
				72	Mr. Archit Agarwal	ACS - 30928	11581	NIRC
				73	Ms. Juhi Sarna	ACS - 31161	11582	NIRC
				74	Ms. Sonal Surendra Dandekar	ACS - 31472	11583	WIRC
				75	Mrs. Neha Choudhary	ACS - 28609	11584	EIRC
				76	Ms. Mira Agarwal	ACS - 25648	11585	EIRC
				77	Ms. Trupti Ramesh Lad	ACS - 30068	11586	WIRC
				78	Ms. Vinaya Abhijit Joshi	ACS - 25096	11587	WIRC
				79	Mr. Arun Kumar Sharma	ACS - 31519	11588	SIRC
				80	Ms. Pooja Vinod Modi	ACS - 27456	11589	WIRC
				81	Ms. Debarati Banerjee	ACS - 27197	11590	EIRC

Certificate of Practice

Sl. No.	Name	ACS/FCS No.	C P No.	Region
ISSUED*				
1	Sh. Shabbir A Vaziry	FCS - 4962	11507	WIRC
2	Mr. Girish Ramanand Tiwari	ACS - 31304	11508	WIRC
3	Mr. Vaibhav Rameshchandra Bagadiya	ACS - 31206	11509	WIRC
4	Sh. Kailash Narain Mehra	FCS - 2685	11510	NIRC
5	Sh. Yogesh Goyal	ACS - 23635	11511	NIRC
6	Mr. Tejas Jayeshbhai Thakkar	ACS - 31145	11512	WIRC
7	Ms. Khushboo Sureka	ACS - 25950	11513	EIRC
8	Mr. Ankit Misra	ACS - 30650	11514	NIRC
9	Mr. Kapil Bansal	ACS - 30654	11515	NIRC
10	Sh. Rachit Kukreja	ACS - 29520	11516	NIRC
11	Mr. Santosh Ojha	ACS - 31394	11517	NIRC
12	Ms. Prashantha Laxmi Kalva	ACS - 31264	11518	SIRC
13	Mr. Amit Saxena	ACS - 29918	11519	NIRC
14	Sh. Sitaram Sethi	FCS - 2616	11520	NIRC
15	Sh. Ranjit Kumar Ghosh	FCS - 3724	11521	EIRC
16	Sh. Pranay Patel	ACS - 24751	11522	WIRC
17	Ms. Manisha Ratan Jumrani	ACS - 26010	11523	WIRC
18	Ms. Meghal Mehta	ACS - 29694	11524	WIRC
19	Ms. Anjali Malpani	ACS - 30864	11525	WIRC
20	Mr. Haridasa Karunakar Prabhu	ACS - 27561	11526	SIRC
21	Ms. Amrapali Singhal	ACS - 18105	11527	SIRC

* Issued During the Month of December, 2012





News From the Institute

82	Mr. Maulik Anilkumar Bhavsar	ACS - 31198	11591	WIRC
83	Mr. Deepak Kumar Patil	ACS - 31459	11592	WIRC

CANCELLED*

1	Sh. Dinesh N Modi	FCS - 6547	11041	WIRC
2	Ms. Pallvi Jindal	ACS - 29231	11013	NIRC
3	Sh. Yagnavalkya Munindra Joshi	ACS - 24295	8945	WIRC
4	Sh. G K Shastri	ACS - 2530	9442	WIRC
5	Ms. Sheetal Singh	ACS - 27361	11219	NIRC
6	Mr. Avinash Soni	ACS - 28662	10549	NIRC
7	Ms. Shallu Sharma	ACS - 30040	10843	NIRC
8	Sh. Mahesh Narendra Rajarshi	ACS - 24436	9754	WIRC
9	Ms. Nidhi Uniyal	ACS - 28283	11125	NIRC
10	Sh. Puran Singh Rathore	ACS - 25543	9675	NIRC
11	Sh. Vijay A N S	ACS - 22983	8217	SIRC
12	Mrs. Kritika Satardekar	ACS - 25448	9129	WIRC
13	Sh. Sunny Dudhani	ACS - 26174	9402	NIRC
14	Ms. Rashmi Khandelwal	ACS - 28839	11349	NIRC
15	Ms. Pragya Saxena	ACS - 30366	11121	NIRC
16	Sh. Sudhir Anand	FCS - 7050	3962	NIRC
17	Ms. Pooja Karia	ACS - 21076	10685	WIRC
18	Sh. Navnit Padia	FCS - 1778	7949	WIRC
19	Ms. Pooja Bakshi	ACS - 30723	11239	NIRC
20	Mr. Varun Kumar C	ACS - 31418	11561	SIRC
21	Ms. Anita Kothari	ACS - 27410	10041	SIRC
22	Mrs. Anupama Dhiren	ACS - 22156	8357	SIRC

Licentiate ICSI

Sl. No.	Name	Licentiate No.	Region
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ADMITTED**

1	Ms. Sikha Modi	6454	EAST
2	Sh. Kaushik Seshadri	6455	WEST
3	Sh. Pranay Vijaykumar Jhawar	6456	WEST
4	Bharath Sundar Raman	6457	SOUTH
5	Ms. Monalisa Baruwa	6458	EAST
6	Ms. Sameedha Sadashiv Churi	6459	WEST
7	Sh. Saurabh Viithal Bhat	6460	WEST
8	Sh. Achinto Bhattacharya	6461	WEST
9	Sh. Ankit Kumar Kantilal Thakker	6462	WEST
10	Sh. Nipun Singhvi	6463	NORTH
11	Ms. Khandari Hemlata Bansilal	6464	WEST
12	Ms. Mamta Agarwal	6465	EAST
13	Sh. Anup Agarwal	6466	EAST
14	Sh. Dhananjay Pratap Singh	6467	WEST
15	Ms. Nikita Goel	6468	NORTH
16	Sh. Simarpreet Singh Gulati	6469	WEST
17	Sh. Hardik Ambaliya	6470	WEST
18	Sh. Ajeet Kumar	6471	NORTH
19	Sh. Dinesh S	6472	SOUTH
20	Sh. B S Kiran Rao	6473	SOUTH
21	Ms. Dimpy Khetan	6474	EAST
22	Sh. Rachit Sharma	6475	NORTH
23	Sh. Sanjay Lakhotia	6476	NORTH
24	Ms. Nidhi Jain	6477	EAST

* Cancelled During the Month of December, 2012

** Admitted During the Month of December, 2012

ANNUAL MEMBERSHIP AND CERTIFICATE OF PRACTICE FEES FOR 2012-13

The names of members who could not remit their annual membership fee for the year 2012-13 by the last extended date i.e. **31st August, 2012** stand removed from the Register of Members w.e.f. **1st September, 2012**. They may pay the fee and get their names restored by making an application in Form 'BB' with the entrance fee (Associate members Rs. 1500/- & Fellow members Rs. 1000/- respectively) alongwith restoration fee of Rs. 250/-. Form-BB is available on the web-site of the Institute and also published else where in this issue.

The Certificate of Practice of the members who could not remit their annual Certificate of Practice fee for the year 2012-13 by the specified date i.e. on or before **30th September, 2012** stand cancelled w.e.f. **1st October, 2012**. They may restore their Certificate of Practice by making an application in Form 'D' with the restoration fee of Rs. 250/-. Form-D is available on the web-site of the Institute and also published else where in this issue.

The annual membership and certificate of practice fee payable is as follows:-

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

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

MODE OF REMITTANCE OF FEE

The fee can be remitted by way of :

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

For queries, if any,

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

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

See Reg. 10, 13 & 14

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

Sir,

I furnish below my particulars

- (i) Membership Number FCS/ACS:
- (ii) Name in full:
(in block letters) Surname Name
- (iii) Date of Birth:
- (iv) Professional Address:
- (v) Phone Nos. (Resi.) (Off.)
- (vi) Mobile No Email id
- (vii) Additions to or change in qualifications, if any:
1. Submitted for (tick whichever is applicable):
(a) Issue (b) Renewal (c) Restoration
2. (a) Particulars of Certificate of Practice issued / surrendered/Cancelled earlier

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

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

Yours faithfully,

(Signature)

Encl.

Place:

Date:

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

APPLICATION FOR RESTORATION OF MEMBERSHIP

To,
The Secretary to the Council of
The Institute of Company Secretaries of India
'ICSI' House, 22, Institutional Area
Lodi Road, New Delhi-110003

Sir,

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

1. Name in full :
(In Block Letters) Surname M. Name F. Name

2. Address

(i) **Professional**

Designation

Name of Company

Address

.....

Pin Code:

Telephone No. Fax

E -mail

(ii) **Residential**

.....

.....

Pin Code:

Contd.

Telephone No. Fax

3. Date of admission as Associate / :
Fellow Member of the Institute

4. Membership Number

5. I hereby undertake that if re-admitted as an Associate/Fellow Member of the Institute, I will be bounded by the Company Secretaries Act, 1980 and the Regulations made thereunder, as amended from time to time

6. I also undertake that such instances will not recur and I will make the payment of annual fee in future within the stipulated time (i.e. on or before 30th June of each year)

7. I send herewith a sum of Rs..... being the arrears of Annual Membership fee of Rs. for the years to and restoration fee of Rs.250/- alongwith entrance fee (Rs. 1500/- for Associates & Rs. 1000/- for fellows)

8. I solemnly declare that what I have stated above is true and correct.

Place:

Yours faithfully

Date:

Signature



Company Secretaries Benevolent Fund

MEMBERS ENROLLED REGIONWISE AS LIFE MEMBERS OF THE COMPANY SECRETARIES BENEVOLENT FUND*



Sl. No.	LM No.	Name	Mem No.	City
ERC				
1	9897	MR. HAREKRUSHNA SAHOO	ACS - 31395	BHUBANESWAR
2	9937	MR. KUMAR ANKIT	ACS - 28775	BOKARO STEEL CITY
3	9939	MR. SAMRAT SAHA	ACS - 26477	KOLKATA
NIRC				
4	9899	MS. NOOPUR MITTAL	ACS - 31101	ETAHWAH
5	9900	MR. UJJWAL RASTOGI	ACS - 26611	LUCKNOW
6	9901	SH. PRADEEP KUMAR GOYAL	ACS - 13363	NOIDA
7	9902	MS. SONIYA KHADELWAL	ACS - 19770	JAIPUR
8	9903	SH. ARJUN DASS VERMA	FCS - 2842	GURGAON
9	9905	MR. SUDHIR KUMAR SAKLANI	ACS - 31111	NEW DELHI
10	9906	SH. SIMRANJEET SINGH	ACS - 27102	DELHI
11	9907	MR. DINESH VATS	ACS - 29963	DELHI
12	9908	SH. AJAY SAINI	ACS - 13587	NEW DELHI
13	9909	SH. ARVIND KUMAR GUPTA	FCS - 2060	NEW DELHI
14	9910	KARMVEER	ACS - 22809	NEW DELHI
15	9911	SH. ASHOK KUMAR BANSAL	FCS - 6984	GHAZIABAD
16	9912	MS. RAKHI VERMA	ACS - 16913	GURGAON
17	9913	SH. AJIT KUMAR MISHRA	ACS - 20040	NEW DELHI
18	9914	SH. RAJAN MITTAL	ACS - 10757	NEW DELHI
19	9915	SH. SHAILESH KUMAR SINGH	ACS - 21211	DELHI

20	9916	SH. RUDRA KUMAR PANDEY	ACS - 19745	NEW DELHI
21	9917	SH. SURESH KUMAR BHUTANI	FCS - 6400	GHAZIABAD
22	9918	MS. MEGHA BHUTANI	FCS - 6442	GHAZIABAD
23	9919	SH. SURENDER KUMAR MATA	ACS - 7762	DELHI
24	9920	MS. SOMA BHAUMIK	ACS - 27513	GREATER NOIDA
25	9921	SH. GAURAV PURI	FCS - 5890	NEW DELHI
26	9922	SH. AMIT GOEL	FCS - 6103	NEW DELHI
27	9923	SH. SUMAN ANAND	ACS - 18647	GURGAON
28	9924	SH. SANDEEP KHURANA	FCS - 2790	DELHI
29	9925	MR. ANKUR SHARMA	ACS - 31049	FARIDABAD
30	9926	SH. TARUN JAIN	FCS - 4645	NEW DELHI
31	9927	MS. MUKTA SUYAL	ACS - 25901	DELHI
32	9928	SH. RAMAN KUMAR	ACS - 14972	DELHI
33	9929	SH. AMIT SIKRI	ACS - 17200	DELHI
34	9930	MR. CHANDRA SHEKHAR JOSHI	ACS - 29300	NEW DELHI
35	9931	SH. RAVI KUMAR NAGPAL	ACS - 2826	DELHI
36	9932	SH. SUNIT MAHESHWARI	FCS - 5324	GHAZIABAD
37	9933	SH. SANJAY KUMAR	FCS - 6865	NOIDA
38	9934	SH. ASHISH KUMAR SINGH	ACS - 27334	DELHI
39	9935	SH. HARSH KUMAR ARORA	ACS - 6556	NEW DELHI
40	9942	MS. BHUWANESHWARI RATHORE	ACS - 31571	JODHPUR
41	9944	MR. AMIT KUMAR GARG	ACS - 31567	GURGAON
42	9947	MR. S KRISHNAN	ACS - 31339	NEW DELHI
43	9948	MS. SUMATI TANDON	ACS - 31355	KANPUR
44	9950	SH. G RATHINAM	FCS - 4486	GURGAON
45	9951	MS. ANUBHA GARG	ACS - 19066	MOHALI
46	9953	MR. NIRUPAM SRIVASTAVA	ACS - 30823	GURGAON
47	9954	MR. SACHIN SAXENA	ACS - 30923	GHAZIABAD
48	9955	SH. ASHISH KUMAR SHARMA	ACS - 7954	DELHI
SIRC				
49	9898	MR. KURTHALANATHAN M	ACS - 31039	CUDDALORE
50	9938	SH. T V VENKATASUBRAMANYAM	ACS - 24935	CHENNAI
51	9940	MR. VENKATARAGAVAN V	ACS - 30563	MADURAI
52	9941	MS. BHARGAVI MAHESHUNI	ACS - 31666	HYDERABAD
53	9943	MS. R HARITHA	ACS - 31411	CHENNAI
54	9945	MS. CHANDRIKA DUPAM	ACS - 31333	HYDERABAD
55	9946	MS. SHWETHA R ANTHAPUR	ACS - 31416	SECUNDERABAD
56	9952	MS. DIVYABHARATHI U	ACS - 31170	HYDERABAD
WIRC				
57	9904	SH. KEYUR MAHENDRA KUMAR SHAH	ACS - 23234	AHMEDABAD
58	9936	SH. JATINKUMAR DEVENDRA KUMAR BHAVSAR	ACS - 25835	AHMEDABAD
59	9949	MS. NAYANA BHAVIN THAKKAR	ACS - 31380	PUNE

* During the Period 21st December 2012 to 21st January 2013.



News From the Institute



List of Companies Registered for Imparting Training During the Month of December 2012

Region	Training Period	Stipend (Rs.)
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Eastern

Katyayni Financial Consultants Pvt. Ltd. 60, Pathuria Ghat Street Kolkata-700006 <i>katyaynifinancialconsultants@rediffmail.com</i>	15 Months Training	4000/-
Wellman Carbo Metalicks (India) Ltd. BD-191, Salt Lake, Sector-1 Kolkata-700064 <i>wellman.kgp@gmail.com</i>	3 Months Practical Training	Suitable
Nellimaria Jute Mills Co. Ltd. 3A, Shakespeare Sarani, Kolkata-700071	15 Months Training	4000/-
Dhanlaxmi Mercantile Private Ltd. East India House, 20B British India Street Room No. 518, 5th Floor Kolkata-700069 <i>maheshperiwal@gmail.com</i>	15 Months & 3 Months Practical Training	4000/-
S S Tracom Private Ltd. East India House, 20B, British India Street Room No. 518, 5th Floor Kolkata-700069 <i>maheshperiwal@gmail.com</i>	15 Months & 3 Months Practical Training	4000/-
Aviral Marketing Private Ltd. 2, Church Lane, 3rd Floor Room No. 302A Kolkata-070001	15 Months Training	Suitable
Orbit Projects Private Ltd. The Orbit, 1 Garstin Place Kolkata 700001 <i>info@orbitgroup.net</i>	15 Months Training	Suitable
Simplex Mining Ltd. 12/1, Nellie Sengupta Sarani Kolkata-700 187 <i>prashantdamani@yahoo.co.in</i>	15 Months Training	Suitable

Arrah Re-Rolling Mill Private Ltd.
Main Road, Chas
Bokaro- 827 013
Jharkhand

15 Months & 3 Months Practical Training
Suitable

Northern

Metro Cement and Mines Pvt. Ltd.
Mahesh Hostel Complex
2nd Floor,
Opp. Bombay Motors
Chopasni Road,
Jodhpur - 342003

15 Months & 3 Months Practical Training
Suitable

Paayas Milk Producer Co. Ltd.
D-232-233, Atlantis Tower
4th Floor, Vaishali Nagar
Jaipur-302021
anup.gupta@paayasmilk.com

15months Training
Suitable

Rio Tinto India Private Ltd.
21st Floor, DLF Building No.5
Tower A,
DLF Cyber City,
Phase III, Gurgaon 122002
Haryana, India

15 Months & 3 Months Practical Training
Suitable

Jubilant Oil & Gas Pvt. Ltd.
A-80, Sector- 2
Noida - 201301

3 Months Practical Training
Suitable

Bar Code India Ltd.
C -64, Okhla Industrial Area
Phase- 1
New Delhi - 110020

15 Months & 3 Months Practical Training
Suitable

Meca Quilts Ltd.
F-296(H) Riico Chowk
Bhiwadi-301019
Alwar Rajasthan
singhalsk@gmail.com

15 Months & 3 Months Practical Training
3500/-

Lanco Anpara Power Ltd.
Plot No-397, Udyog Vihar
Phase III
Gurgaon -122016
Haryana
narendra.cs@lancogroup.com

