

# CHARTERED SECRETARY

THE JOURNAL FOR CORPORATE PROFESSIONALS

360

Quality Review Board under  
the Company Secretaries  
Act, 1980

424

13th National  
Conference of PCS

Cover II

CSBF – How to become  
the Life Member



**THE INSTITUTE OF  
Company Secretaries of India**

**IN PURSUIT OF PROFESSIONAL EXCELLENCE**

Statutory body under an Act of Parliament

# COMPANY SECRETARIES BENEVOLENT FUND

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**THE COMMITTEE HAS ALSO DECIDED TO INCREASE THE LIFE MEMBERSHIP SUBSCRIPTION FOR ENROLMENT AS A MEMBER FROM ₹ 5,000 TO ₹ 7,500 W.E.F. 1<sup>ST</sup> APRIL, 2012. THE MEMBERS WHO ARE NOT THE MEMBERS OF THE CSBF ARE REQUESTED TO BECOME THE MEMBERS OF THE FUND BEFORE 31<sup>ST</sup> MARCH 2012 TO AVAIL THE BENEFIT OF CURRENT LIFE MEMBERSHIP SUBSCRIPTION.**

**FOR FURTHER DETAILS PLEASE VISIT: [www.icsi.edu/csbf](http://www.icsi.edu/csbf)**

# 03

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CHARTERED SECRETARY



March  
2012



- 01 >> Annual Conference of Corporate Registers Forum (CRF) on Control to Self Regulation - Sharing Knowledge- Sharing Best Practices - Inaugural Session - Dr M Veerappa Moily (Hon'ble Union Minister of Corporate Affairs) addressing. Others sitting from Left: Avinash Srivastava (JS, MCA), Naved Masood (Secretary, MCA), Sudhir Mital (AS, MCA) and Juthika Ramanathan (Past President, CRF).
- 02 >> Technical Session on Emerging Challenges for MNCs Operating in Various Jurisdictions - Nesar Ahmad ( President, The ICSI) addressing. Others sitting from Left: Julian Lamb (Director Registry, Channel Islands), P K Choudhary (Vice Chairman & Group CEO, ICRA Ltd.) and Juthika Ramanathan.
- 03 >> Technical Session on Corporate Financial Actions and Money Laundering - S N Ananthasubramanian ( Vice President, The ICSI) addressing. Others sitting from left: T N Manoharan (Past President, the ICAI), Julian Lamb (Director Registry, Channel Islands) and Sumit Makhija (Senior Director, Deloitte Touche Tohmatsu India Private Limited).
- 04 >> Technical Session on Corporate Governance and CSR - N K Jain (Secretary and CEO, The ICSI) addressing. Others sitting from Left: Azryain Borhan (Director, Companies Commission, Malaysia), Y R K Reddy (International Advisor & Founder, Academy of Corporate Governance ) and Joey Mathekga (Chief Director, CIPC, South Africa).
- 05 >> Technical Session on Social Networks: Use and Impact on Registrars' Functions - Sutanu Sinha (Senior Director, The ICSI) addressing. Others sitting from Left: Pavan Duggal (Advocate, Supreme Court ), Jeremy Dickson (Ministry of Economic Development, New Zealand), Timothy Moss (Director of Corporate Strategy, UK).
- 06 >> A view of the dignitaries, invitees and delegates at the CRF Conference.
- 07 >> Group Photo of the participants at the Conference.
- 08 >> Press Conference - Sitting on the dais from left: Nesar Ahmad, Dr. M Veerappa Moily, Sudhir Mital, and Avinash Srivastava.
- 09 >> Meeting of the ICSI delegation with Hon'ble Union Minister of Corporate Affairs - Sitting from Left: Dr. M Verrappa Moily ( Hon'ble Union Minister of Corporate Affairs), Nesar Ahmed, S N Ananthasubramanian and N K Jain.
- 10 >> Meeting with Secretary and Additional Secretary, MCA - Group Photo - Standing from Left: N K Jain, S N Ananthasubramanian, Nesar Ahmad, Naved Masood (Secretary, MCA) and Sudhir Mital (AS, MCA).
- 11 >> A view of the XBRL Training Programme in progress for MCA Officials at ICSI HQ.
- 12 >> EIRC - North Eastern Chapter - Foundation stone laying ceremony of the Chapter Building - Seen amongst others from Left: Anjan Kumar Roy, N K Jain, Anil Murarka, Nesar Ahmad, Raj Kumar Sharma and Ashok Kumar Pareek.