15months Training
Suitable

Cochin International Airport Limited
Kochi Airport P.O.
Ernakulam- 683111
Kerala
cial@cochin-airport.in

15 Months & 3 Months Practical Training
7000/-

IL&FS Energy Development Company Ltd.
1st Floor, Corporate Office Tower
Ambience Mall Complex
Ambience Island
NH-8, Gurgaon-122001

3 Months Practical Training
Suitable



Somic ZF Components Limited
Village Begumpura Khatola
Post Box No. 38
Gurgaon-122001

15 Months &
3 Months
Practical Training

Suitable

Sanguine Insurance Brokers Private Ltd.
B-21, Plot No. 50
D.C Chowk, Sector 9
Rohini, Delhi-110085
sanguine_2008@yahoo.com

15 Months &
3 Months
Practical Training

5000/-

Arth Micro Finance (P) Ltd.
A-11, Mahaveer Udyan Path
Bajaj Nagar, Jaipur,
Rajasthan, India-302015
arth@arthfinance.com

15 Months
Training

Suitable

Southern

Steel Exchange India Ltd.
303, My Home Laxminivas Apartments
Greenlands, Ameerpet
Hyderabad - 500016
info@sell.co.in

15 Months
Training

Suitable

Wep Solutions Ltd.
Basappa Complex, 40/1A
Lavelle Road
Bangalore-560001

15 Months &
3 Months
Practical Training

Suitable

Ashley Alteams India Ltd.
AD-61, New No.3, I Floor
3rd Street, Anna Nagar
Chennai-600040
Tamilnadu-India

15 Months
Training

5000/-

Karuturi Global Ltd.
204 Embassy Centre
11 Crescent Road
Bangalore-560001
nagesh.babu@karuturi.com

15 Months &
3 Months
Practical Training

Suitable

Ace Designers Ltd.
Plot No.7&8, II Phase
Peenya Industrial Area
Bangalore-560058

15 Months
Training

8000/-

Manappuram Jewellers Ltd.
2nd Floor, Kandathil Complex
Valapad Po, Thrissur, Kerala- 680567
customercare@manappuramjewellery.com

15 Months &
3 Months

7500/-

Aditya Birla Minacs Worldwide Ltd.
Campus 4A, 2nd Floor,
Ecospace Business Park,
Outer Ring Road, Bellandur
Bangalore 560103
info@minacs.adityabirla.com

15 Months &
3 Months
Practical Training

Suitable

Traco Cable Company Ltd.
4th Floor, KSHB Office Complex
XXXVIII/1242, Panampilly Nagar
P.B. No. 4269
Kochi- 682036, Kerala

3 Months
Practical Training

Suitable

Western

Moral Pharmaceuticals Pvt. Ltd.
Mata Parvati Apartment
Shop No. 6, Pune Link Road
Kalyan East, Mumbai - 421606
moralpharmaceuticals@gmail.com

15 Months
Training

5000/-

Dachser India Pvt. Ltd.
AFL House, Lok Bharti Complex
Maro Maroshi Road
Andheri (East)
Mumbai-400059

15 Months
Training

Suitable

Syncom Healthcare Ltd.
221, Vyapar Bhawan
P.D. Mello Road,
Mumbai-400009

5 Months &
3 Months
Practical Training

Suitable

Kadakane Textile Industries Pvt. Ltd.
11, Shankala Indl. Estate
Gogatewadi, Off. Aarey Road
Goregaon (East), Mumbai-400063
kadakanetextile@rediffmail.com

15 Months &
3 Months
Practical Training

Suitable

Bajaj Power Ventures Private Ltd.
Bajaj Bhavan, 2nd Floor
Jamnalal Bajaj Marg
226, Nariman Point
Mumbai-400021

15 Months &
3 Months
Practical Training

Suitable

Thomas Scott (India) Ltd.
50, Kewal Industrial Estate
S.B. Marg, Lower Parel (W)
Mumbai-400013

15 Months
Training

Suitable

West2 india Handicrafts Private Ltd.
Shop No-1, Tirupati Appartment
Opposite Mahalaxmi Temple
Bhulabhai Desai Road
Mumbai-400026
sales@wes2india.com

15 Months
Training

Suitable

Ghatge Patil Industries Ltd.
Uchagaon, Kolhapur
416005, India
corporate@gpi.co.in

3 Months
Practical Training

Suitable

Commex Technology Ltd.
3A, Udyog Nagar, S V Road
Goregaon(West) Mumbai
Maharashtra 400062

15 Months
Training

Suitable

Viacom 18 Media Private Ltd.
Zion Biz World,Subhash Road 'A',
Vile Parle (E),
Mumbai 400057

15 Months &
3 Months
Practical Training

Suitable

Vaayu (India) Power Corporation Pvt. Ltd.
Enercon Tower, A-9
Veera Industrial Estate
Veera Desai Road, Andheri (West)
Mumbai - 400053

15 Months
Training

5000/-



News From the Institute



List of Practising Members Registered for the Purpose of Imparting Training During the Month of December, 2012

CS PAVAN THAKURDAS RATHI Company Secretary in Practice Office No 318, Ganga Colledium Market Yard, Pune -411 037	PCSA - 3233	CS RITU PANKAJ SOMANI Company Secretary in Practice B-1, 1002, Nandini Appartments Vesu, Surat Gujrat - 395 007	PCSA - 3242
CS CHIRAG K. JOSHI Company Secretary in Practice 106, Sudarshan Complex Nr. Mithakhali Under Bridge Navrangpura, Ahmedabad - 380 009	PCSA - 3234	CS GARIMA CHAWLA Company Secretary in Practice Plot No. -60, 1st Floor Gyan Khand - III Indrapuram Ghaziabad -201 014	PCSA - 3243
CS GURPREET KAUR Company Secretary in Practice C-10, Laxman Park (Hander Ngr) Delhi - 110 051	PCSA - 3235	CS VIDYA M. HARKUT Company Secretary in Practice 3-6-419/1, 1st Floor Street No.-3, Himayat Nagar Hyderabad - 500 029	PCSA - 3244
CS PRIYANKA AGARWAL Company Secretary in Practice Math Mandir Road Budhwari Bazaar, Seoni - 480 661	PCSA - 3236	CS AJAY KUMAR JAIN Company Secretary in Practice 85/392, Sector -8 Pratap Nagar, Sanganer Jaipur -302 033	PCSA - 3245
CS MONALI JAGDISH PATEL Company Secretary in Practice 202, Prem Kutir, Prem Nagar Near MCF Udhyan, Borviali, Mumbai -400 091	PCSA - 3237	CS GIRIRAJ JOSHI Company Secretary in Practice "Sita-Kunj ", Inside Nathusar Gate Near Bohra Type Center Bikaner -334 001	PCSA - 3246
CS NITIN JAISWAL Company Secretary in Practice 1/8a, Puri Street No.-1 Maujpur, Delhi -110 053	PCSA - 3238	CS HIMANSHU THUKRAL Company Secretary In Practice T-937, Mangol Puri Delhi -110 083	PCSA - 3247
CS MEHUL THAKKAR Company Secretary in Practice 9-Ramlalnagar Society Opp: Ichhabenwadi Rambaug Road, Maninagar Ahmedabad -380 008	PCSA - 3239	CS ASHUTOSH KHEMANI Company Secretary In Practice G-1,, Avani Vihar, Mowa Raipur -492 001	PCSA - 3248
CS NAGENDRA REDDY REDDEM Company Secretary in Practice No. 156, 1st Floor, 22nd Main Off. 7th Cross \$ 16th Main BTM Layout, 2nd Stage Bangalore - 560 076	PCSA - 3240	CS PRASHANT GUPTA Company Secretary in Practice 780/781, 3rd Floor Gururam Das Nagai Extension Near Ramesh Park Laksmi Nagar New Delhi - 110 092	PCSA - 3249
CS HARSHITA MODANI Company Secretary in Practice 6-B, Pooja Tenament Near Darwar Chokdi Manjalpur, Vadodara -352 001	PCSA - 3241	CS SAPNA JAIN G-29/34, 35, Sector -3 Rohini Delhi -110 085	PCSA - 3250
		CS SONIA ARORA Company Secretary in Practice C/O Vijay Cut Oiele Centre Bazar Sheikhan Chownk Phullanwala Jalandhar -144 001	PCSA - 3251
		CS ASHWINI SHARADKUMAR SHAH Company Secretary in Practice Block No. -13, 'Saraswati' Vishram Nagar, Hotgi Road Solapur - 413 003	PCSA - 3252



APPOINTMENTS



WAINGANGA SUGAR & POWER LIMITED

Requires a

COMPANY SECRETARY

Applications are invited for the position of Company Secretary based in Nagpur.

The ideal candidate besides being an ACS/FCS, will have additional qualifications in law, have good drafting skills and at least five years' post-qualification experience in handling corporate secretarial/legal matters.

Salary shall commensurate with experience and shall not be a limiting factor for the right candidate.

Applications must include a Cover Letter describing the candidate's strengths and vision, and a detailed resume which should be mailed to wainganga.csd@gmail.com within 10 days from the date of publication of this advertisement.



MAHATMA SUGAR & POWER LIMITED

Requires a

COMPANY SECRETARY

Applications are invited for the post of Company Secretary.

The ideal candidate should be a Member of ICSI having post-qualification experience of 5-7 years in Corporate Legal and Secretarial practice. Additional qualifications such as CA/CWA will be given preference.

The Right candidate will be offered an excellent remuneration package. The Interested candidates may forward their detailed resume to mahatma.csd@gmail.com within next 8 days.

CS PRASANNA HEDGE

Company Secretary in Practice
Essgi Towers, No. 19, 6th Main
Maruthi Extn. Srirampuram
Bangalore -560 021

PCSA - 3253

CS ANIL KUMAR

Company Secretary in Practice
476, 17th Cross, 38th Main, 6 Phase
J.P. Nagar, Bangalore - 560 078

PCSA - 3254

CS MANISHA JUMRANI

Company Secretary in Practice
302, Sapphire Square
Tower Chouraha, Indore - 452 014

PCSA - 3255

CS KHUSHABOO GOYAL

Company Secretary in Practice
5/1, Clive Row
3rd Floor, Room No -64
Kolkata - 700 001

PCSA - 3256

CS POOJA GANDHHI

Company Secretary in Practice
2/190, 1st Floor, Subhash Nagar
New Delhi - 110 027

PCSA - 3257

CS AARTI GUPTA

Company Secretary in Practice
3, D-13, Sector -8
Rohini, New Delhi -110 085

PCSA - 3258

CS ANJU KUMARI

Company Secretary in Practice
E-1/1, Police Colony
Andrews Ganj, New Delhi -110 049

PCSA - 3259

CS VIRENDER SHARMA

Company Secretary in Practice
Sco-815, 2nd Floor
Cabin No-1, Nac, Manimajra
Chandigarh -160 101

PCSA - 3260

CS SAKSHI JAIN

Company Secretary in Practice
70, Nimri Colony, Near Ashok Vihar
Delhi - 110 052

PCSA - 3261

CS BANKIM MEHTA

Company Secretary in Practice
B-304, Jai Chitrakoot Soc.,
Kulupwadi Road, Boriyali (East)
Mumbai -400 066

PCSA - 3262

CS MANUPRASAD MANEKLAL PATEL

Company Secretary in Practice
309, Amulya Complex
Opp. Central Bank
Ambawadi Bazar, Ambawadi
Ahmedabad - 380 006

PCSA - 3263

CS LOCHAN JAIN

Company Secretary in Practice
G- 127, Dreams The Mall
L.B.S., Marg, Bhandup (W)
Mumbai- 400 078

PCSA - 3264





News From the Regions

» Eastern India Regional Council

Half Day Workshops on Companies Bill 2012

On 5.1.2013 the EIRC-ICSI organised a Half Day Workshop on Companies Bill 2012 at Kolkata. The Guest speakers of the workshop were CA Mohit Bhuteria (Practising Chartered Accountant), CS Vinod Kothari (Past Chairman, ICSI-EIRC, Practising Company Secretary), and CA Debasish Mitra (Past Chairman, EIRC of ICAI, Practising Chartered Accountant).

CS Ranjeet Kr. Kanodia, Chairman, ICSI-EIRC in his welcome address pointed out the importance of the workshop. The guest speakers threw light on various aspects of the Companies Bill 2012. There was discussion about the all over legislative framework of Indian Corporate system.

CA Mohit Bhuteria gave an insight of various provisions of the Companies Bill 2012 along with the major points of distinction between the existing Companies Act, 1956 and Companies Bill, 2012. He also discussed the changes in definition, norms for various financial instruments and the matters related with keeping and maintaining minutes, maintenance of various registers. The session concluded after a Question - Answer session.

CS Vinod Kothari, the second speaker of the day in his address paid special attention to Corporate Social Responsibility and Corporate Governance. He discussed in brief the substantial changes incorporated in the Companies Bill, 2012 and the kind of effect that the Bill will have on the corporate sector upon its implementation. Thereafter Kothari made a presentation on the SEBI Concept Paper on Corporate Governance 4.1.2013 and discussed every single aspect of the concept paper and also explained such provisions contained in the concept paper in greater detail.

CA Debashis Mitra in his deliberation provided deep insight of the Companies Bill, 2012. He in his address gave an all-round constructive idea about the Companies Bill, 2012. Mitra also discussed the Auditing Standards, changes made therein and prospects of Company Secretaries, Chartered Accountants, Cost and Management Accounts and various other professionals on the practising side with the help of Limited Liability Partnership.

The workshop ended after the question - answer session with the delegates.

Again on 22.12.2012 the EIRC-ICSI organised a Half Day

workshop on Companies Bill, 2012 at Kolkata. The Guest Speaker on the workshop was CS Vinod Kothari, Practising Company Secretary and Past Chairman, ICSI-EIRC.

CS Ranjeet Kanodia, Chairman, ICSI-EIRC in his address said that the Companies Bill passed in Lok Sabha provide immense opportunities to professionals and also provides professionals with wider avenues for professional services.

CS Vinod Kothari, initiated his address on Companies Bill, 2012 by stating the structure of the Bill, the point of differentiation between existing Act and the Bill, and what avenues it will open for corporate professionals like CA, CS and CMA. He mentioned the new concepts emerging from the Bill, like One Person Company, Dormant Company, Freeze Action, Class Action, Moratorium powers in case of Sick Companies and National Financial Reporting Authority. CS Kothari in his informative presentation provided information and discussed various issues in greater detail from the Bill, such as Audit and Accounting Standards, Directors and their respective duties and responsibilities, Managerial Personnel, Secretarial Audit and the prospect of CS, Deposits, Issue of Securities, Investigation, Filing Requirements, Meetings, Charges, Compromises and Arrangements, small Company and there was overwhelming response from among the audience as CS Kothari raised the interest of the delegates present on the much awaited Companies Bill and the modification or introduction of issues therein.

25th (Silver Jubilee) Regional Conference of Student Company Secretaries on Student Company Secretary- The Road Ahead: Connect, Learn & Make A Difference

On 13.1.2013 the EIRC-ICSI organised the Silver Jubilee Regional Conference of Student Company Secretaries at Kolkata. CS Ranjeet Kr. Kanodia, Chairman, ICSI-EIRC in his welcome address introduced the theme of the conference and said that the student conference is always an exceptional event of the institute as it is the students who are the foundation stone of the profession. He also said that the only way to make a difference is to learn with consistency and update one's knowledge and in this era of cutthroat competition every individual should gear up his networking skills to be a successful professional as there are immense opportunities for CS professionals. Kanodia advised the students to be hardworking, honest, confident and to uphold values and ethics as Company Secretaries are the safe keepers of an organisation's conscience.

CS Arun Kr. Khandelia, Vice-Chairman, ICSI-EIRC in his address motivated the students saying that it does not matter from where one belongs, what matters is what plans one has for himself and how ambitious that person really is. He also advised the students to follow the lessons of Swami Vivekananda in their lives.

The Chief Guest of the conference was R. Bandyopadhyay, IAS, Member of the Central Administrative Tribunal, Calcutta Bench, and the Guest of Honour was CS B.P.Dhanuka, Past President,



ICSI.

R Bandyopadhyay, in his deliberation, spoke about the importance and significance of Company Secretaries in the current national and global regulatory environment. He emphasized the exact role of a Company Secretary in the corporate arena and advised the students to be conversant with the laws and regulations. He added that to provide the best possible advice to our respective organizations and clients as a CS we need to be proficiently well versed with the changes in the business environment. He also threw light on the basic ideation behind drafting of the new Companies Bill, and said that the promulgation of the new Act is a step towards globalization and its successful implementation depends on professionals like Company Secretaries and concluded by saying that a true professional would always seek for professional growth by way of learning, sharing and judging.

CS B.P.Dhanuka, Past Chairman, ICSI-EIRC in his deliberation shared the origin of Students Conference which started its journey way back in the eighties and said that students' conference is one of the best platforms for connecting the institute with the students. He said that it's a privilege to be on the dais of a students' conference as it signifies the participation of the torchbearers of the profession, the students.

While concluding CS Deepak Kr. Khaitan, Secretary, ICSI-EIRC pointed out the duties and responsibilities of the students of the Institute, and encouraged for more participation among students in the upcoming years.

In the First Technical Session Dr. Ruma Basu Gomes, renowned faculty, explained the concept of professional excellence. She talked about framing of a roadmap, importance of goals, and also the meaning of role model and what is the true effectiveness of learning. Learning is not confined into any place or time, learning can take place at every single opportunity, Dr. Gomes with the aid of an interesting presentation focused on how to make a difference by way of appropriate learning and evaluation.

Pradip Chopra, Chairman, PS Group the speaker of the Second Technical Session made a presentation on How to get world class learning from the best universities of the world for free. In this global village of technological advancement there should not be any restriction to the best possible education. He delved into the inside of advanced technical and academic learning with the help of world wide web. There was overwhelming response from the students to his presentation as it showed a way of getting education in the most convenient way.

The topic of the Third and Final Session of the conference was Recent Changes in Regulatory Landscape and the speaker was CA Arijit Chakraborty, Practising Chartered Accountant. Chakraborty said that in this ever changing regulatory playfield one has to practice a way to unlearn and relearn simultaneously. He spoke about various regulatory changes taking place in recent times, such as, IFRS, GST, Service Tax, Accounting Standards, Secretarial Standards and other related issues. He deliberately explained the pros and cons of topics like Corporate Governance, SFIO (Serious Fraud Investigation Office), NCLT (National Company Law

Tribunal), Class Action, Auditing Standards to the students. His presentation reflected the alterations in legal standards, and also the kind of consequences it will have upon successful execution.

There were other events which took place in the conference such as, Prize Distribution Ceremony for the meritorious students, Corporate Quiz conducted by Prof. Dilip Shah, Cultural Programme arranged by the students, etc. The Cultural programme was spearheaded by CS Ravi Varma, CS Students Purshottam Vyas and Shipra Dhandhanian. The conference concluded with the promise to keep alive the spirit of the profession by way of learning, sharing, and connecting with each while staying ahead on the road of Professional excellence.

Annual Picnic at Aquatica

On 6.1.2013 the ICSI-EIRC organized its Annual Picnic at Aquatica Water Park, Kolkata, a renowned water theme park. The picnic was attended by members, their family members and CS students. CS (Dr) Navrang Saini, Regional Director, MCA (EAST) graced the picnic with his kind presence and encouraged the participants for various games and competitions. The whole picnic was entertaining filled with interesting games, musical chair competition, dance competitions. At the end prizes were distributed to the winners of the events. The participants enjoyed the picnic and the water sports at the park.

Campus Placement

On 27.11.2012 the ICSI-EIRC organised a Campus Placement Programme for the fresh members and students at ICSI-EIRC. Companies/PCS requiring Members for employment and Students for 15 Months training participated in the programme. Those participated included Stewart & Mackertich Wealth Management Limited, Anjan Kr Roy, Atul Kr Labh, SR & Associates, Balasore Alloys, MR Goenka, Bisra Stone Co. Ltd, S M Gupta & Co., Siddhartha Murarka, Jai Balaji Group, Paragon, Peerless, Simplex, Jayshree Tulsyan, Anmol Biscuits Limited, SREI, Vinod Kothari & Co., Emami. On 24.11.2012 an orientation programme was organized for the candidates at ICSI-EIRC Auditorium, Kolkata in which the candidates were briefed about the process of interview skills by CS Ranjeet Kanodia, Chairman, CS Anjan Kr Roy, Chairman, Placement Committee, CS Arun Khandelia, Vice Chairman, ICSI-EIRC, CS Ashok Pareek, Council Member, the ICSI and CS Rajesh Chura.

Diwali Get-Together

On 17.11.2012 a Diwali Get-Together was organized by ICSI-EIRC. CS Ranjeet Kumar Kanodia, Chairman, ICSI-EIRC on this occasion said that Diwali encourages us to lead a virtuous life in truth, peace and harmony. As company secretaries or future company secretaries it is our job to eradicate the darkness in the annals of business and remove them with the light of fair and transparent corporate governance practices. On this auspicious occasion, a host of games were arranged for the members. The get-together was enjoyed by all including members, EIRO



News From the Institute & Regions

officials and students.

Half Day Workshop on Feeling Great Everyday

On 17.11.2012 the ICSI-EIRC organized a Half-Day Workshop on Feeling Great Every day at Kolkata. Guest Speaker Sister Ashmita of Prajapita Brahma Kumaris, Ishwariya Vishwa Vidyalaya in her address threw light on the benefits of positive thinking and asked the members to start everyday as a new day with purpose and with new and dynamic ideas. She, at the end, gave examples and interesting insights as how to live everyday with positive thoughts.

Earlier, CS Ranjeet Kumar Kanodia, Chairman, ICSI-EIRC, in his address pointed out that Motivation is one of the most important factors determining organizational efficiency. All organizational facilities will go waste in absence of motivated people to utilize the facilities effectively. The performance of human beings in the organization is dependent on the ability to motivate. Highlighting the stressful lives of professionals she said that they require sessions for rejuvenation, and for which the session has been organized.

Regional Rounds of 1st Inter Regional Sports Meet

On 28.11.2012 the ICSI-EIRC organized Regional Rounds of the first Inter Regional sports meet at Space Circle Club at Kolkata for selecting members to represent EIRC. On 2.12.2012 the final rounds of the sports meet was held at Surat. On behalf of EIRC, CS Ashwin Laddha represented EIRC at the final rounds of Hurdle Race and Rock Climbing competitions and CS Sumit Jaiswal represented EIRC in the final rounds of Chess and Carrom competitions. CS Ashwin Laddha won gold medal in hurdle race and silver medal in rock climbing and CS Sumit Jaiswal won gold medal in chess competition. With a tally of three medals (two gold and one silver) EIRC topped the charts and got the number one position in the inter regional sports meet.

Career Awareness Programmes

The Career Awareness Programmes (CAPs) were organised at St. Thomas Girls School, Calcutta Boys School, Khalsa High School Dunlop, M.C. Kejriwal Vidyapith, Birla High School (Boys), Shri Gurudas College, Shri Maheshwari Girls School, Savitri Girls College, Julien Day Kalyani, St. Augustine Day School, Mahavir Institute of Education & Research where presentation was given to the students on "Career as a Company Secretary" by S.Sreejesh, Desk Officer (Career Awareness). The career awareness programmes were conducted at Global Institute of Science & Technology and Haldia Law College at Haldia in P.Midnapore District by Utpal Mukherjee, Tapas Kr. Roy and Gautam Mullick, ICSI-EIRO officials where they gave an insight to the students about the opportunities available to the profession of

Company Secretaries.

BHUBANESWAR CHAPTER Career Awareness Programmes

The Chapter organized eight Career Awareness Programmes covering four districts of Odisha at the following colleges: On 21.12.2012 the Career Awareness Programme was held at Naami College, Naami, Bhadrak; on 22.12.2012 at Anchalika Mahavidyalaya, Hatadih, Biswatarini Women's College, Chenapada and Anandpur College, Anandpur, Dist: Keonjhar; on 26.12.2012 at Tihidi Degree College, Tihidi, Bhadrak; on 27.12.2012 at Balikhand Degree College, Balikhand, Dist: Balasore and Nabaghana College, Naikanidhi, Bhadrak and on 12.1.2013 at Pathani Samanta Mahavidyalaya, Khandapada, Nayagarh. Principals, HODs of various departments participated in the above Institutions/Colleges and cooperated for success of the programmes. While CS A.K. Nayak addressed at Bhadrak, Balasore and Keonjhar district of Odisha, CS A. Acharya, Chairman, CS D. Mohapatra, Secretary & CS P. Nayak addressed at Nayagarh district of Odisha. The speakers of the programme nicely elaborated and explained the students about the CS course contents, examination patterns, fee structure, coaching, library and other training facilities available at ICSI. Principals and HODs of the above Institutions also explained the students the purpose of such programmes and also requested the speakers to organize similar programmes every year. CS brochures, posters were distributed amongst the students. ICSI Teacher's kits were also presented to the colleges. The programmes were coordinated by U.C. Mishra, Chapter Official.

Investor Awareness Programmes

On 28.12.2012 the Chapter conducted Investor Awareness Programme at Bhubaneswar. Again on 12.1.2013 another Programme was held at P.S. College, Khandapada and Singhaopada areas under Nayagarh district of Odisha. The programmes were held under the aegis of IEPF, MCA, Govt. of India. The Registrar of Companies, MCA, Odisha and the Regional Director (E), MCA co-ordinated the above programmes. Investors/general public, school/college teachers, housewives, advocates, members of the Institute and students, small traders and businessmen attended these programmes. CS B.K. Sahu, Dy. Company Secretary, M/s. Nalco, Bhubaneswar, CS A. Acharya, Chairman, CS D. Mohapatra, Secretary, CS P. Nayak, Treasurer of the Chapter addressed in the programmes. Jagdish, Administrative Officer Bursar P.S. College did a lot for the success of the programme. U.C. Mishra, Chapter Official co-ordinated for success of the programmes.

Annual Members Get-together

On 28.12.2012, Bhubaneswar Chapter organized a meeting for the members at its premises wherein a lot of interaction were made between the members in employment and also in practice for further development of the profession and also the Chapter.



Lecture Meet on Personality Development & Success

On 7.1.2013, Bhubaneswar Chapter organized a lecture meet on Personality Development & Success which was addressed by CA Leena, Prajapita Brahmakumar, Bhubaneswar. During the programme, human behavior, life skill, yoga, meditation and how to become successful in life were presented before the participants. Around 70 members and students attended the programme. CS J.B. Das, immediate past Chairman, CS A. Acharya, Chairman, CS M.R. Mishra, Vice Chairman, CS D. Mohapatra, Secretary & CS P. Nayak and other members of the Managing Committee of the Chapter were present at the meeting.

Talk on Multi Linguistic & India's Future

On 8.1.2013 the Chapter organized an evening talk on Multi linguistic and India's Future at its premises. The programme was addressed by Dr. Panchanan Mohanty, Prof. in applied Linguistic & Coordinator, Centre for Endangered Languages in University of Hyderabad. The programme was attended by members and students of the Chapter.

Annual Members Family Picnic

On 13.01.2013, the Chapter arranged its annual members' family get-together-cum picnic at Ugratara, a picnic spot of Odisha. Around 50 participants attended the programme. The Get-together-cum-picnic was followed by game, quiz and songs amongst the participants.

HOOGLY CHAPTER

Friendship Cup Cricket

On 20.1.2013 the first ever "Friendship Cup Cricket" was organized by Hooghly Chapter of EIRC of the ICSI at Aditya Birla Vani Bharti School, Rishra. The teams which participated in this tournament were MCA (Ministry of Corporate Affairs), CSE (Calcutta Stock Exchange Ltd.), ICSI-Members and ICSI-Students. Raj Kumar Basu was the Captain of MCA team, Suman Deb was the Captain of CSE team, Anil Dubey was the Captain of ICSI Members team and Prateek Kabra was the Captain of ICSI Students team. Dr. Navrang Saini, Regional Director (Eastern Region), Ministry of Corporate Affairs, Govt. of India graced the occasion with his august presence and encouraged the teams to give their best. The final match was played between the teams of CSE and ICSI Students. ICSI students team won the final match with the help of blistering knock of by Raghav Kothari who was also adjudged Man-of-the-match. Kamal Singh of CSE team bagged the Man-of-the-Series Award. CS Gautam Dugar, CS Ashok Purohit gave the winner and runner-up trophies to the ICSI Students team and CSE team respectively.

> Northern India Regional Council

Seminar on Be a Winner - Time to Outshine

On 12.1.2013 the Regional Council organized a one day seminar on "Be a Winner-Time to Outshine" at New Delhi. Dr. Sandeep Srivastava, Commissioner, Customs & Central Excise, Noida was the Chief Guest. Central and Regional Council Members and around 350 members were present in the inaugural session of the seminar.

Inaugural session: CS Rajiv Bajaj in his welcome address said that it being last seminar in his tenure as Chairman, NIRC holds emotional value for him. While addressing the gathering, he mentioned that lot of challenges are there for all the professionals across India and that these challenges are less than the challenges in the other parts of the world. He briefly touched upon the topic of the seminar and assured that members will be immensely benefitted by attending the seminar. He gave a presentation covering all the activities done by NIRC in the year 2012.

CS Atul Mittal, Central Council Member while addressing the gathering complimented Chairman, NIRC and his entire team for the successful completion of the year 2012. He by referring to the topic of the seminar said that in the process somebody will win and the other will lose but by this loss one gets to know the strategy how to win next time.

Dr. Sandeep Srivastava in his address said that as Indians we are born leaders and therefore we are winners. He said that as our country is passing through a rough patch, we need to boost our morale and contribute in the capacity building of the organisation where we are working. He also said that due to frequent regulatory changes our progressive approach should go an extra mile. In order to survive in this competitive environment we need to uplift our skills, aptitude and altitude. He suggested for setting the goals and formulating strategy for achievement of these goals. He also mentioned that designated targets/goals can be achieved by working in the team as team leader. He suggested that inductive training is important to train ourselves as leaders and also organise training programmes for team members also.

On the occasion the awards and participation certificates of the Research Paper competition were distributed to the winners and participants.

A memento and photo album was presented by Regional Council Members to CS Rajiv Bajaj in appreciation of his contribution as Chairman, NIRC for the year 2012.



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After inauguration of the seminar Vijay Batra, Management Guru took the session on "Be a Winner - Time to Outshine".

UP & Uttarakhand State Conference

On 6.1.2013 at the UP & Uttarakhand State Conference Sriprakash Jaiswal, Hon'ble Minister of Coal, Government of India was the Chief Guest. The speakers were CS Nesar Ahmad, then President, the ICSI, CS Rajiv Bajaj, CS NPS Chawla, CS Ranjeet Pandey, CS Lalit Kumar and CS Gaurav Arora.

Inauguration of Renovated Building of NIRC

On 16.1.2013 at the Inauguration of Renovated Building of NIRC, CS Nesar Ahmad, CS M.S. Sahoo and CS Rajiv Bajaj were the speakers.

Vaishali Study Circle Meeting on Practical Aspects of Postal Ballot Rules

On 8.12.2012 at the Vaishali Study Circle Meeting on Practical Aspects of Postal Ballot Rules CS K.K. Kohli was the speaker.

HR Conclave on Company Secretary: A Key Managerial Personnel

On 14.12.2012 at the HR Conclave on Company Secretary: A Key Managerial Personnel the speakers were CS Nesar Ahmad, then President, the ICSI, CS Ajit Yadav, President & Group General Counsel, Vedanta Resources, CS Lalit Jain, Senior Vice President, Jubilant Life Sciences Limited and Anupam Malik, Joint Labour Commissioner, Haryana.

First All Regional Councils Joint Programme in Northern Region and Punjab State Conference on Empowering SMEs and Going Beyond

On 15.12.2012 NIRC of the ICSI (Host Jalandhar Chapter) conducted Punjab State conference of ICSI with joint participation of EIRC, SIRC, WIRC at Jalandhar. The theme of the conference was 'Empowering SME's and Going Beyond', jointly participated by members of the ICSI, Trade and Industry. It was a conference - first of its kind held in Jalandhar to provide a common platform to Small and Medium Enterprises (SMEs) at large and company secretaries from all the four regions of India to make the industry aware about the enormous potential in the SME sector and to leverage the entrepreneurial capability in right prospective for growth through professional governance and the role of company secretaries in different arenas. The focus of the conference was to evaluate the areas for improvisation and system to build value, add controls and improve transparency through better corporate governance and also key issues like SMEs funding through equity and debt, financial and operational restructuring and re-engineering of processes and Management. Company Secretaries, CEOs and Entrepreneurs from Trade and Industry,

Banking and Insurance sector besides other professionals across the country attended the conference. Justice Narinder Kumar Sud, Judge Punjab & Haryana High Court and Lokyukta Haryana (Retd.) Chief Guest, S.S. Samra, Managing Director, Capital Local Area Bank Ltd. the Guest of Honour inaugurated the conference. Rajiv Bajaj, Chairman, NIRC of the ICSI, CS Mahavir Lunawat, Chairman WIRC of the ICSI graced the Conference on behalf of Regional Councils of ICSI. Chief organizers of the conference included CS Ranjeet Pandey, Chairman, Capacity Building & Value Creation Committee, NIRC, CS M G Jindal, Vice-Chairman, NIRC, eminent Company Secretaries of Jalandhar CS Prof Vijay Gupta, Chairman Jalandhar Chapter, CS Dinesh Gupta, Founder Chairman, Jalandhar Chapter, CS Parminder Rally, CS Aman Setia and CS Amit Vinayak, CS Ankit Gandhi. The gathering at the conference addressed by eminent speakers included Rajiv Chawla, an SME entrepreneur and Chairman IamSME, Australian research scholar, Ambika Zutshi, Senior Academician Deakin University Melbourne, Speakers from BSE Stock Exchange Ajay Thakur Business Head, SIDBI GM V. Swaroop and Amit Sethi, AGM, SEMERA credit rating Agency, Chayan Gulati, Head North, SBOP Director Ashwani Gupta, Satwinder Singh, Senior Partner Vaish Associates. The speakers enlightened upon issues pertinent to SME Sector like SME Exchange and debt financing by banks and Financial Institutions to SMEs respectively. Also speakers deliberated on the emerging success tool of Business Process Reengineering for the SMEs. The conference was the collaborative effort of professionals, industry and Government for revitalization of the SME segment. The conference was attended by more than 300 delegates from the Profession all across the country and SME of Punjab. The Conference was followed by Punjabi Cultural Programme. Jalandhar Chapter (hosted by: Amritsar Chapter) also organized a trip to historical city of Amritsar for delegates of the conference who then visited the historical Golden Temple, Jalianwala Bagh and Wagha Border.

Study Circle Meeting on Joint Venture Agreement

On 18.12.2012 at the Study Circle Meeting on Joint Venture Agreement Divya Varghese, Manish Gaurav, Senior Associates, INDUSLAW, Delhi were the speakers..

Meeting of Company Secretaries in Practice on Societies & Firms - Regulatory & Compliances

On 21.12.2012 at the Meeting of Company Secretaries in Practice on Societies & Firms - Regulatory & Compliances, Virender Singh. Asstt. Commissioner, Firms & Societies, Government of Delhi was the speaker.