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# At a Glance

## Articles (A 85- 136)

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### Separate Accounting Standards by the Income-tax Department will be a duplicable futile exercise!!

p-292

T N Pandey

This article discusses a very important issue namely, whether the Income-tax Department should have separate Accounting Standards of its own despite the fact that Institute of Chartered Accountants of India has promulgated such standards in an elaborate manner. The two standards already issued in the year 1997 and the two whose drafts are now in circulation after nearly 15 years show that the same are almost on the same lines as those issued by the ICAI. The author has convincingly demonstrated that two parallel sets of standards will not be conducive to the efficient working and in fact are not actually necessary. However, in case the same are considered imperative, then this should be done after a detailed study by an independent Commission.

### The Company Secretary Terra Incognita in Comparative Corporate Governance

p-297

Rupanjana De

The company secretary has been given varying degrees of power in ensuring better corporate governance in different countries of the world. On a comparative analysis of the corporate governance codes of different countries, it is seen that while in some countries the company secretary holds a pivotal position in the company hierarchy, some others have never ever felt the need of a company secretary. In this article, an attempt has been made to find out a pattern in the development of corporate law across the world with respect of provisions of company secretary to find out any possible reason behind this. It has been deduced that the Company Secretary's position is more of a common law origin and countries in the civil law jurisdictions mostly lack any such provision.

### Operational Challenges Post Corporate Restructuring

p-302

Kiran M. Chitale

Corporate re-structuring leads to significant changes in the organizations touching various tangible as well as intangible aspects. Apart from various considerations involved in any restructuring and the benefits sought to be achieved there from, it is important that the Management and each Function are aware of and plan for actions that need to be

completed to ensure smooth working of the organization, post restructuring.

### "Go Green" A Clean Revolution in India

p-308

Pradeep Soni

As population growth greatly injures our limited resources, there are fewer resources available. If we have it in mind to leave our children and grandchildren with better standard of living we have enjoyed, we must preserve the foundation of the standard of living. We have to save clean air, water, fuel sources and soil for future generations.

### Cyber Crime & Cyber Terrorism: The need to know Cyber Laws

p-316

Suhita Mukhopadhyay

With the emergence of technology its misuse has also expanded thus necessitating adequate enactment and implementation of the cyber laws. Whether the cyber laws are adequate to control the cyber crime activities is a question that requires deeper consideration. There will be no room for corporate professionals without a basic understanding of Cyber Laws. Cyber law literacy amongst professionals like Chartered Accountants, Company Secretaries, Bankers, Insurance professionals, Law Enforcement Officers, and E-governance officials is as essential as the study of Company law or corporate laws. Computer crime is a multi-billion dollar problem. Law enforcement must seek ways to keep the drawbacks from overshadowing the great promise of the computer age.

### Forensic Accounting: A Tool to Uncover the Accounting and Financial Frauds

p-323

Dr. Pranav Saraswat

Forensic accounting is the fastest growing area in accounting. Various agencies fighting corruption world wide will need to engage the services of forensic accounting experts to complement the efforts of other professionals in reducing fraudulent activities and installing fraud proof internal control system in business organizations. It is beyond doubt that the role of forensic accountants will become more crucial in the days to come.

### Industrial Sickness in India: Macro Economic Concept

p-328

Dr. Dilip Kumar Datta

The menace of growing industrial sickness in India has become the cause of concern for all. At the micro level, apparent causes of sickness are many. Whatever may be the



reasons, as a company fails to meet the sunk cost, it has to close its operation. The factors which are considered to be responsible for sickness at micro level cannot fully explain the phenomenon of sickness at macro level. One thus needs to theorise the macro economic concept of industrial sickness. In this paper, an attempt has been made to theorise the phenomenon on the basis of Joseph Schumpeter's well known theory of creative destruction and Karl Marx's theory of capitalist development. The aim of this article is to create an awareness amongst the entrepreneurs about the genesis of industrial sickness so that they learn to adopt and implement turnaround management at correct time.