One Day Seminar on Embracing Information Technologies for Professional Excellence

On 22.12.2012 at the One Day Seminar on Embracing Information



Technologies for Professional Excellence Guest of Honour was CS Dhan Raj, Member, Company Law Board; Key-note Speaker was Pavan Duggal, Senior Advocate; Special Address was by CS N.K. Jain, then Secretary & CEO, the ICSI; Guest Speakers were Nivedan Sahani, President, Navayuga Spatial Technologies; Karnika Seth, Managing Partner, Seth Associates; Sukumar Dutta, Lead and Business Community Head (India) - Oracle Technologies, Steria; Dr. Triveni Singh, DSP, Cyber Crime Cell, NOIDA Police and Samir Datt, Director, Foundation Futuristic Technologies (P) Ltd.

East Zone Study Group Meeting on Drafting to the Reply of Show Cause Notices

On 22.12.2012 at the East Zone Study Group Meeting on the above topic CS P.K. Mittal was the speaker.

North Zone Study Group Meeting on Interactive Discussion on Challenges & Opportunities of CS

On 23.12.2012 at the North Zone Study Group Meeting on the above topic CS Vineet K Chaudhary was the speaker.

Opportunities for Company Secretaries under the Companies Bill, 2012

On 28.12.2012 at a programme on the above topic CS Ajay Garg was the speaker.

Career Awareness Programmes

The Regional Council organised five Career Awareness Programmes during the month of December, 2012 in various schools & colleges located in and around Delhi. CS J K Bareja and Himanshu Sharma addressed in these programmes. The students were apprised about the mode of registration in the course, syllabus, structure of the course and also the avenues available after completion of the Company Secretaryship Course both in employment and in practice.

CHANDIGARH CHAPTER

Seminar on Audit under Labour Laws

On 20.12.2012 the Chandigarh Chapter of NIRC of the ICSI organized a seminar on Audit under Labour Laws - Significance and Avenues. Anupam Malik, Joint Labour Commissioner, Haryana was the key speaker who made an elaborate power point presentation on various concepts of Audit under Labour Laws. Anupam Malik covered all the aspects of the labour Audit in his presentation. At the end during the question answer session the queries raised by the participants were replied by the speaker. The seminar was attended by a good number of members and students. G.S. Sarin, Chapter Secretary

coordinated the seminar.

MEERUT CHAPTER

Webcasting of Seminar on Embracing Information Technologies for Professional Excellence

On 22.12.2012 Meerut Chapter of NIRC of the ICSI conducted Webcasting of Seminar on Embracing Information Technologies for Professional Excellence at Meerut Contact Centre, Department of Commerce, Meerut College, Meerut.

Cultural Programme

On 29.12.2012 as a part of cultural activities, the Chapter organized an evening of Shaam-E-Ghazal on the eve of New Year. CS Members with their families and friends participated in good number to make the evening memorable. Blessed with sweet and melodious voice and refreshingly original expressive style of Ghazal singing Sunil K. Rahi, eminent Ghazal Singer with musicians Imran Arsh Khan on Tabla and Ghulam Farid Khan on Sarangi made the evening unforgettable.

MODINAGAR CHAPTER

Investor Awareness Programme on Mutual Fund

On 23.12.2012 the Chapter organized Investor Awareness Programme on Mutual Fund at Conference Hall of CMD, Modinagar. The programme was attended by a large number of professional members, Investors, faculties and students.

CS Rajiv Bajaj was the guest speaker of the programme. CS M.K. Singhal, CS S.K. Sharma, CS Deepak Garg highlighted various provisions, tips, options available for investors in Mutual Funds. Investors' safeguard with several Dos and Don'ts before investing in mutual funds were also explained to the participants. Queries raised by the participants were replied suitably by the guest speaker.

Southern India Regional Council

Two day Residential Seminar on Corporate Law Updates

On 1 and 2.12.2012 the ICSI-SIRC organized a two day residential programme at Chennai. On 1.12.2012 at the First Technical Session handled by CS V N Shiv Shankar, Founder, VNS Legal, Chennai on 'FDI and Foreign Exchange Regulations - Updates', the speaker spoke elaborately on the types of overseas



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investment, background of the FDI, its key features, regulatory framework of FDI and key elements involved in a FDI transaction. V N Shiv Shankar also threw light on the regulatory issues pertaining to the foreign investor, investee entity, sectoral norms, pricing, instruments, mode of investment and indirect FDI.

Niranjan V, Advocate, Chennai spoke in the Second Session on Recent Developments in Indian Company Law - Section 111A - Oppression and Mismanagement Schemes for Amalgamation. The speaker dealt with the session in a lucid manner on company law aptly supported by case laws.

Pattabhi Ram V, Management Consultant, Chennai was the speaker for the Third Session on Management lessons from unusual examples. In his address to the delegates he narrated the examples of the personalities to take lessons from their life to be successful in the profession.

On 2.12.2012, the Fourth Technical Session was handled by CS Hari K, Vice President, National Stock Exchange, Mumbai on Recent Amendments in Listing Agreement - and NSE-SME platform. Hari explained the delegates on the regulatory framework of SMEs. He opined that the SME platform is a new and good opportunity for emerging companies for raising capital and explained the ways of raising capital. The delegates actively interacted with the speakers.

Campus Interview

On 12.12.2012 the ICSI-SIRC organized a Campus Placement drive at ICSI-SIRC House, Chennai for members and students for undergoing 15 months training. Twenty seven members and twelve students participated in the event. Some of the participants appeared in more than one company/PCS. Ten companies and fifteen Practising Company Secretaries participated in the Campus Placement. All the Companies and PCS, shortlisted the candidates based on the interview. Besides, the Joint Director, ICSI - SIRO, CS Ramasubramaniam C, Chairman, Placement Committee, ICSI - SIRC, CS Sandeep S & CS A Rengarajan, Members, Placement Committee, ICSI - SIRC and CS A Mohan Kumar, DGM, Legal & Company Secretary, Allsec Technologies Limited, Chennai supervised the conduct of the campus placement.

Investor Awareness Programmes

On 20.12.2012 the ICSI-SIRC organized an Investor Awareness Programme at Shri Krishnaswamy College for Women, Chennai. The programme was sponsored by the Ministry of Corporate Affairs, Government of India.

E Selvaraj, Regional Director, Southern Region, Ministry of Corporate Affairs, Chennai made a special address at the programme. He explained the various initiatives taken by the Ministry to educate the investors.

M V Swaminath, Manager, Operations, Madras Stock Exchange, Chennai was the speaker at the programme. He spoke on the overall capital market of India, stock market, primary and

secondary markets. Swaminath explained in detail the ways of investing in the stock market by individual investors.

Dr. K P Malathi Shiri, Principal of the College thanked the Ministry and ICSI-SIRC for conducting the Investor Awareness Programme in their college. Sarah Arokiaswamy, Joint Director, ICSI-SIRC was also present at the programme. The programme was attended by both faculty members and students.

Again on 22.12.2012 the ICSI-SIRC, in association with the FICCI organized an Investor Awareness Programme at ICSI-SIRC House, Chennai. The programme was sponsored by the Ministry of Corporate Affairs, Government of India.

P Murari, IAS [Retired], Advisor to President, FICCI & Former Secretary to President of India, made a special address at the programme. E Selvaraj, Regional Director, Southern Region, Ministry of Corporate Affairs, Chennai presided over the programme. He explained the various initiatives taken by the Ministry to educate the investors.

V Nagappan, Chairman, MSE Institute of Capital Markets, Chennai was the speaker for the programme. He spoke on 'Personal Finance: Dos and Don'ts. Nagappan elaborated the members on the overall view of the past and present scenario of the capital market in India. Nagappan gave valuable tips to the members on investing on the share market. The members actively participated in the discussion which followed his address.

Career Awareness Programmes

The ICSI-SIRC organized Career Awareness Programmes in the following colleges: On 18.12.2012 at Holy Cross College, Trichy, Jamal Mohammed College, Evening Shift for Girls and Urumu Dhanalakshmi College, Evening, Trichy. On 19.12.2012 at Srimad Andavan Arts & Science College, Jamal Mohammed College, Day Shift for Boys and Bishop Heber College, Trichy. On 20.12.2012 at Shivani School of Business Management, Periyar EVR Government College of Arts & Science and Cauvery College of Arts & Science, Trichy. On 21.12.2012 at Bharathidasan University Constituent College and Srinivasan College of Arts & Science, Perambalur.

Dr.V.Balaji, Assistant Education Officer, ICSI - SIRO conducted the programmes in the above colleges. Dr. T K Sridhar, Student Counsellor, The ICSI from Trichy accompanied in addressing the colleges at Trichy. Perambalur district is one of the backward districts in Tamilnadu. The Bharathidasan University started its own constituent College at Perambalur for the benefit of economically backward students. One CAP was conducted there on 21.12.2012. Dr. K Sekhar, Syndicate Member and Senior Professor of the Bharathidasan University, Trichy who was on official visit to the College for some other purpose, spent time at our programme for 30 minutes. In his address he thanked the ICSI-SIRC for their initiative in conducting the CAP in that College. He also assured for any assistance from Bharathidasan University regarding conducting CAPs in Trichy or adjoining places.

The speakers explained in detail about the CS course. The film



and the power point presentation about the CS course were shown to the students. The faculties of the colleges were also requested personally to explain about the course to the students. Pamphlets and teachers' kit were distributed to the students and faculty members respectively.

Chennai West Study Circle

On 16.1.2012 the Chennai West Study Circle was inaugurated by the then Registrar of Companies, Tamil Nadu R.C. Davey. Thereafter in the last one year, various programmes on the current topics were organised. Many eminent personalities shared their knowledge with the Study Circle members.

BANGALORE CHAPTER

Campus Placement

On 1.12.2012 the Bangalore Chapter of SIRC of the ICSI organised first ever campus placement programme in association with the Dept. of Training & Placement, ICSI, New Delhi at Alliance Business Academy, BTM Layout, Bangalore. Twenty one companies inclusive of 4 Practising Company Secretaries and 1 Chartered Accountants' Firm and about 58 students/members participated in the Campus Placement Programme. There in 2 members and 8 trainees were selected on the spot. However many Companies shortlisted candidates, both members and students for final round of interview at their place. The candidates from Hubli, Hyderabad, Delhi, Coimbatore and Kochi participated in the Campus Placement Programme. Around 58 students and members participated in the event. Some of the participants appeared for more than one company/PCS/PCA and 132 candidates were interviewed by the Companies/PCS. The Campus Placement was successfully conducted with the guidance and support of Sanjay Nagar, Joint Director, Dte. of Training & Placement, S. Kannan, Chairman, Bangalore Chapter, Srinivasan R., Chairman, Sub-Committee for Placement and S.C. Sharada, Secretary, Bangalore Chapter of the ICSI and officials of the Bangalore Chapter and Dte. of Training & Placement, ICSI, New Delhi. On 30.11.2012 the Orientation programme (Campus to Corporate) for the participants was also conducted at Bangalore Chapter in which around 30 candidates participated.

Valedictory Function of 11th Management Skills Orientation Programme (MSOP)

On 6.12.2012 the Bangalore Chapter SIRC of the ICSI organised the valedictory function of its 11th Management Skills Orientation Programme (MSOP). CS Dwarakanath C, Vice Chairman, SIRC of the ICSI & Ex-Officio of Bangalore Chapter of the ICSI was the Chief Guest. Manjunath S and B.S. Venkatanarayana, Participants, shared their feedback about the MSOP Programme. The Chief Guest in his address to the participants stated that the most important role of Company Secretary is to bring in compliance and integrity in the

organization and advised to hone their leadership skills. He stated that above all this was the need to enjoy one's work, maintain high levels of integrity and honesty and learn to be a team player and add value to any work undertaken. The Chief Guest then distributed the Best Participant award to B.S. Venkatanarayana and the prizes for the Best Project to the team consisting of B.S. Venkatanarayana, Neha Jain and Pramita Ray for the Project on "Appearance before the CLB".

Career Awareness Programmes

On 11.12.2012 the Bangalore Chapter of SIRC of the ICSI conducted two Career Awareness Programmes in association with Rotary Club, Indiranagar, Bangalore at Kairali Nikethan Educational Trust, Bangalore for II PU students. Noor Sumayya, Asst. Education Officer, Bangalore Chapter of the ICSI addressed the students. The Speaker explained in detail the course offered by the Institute and the criteria for eligibility for the course, examination, requirements of training etc, the role of Company Secretary and importance of the profession of Company Secretary in the changing economic scenario. She also highlighted the opportunities available to anyone who has completed the Company Secretaryship course. She further enumerated the emerging areas of practice and the changing role of a Company Secretary. She also focused on what would be the mindset and preparation required from a student who wanted to pursue the Company Secretaryship Course. Brochures explaining the Company Secretaryship Course were distributed to the students. The Programme was well attended by 120 students in the first batch from 1.30 P.M. to 2.30 P.M. and 100 students in the second batch from 2.30 P.M. to 3.30 P.M.

Bannerghatta Study Circle Meeting

On 11.12.2012 at the Bannerghatta Study Circle Meeting on XBRL-Regulator Perspective held at GMR Group, IBC Knowledge Park, Bangalore, Sehar Ponraj, Dy. Registrar of Companies, Karnataka was the speaker. Ponraj made an introductory note on the applicability of XBRL to companies in India, exempted companies, filing of cost audit report in XBRL and legislator's reason to introduce XBRL. Later, the speaker interacted with the audience clarifying their queries especially on various issues faced by the professionals while filing and uploading the XBRL forms. The session was attended by 49 members.

Study Circle Meeting on an Insight in to Cost Accounting Records Rules 2011 and Cost Audit Rules 2011

On 13.12.2011 the Bangalore Chapter of the ICSI organised a Study Circle Meeting on An Insight in to Cost Accounting Records Rules 2011 and Cost Audit Rules 2011 at its premises. Vishwanath Bhat, Cost Accountant, Vishwanath Bhat & Co., Bangalore was the speaker who in his presentation explained in detail the costing compliance and cost accounting record rules as per the Central Government. The cost audit report rules, its



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notifications and the products covered was also covered in detail. He also emphasised on cost audit format its contents and the procedure for appointment of cost auditor. The meeting was well attended by around 20 members.

Half day Seminar on the game theory of Corporate Behaviour Oppression and Mismanagement - A Lawyer's Perspective

On 15.12.2012 the Chapter organised a Half Day Seminar on The Game Theory of Corporate Behaviour Oppression and Mismanagement - A Lawyer's Perspective at Bangalore. B.C. Thiruvengadam, Senior Partner, Thiru & Thiru, Advocates, Solicitors & I.P.R. Attorneys, Bangalore was the speaker. The Speaker in his presentation on The Game Theory of Corporate Behaviour Oppression and Mismanagement - A Lawyer's Perspective highlighted the outcome of a proceeding under Sections 397 and 398 of the Companies Act which is a double-edged sword. He stated that it is largely dependent on detailed strategic approach involving meticulous planning of several days or months, factoring-in anticipated risks, opportunities and options of the complainant or respondents. He then covered the scope and purport of sections 397 and 398 of the Companies Act 1956, the jurisdictional powers and limits of the Company Law Board. The concepts of corporate rights, duties of members and persons in control of a company were also dealt with in detail. He then explained that it is intended to examine as to what would constitute acts of oppression and mismanagement, what it would mean to maintain or defend such proceedings and the logic of reaching a settlement. The seminar was very well attended by 76 members and students.

Half Day Seminar on Leveraging VOBO for Enhancing Effectiveness

On 22.12.2012 the Bangalore Chapter of SIRC of the ICSI organised a Half Day Seminar on Leveraging VOBO for enhancing Effectiveness (VOBO = Voice and Body Language) at Bangalore. Dr. Ushy Mohan Das, Member, National Education Commission, VP, National Women's Dental Council, Columnist and Behavioural Therapist and Chandramouli, TV Artist, Bangalore were the Speakers. Dr. Ushy Mohan Das in her presentation on "Voice Modulation" emphasised on importance of Connecting with people by developing Vocal Power, Dynamic Range and Expressiveness for conveying the desired messages to the end receiver. She then highlighted the benefits of breathing as a springboard and a very important tool for effective communication. Speaking effectively and effortlessly adding emphasis to certain required points of speech was also majorly covered. The Importance of Modulation in voice & projection of tonality was dealt in brief and she also gave some quick tips on reducing vocal fatigue & strain for a prolonged effective communication.

Thereafter Chandramouli presenting on "Body Language" entrusted on basic effective posturing of body for developing and enhancing better stage presence. He then emphasised on building confidence for interpersonal communication by overcoming physical, mental and creative boundaries. There was a very lively interaction by the 46 Members present.

COCHIN CHAPTER

Professional Development Programme - Companies Bill 2012

On 9.1.2013 the Kochi Chapter of SIRC of the ICSI conducted a Professional Development Programme on Companies Bill 2012 at NIPM Hall Ernakulam. CS Asish Mohan Director and Chief Consultant of M/s. Artis Management Consultants Pvt. Ltd., Ernakulam was the speaker of the session. The programme was well attended by many members and students. The programme was presented in two parts, the first part dealing with the general details of the new Bill and the second part was an interactive session wherein the speaker interacted with the audience to clarify their queries.

The first part dealt with in detail about the latest changes in the Companies Bill, the role of Company Secretary in the new Bill, challenges of, opportunities in and compliances under the Bill, the role of other professionals with respect to it and other allied matters. The second part was a very lively interaction with the audience wherein the speaker clearly replied the queries raised. The senior members of the profession who attended the programme also expressed their opinions on various provisions of the Bill. The session on the whole was very informative, updated and a lively experience.

HYDERABAD CHAPTER

6th Residential Programme on Pursuit of Happiness

On 17 and 18.11.2012 the Chapter organised the 6th Residential Programme on Pursuit of Happiness at Summer Green Resorts. CA Yandamoori Veerendranath, Chartered Accountant & Author and Motivational Speaker in his address spoke on how to be no.1, purpose of life, how to develop personality, Financial Mapping, Winning ways, space management, anger management, time management, emotions due to stress, management & relaxation techniques and also discussed on top ten strategies for widely effective stress management. He also interacted with the participants and shared his experience. Dr Diana Monteiro, Director - Hyderabad Academy of Psychology in her address emphasized on Materialistic Approach, Spiritualistic Approach, Materialistic Success and Spiritualistic Success. The session included ways to overcome pressures when a person feels over-burdened. He also emphasized about the power of brain. The capacity of human brain and the wonders we can do by using our brain. The speaker differentiated and explained the difference between



Stress, Tension, Worry and Anxiety.

On the Second Day Revathi Turaga, International Trainer & Inspirational Speaker in her address covered Work Life Balance, Managing Emotions - Anger Control & Family First. She interacted with the participants and emphasized on appreciation techniques, eye contact, relaxation etc.

Study Circle Meeting on Defending the Board - D & O Liability Insurance

On 27.11.2012 the Chapter organized a Study Circle Meeting on Defending the Board -D-O Liability Insurance. P. Umesh, Sr. Vice President - South, Raheja QBE General Insurance Company Limited, a Specialist insurance Company was the speaker who spoke on D & O liability and its increasing significance towards risk mitigation measure.

CSR Week

From 17 to 22.12.2012 the Chapter organized the Corporate Social Responsibility week. During the week, the Chapter organized Road safety awareness, Tree Plantation, Blood Donation & eye donation pledging, financial inclusion awareness, Investor Protection, Career Awareness Programmes and other social activities. CS Balachandra, CS Mohit Kamdar, CS Manjunath, CS Vikas Sirohiya, CS Kumar Ankit and CS Rahul Jain actively participated in the CSR Week Celebrations.

Corporate Social Responsibility & Role of Company Secretary

On 17.12. 2012 the Chapter organized a programme on Corporate Social Responsibility & Role of Company Secretary. Dr. V. Raghunathan, Chief Executive - GMR Varalakshmi Foundaton & P. Seshadri, Management Consultant & Trainer were the speakers. They spoke on Corporate Social responsibility, Corporate Citizenship, its implications, etc.

Financial Inclusion - Investment Planning

On 20.12.2012 the Chapter organized a SEBI financial education workshop on financial inclusion -investment planning at its premises. Members and students of ICSI-Hyderabad Chapter and Company Secretaries from the Twin Cities participated in the programme.

Srikanth, AGM, SEBI explained the concept of Vision & Mission and SEBI Financial Education.

CS Ahalada Rao.V, Resource Person, spoke on the importance of Investment Planning for Executives, Financial Education, Financial Planning, inflation, investment, Risk & Return, Smart Goals, Compounding Rule of 72, Products, how not to lose money and Retirement Planning. He explained about SEBI's feedback practices. SEBI has launched a toll free helpline service for the investors on December, 30, 2011. The services were available in 11 languages-English, Hindi, Marathi, Gujarati, Tamil, Bengali, Malayalam, Telugu, Urdu, Oriya and Punjabi

initially. The regulators also provide assistance on transfer of shares and IPOs. However, it does not offer legal opinion or investment advice. Investors may dial toll free number 1800 22 7575 from Monday to Friday between 9.30 am and 5.30 pm for availing of this service. The audience comprised of Members and Students of ICSI-Hyderabad Chapter and Company Secretaries of Twin Cities numbering more than 120. The entire session was lively and interactive. The appropriate and humorous clippings at the respective topics evoked much interest in the subject. The programme was well received and appreciated by the Members and Students of ICSI-Hyderabad Chapter and their queries/doubts replied/clarified.

Shujat Bin Ali, Chairman, ICSI-Hyderabad Chapter appreciated Srikanth, AGM-SEBI, for his detailed deliberations and the way he responded to each and every query of the students of the ICSI-Hyderabad Chapter.

Sankalp Cultural & Star Evening

On 23.12.2012 the Chapter organized a Sankalp Cultural & Star Evening. The show was conducted by renowned Tollywood Singers, Hema Chandra, Simha, Sudha Mayi and dance performances by Aditya, Cine Actor, by Bobby dance troupe including comedy act by Galipatala Sudhakar and others.

Dr. Akkineni Nageswara Rao, Padma Vibhushan Award Winner was the Chief Guest and Tanikella Bharani, Allu Ramalingaiah National Award Winner was the Guest of Honour. Donations for the pioneering programme poured in despite the economic recession and global melt down. With the active participation of various members, the Chapter also brought out a Souvenir to mark the occasion for which 43 practising company secretaries donated about Rs. 5000/- each. The programme was attended by about 900 participants from various walks of life including officers from ROC, Bank Officials etc. Sponsors were immensely satisfied with the turnout and enthusiasm of the overwhelming crowd.

Full Day Seminar on Curtain Raiser to Companies Bill, 2012

On 28.12.2012 the Chapter organized a Full Day Seminar on Curtain Raiser to Companies Bill, 2012 held at Katriya Hotel. CS Shujath Bin Ali, Chapter Chairman in his welcome address spoke on the highlights of the Companies Bill.

CS C. Sudhir Babu, Council Member of the ICSI, spoke on enhanced role of CS and responsibilities that have been inserted in the New Companies Bill as well as the opportunities that are available in the form of NCLT.

P. R Ramesh, Chairman - Deloitte India being the Chief Guest of the function inaugurated the programme. In his address he welcomed the New Legislation. He emphasized that it is in tune with the present times. However he was reprehensive about the excessive delegated legislations. He concluded that only upon knowing the various prescriptions that described various provisions, the real picture could emerge.

Sanjay Kumar Jain, Partner, Walker, Chandio & Co presented



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the overview of Accounts of the Company, - Books of Accounts, Financial Statements, Boards Report, Corporate Social Responsibility, Audit and Auditors, Appointment of Auditor(s), Mandatory Rotation Rules, Auditors Report, Non-audit Services, etc.

CS Pavan Kumar Bhattiprolu, Proprietor, BPK & Associates, Company Secretary spoke on the policy decisions, Key Managerial Personnel, Promoter, Related party, Accounting Standards, Associate Company, Auditing Standards, Authorized Capital, Books Of Accounts, Independent Director, Interested Director and Global Depository Receipts, etc.

CS S. Chidambaram, Company Secretary in Practice emphasized on Chapter XV - Compromises, Arrangements and Amalgamations, Chapter XVI - Prevention of Oppression and Mismanagement, Chapter XXVII - National Company Law Tribunal and Appellate Tribunal.

CS Rahul Jain, Company Secretary in Practice, in his address spoke on Management & Administration, New concepts, Modified provisions, 'Status quo' provisions, Removed provisions, Interpretation issues/Practical problems, etc.

CS G. Raghu Babu, Company Secretary in Practice emphasized on appointment and remuneration of Managerial personnel, Approval process, Appointment of MD/WT/Manager, Overall Maximum Remuneration, Managerial remuneration, Appointment of key managerial personnel, Secretarial Audit, Function of CS, etc.

CS P. S. Rao, Company Secretary in Practice spoke on prospectus and allotment of securities, Issue of shares, Public offer & Private Placement, (Section 23), power of SEBI, Shelf Prospectus, Red Herring Prospectus, private placement, share capital and debentures, Debentures, Dividend, prospectus and allotment of securities etc.

Western India Regional Council

Inauguration of new Chapter Office at Bhayander

On 28.12.2012 Nesar Ahmad, then President, the ICSI inaugurated the 67th Chapter Office of The Institute, Western Region in the gracious presence of Catleen Pereira, Hon'ble Mayor, Bhayander Municipal Corporation, Suresh Khandelwal, Hon'ble Corporator, Mira Bhayander Municipal Corporation, M.S.Sahoo, then Secretary Designate, the ICSI, S. N. Ananthasubramanian, then Vice President, the ICSI and MahavirLunawat, Chairman, ICSI-WIRC at a prime location of Bhayander at Shop no. 3, RoopRajat Plaza, Near Reena Mehta College, opposite Maxus Mall.

Catleen Pereira, graced the occasion and mentioned that it was a matter of privilege of Bhayander region to have a Chapter Office of ICSI, India's premier Institute which creates world class corporate governance professionals.

Sunil Khandelwal, welcomed the ICSI move to open new Chapter Office at Bhayander.

Uma Mondal was unanimously elected as the first Chairperson of the Managing Committee of Bhayander Chapter. Praveen Soni was elected as Secretary of the Chapter.

M S Sahoo, newly appointed Secretary-Designate of ICSI interacting with the Council members of western region shared his perspective on CS career and role of company secretaries. Shri M S Sahoo also addressed the newly appointed Managing Committee members of Bhayander Chapter of ICSI-WIRC.

MahavirLunawat, then Chairman, ICSI-WIRC stated, "Bhayander and surrounding locations have about 200 members registered on the rolls of the Institute and thousands of students enrolled pursuing CS course. Opening a Chapter office at Bhayander was need of the hour to cater to the needs of students and members located in the areas of Mira Road, Bhayander, Vasai, Virar, Dahisar. The students can now approach Bhayander Chapter Office for enrolling into CS course, collecting course materials, examination registration, tuition classes, undergoing training programmes. Members can attend various professional development programmes at Bhayander."

Revival of Library Facilities at Western Regional Office of ICSI

Earlier Nesar Ahmad, President, the ICSI inaugurated revived library facilities at the Western India Regional Office of ICSI. S N Ananthasubramanian, then Vice President, ICSI, M S Sahoo, then Secretary-Designate, the ICSI, B Narasimhan, Central Council Member, the ICSI, MahavirLunawat, then Chairman, ICSI-WIRC, K Sethuraman, Group Compliance Officer, Reliance Industries and Dr S D Israni, Senior Advocate were amongst those who graced the noble occasion.

S N Ananthasubramanian appreciated the efforts taken by the WIRC in reviving the library facilities which would immensely benefit members and students of ICSI.

Brand Building

As a mass brand building initiative, Nesar Ahmad alongwith S N Ananthasubramanian, M S Sahoo and MahavirLunawat released, for the first time, CS advertisement on local trains of Mumbai.

INDORE CHAPTER

Investor Awareness Programme

On 22.12.2012 the Indore Chapter of WIRC of the ICSI organized Investor Awareness Programme at Renaissance Collage, Indore which was attended by around 100 students, teachers & employees. In the inaugural session CS Ritesh



Gupta, Chapter Chairman led the discussion and explained about the programme and its benefits.

Chief Guest Ramesh Dixit, Principal of Renaissance College in his address motivated the investors to take a step ahead in Investment.

Guest Speaker CS Bhupendra Maheshwari through his presentation spread awareness among Investors for investment. He gave presentation about Method of Financing in Business, Means of Investment in Market, ASBA, IPO Grading, Depository, Stock Trading, Mutual Fund, Mantras of Safe Investment, Investment Grievances, etc. and also replied the queries raised by the participants.

Suhas Dhande, the other Guest Speaker shared knowledge of various policies offered by the Government, Tax aspects of investments, Different Investment benefits.

CS Ritesh Gupta before conclusion discussed the queries raised during the programme. The Programme was co-ordinated by Dr. Rachna Bajaj.

Career Awareness Programmes

On 7.12.2012 a career awareness programme was organised by the Chapter at Spring Valley Public School, Indore. The programme was attended by more than 75 students of Class 12 from different streams. Again on 1.12.2012 a Career Awareness Programme was organized by Indore Chapter at Bright High Secondary School, Indore. The programme was attended by approximately 75 Students of Class 12 from different streams.

Reshma Khan, Programming Officer of the Chapter explained about the CS course, syllabus and subjects of CS Foundation and Executive programmes and also explained about the scope of CS and opportunities available to the profession in employment as well as in practice. She also explained about the Institute, course contents, eligibility criteria, examination patterns, trainings requirements, role and importance of Company Secretary in corporate world. Brochures explaining the CS course were also distributed to the participants and career counseling kit presented to the Principal of the School. Students enquired about the CS course and last dates of registration.

PUNE CHAPTER

Half Day Seminar on Sebi Takeover Code

On 8.12.2012 the Chapter organized a seminar on SEBI Takeover Code at Cummins Hall, Pune Chapter. Adv Yogesh Chande was the eminent faculty for the seminar. In all 61 members attended the programme. The technical session was very informative & appreciated by the gathering at large. Two (2) PCH were allotted to members who attended the programme.

Seminar on Related Party

Transactions, Recent Decisions Related to Merger & Demerger

On 15.12.2012 the Chapter organized a seminar on the above topic at Pune. DR K R Chandratre, Past President, the ICSI was the eminent faculty for the seminar. In all 112 members attended the programme. The technical session was very informative & appreciated by the gathering at large. Four (4) PCH were allotted to members who attended the programme.

Study Circle Meeting on an Overview of Proposed Secretarial Standard on Registration, Modification & Satisfaction of Charges

On 21.12.2012 the Chapter organized a Study Circle Meeting on an Overview of Proposed Secretarial Standard on Registration, Modification & Satisfaction of Charges which was held at the Chapter premises. The programme was attended by 25 delegates. CS Devendra Deshpande, Practising Company Secretary was the eminent faculty for the programme. The session was very informative and well appreciated by the gathering. One PCH was awarded to the members who attended the programme.

Seminar on Law, Practice & Procedure - Historical Perspective, Genesis of CLB & NCLT, Appearing before CLB

On 22.12.2012 the Chapter organized a seminar on Law, Practice & Procedure - Historical Perspective, Genesis of CLB & NCLT, Appearing before CLB at Pune. The programme was attended by 60 delegates. Dr S D Israni & Adv Satyan S Israni, were the eminent faculties for the programme. The session was very informative and well appreciated by the gathering. Four PCH were awarded to members who attended the programme.

Study Circle Meeting for Discussion on Notification for Change in Form DIN 1, Din 4, & Form 18

On 29.12.2012 the Pune Chapter organized a Study Circle Meeting on the above topic at Pune. The programme was attended by 33 delegates. CS Pawan Chandak, Chapter Chairman was the eminent faculty for the programme. The session was very informative and well appreciated by the gathering. One PCH was awarded to the members who attended the programme.

Career Awareness Programme

On 21.12.2012 the Chapter organized a Career Awareness Programme in BMCC College, Pune to apprise the students about "Career as a Company Secretary". CS Vivek Sadhale and CS Amit Atre were the eminent faculty for the session. More than 800 students attended the Career Awareness Programme. Brochures explaining CS course were distributed amongst the students.



ICSI - CCGRT

Programme on Companies Bill, 2012

On 12.1.2013 following the passing of Companies Bill 2012 by Lok Sabha on 18.12.2012, ICSI-CCGRT conducted the first of the series of awareness programmes on Companies Bill, 2012 at its premises in CBD Belapur, Navi Mumbai. The eminent speakers enriching the gathering were N L Bhatia, Practising Company Secretary, Mumbai, R Balakrishnan, Company Secretary, Pune, K Sethuraman, Group Company Secretary & Chief Compliance Officer, Reliance Industries Limited, Shashikala Rao, Practising Company Secretary, Mumbai, P R Barpande, Former Partner, Deloitte Haskins & Sells, Mumbai and Ranganath Athreya, General Manager - Joint Company Secretary & Head Compliance, ICICI Bank Limited, Mumbai.

At the outset, Atul Mehta, Practising Company Secretary, Central Council Member, ICSI and Chairman, ICSI-CCGRT Management Committee gave the introductory remarks.

N L Bhatia gave an overview of the provisions in the Bill relating to incorporation and the incidental matters. He introduced the various types of companies under the Bill including One Person Company (OPC) and pointed out that the maximum number of members in a private limited company has been increased from 50 to 200. He then discussed the mandatory contents of the MoA thereby stating that the classification of object clause as main objects and other objects are no longer required. Further, a company should not commence any business to pursue any object other than the stated object unless it is authorized by passing a special resolution or Central Government's approval in case of an ordinary resolution. He also discussed the provisions relating to reservation of names and penalty imposed under the Bill for reserving names by furnishing false and incorrect information, which is non-compoundable. Regarding AoA, he said that Articles can provide for more restrictive provisions than contained in the Model Articles for e.g.: The Article, could mandate that certain provision in it can be altered only if agreed to by all the members of the company in writing. The Articles of a Company shall be in form specified in respective Tables and companies may adopt all or any of the regulations contained in the model articles. Incorporation of a company now requires a declaration and disclosure about the subscribers, directors etc. Any false or incorrect information or representation or suppression of any material fact is liable to strict penal action which may include direct unlimited liability of the member, Removal of the company's name from the register or order for winding up of the company. He pointed out that Certificate of Incorporation is no longer conclusive evidence of Incorporation and company can be held responsible anytime. The Bill provides that a company having share capital shall not commence any business or exercise any borrowing powers unless, a declaration is filed with the ROC about payment of minimum subscription and a verification of its registered office is conducted. This provision will apply to all companies, whether public or private. He also explained the new provisions relating to the formation of companies with Charitable Objects and said that the Bill extends this

facility even to One Person Companies. Further, the objects of such companies have been enlarged to include sports, education, research, social welfare and environment protection. He concluded by stating that more stringent regime is contemplated by the Central Government for companies with charitable objects to check misuse. R Balakrishnan discussed the provisions relating to One Person Company (OPC). He said that the Companies Bill, 2012 for the first time introduces the concept of One Person Company (OPC), one more form of business organisation. It is similar to Single Person Company (SPC) which is prevalent in many countries like UK, Australia, Singapore, Pakistan, China and even Middle East countries. As the name suggests, OPC is a company which has only one person as a member with limited liability. Thus, OPC is an alternative for persons who typically operate using the risky concept of a proprietorship. OPC could be incorporated for any lawful purpose. The MoA of OPC should indicate the name of the person who shall, in the event of the subscriber's death, disability or otherwise becomes the member of the company. Any change in the name of such a person indicated in the MoA should be informed to the ROC and any such change is considered as an alteration of the MoA. He pointed out that OPC is not required to hold AGM but all other provisions of the Bill relating to maintenance of books of accounts and audit of accounts etc. will apply to OPC. He further clarified that when rules are framed by the Central Government after the passage of the Bill, more regulations could be expected on OPC. He then discussed the reasons beyond introduction of OPCs. In the existing Companies Act of 1956, it is compulsory for a company to have a minimum of 2 members. The reason for this is clear separation from a sole proprietorship and categorical exclusion of a corporate structure from the Companies Act. People felt this provision to be hypocritical and to outdo this, started forming companies by adding a nominal member/director, allotting them one single share, and retaining the rest of the shares themselves. By doing this, a person could enjoy the status & benefits of a company while operating and functioning like a proprietary concern for all practical purposes. The Companies Bill recognised this and to make things clearer and more logical, an option of OPC has been created. Towards the end, he explained the procedure of formation of OPC and stated that person forming OPC has to nominate at the time of incorporation, a person with his written consent to act as a nominee. This nominated person will be the default and adhoc member in case of the existing sole member's death or disability. This provision seeks to ensure perpetuity and continuity of the life of the OPC. He thus opined that with OPC, unorganized sector of proprietorship in the organized version could be witnessed in the days to come. In conclusion, he shared his experiences on SPCs during the course of his employment in Bahrain and threw light on the provisions relating to SPCs in Bahrain.