## Ensuring Compliance under The Factories Act, 1948

Prof. R. Balakrishnan

The Supreme Court of India, in a landmark judgment delivered in October 1996 in the case of *J K Industries Limited v. The Chief Inspector of Factories and Boilers and others*, very clearly fixed the responsibility for violation of the rules under the Factories Act 1948 upon a nominated director of an enterprise and not on any other employees since many companies chose to appoint one of its employees as "occupier of the factory". The judgment by the Apex court has far-reaching consequences as the designated Director under the Factories Act, 1948 will be henceforth liable for all the illegal acts of the unit along with the Manager and each of them is liable for offences punishable with imprisonment or fine or with both. The multifarious compliances under the Factories Act are listed and the role of the company secretaries also outlined.

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## Legal World (LW 25-39)

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- ◆ **LW 21.03.2012** Section 22 of SICA prevails over section 53A of the transfer of property Act. [SC]
- ◆ **LW 22.03.2012** High Court cannot condone the delay in filing an appeal after expiry of the statutory extended time limit. [Bom]
- ◆ **LW 23.03.2012** Compromise scheme sanctioned by company court does not automatically compounds the offence of cheque dishonour. [SC]
- ◆ **LW 24.03.2012** When it is clearly demonstrated that the policy framed by the State or its agency/instrumentality and/or its implementation is contrary to public interest or is violative of the constitutional principles, it is the duty of the Court to exercise its jurisdiction in larger public interest and reject the stock plea of the State that the scope of judicial review should not be exceeded beyond the recognised parameters. [SC]
- ◆ **LW 25.03.2012** Limitation in a contract for supply of goods would not be saved by Article 112 of the Limitation Act. [Del]
- ◆ **LW 26.03.2012** Supreme Court interprets the contractual clause contained in international bidding. [SC]
- ◆ **LW 27.03.2012** In a case of default by the employer by an

exempted establishment, in making its contribution to the Provident Fund Section 14B of the Act will be applicable. [SC]

- ◆ **LW 28.03.2012** Bombay High Court sets aside the damages imposed by the Maharashtra PF authorities. [Bom]
- ◆ **LW 29.03.2012** The Indian Tax Authority had no territorial tax jurisdiction to tax the offshore sale of shares Transaction. [SC]

## From the Government (GN 47 - 74)

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- ◆ Quality Review Board under the Company Secretaries Act, 1980
- ◆ Filing of conflicting returns by contesting parties - clarification regarding
- ◆ Standardized lot size for SME Exchange / Platform
- ◆ Allocation of Corporate debt long term category to FII's.
- ◆ Investor Grievance Redressal Mechanism at Stock Exchanges
- ◆ Guidelines in respect of the disclosures to be made in the Letter of offer in respect of Buy-back of securities in terms of SEBI (Buy-back of Securities) Regulations, 1998 and Format of Standard letter of offer.
- ◆ Amendments to the Equity Listing Agreement
- ◆ Offer For Sale of Shares by Promoters through the Stock Exchange Mechanism
- ◆ Securities and Exchange Board of India (Portfolio Managers) (Amendment), Regulations, 2012.
- ◆ Securities and Exchange Board of India (Buy-Back of Securities) (Amendment) Regulations, 2012.
- ◆ Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Second Amendment), Regulations, 2012.
- ◆ Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Amendment), Regulations, 2012.

## Other Highlights

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- ◆ Members Admitted/ Restored
- ◆ Certificate of Practice Issued/Cancelled
- ◆ Licentiate ICSI Admitted
- ◆ Payment of Annual Membership and Certificate of Practice Fee
- ◆ News From the Regions
- ◆ ICSI-CCGRT News
- ◆ Book Review
- ◆ Company Secretaries Benevolent Fund
- ◆ Our Members
- ◆ The Standing and Other Committees/Boards of the Council for the year 2012-2013



# CG & CSR : WATCH

The Institute has always been in the frontline to promote good corporate governance and it has been the constant endeavour of the Institute to raise awareness among the members and students in Corporate Governance arena. This watch gives an update of the latest happenings in the area of Corporate Governance and Corporate Social Responsibility.