K Sethuraman and Shashikala Rao made a detailed presentation on the Salient features of the Companies Bill - 2012 including enhanced disclosures. The Bill has 470 clauses and 7 schedules as against 658 Sections and 15 schedules in the existing Companies Act, 1956. The entire Bill has been divided into 29 chapters. The Bill empowers Central Government to make rules, etc. through delegated



legislation after having detailed consultative process. It provides for self-regulatory process and stringent compliance regime. The most noticeable changes have happened in the areas of e-governance, key managerial personnel, managerial remuneration, board meetings, general meetings, secretarial audit, annual returns, penalty, board's report, insider trading of securities, related party transactions, inspection, enquiry & investigation, national company law tribunal, etc. The new provisions introduced includes investor protection measures, woman director, corporate social responsibility, entrenchment provisions, class action suits, serious fraud investigation office, restructuring and liquidation, registered valuers, special courts, adjudication of penalty, etc. Observance of secretarial standards with respect to Board meetings and general meetings specified by ICSI and approved by Central Govt. is made mandatory. The Bill has also made changes to the definitions of Associate Company, Book and Paper, Control, Expert, Employees Stock Option, Financial Institutions, Financial Statements, Financial Year, Free Reserves, Global Depositary Receipts (GDR), Key Managerial Personnel (includes a Company Secretary), Private Company, Promoter, Public Financial Institutions, Related Party, Subsidiary Company etc. More importantly, the Bill has brought in enhanced disclosure requirements by the corporates with strict penal actions, in case of failures.

K Sethuraman and Shashikala Rao then discussed in detail the provisions with respect to Mergers and Acquisitions under the New Bill. They pointed out that provisions relating to M&As have been revamped under the Bill to provide flexibility. Now, authority has been granted to Tribunal instead of High Courts and corporate debt restructuring and takeover offers are also covered. Reduction of share capital can be included in the scheme and provisions of Clause 66 for reduction of capital shall not apply. No buyback shall be sanctioned by Tribunal unless it is in accordance with clause 68. In case of mergers or amalgamations, persons holding not less than 10% shareholding or 5% outstanding debt as per latest audited financial statements can only object. Valuation is required to be done by registered valuers and approval of majority representing three-fourths in value, voting in person or by proxy or by postal ballot is necessary. Procedure under Clause 230 is to be strictly followed. It is to be noted that until completion of the scheme, a statement certified by a CA/CS/Cost Accountant in practice, indicating whether the scheme is being complied with in accordance with the order of the Tribunal or not, shall be filed every year with RoC. The above provisions shall also apply to M & As with a foreign company. However, prior approval of RBI is required. Consideration under the scheme may be in cash or in Depositary Receipts or partly in cash and partly Depositary Receipts. Further, Central Government may make rules in consultation with RBI. Towards the end, they discussed the provisions relating to the powers to acquire shares of dissenting shareholders from a Scheme or Contract approved by majority, purchase of minority shareholding and registered valuers. In conclusion, they threw light on the new provision which states that liability in respect of offences committed under the Act by officers in default of the transferor company prior to its merger, amalgamation or acquisition will continue after such

merger, amalgamation or acquisition.

P R Barpande threw light on the provisions with respect to Accounts of Companies, Audit and Auditors. He commenced by stating that all companies shall now have their financial year ending on 31st March every year, which cannot be altered. Clauses 128 to 138 deal with the accounts of the companies and Clauses 139 to 148 deal with Audit and Auditors. MD and WTD - in charge of finance, CFO or other person have been charged by the Board with the duty to comply with the above provisions. Books of account and other relevant papers and financial statement may be kept in electronic mode. Financial statement (FS) shall be in accordance with the accounting standards and in the form specified in Schedule III, which is a form similar to new Schedule VI notified by MCA on 28th February 2011, except that it contains general instructions for preparation of consolidated FS. Financial statement including consolidated FS shall be signed on behalf of the Board by the Chairperson alone if authorised by Board; or Two directors out of which - one to be MD, and CEO if he is a director; and one director in case of OPC. CFO and CS shall also sign wherever appointed, except in case of OPC. Consolidated FS are mandatory if a company has one or more subsidiaries and should be placed before AGM. Subsidiaries in this case shall include 'associate' and 'joint venture' for consolidation. Consolidated FS and subsidiary accounts shall also be placed on the website of the company. The Bill has introduced a new provision on reopening of accounts. Books of account can be reopened or FS recast, if earlier accounts were prepared fraudulently; or affairs of company were mismanaged during the relevant period Application is required to be made by Central Government, Income Tax Authorities, SEBI or other statutory authority and an order of competent Court or Tribunal is required. Representations from Central Government, Income Tax Authorities, SEBI or any other statutory authority will also be considered by Court or Tribunal before allowing the same. The revised or recast accounts would be final for all purposes. There is also a provision for Voluntary revision of FS or Board's report in respect of any of the preceding 3 financial years, if the FS or BR is not in compliance with clauses 129 or 134, respectively with the approval of the Tribunal. There is also a provision to constitute National Financial Reporting Authority (NFRA) by the Central Government which shall monitor and enforce the Compliance with accounting standards and Auditing standards. Further, provisions relating to internal audit have also been introduced with powers to Central Government to make rules. Regarding Audit & Auditors, every company is required at its first AGM to appoint an individual or a firm as an auditor. This auditor shall hold office from the conclusion of that meeting till the conclusion of its 6th AGM and thereafter till the conclusion of every 6th meeting. The appointment of the auditor is to be ratified at every AGM. Individual auditors are to be compulsorily rotated every 5 years and audit firm every 10 years in listed companies & certain other classes of companies, as may be prescribed. Auditors have to comply with Auditing Standards. A company's auditor shall not provide, directly or indirectly, the specified services to the company, its holding and subsidiary company. A partner or partners of the



audit firm and the firm shall be jointly and severally responsible for the liability, whether civil or criminal, as provided in this Bill or in any other law for the time being in force. If it is proved that the partner or partners of the audit firm has or have acted in a fraudulent manner or abetted or colluded in any fraud by, or in relation to, the company or its directors or officers, then such partner or partners of the firm shall also be punishable in the manner provided in clause 447 (non-compoundable).

Ranganath Athreya conducted an interesting session on Governance and Compliance under the Companies Bill. He commenced by throwing light on the words of Milton Friedman in 1970: "The only Social Responsibility of a company is to increase its shareholders' profits" according to which shareholders became 'principals' who hire directors and executives to act as their 'agents'. But as all are aware, Shareholder primacy has its fallouts. In a particular survey of 400 CFOs, 80% indicated that they would cut expenses like marketing and product development to hit their quarterly earnings target, even if they knew it would eventually harm long-term corporate performance. Companies figured out how to do extraordinarily well in the short term, filling up with experts who know what to do now, and then compensating them for this short-term performance. What they failed to do was bring in different types of people and acquire different types of solutions to address the changing external environment - the company's long-term challenges, opportunities, and value. They failed because it is expensive and hurts short-term results. Ranganath then described the Multiple Stakeholder Theory in the words of Edwin Merrick Dodd - Professor- Harvard 1932 as follows: "The proper purpose of a public company goes beyond making money for shareholders. It is to provide secure jobs for employees, quality products for customers and contributions to the broader society. A business corporation is an economic institution, which has a social-service as well as a profit-making function". It is clear from the reading of the Companies Bill from a listed company perspective that this is what is contemplated. Not only this, for Governance and Compliance, it is not just the Companies Bill but it is going to be The Companies Bill + Clause 49 as proposed to be amended + The OECD Principles which are the basis of the SEBI Consultative Paper on Corporate Governance. The Companies Bill 2012 will drive the structure and the provisions of Clause 49 and OECD Principles will drive the purpose. Thus the Rule Based + Principle Based Framework viz. The Hybrid Model is proposed to be laid down which embodies 6 principles namely Ensuring the Basis for an Effective Corporate Governance Framework; Protection and facilitation of the Rights of Shareholders and Key Ownership Functions; Recognition of the Role of Stakeholders in Corporate Governance; Disclosure and Transparency; Equitable Treatment of Shareholders and Responsibilities of the Board to Monitor Management and Accountability to Shareholders. Thus, Ranganath pointed out that we are clearly veering towards a framework which wants the "Structure" to deliver "Desired Outcomes". He then discussed the key enabling drivers in the Bill w.r.t. governance viz. an empowered Audit Committee, Specific clause pertaining to duties of directors, Mode of appointment of Independent Directors and their tenure,

Code of Conduct for Independent Directors, Rotation of Auditors and restriction on Auditor's for providing non-audit services, Enhancement of liability of Auditors, Disclosure and approval of Related Party Transactions, Mandatory Auditing Standards, Enabling Shareholders Associations/Group of Shareholders for taking class action suits and reimbursement of the expenses out of Investor Education and Protection Fund, Constitution of National Financial Reporting Authority, an independent body to take action against the Auditors in case of professional misconduct and Requirement to spend on CSR activities. He then explained their outcomes in the form of 'Overarching Principles' for the Board. Towards the end, he threw light on the Challenges from a Compliance Perspective which included Regulatory shift to 'comply' or 'explain', What is good enough?, The Challenge of evidencing, The Challenge of 'Demonstrative Compliance', Technical Compliance v. Compliance in Spirit, Growing regulatory propensity to 'name and shame', Reputation risk is at its peak and Punitive actions by regulators are numbing in financial terms. He concluded by quoting the words of Charles Elson - Director, Weinberg Centre for Corporate Governance, University of Delaware as follows: "When companies have too many points of accountability, "they end up being accountable to no one".

The programme was very interactive and well appreciated by the participants. All the questions put forth by the participants were well addressed by the speakers.

New Zealand Delegate's visit to ICSI-CCGRT

On 18.1.2013 Gavin Young, Consul General and Trade Commissioner, New Zealand along with Sreedhar Venkatram, Senior Business Development Manager, New Zealand Consulate General, Mumbai visited ICSI-CCGRT Campus to discuss matters of mutual interests. N L Bhatia, Founder Member of ICSI-CCGRT greeted Gavin Young, Consul General and Trade Commissioner during his visit to ICSI-CCGRT. The visitor also met Gopal Chalam, Dean, ICSI-CCGRT and other officials of ICSI-CCGRT and discussed on crystallizing ways to create awareness amongst ICSI Members about different facets of New Zealand - doing business, investment opportunities, regulatory framework, banking, tourism and education.

ICSI-CCGRT's Presentation to Canadian Delegates

On 10.1.2013 Atul Mehta, Chairman, Management Committee, ICSI-CCGRT made a presentation to the Canadian delegates led by Nicolas Lepage, Consul and Senior Trade Commissioner (Western India), Consulate General of Canada in Mumbai at Hotel Marriott, Ahmedabad. Presentation by Mehta focused on Regulatory Guidelines for setting up business in India, importance of compliances for doing business in India and role of Company Secretary thereof. An Outline of Regulatory Guidelines for Setting up Business in India, compiled by ICSI-CCGRT was distributed among the delegates. ICSI's presence at Hotel Marriott was highly welcomed by Canadian Delegation.



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

CENTRE FOR
CORPORATE
GOVERNANCE,
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PCH-4

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INDIAN MERCHANTS' CHAMBER
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PDP-8

Organises
GROWTH OUTLOOK FOR MSMEs IN INDIA

Background	<p>Small and Medium Enterprises play an important role as a growth engine of Indian economy. SMEs produce 40% of the total industrial output, contribute 40% of total exports and provide 70% of the employment opportunities. SMEs are the driving force behind a large number of innovations and contribute to the National growth through employment generation, investments and exports. Indian SMEs are making tremendous progress in Industry, Service, Retail, IT, Agro and Food Processing, Pharmaceuticals, Precision Engineering and Manufacturing Sectors. The flow of Foreign Direct Investment (FDI) in these Sectors has also increased in the last decade. As a result, SMEs are getting more and more opportunities to enhance their activities and expand & diversify their business in core sectors</p> <p>Normally an entrepreneur starts his small venture with his own capital or the finance taken from Friends/ Banks/ Financial Institutions. There are substantial challenges, however, in Knowledge and expertise in latest technology, required skills in marketing & management strategy, knowledge of domestic & international market conditions, special schemes introduced by government & other agencies etc. Also, there are requirements for Regulatory & Compliance procedure for the business entity, raising finance & listing in the stock market.</p>
Day, Date & Timing	Friday 8th March, 2013 09.30a.m. – 05.30 p.m.
Venue	ICSI-CCGRT, Plot No. 101, Sector 15, Institutional Area, CBD Belapur, Navi Mumbai
Focus of Coverage	<ul style="list-style-type: none"> ♦ Setting up & Selection of Organization structure of MSMEs- Guidelines. Legal process for setting up of MSMEs (PAN/TAN/Profession Tax/VAT/Service Tax/Excise/Labour Law registration and any other special registration). Important bodies/institution for MSMEs sector in India, Corporate Governance Framework ♦ Funding Options for MSMEs. Role of Banks / Financial institutions in financing MSMEs. Listing of SMEs (IMC BSE). Export promotion & Financial Assistance Scheme to Exporters ♦ Credit Rating for MSME ♦ Role of Government in enabling SME-Friendly Environment Recent development & Global comparison MSMEs. Case Studies ♦ Challenges faced by MSME. SWOT analysis of MSMEs. Growth outlook & Sustaining Competitiveness for MSMEs
Speakers being approached include	From MSME Ministry, Regulator, Banks (engaged In SME Funding), Credit Rating Agencies and Senior Members
Participant Mix	Company Secretaries, Chartered Accountants and other professionals, and students of various professional courses, dealing with the subject.
Fees (inclusive of Service Tax@12.36%)	<p>Members ₹1350/- per Member</p> <p>Students ₹950/- per Student</p> <p>Others ₹1850/- per participant</p> <p>to cover the cost of program kit, lunch and other organizational expenses.</p>

Registration : The Fees maybe drawn by way of D.D / local cheque payable at Mumbai in favour of "ICSI-CCGRT A/c" and sent to Shri Gopal Chalam, Dean, ICSI-CCGRT, Plot No. 101, Sector -15, Institutional Area, CBD Belapur, Navi Mumbai- 400 614
Phone: 022-27577814, 4102 1515 **e-mail:** ccgrt.icsi@gmail.com, ccgrt@icsi.edu

**Prior registration desirable*



New Syllabus For Executive And Professional Programmes

ICSI Notification No.2 of 2013

Introduction of New Syllabus for the Executive and Professional Programmes of the Company Secretaryship Course

The Council of the Institute of Company Secretaries of India in exercise of the powers vested under clause (a) of sub-section (2) of Section 15 of the Company Secretaries Act, 1980, as amended by the Company Secretaries (Amendment) Act, 2006 approved the new syllabus for the Executive and Professional Programmes of the Company Secretaryship Course, and decided as under:

2. The New Syllabus for Executive Programme shall comprise of Seven papers instead of six papers as at present and nine papers at Professional Programme level including one Paper to be opted by the students out of five elective papers namely, (i) Banking Law and Practice; (ii) Capital, Commodities and Money Market; (iii) Insurance Law and Practice; (iv) Intellectual Property Rights-Law and Practice; and (v) International Business-Laws and Practice, instead of eight papers as at present.

2.1 The new syllabus shall be applicable w.e.f. February 1, 2013 for Executive Programme and September 1, 2013 for Professional Programme.

2.2 The detailed contents for each of the seven papers of the Executive Programme & nine papers of Professional Programme including electives under the new syllabus and the switchover scheme as approved by the Council are as under:

Scheme of Papers

Executive Programme	Professional Programme
MODULE 1	MODULE 1
1. Company Law	1. Advanced Company Law and Practice
2. Cost and Management Accounting	2. Secretarial Audit, Compliance Management and Due Diligence
3. Economic and Commercial Laws	3. Corporate Restructuring, Valuation and Insolvency
4. Tax Laws and Practice	
MODULE 2	MODULE 2
5. Company Accounts and Auditing Practices	4. Information Technology and Systems Audit
6. Capital Markets and Securities Laws	5. Financial, Treasury and Forex Management
7. Industrial, Labour and General Laws	6. Ethics, Governance and Sustainability
	MODULE 3
	7. Advanced Tax Laws and Practice
	8. Drafting, Appearances and Pleadings
	9. Electives 1 out of below 5 subjects
	9.1. Banking Law and Practice
	9.2. Capital, Commodity and Money Market
	9.3. Insurance Law and Practice
	9.4. Intellectual Property Rights - Law and Practice
	9.5. International Business-Laws and Practices

DETAILED SYLLABUS FOR EXECUTIVE PROGRAMME

EXECUTIVE PROGRAMME Module 1

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 of 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
- **Board's Report and Disclosures**- Contents and Annexure to Board's Report
- Directors' Responsibility Statement-Preparation and Disclosures
- Compliance Certificate - Need and Objective; Issue and Signing by Practising Company Secretary
- Corporate Governance Report

9. 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 by Practising Company Secretary

10. 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

11. 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

12. Merger, De-merger, Amalgamation, Compromises and Arrangements - An Overview

13. Producer Companies

- Concept, Formation, Functioning and Dissolution

14. Limited Liability Partnerships

- Concept, Formation, Membership, Functioning and Dissolution

15. Application of Company Law to Different Sectors

- Banking
- Insurance
- Others

16. Offences and Penalties



New Syllabus For Executive And Professional Programmes

- Introduction
- Officer in Default
- Penalties

17. Compounding of Offences

18. Winding up of Companies - An Overview

- Concept and Modes

19. Striking Off Name of Companies

20. 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

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- 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, BTPs 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 and Appellate Tribunal, 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, 2002
- Concept and Definitions, Various Transactions, etc.
- Obligations of Banks and Financial Institutions



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- 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, Bio Diversity and Carbon Credit
- 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: TAX LAWS AND PRACTICE (100 Marks)

Level of Knowledge: Working Knowledge

Objective: To acquire expert knowledge of practical and procedural aspects relating to Direct Tax Laws, Service Tax and VAT.