## NEW DEVELOPMENTS

### 1. Global Corporate Governance Forum (GCGF) issued its Publication on "Integrated Reporting: Lessons from the South African Experience".

One of the more significant recent governance trends is the global shift to integrated reporting. It combines the most material elements of information currently contained in separate reports-such as financial, management commentary, governance and remuneration, and sustainability-into a single coherent whole.

King Code of Governance Principles for South Africa 2009 (King III) and the listing requirement of the Johannesburg Stock Exchange require that all companies shall issue an "integrated report" for financial years starting on or after March 1, 2010-or explain why they are not doing so.

Recently, Global Corporate Governance Forum (GCGF) issued its publication which draws on insights and experience gained in advising some of South Africa's top companies on integrated reporting. It provides the following suggestions for effective Integrated Reporting:-

- a. Directors need to be much more involved in the process of Integrated Reporting.
- b. To be credible, the report should recognize the challenges and disappointments and not just focus on the good news.
- c. It is essential that the process of reporting not become simply a compliance-driven exercise, but instead it should involve the active engagement of the organization's governing structure in a frank and critical review of its current approach to creating value.
- d. Focus explicitly on the material strategic business issues, Keep it short, Do the analysis and Show responsiveness to stakeholders.

**Copy of the publication can be accessed at:**

[http://www.gcgf.org/ifcext/cgf.nsf/Content/PSO\\_25\\_IR](http://www.gcgf.org/ifcext/cgf.nsf/Content/PSO_25_IR)

### 2. Financial Reporting Council (UK) publishes paper on its 'comply or explain' approach to Corporate Governance

The Financial Reporting Council (FRC) has taken steps to promote a better understanding of explanations under its 'comply or explain' approach to corporate governance in a paper published on Feb 15, 2012.

The paper, which is based on discussions between company and investor representatives, noted a very high level of compliance with the UK Corporate Governance Code. It says that a large majority of companies who do not comply with one or more provisions of the Code provide a full explanation of their reasons. However, a minority do not and **the paper is intended to help address this issue by setting out the Key elements of an explanation** for non compliance with the corporate governance provisions.

Key elements of an 'explanation' identified in the discussion are that it should;

- ◆ set out the background,
- ◆ provide a clear rationale which is specific to the company,
- ◆ indicate whether the deviation from the Code's provisions is limited in time,
- ◆ state what alternative measures the company is taking to deliver on the principles set out in the Code and mitigate any additional risk.

Participants in the discussion also felt that the starting point should be an improvement in the general quality of disclosure around corporate governance and a clear articulation by each company of how its governance arrangements support its business model.

**Details can be accessed at:**

<http://www.frc.org.uk/press/pub2709.html>

## GREEN CORNER

### GREEN IDEA



- If:**
- ◆ You care about the environment.
  - ◆ You want to save earth.

**Skip the bottled water** - Use a water filter to purify tap water instead of buying bottled water. Not only is bottled water expensive, but it generates large amounts of container waste. Bring a reusable water bottle, preferably aluminum rather than plastic, with you when traveling or at work.

**Donate or recycle your cell phones, computers, and other electronics** responsibly when the time comes. E-waste contains mercury and other toxics and is a growing environmental problem. E-waste assessment in India revealed that 3,30,000 MT of e-waste is generated annually, while an additional 50,000 MT is illegally imported into the country. However only 19,000 MT of this is recycled due to poor recycling infrastructure.

### Something Good:

#### HonECORE Eco-friendly packaging

HonECORE was established in 2007 with an entrepreneurial vision of a "Greener World". Located in the garden city of India, Bangalore, HonECORE is into providing Eco friendly packaging solutions and various other eco friendly products that go into construction of green buildings.

HonECORE is working to save the environment by shifting from using wooden packaging to ECO-FRIENDLY and BIO DEGRADABLE packaging. HonECORE is an eco-friendly replacement to Wooden crates, Wooden Boxes, Wood Pallets, thermocol, Bubble-wrap etc.