Contents:

Part A: Income Tax and Wealth Tax (70 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. 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

9. Tax Planning & Tax Management

- 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

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

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, Advance Rulings and Tax Planning, Authority for Advance Rulings

12. Transfer Pricing

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

13. General Anti Avoidance Rules (GAAR)

Part B- Service Tax & Sales Tax (30 Marks)

14. An Overview of Service Tax: Background, Negative List Approach, Taxable Services, Administrative Mechanism, Registration and Procedural Aspects, Rate and Computation of Tax, Levy, Collection and Payment of Service Tax

15. An Overview of Value Added Tax: Legislative Background, Concept of VAT, Declared Goods, Administrative Mechanism, Registration and Procedural Aspects, Rate and Computation of Tax, Levy,

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Collection and Payment of VAT

Central Sales Tax; Tax on Inter- State Trade and Exports -
Registration, Preparation and Filing of E>Returns, Rates of Tax,
Assessment and Refunds

EXECUTIVE PROGRAMME MODULE 2

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

- 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, ESPs, Sweat Equity Shares
- Alteration of Share Capital
- Underwriting of Shares

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
- Treatment of Profit Prior to Incorporation, Preoperative and Preliminary Expenses
- 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)



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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

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- 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. Employees 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. 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. Trade Unions 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
- 18. Apprentices Act, 1961**
 - Object and Scope
 - Application and Major Provisions of the Act
- 19. Labour Audit covering the above Acts and those Industry specific Acts**

Part B: General Laws (30 Marks)

20. 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 Interchange
- 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

21. Interpretation of Statutes

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

22. An Overview of Law relating to Specific Relief; Limitation and Evidence

23. 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

24. 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

25. 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

DETAILED SYLLABUS FOR PROFESSIONAL PROGRAMME

PROFESSIONAL PROGRAMME MODULE 1

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



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- 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

- Filing 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: SECRETARIAL AUDIT, COMPLIANCE MANAGEMENT AND DUE DILIGENCE (100 Marks)

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

PAPER 3: CORPORATE RESTRUCTURING, VALUATION AND INSOLVENCY (100 Marks)

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



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- 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
- Bankruptcy under Chapter 11 of US

PROFESSIONAL PROGRAMME MODULE 2

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: FINANCIAL, TREASURY AND FOREX MANAGEMENT (100 Marks)

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



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- Working Capital Requirements, Negative Working Capital
- 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 6: ETHICS, GOVERNANCE AND SUSTAINABILITY (100 Marks)

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
- Failure of Governance and its Consequences

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

PROFESSIONAL PROGRAMME MODULE 3

PAPER 7: ADVANCED TAX LAWS AND PRACTICE (100 Marks)

Level of Knowledge: Advance Knowledge

Objective: To acquire Advance knowledge of the practical and procedural aspects of Direct and Indirect Tax Laws.

Contents:

PART A: Direct Tax Management (30 Marks)

Chapter 1: Taxation of Individual Entities, Partnership, LLP, Companies.

Chapter 2: International Taxation Covering Taxation of Non Resident Entities, Advance Ruling, Transfer Pricing, Direct tax Avoidance Agreement.

Chapter 3: Case studies and Practical Problems covering Advance Tax Planning relating to Companies and Business Entities.

Part B: Central Excise, Customs, VAT and Service Tax (70 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, Audit u/s 14 and 14AA of Central Excise Act 1944
- Exemption to First Clearance of Specified Goods
- Export Incentives under Central Excise such as SEZs, STPI, EHTP, EPZ
- 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
- Duty Drawback
- Procedure for Clearance of Imported and Exported Goods
- 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

6. Background, Negative List Approach, Statutory Provisions, Taxable Services, Valuation, Point of Taxation, Place of Provision of Service, Administrative Mechanism and Procedural Aspects, Assessment, Computation, Levy, Collection and Payment of Service Tax, Exemptions, CENVAT Credit for Service Tax, Returns, Refunds, Demands, Appeals, Revisions, Advance Rulings, Settlement Commission, Audit under Section 72A of Finance Act, 1994.

7. Goods and Service Tax (GST) - Concept and Developments

8. Background, Concept and Mechanism of VAT, Classification, Invoicing, Exemption, Returns, Refunds, Demands, Appeals, Revisions, Liability under VAT

9. Set off and Composition Scheme, Computation of VAT, Assessment, VAT on Works Contract, Right to use Property, Rate of Tax, Procedural Aspects including Registration, Preparation and Filing of E>Returns, Audit and Appearances

PAPER 8: DRAFTING, APPEARANCES AND PLEADINGS (100 Marks)

Level of Knowledge: Expert Knowledge

Objective: To acquire expert knowledge of drafting, pleadings and



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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, IPR Agreements,
- 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
- Drafting of Legal Opinion
- Shareholder's Agreement

3. Drafting of Agreements under the Companies Act

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

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, Tax Authorities and Appellate Tribunals
- 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

DETAILED SYLLABUS OF ELECTIVE PAPERS UNDER PROFESSIONAL PROGRAMME

(It shall be compulsory for the students to opt any one of the five elective papers)

ELECTIVE PAPER 9.1: BANKING LAW AND PRACTICE (100 Marks)

Level of Knowledge: Expert Knowledge

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

Contents:

1. Overview of Banking System

2. Regulatory Framework and Compliances

- Provisions of RBI Act 1935, Banking Regulation Act 1949, Prevention of Money Laundering Act, 2002
- 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
 - TDS
 - Banking Cash Transaction Tax
 - Service Tax
 - Asset Reconstruction Companies
 - The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
 - The Consumer Protection Act, 1986
 - Banking Ombudsman
 - Lok Adalats
 - 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
 - Nature of Banking Business
 - Legal Nature of Banker-Customer Relationship and their Mutual Rights and Duties
 - 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
 - Different Types of Accounts such as Current Accounts, Savings Bank Account and Fixed Deposits
 - Other Transactions between Banker and Customer such as Safe Deposit Vaults, Financial Advice, Letters of Introduction and Other Services Rendered by Banks
 - 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 - Financial inclusion - Self-Employment Schemes - Women Entrepreneurs - Small Scale Industries - Agricultural Finance, Export Finance, etc. - Micro Finance - 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
 - Corporate Securities
 - Documents of title to goods
 - Land and Buildings
 - Book debts
 - 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 Contemporary and Emerging Issues: 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. 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
 - 11. 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 - Cybercrimes and fraud management
 - Planning and Implementation of Information Systems
 - 12. 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
 - Basel III
 - 13. Ethics and Corporate Governance in Banks**
 - Ethics and Business
 - Corporate Governance
 - Corporate Social Responsibility
 - Governance in Financial Sector
- ELECTIVE PAPER 9.2: CAPITAL, COMMODITY & MONEY MARKET (100 Marks)**
- Level of Knowledge:** Expert Knowledge
- Objective:** To acquire specialized knowledge of Capital, Commodity and Money Market
- Contents:**
- 1. Economic Framework**
 - Basic structure of Flow of funds in the economy;
 - Capital Markets its Role in Capital formation, Functions of Liquidity, Resource Allocation and Transaction Cost-reduction
 - 2. Legal Framework**
 - Ministry of Finance (Capital Markets Division, Department of



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Economic Affairs)

- Ministry of Corporate Affairs
- Companies Act, 1956
- SEBI Act, 1992
- Securities Contracts (Regulation) Act, 1956 (SCRA)
- Depositories Act, 1996
- SEBI Regulations and Guidelines- An Overview, SEBI (Prohibition of Insider Trading) Regulations, 1992, SEBI (Substantial Acquisitions of Shares and Takeovers) Regulations, 2011 (SAST)
- Prevention of Money Laundering Act, 2002
- Grievance Redressal Mechanism: Stock Exchange (Investor Protection Fund), SEBI, Securities Appellate Tribunal (SAT), Supreme Court
- Enforcement: Economic Offences Wing, Financial Intelligence Unit, Central Bureau of Investigation, Financial Action Task Force (FATF)

3. Financial Intermediaries Framework

- Framework of Market Infrastructure Institutions (MII), Stock Exchanges Clearing Corporations, Custodians
- Depositories, Depository Participants, Registrars and Transfer Agents (RTA), Bankers to issue
- Merchant Bankers, Underwriters, Investment Advisors, Portfolio Managers, Self Certified Syndicate Banks
- Brokers, Sub-brokers, Market-makers
- Credit Rating Agencies

4. Primary Markets

- IPO, FPO, Offer for Sale, Private Placement, Preferential Allotment, Institutional Placement Procedures (IPP), Qualified Institutional Placement (QIP), Rights Issue, Bonus Issue
- Prospectus, DRHP, Shelf Prospectus, Red Herring prospectus
- Private Investment in Public Equity (PIPE)
- SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009
- Lead Manager (Pre & Post Issue Activities)
- Due Diligence Review
- Underwriting obligations
- Basis of Allotment
- Book-building
- Pre-issue and Post-issue activities,
- Green-shoe Option
- Pre-listing and Post-listing activities, Listing Agreement

5. Secondary Markets

- Opening day (listing)
- Continuing compliance obligations and disclosures: Post-listing activities, Corporate Actions
- Requirements for Continuing Listing
- Corporate Governance Norms
- Disclosures as per Listing Agreement: Price Sensitive Information, Material Changes, Quarterly results
- Functioning of an Exchange: Margining, Trading, Clearing and Settlement, Trade Guarantee Fund, Trading Software, Arbitration Mechanism
- Stock Market Indices

6. Capital Market Investment Institutions

- Domestic Financial Institutions (DFI), Qualified Institutional Buyers (QIB), Foreign Institutional Investors (FII), Private Equity (PE), Angel Funds, HNIs, Venture Capital (VC), Qualified Foreign Investors (QFI), Mutual Funds, Alternative Investment Funds (AIF), Hedge Funds, Pension Funds

7. Capital Market Instruments

- Equities
- Preference Shares, Shares with Differential Voting Rights (DVR)

- Corporate Debt: Non Convertible Debentures (NCD), Partly-and Fully-Convertible Debentures (PCD, FCD)
- NCDs with or without Call and Put Features
- Bonds, Foreign Currency Convertible Bonds (FCCB)
- Indian Depository Receipts (IDR)
- Derivatives: Single Stock Futures, Single Stock Options, Index futures (SENSEX, NIFTY), Index Options, Interest Rate Futures, Currency futures
- Exchange Traded Funds (ETF)
- Warrants

8. Resource Mobilization through International Markets

- Global Depository Receipt (GDR)
- American Depository Receipt (ADR)
- Listing on the London Alternative Investment Market (AIM), NASDAQ, NYSE

9. Landmark Studies and Report of Committees on Capital Markets

10. Economics of Commodities Marketing

- Economic Rationale for Commodities Trading Place and store value
- Perishables and non-perishables
- Tangibles and Intangibles (Weather, Freight)
- How resources can be optimized through price hedges

11. Commodities Market Operations

- Origin of Commodity Market in India
- Products, Participants and Functions
- Evolution of Commodity Exchanges; Regulatory Framework
- Structure Of Commodity exchanges, membership, Risk Management, Clearing and Settlement System, Commodities Traded on Stock Exchanges Platform-NCDEX, MCX-SX
- Instruments available for Trading
- Using commodity exchanges for Hedging, Speculation and Arbitrage

12. Introduction to Money Market

- Nature & Deployment of Surplus Funds and Raising of Short-term funds, Characteristics of Money Market
- Regulatory framework of RBI, FIMMDA (Fixed Income, Money Market and Derivatives Association) and Foreign Exchange Dealers Association of India (FEDAI)
- Call Money Market-Players, Utility, Money market Instruments: Commercial Paper, Certificates of Deposits, Bills of Exchange, Treasury Bills (T-Bills), Bill Discounting, Factoring, Letter of Credit, Money Market Mutual Funds, Fixed Maturity Plans

ELECTIVE PAPER 9.3: INSURANCE - LAW AND PRACTICE (100 Marks)

Level of Knowledge: Expert Knowledge

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

Contents:

1. Understanding and Managing Risk -

- Risk Management - Perils - Nature - Risk Analysis - Planning - Control - Mechanism for Transfer of risk - Insurance and Reinsurance

2. General Principles and Concepts of Insurance

- Insurable Interest - Indemnity - *Uberrimae fidei* - Proximate Cause - Subrogation and Contribution - Differentiation Insurance and Guarantee - Insurance and Wager - Disclosure - Moral Hazards

3. Insurance Contract and Indian Market Conditions

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- Nature of Insurance Contract - Features of Insurance Contract - Types of Insurance - Concept of Intermediaries - Market Players and their Roles - Agents, Brokers, Surveyors & Loss Assessors, Health Third Party Administrators, Certification of Insurance Professionals, Training Organizations.
- 4. Regulatory Environment - Specific Legislations**
 - Regulation of Insurance Business, Insurance Act, Insurance Regulatory and Development Act, Powers and Functions of IRDA, Relevant Regulations and Guidelines issued by IRDA, Licensing, Audit & Supervision, Investments, Amalgamation and Transfer, Grievance Redressal, Rural and Social Sector obligations, Micro Insurance, Financial inclusion, Product Approval.
- 5. Regulatory Environment - General**
 - Other Relevant Legislation (Motor Vehicles Act, Marine Insurance Act, Employees State Insurance Act etc.), Consumer Protection, Courts, Tribunals, Insurance Ombudsmen, Arbitration.
- 6. International Regulatory Framework -**
 - International Association of Insurance Supervisors - Future Trends
- 7. Life Insurance - Practices, Procedures**
 - Application of Principles in Life Insurance Contract -- Representation - Assignment and Nomination - Title and Claims - Tax Law Implications - Concept of Trusts in Life Policy - Stamp Duties - Role and Function of Life Insurance Companies.
- 8. Life Insurance & Pension Products -**
 - Life Insurance Products - Proposals, Policy and documentation
- 9. General Insurance - Practices and Procedures - Focus Underwriting**
 - Application of Principles in General Insurance Contracts - Structure of the Policy - Insurance Documentation - Underwriting and Rating - Disclosure - Terms and Conditions
- 10. General Insurance - Practices and Procedures - Focus Claims**
 - Claims Procedures - Underinsurance - Condition of Average - Recovery - Salvage.
- 11. General Insurance Products**
 - Property Insurance (Fire and Engineering)
 - Marine Insurance (Hull and Cargo)
 - Motor Insurance
 - Business Interruption
 - Liability Insurance (Public, Products, Professional, Directors & Officers etc.)
 - Personal Lines (Health, Accident, Travel, Residential Premises etc.)
 - Rural and Agricultural
 - Micro-Insurance
 - Other Miscellaneous lines (Burglary, Bankers' Risks, Fidelity etc.)
- 12. Ethics and Corporate Governance Framework for Insurance Companies**
 - Financial Statements, Protection of Policy holders, Concept of Treating Customers Fairly (TCF), Actuarial and Other Certifications

ELECTIVE PAPER 9.4: 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, Utility Models, Trade Secrets and Geographical Indications
- Bio-diversity and IPR
- 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, Patent Co-operation Treaty, TRIPS, The World Intellectual Property Organization (WIPO) and the UNESCO

2. Patents

- Concept of Patent
- Product / Process Patents & Terminology
- Duration of Patents- Law and Policy Consideration Elements of Patentability,- Novelty and Non Obviousness (Inventive Steps and Industrial Application, Non- Patentable Subject Matter
- Procedure for Filing of Patent Application and types of Applications
- Procedure for Opposition
- Revocation of Patents
- Ownership and Maintenance of Patents
- Assignment and licensing of Patents
- Working of Patents- Compulsory Licensing
- Patent Agent- Qualification and Registration Procedure

3. Patent Databases & Patent Information System

- Patent Offices in India
- Importance of Patent Information in Business Development
- Patent search through Internet, Patent Databases

4. Preparation of Patent Documents

- Lab Notebooks/Log Books/Record Books
- Methods of Invention Disclosures
- Patent Application and its Contents
- Reading & Writing of the Patent Document

5. Process for Examination of Patent Application

- Publication of Patent Applications
- Request for Examination
- Process for Examination & Prosecution
- Reissue & Reexamination

6. 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)

7. Recent Developments in Patent System

- Software and Business Method Patenting in India & other Jurisdiction
- Patentable Inventions with Special Reference to Biotechnology Products entailing Creation of New Forms of Life

8. 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, well known marks, certification marks and service marks)



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- Non Registrable Trademarks
- Procedure for Registration of Trademarks
- Opposition Procedure
- Assignment/Transmission/Licensing of Trademarks
- Infringement of Trademarks
- Passing off Action
- Offences and Penalties
- International Conventions- Madrid Protocol
- Domain Names
- WIPO Internet Domain Name Process

9. 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 and other Digital media
- Remedies, especially, possibility of Anton Pillar Injunction Relief in India.

10. Industrial Designs

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

11. Geographical Indications

- Meaning and Nature
- Who are entitled for registration
- Conditions & Procedure for Registration
- Offences and Penalties

12. Protection of Trade Secrets

13. 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

14. Management and Valuation of Intellectual Property

15. Recent Trends and Development

ELECTIVE PAPER 9.5: INTERNATIONAL BUSINESS - LAWS AND PRACTICES (100 Marks)

Level of Knowledge: Expert Knowledge

Objective: To acquire specialized knowledge in International business, law, procedure and practices.