### To Remember

March 8 - International Women's Day

March 21 - International Day for the Elimination of Racial Discrimination

March 22 - World Water Day

## QUOTE OF THE MONTH

“There are really only two important points when it comes to ethics. The first is a standard to follow. The second is the will to follow it.”

- John C. Maxwell, *leadership expert*

## FORTHCOMING EVENTS

### India Sustainability Conclave 2012

FICCI is launching the first India Sustainability Conclave on 6 - 7 March, 2012 at New Delhi, conceptualized to help businesses find solutions to address the challenge of embedding Sustainability within the day to day operations of their businesses and help develop a whole new level of organizational commitment to their wider group of stakeholders, and not just shareholders and consumers.

India Sustainability Conclave 2012 will be a knowledge, networking and capacity building platform which will address key issues of sustainability for businesses.

**For online registration visit:** [www.indiasustainabilityconclave.com](http://www.indiasustainabilityconclave.com)

## FEEDBACK & SUGGESTIONS

Readers may give their feedback and suggestions on this page to Mrs. Alka Kapoor, Joint Director, ICSI  
([alka.kapoor@icsi.edu](mailto:alka.kapoor@icsi.edu))

### Disclaimer:

The contents under **CG & CSR: Watch** have been collated from different sources. Readers are advised to cross check from original sources.



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

**T**he Institute of Company Secretaries of India (ICSI) is a statutory body enacted by the Parliament under the Company Secretaries Act, 1980 to regulate and develop the profession of Company Secretaries in India. The ICSI has on its roll over 25,000 members and over 2,80,000 students. The Institute is governed by the Council of the Institute responsible for the management of the affairs of the Institute and for discharging the functions under the Company Secretaries Act, 1980. The ICSI has its Headquarters at New Delhi, four Regional offices in Chennai, Kolkata, Mumbai and New Delhi and Chapter offices in 68 cities across the country. It has 97 Examination centers across the country including an overseas centre at Dubai.

## REQUIRES

### (i) the 'Secretary' and (ii) the 'Chief Executive'

#### (i) the Secretary

**Qualification and Experience:** Should be a fellow Member of the ICSI, preferably with legal background and experience of a minimum 15 years in a senior position in administration, finance, secretarial and legal in a public / private sector company having wide public participation and stakeholding.

#### **Job contents:**

The incumbent as 'Secretary' will be required to perform the functions of the Secretary of the Institute and will assist the Council in advising and framing the policies and shall discharge such duties as given in the Company Secretaries Act, 1980 and the Company Secretaries Regulations, 1982 as also those assigned to him from time to time by the Council. The person selected should be able to take the profession to a higher level and enhance the role of the Institute in Indian industry.

The candidate should have suitable experience and must also have the ability to communicate effectively to interact with senior level officers in the Government departments, Regulatory bodies, Industry / Trade Associations, Chambers of Commerce and Professional bodies, etc.

The incumbent should be adaptive in nature, having impeccable personal and professional ethics, integrity and professional competence, strong ability of reaching out to people across the globe for the cause of the profession of the Company Secretaries and the Institute. The incumbent is expected to exhibit exemplary leadership qualities, administrative acumen, objectivity in analysis and good interpersonal relationships within and outside the Institute. Should be strong in building good working relationships and trust with others; strong presentation skills and the ability to envision and innovative thinking. It is also expected that the incumbent will stay abreast of all relevant changes in the environment so as to enhance the quality of advice to the Council and performance of the Institute.

#### **Age:**

Should be between 40 and 55 years of age as on 1<sup>st</sup> January, 2013.

#### **Compensation:**

Basic pay Rs. 75,500/- per month plus HRA, DA, Performance Incentive, Insurance, medical, staff car etc. (CTC ₹ 30 Lacs approx. per annum).

#### **Period of engagement:**

The tenure for the position is of five years on contractual basis with an option for renewal upto a period which shall not exceed the date of superannuation. The either party may give three months advance notice for termination of the contract.



## (ii) the Chief Executive

### Qualification and Experience:

Preferably a fellow Member of the ICSI and/or a Post Graduate in Management from a reputed Institute having experience of a minimum 10 years preferably as head of a Strategic Business Unit /department.

### Job contents:

The incumbent as 'Chief Executive' will be required to carry out the administrative functions of the Institute and perform such tasks and functions as determined and assigned by the Council from time to time.

The incumbent should have strong leadership and administrative skills along with proven ability to build good working relationships. The incumbent should also have an impeccable track record, integrity and professional competence, with strong commitment to the cause of the profession of the Company Secretaries and the Institute; he/she should have the ability to drive the team of senior executives to meet the expectations of all stakeholders. The incumbent is expected to be strong in planning and organizing, possess a problem solving approach and attention to details to achieve quality results. It is also expected that the incumbent will stay abreast of all relevant changes in the environment so as to enhance the standards of performance of the Institute.

### Age:

Should be between 40 and 55 years of age as on 1<sup>st</sup> January, 2013.

### Compensation:

Basic pay Rs. 60,000/- per month plus HRA, DA, Performance Incentive, Insurance, medical, staff car etc.

(CTC ₹ 25 Lacs approx. per annum).

### Period of Engagement:

The tenure for the position is of five years on contractual basis with an option for renewal upto a period which shall not exceed the date of superannuation.

## HOW TO APPLY

Eligible candidates applying for the **Secretary** position should email their profile/resume to **[secretary@transearchindia.com](mailto:secretary@transearchindia.com)** and those applying for **Chief Executive** position should email their profile/resume to **[chiefexecutive@transearchindia.com](mailto:chiefexecutive@transearchindia.com)**

Candidates employed in ICSI may also be considered subject to fulfillment of the conditions. The Core-Group/Interview Board constituted for the purpose reserves the right to reject the name of any candidate at any stage without assigning any reason whatsoever. The right to consider the candidature of others identified through professional search process is reserved.

The last date of submission of the resume/profile is the **30<sup>th</sup> March 2012**.



# From the President



Quality is never an accident; it is always the result of high intention, sincere effort, intelligent direction and skillful execution; it represents the wise choice of many alternatives. ●●

- William A. Foster

**Dear Professional Colleagues,**

**Q**uality is important to our every day professional as well as personal life. When it works, we take it for granted. We truly realize its value only when it fails. As a professional, a quality approach is vital for us for maintaining and sustaining our development and growth, as it involves service delivery at par with expectations of our stakeholders. The quality of professional services is multi-dimensional which encompasses numerous factors that are important to meet the expectations of stakeholders.

We therefore, need to be serious in identifying expectations of our stakeholders and equipping ourselves to ensure the service delivery that not only satisfies but exceeds their expectations. This approach towards quality can be developed

through actualizing the importance of quality in professional services.

The expectations of stakeholders being multi faceted, the strategy towards quality approach should also be collective and multi pronged, it cannot be isolated or individualized. It will require continuous interface between the members and the Institute collaborating with each other in ensuring quality of our services.

## Meeting with Chairmen of Regional Councils and Chapters

It was in this direction that I had an opportunity to interact with the Chairmen of Regional Councils and A+, A and B Grade Chapters and senior officials of the Institute on February 2-3, 2012 at New Delhi. The meeting being focused on quality, the discussions centered around strengthening infrastructure, intensifying stakeholder services, brand building, knowledge sharing, capacity building and networking initiatives. The meeting that witnessed lot of new ideas and enthusiasm concluded with concrete strategies translating into defined result-oriented action plan. I trust that the implementation of decisions taken at the meeting will go a long way in achieving the underlying objectives that have been set forth by the Council in the Vision Document.

## Meeting with SEBI, NSE & BSE

A delegation of the Institute comprising S/Shri S N Ananthasubramanian, Vice President, B Narasimhan, Chairman, Capital Markets Committee and Council Member, N K Jain, Secretary & CEO, Gopal Chalam, Dean, ICSI-CCGRT and myself met Shri Rajeev Kumar Agarwal, Whole time Member, SEBI, Shri Ravi Narain, MD & CEO, NSE and Shri Ashish Chauhan, Dy. CEO, BSE. We had a very fruitful discussions on the initiatives taken by the Institute towards inculcating good corporate governance, CSR, Investor Awareness etc. and the proposed areas where the services of Company Secretaries can be availed, such as IPO/FPO Certification, Compliance Certificate for Listing on SME Platform of stock exchanges, Compliance Audit under Securities Laws applicable to Merchant Bankers/Mutual Funds. I am sure, the members will have a far greater role in the various aspects of the capital market.