Contents:

1. Introduction

- International Business - Nature and Scope,
- Globalization - Meaning, Levels, Merits, Limitations and irreversibility of Globalization
- Need to go global
- Internationalization Decisions (entry modes)
- SEZ features

2. International Business Environment

- Meaning of Environment
- Dimensions - PEST to STEEPLE
- Internal Environment and External Environment
- SWOT Analysis
- Various approaches to Assess competitiveness including Michael Porter's 5- Forces Model
- Global Competitiveness Index

3. Multi National Enterprises (MNEs) and Foreign Direct Investment (FDI)

- Meaning and Characteristics
- Role of MNEs in host economy
- Trends in Global FDI
- Trends in FDI with reference to India
- Issues with MNEs - Taxation, Restrictive Trade Practices, Currency, Jurisdiction and Technology Transfer

4. 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
- INCO Terms
- International Commercial Arbitration-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
- Foreign Trade Financing - Export & Import
- Foreign Exchange Risk Management
- International Credit Management
- Warehousing
- Instruments of Trade Policy and India's Trade Policy

5. International Trade and Regional Economic Integration

- Theory - Mercantilism, absolute advantage and comparative advantage
- Trends in Global Trade
- Trends in India's Trade
- Types of Regional Economic Integration - Free Trade Area, Custom Union, Common Market, Economic Union, Monetary Union and Political Union etc.
- Trading Blocks- ASEAN,SAFTA,SAARC,NAFTA,EU

6. Institutional Environment

- Pre WTO Scenario, difference between GATT and WTO
- Trade Related Institutions - WTO and UNCTAD
- WTO - Basic Principles, various agreements, Functions and Areas of Operations, Dispute Settlement Mechanism (rules and procedures)
- IMF, IBRD, ADB
- Commodity Agreements

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7. Anti-Dumping Duties

- WTO Provisions on Anti-Dumping-, Anti-Dumping Duties, Procedure and Developments
- Regulatory Framework for Anti Dumping in India
- Recent Anti Dumping Cases in India

8. Subsidies and Countervailing Duties

- WTO Provisions
- Administration
- Procedure and Emerging Trends
- Regulatory Framework for Subsidies & Countervailing duties in India
- e. Doha Development Round

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. Strategic Alliances

- Meaning, Rationale, Types, Trends in Alliances in New Competitive Environment, Strategic Alliance Failures, Managing Strategic Alliances.

11. 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

SCHEME OF PAPERWISE EXEMPTION FOR SWITCHOVER FROM OLD SYLLABUS TO NEW SYLLABUS

EXECUTIVE PROGRAMME	
Existing syllabus	Paper-wise Exemption under New syllabus
MODULE 1	
1. General and Commercial Laws *	Please Refer Note
2. Company Accounts and Cost & Management Accounting	Module-1, Paper-2 Cost and Management Accounting
3. Tax Laws	Module-1, Paper-4 Tax Laws and Practice
MODULE 2	
4. Company Law	Module-1, Paper-1 Company Law
5. Economic and Labour Laws *	Please Refer Note
6. Securities Laws and Compliances	Module-2, Paper-6 Capital Markets and Securities Laws
*Note: In case the student has obtained 60 or more marks in paper 1 AND paper 5 under old syllabus and has obtained the exemption as per rules, then, he shall be exempted to appear in paper 3 (Economic and Commercial Laws) AND paper 7 (Industrial, Labour and General Laws) under new syllabus.	
PROFESSIONAL PROGRAMME	
Existing syllabus	Paperwise Exemption under New syllabus
MODULE 1	
1. Company Secretarial Practice	Module-1, Paper-1 Advanced Company Law and Practice
2. Drafting, Appearances and Pleadings	Module-3, Paper-8 Drafting, Appearances and Pleadings
MODULE 2	
3. Financial, Treasury and Forex Management	Module-2, Paper-5 Financial, Treasury and Forex Management
4. Corporate Restructuring & Insolvency	Module-1, Paper-3 Corporate Restructuring, Valuation and Insolvency
MODULE 3	
5. Advanced Tax Laws and Practice	Advanced Tax Laws and Practice
MODULE 4	
6. Due Diligence and Corporate Compliance Management	Module-1, Paper-2 Secretarial Audit, Compliance Management and Due Diligence
7. Governance, Business Ethics and Sustainability	Module-2, Paper-6 Ethics, Governance and Sustainability

By order of the Council
M.S. Sahoo
Secretary



THE STANDING AND OTHER COMMITTEES/BOARDS OF THE COUNCIL FOR THE YEAR 2013-2014

S. No.	Name	Designation
--------	------	-------------

1 Executive Committee

S N Ananthasubramanian	Chairman
Harish K Vaid	Member
Nesar Ahmad	Member
Ashok K Pareek	Member
Sudhir Babu C	Member
Umesh H Ved	Member
Renuka Kumar (Ms.)*	Member

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Anil Murarka	Member
Gopalakrishna Hegde	Member
Sanjay Grover	Member
Vikas Y Khare	Member
P Sesh Kumar*	Member

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Pradeep K Mittal	Member
R Sridharan	Member
Ardhendu Sen*	Member

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Pradeep K Mittal	Member
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Gopalakrishna Hegde	Member
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Atul H Mehta	Member
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U D Choubey*	Member

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Atul Mittal	Member
R Sridharan	Member
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Sudhir Babu C	Member
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P Sesh Kumar*	Member
Renuka Kumar (Ms.)*	Member

6 Practising Company Secretaries Committee

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B Narasimhan	Member
Sanjay Grover	Member
Sudhir Babu C	Member
Umesh H Ved	Member
Vikas Y Khare	Member

7 ICSI-CCGRT Management Committee

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Gopalakrishna Hegde	Member
Vikas Y Khare	Member
Arun Balakrishnan*	Member
Dev Bajpai	Member
S D Israni (Dr.)	Member

* Govt. Nominee on the Council of the ICSI

* Govt. Nominee on the Council of the ICSI

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Sutanu Sinha Member

8 Information Technology Committee

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B Narasimhan Member

9 Coordination Committee

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Harish K Vaid Member
M S Sahoo Member (Secretary)

10 Corporate Laws Committee

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Pradeep K Mittal Member
Umesh H Ved Member
U D Choubey* Member
Ashok K Pareek Member
Gopalakrishna Hegde Member

11 Capital Markets Committee

Atul H Mehta **Chairman**
Ashok K Pareek Member
B Narasimhan Member
Sanjay Grover Member
Sudhir Babu C Member
Umesh H Ved Member

12 Secretarial Standards Board

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N L Bhatia Member
B B Chatterjee Member
V R Narasimhan Member
Sudheendra P Putty Member
S H Rajadhyaksha Member
K Sethuraman Member

S C Vasudeva Member
M S Sahoo Member
A K Virmani Member
Representative of MCA Member
Representative of ICAI Member
Representative of ICAI Member
Representative of SEBI Member
Representative of RBI Member
Representative of NSE Member
Representative of CII Member
Representative of FICCI Member
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13 Editorial Advisory Board

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* Govt. Nominee on the Council of the ICSI

* Govt. Nominee on the Council of the ICSI

Committees-2013

15 Election Reforms Committee

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R Sridharan	Member
Sudhir Babu C	Member
Ardhendu Sen*	Member

16 Regulations Committee

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Gopalakrishna Hegde	Member
R Sridharan	Member
Vikas Y Khare	Member

17 Board of Studies

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Gopalakrishna Hegde	Member
Pradeep K Mittal	Member
R Sridharan	Member
Vikas Y Khare	Member

18 Peer Review Board

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V. Sreedharan	Member

19 Placement Committee

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Umesh H Ved	Member
Vikas Y Khare	Member

20 Board of Discipline

Sudhir Babu C	Presiding Officer
Umesh H Ved	Member

Sutanu Sinha	Member
--------------	--------

21 Disciplinary Committee

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B Narasimhan	Member
Gopalakrishna Hegde	Member
S Balasubramanian	Member
S K Tuteja	Member

22 Quality Review Board

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Harish K Vaid	Member
Sanjay Grover	Member
John K. Sellate	Member

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B Narasimhan	Member
Pradeep K Mittal	Member
Sudhir Babu C	Member
Arun Balakrishnan*	Member

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Anil Murarka	Member

25 Goals Implementation Committee

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Atul H Mehta	Member
Atul Mittal	Member
Umesh H Ved	Member

26 Corporate Governance, Sustainability and CSR Committee

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Harish K Vaid	Member
Nesar Ahmad	Member
Atul Mittal	Member
M S Sahoo	Member (Secretary)

* Govt. Nominee on the Council of the ICSI

* Govt. Nominee on the Council of the ICSI

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Central Administrative Tribunal (CAT), Principal Bench
New Delhi

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Prof. Ashwani Kumar Bansal
Professor of Law (Law Centre 1)
Faculty of Law
University of Delhi, Delhi

MANAGEMENT DISCIPLINE

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Thin Capitalisation

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A Governance Initiative

Information on Corporate Governance

1. The Sustainable Stock Exchange Commitment- Rio de Janeiro: Launch June 2012:

The Sustainable Stock Exchanges (SSE) initiative was launched at the Rio+20 'Earth Summit' in June 2012, UNCTAD Secretary-General issued an open invitation to stock exchanges around the world to commit to promoting sustainable investment. The SSE is a voluntary commitment letter, wherein stock exchanges commit to the following pledge: "We voluntarily commit, through dialogue with investors, companies and regulators, to promoting long term sustainable investment and improved environmental, social and corporate governance disclosure and performance among companies listed on our exchange."

This is a commitment by stock exchanges to promote long-term, sustainable investment in their marketplaces. The SSE aims at exploring how exchanges can work together with investors, regulators, and companies to enhance corporate transparency, and ultimately performance, on ESG (environmental, social and corporate governance) issues and encourage responsible long-term approaches to investment.

The SSE Initiative is a joint effort by UNCTAD, the United Nations Global Compact, the United Nations-backed Principles for Responsible Investment Initiative, and the United Nations Environment Programme Finance Initiative.

Founder signatories to the SSE Initiative include NASDAQ (United States) and the Brazilian, Egyptian, Istanbul, and Johannesburg stock exchanges.

Bombay Stock Exchange and MCX Stock Exchange (MCX-SX) have recently signed the voluntary commitment to the SSE initiative to promote long-term sustainable investment and improved environmental, social and corporate governance disclosure and performance among companies listed on its exchange.

The details can be had at: <http://www.sseinitiative.org/>

GREEN CORNER



Control Water Pollution

- Conserve water. Take shorter showers if possible. This not only helps prevent water shortages, but reduces the amount of contaminated water that needs treatment.
- Do not litter the water bodies that include beaches, lakes, oceans, rivers. (Make sure to collect the litter and put it in a nearby dustbin).
- Help clean up litter in water-filled areas.

Good Things Around

Launch of National Electric Mobility Mission Plan 2020

09-January 2013 : National Electric Mobility Mission Plan 2020 (NEMMP) focuses strongly on building domestic capabilities through R&D and a strong local supply chain for the new greener technologies. The NEMMP 2020 lays the vision, sets the targets and provides the roadmap for achieving significant penetration of efficient and environmentally friendly electric vehicle (including hybrids) technologies in India by 2020. The NEMMP 2020 has set a target of 6-7 million units of new vehicle sales of full range of electric vehicles, along with resultant liquid fuel savings of 2.2 - 2.5 million tonnes to be achieved by 2020.

Remember

4 February : World Cancer Day [WHO]

20 February : World Day of Social Justice

21 February : International Mother Language Day [UNESCO]

Moments of Thought

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

- President of India Shri Pranab Mukherjee
CII-ITC Sustainability Awards 2012- 14th January 2013



CHARTERED SECRETARY Advertisement Tariff

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For further information write to:
The Editor,
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**THE INSTITUTE OF
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IN PURSUIT OF PROFESSIONAL EXCELLENCE
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Post Membership Qualification Course in Corporate Governance

OBJECTIVES

- To enable the members to gain acumen, insight and thorough knowledge relating to the various aspects of corporate governance.
- To provide thorough knowledge of the legal and regulatory framework in India vis-à-vis corporate governance as well as procedural, secretarial and documentation aspects.
- To provide thorough knowledge of the global trends and developments so as to have an integrated view of the entire framework for corporate governance within which the companies operate.
- To equip the candidates with the technical and analytical skills in corporate governance and decision-making.

ELIGIBILITY CRITERIA

A person who is a member of the Institute is eligible for admission to the course.

COURSE FEE

Rs. 25,000/- payable at the time of registration.

REGISTRATION

A copy of the prospectus giving the registration procedure and other details can be purchased for Rs.500.

DIPLOMA CERTIFICATE

A candidate successfully completing the Corporate Governance Course shall be awarded a Diploma Certificate and shall be entitled to use the descriptive letters "DCG (ICSI)" to indicate that he/she has been awarded "Post Membership Diploma in Corporate Governance".



For further details, please visit : www.icsi.edu

For application write to:

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The members can also apply online by following the steps given below:

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- The member has to enter his password in the box provided (The member has to Click on Reset password if creating for the first time and follow the instructions)
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- The member has to click on Download link to download the Form 'A' i.e. Form for admission as a Member of CSBF.
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- The member has to scan the duly filled in form and upload the same.
- After uploading the scanned form the member has to click on 'Proceed for Payment' button for payment through net banking.
- A copy of the Acknowledgement Number generated may be retained by the member for future reference.

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For further information/clarification please contact Mrs. Meenakshi Gupta, Joint Director or Mr. J S N Murthy, Administrative Officer on telephone No. 011-45341049, Mobile No. 9868128682 or through e-mail member@icsi.edu or csbf@icsi.edu

FOR FURTHER DETAILS PLEASE VISIT : www.icsi.edu/csbf



Our Members

CONGRATULATIONS

Shri Mani Srinivasan, FCS, on his being elected as Fellow of The Institute of Chartered Secretaries and Administrators, London(UK).

ELEVATION

Shri S S Nayyar, ACS, General Manager, Agricultural and Processed Food Products Export Development Authority (APEDA). Earlier he was working as Deputy General Manager in the Organisation.

READERS' WRITE

The erstwhile POINTS OF VIEW column of Chartered Secretary has been re-captioned as READERS' WRITE. Members are invited to send in their queries and views for consideration for publication in this column for soliciting views/comments from other members of the Institute.

OBITUARY

"Chartered Secretary" deeply regrets to record the sad demise of the following members:

Shri Deepak Omprakash Agarwal, ACS
(08.12.1987 - 04.01.2013), an Associate Member of the Institute from Thane.

Shri K S Viswanathan, ACS
(01.09.1929 - 08.10.2012), an Associate Member of the Institute from Chennai.

Shri Prosanta Kumar Mallik, ACS
(13.02.1926 - 27.09.2012), an Associate Member of the Institute from Kolkata.

Shri R K Verma, FCS
(13.01.1936 - 27.12.2012), a Fellow Member of the Institute from Kanpur.

Shri Satya Pal Bharti, FCS
(28.04.1929 - 01.12.2012), a Fellow Member of the Institute from Yamunanagar.

Shri Thoppe Ramalingam Jayaraman, FCS
(22.02.1934 - 11.06.2012), a Fellow Member of the Institute from Chennai.

Shri Vipin Kumar Bhatia, FCS
(17.11.1968 - 16.01.2013), a Fellow Member of the Institute from Ludhiana.

*May the almighty give sufficient fortitude to the bereaved family members to withstand the irreparable loss.
May the Departed Souls rest in peace.*

CS QUIZ

Prize query

A manufacturing company manufactured a patented brand of kitchen appliances, the patent in respect of which is owned by another manufacturing company. Without imprinting the patented name on the kitchen appliances, the manufacturing company sold the appliances in packages which bore the patented name. Does the action of the company infringe the patent laws?

Conditions

- 1] Answers should not exceed one typed page in double space.
- 2] Last date for receipt of answer is 8th March, 2013.
- 3] Two best answers will be awarded Rs. 1000 each in cash and the names of the contributors and their replies will be published in the journal.
- 4] The envelope should be superscribed '**Prize Query February, 2013 Issue**' and addressed to :

Deputy Director (Publications)
The Institute of Company Secretaries
of India, 'ICSI House', 22, Institutional
Area, Lodi Road, New Delhi-110003.

ATTENTION MEMBERS

The soft copy (CD) of List of Members of the Institute as on 1st April, 2012 is available at Rs.250/- (Rupees Two Hundred and Fifty only) for the Members of the ICSI and at Rs.500/- (Rupees Five Hundred only) for others.

Those desirous to have a copy of the CD may send a request in writing along with the requisite charges by way of a Demand Draft/at par Cheque drawn in favour of "The Institute of Company Secretaries of India" and payable at Delhi.

Kindly send your request together with the like amount to J S N Murthy, Administrative Officer, The Institute of Company Secretaries of India, ICSI House, 22, Institutional Area, Lodi Road, New Delhi 110 003.

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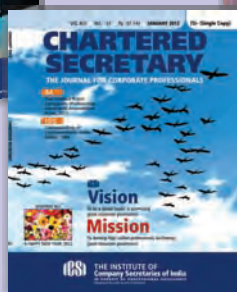
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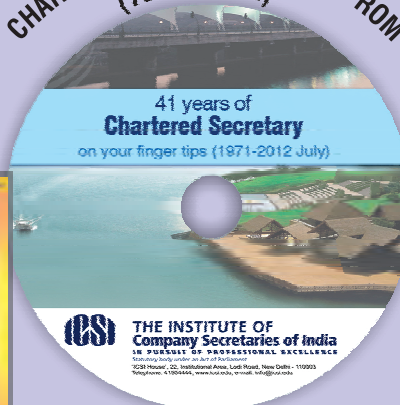
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