## CRF 2012 Conference

The Ministry of Corporate Affairs (MCA) organized 8th Conference of Corporate Registers Forum (CRF-2012) on February 14 -16, 2012 at New Delhi, on the theme 'Control to Self Regulation : Sharing Knowledge - Sharing Best Practices'. The Conference was attended by more than 131 regulators from 40 countries. Dr. M Veerappa Moily, Hon'ble



Minister of Corporate Affairs was the chief guest at the opening and closing plenary of the Conference.

The experts drawn from Ministry of Corporate Affairs, professional bodies, corporate sector, World Bank and participating countries deliberated in technical sessions over three days covering topics such as reforming legislative environment - a global practice, global business scenario and impact on corporates; corporate actions and regulatory mechanism; emerging challenges for MNCs operating in various jurisdictions; corporate governance and CSR; social networks; use and impact on registrars' functions; transforming data into knowledge : leveraging XBRL tools; crystalising global best practices in corporate regulations and corporate financial actions and money laundering.

The Institute has played a Key role in structuring and organizing the Conference as 'Knowledge Partner' which was appreciated by the delegates of various countries. S/Shri S N Ananthasubramanian, Vice President, N K Jain, Secretary & CEO, Sutanu Sinha, Senior Director and Myself were the Panelists in the technical session(s) on "Corporate Financial Actions and Money Laundering", "Corporate Governance and CSR", "Social Networks : use and impact on Registrars function" and "Emerging challenges for MNCs operating in various jurisdictions" respectively. This CRF Conference has provided more visibility of our profession among Corporate Registrars across the world.

## India-Netherlands Joint Working Group

I had an opportunity to represent the Institute at the first meeting of India-Netherlands Joint Working Group (JWG) on Corporate Governance and Corporate Social Responsibility held on February 21-22, 2012 at New Delhi. The meeting presided over by Shri Sudhir Mital, Additional Secretary, Ministry of Corporate Affairs and Co-Chairman of JWG, was attended by representatives from OECD, UN Global Compact, Confederation of Netherlands Industry and Employers (VNO-NCW), the Institute of Chartered Accountants of Netherlands, MVO Netherlands and the Ministry of Economic Affairs, Netherlands. Officials of Ministry of Corporate Affairs, representatives of professional bodies, IICA, GRI and Corporate Sector also participated in the meeting. I took the opportunity to inform the JWG about the initiatives of the Institute towards Corporate Social Responsibility and its association with GRI for capacity building of our members in the area of sustainability reporting and integrated reporting.

## 13<sup>th</sup> National Conference of Practising Company Secretaries

It is towards capacity building of practising Company Secretaries, the Institute organises National Conference of

Practising Company Secretaries every year. The Institute has decided to hold the 13th National Conference of Practising Company Secretaries tentatively in Northern Region on May 25 & 26, 2012. I sincerely request our esteemed members in general and Practising Company Secretaries in particular to attend and participate in the 13th National PCS Conference in large numbers.

## Toolkit for Corporate Secretaries

Towards effective continuum of ICSI interface with global community of corporate secretaries, Shri N K Jain, Secretary & CEO participated in a four day Core Group meeting for Preparation of Corporate Secretaries Toolkit, a joint initiative of Global Corporate Governance Forum (GCGF) and Corporate Secretaries International Association (CSIA) from February 21- 24, 2012 at Washington DC, USA. The tool kit aims to develop a framework to provide training to trainers who will in turn train the company secretaries and governance professionals in the member countries of CSIA and in countries where the concept of the corporate/company secretary is still developing. The toolkit would inter-alia cover Board Processes, Risk Management, Standards of Reporting, Board Evaluation, Corporate Compliance Management, CSR and Sustainability Reporting.

## CSBF Membership

The Company Secretaries Benevolent Fund is a collegial initiative to financially support our brethren in times of distress. Being collective effort, the membership of the fund becomes important in extending financial support to our members. I, therefore, wish to emphasize that the larger the membership of the Benevolent Fund, the easier it would be for the Fund to provide adequate financial support to the members and/or their families. I, therefore, call upon those of you who have not become the member of the Fund to join the Fund as life members and extend the umbrella of benevolence to your brethren in times, when they need most.

With kind regards,

New Delhi  
February 27, 2012

Yours sincerely,

(CS NESAR AHMAD)

[president@icsi.edu](mailto:president@icsi.edu)





# Articles

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## Separate Accounting Standards by the Income-tax Department will be a duplicable futile exercise!!

It is ironical that the idea of having separate Accounting Standards by the Income-tax Department mooted by a Chartered Accountant, Chairman of the Central Board of Direct Taxes (CBDT) some 17 years back and now proposed to be activated is being opposed by the apex body of the chartered accountants. This apart, the important issue for consideration is whether any useful purpose would be served by having two sets of standards for accounting on almost identical lines – one by the ICAI and the other by the CBDT?

### Accounting standards: What these imply?

The phrase 'accounting standard' is comprised of two words – 'accounting' and 'standard'. Accounting implies recording, classifying, summarizing and presenting the monetary data in an organized and intelligible form. It is a matching exercise which involves the simultaneous and combined recognition of revenues and expenses of an organization resulting directly and jointly from various transactions, dealings or events. Ultimately, such exercises result in recognizing the profit or loss from various ventures during a particular period. 'Standard' implies disciplined conduct – a

\* Former Chairman, Central Board of Direct Taxes and Special Secretary, Ministry of Finance





defined and definite (desired) level of excellence/completeness. Together 'accounting standard' means guideline for setting, presenting accounts and interpreting sets of financial transactions, generally for particular periods. These are substantive accounting principles and concepts adopted by Indian Accounting Standards Board (IAS), the International Accounting Standards Board, the Financial Accounting Standards Board (FASB) of USA. These adopt substantive accounting Standards/GAAP principles and concepts to achieve convergence between accounting principles and methods stipulated in AS, IFRS (IAS) and US GAAP. In this background, the purpose of CBDT to have its own Accounting Standards needs to be examined.

## The Indian scenario

Section 145 of the Income-tax Act, 1961 (Act) titled 'Method of Accounting' was substituted by a new section 145 by the Finance Act, 1995 w.e.f. 01.04.1997 for the then existing section 145 which had merely two sub-sections (1)&(2). The new section contained 3 sub-sections, one of which (sub-section 2) relates to 'Accounting Standards' and reads as under:

*"(2) The Central Government may notify in the official gazette from time to time accounting standards to be followed by any class of assessee or in respect of any class of income."*

These Standards are to be followed only in regard to computation of income under the head 'profits and gains of business or profession' or 'income from other sources'.

## Why change?

The system was working well. No complaint of any kind was

being received. The issue then is as to why the change was considered necessary.

As stated earlier, sub-section (2) of section 145 now relates to accounting standards. Explanatory Note (Para 44.2) on the Finance Act 1995 on sub-section (2) of section 145 reads thus:

*"The Finance Act, 1995 has also empowered the Central Government to prescribe by notification in the Official Gazette, the accounting standards which an assessee will have to follow in computing his income under the head 'Profits and gains of business or profession' or 'income from other sources'. These accounting standards will be laid down in consultation with expert bodies like the Institute of Chartered Accountants".*

The issue is that when ICAI was to be consulted and it has formulated Accounting Standards then what was the need for the IT Department to have its own standards?

## Later developments

New sub-section (2) was apparently enacted in a routine way without any study whatsoever regarding the need for the same. After the passing of the Finance Act 1995, a notification under section 145(2) (operative from 1.4.1997) prescribing 2 accounting standards to be followed by all assessees following mercantile system of accounting were notified. These related to

- (i) Disclosure of Accounting Policies - **AS I**; and
- (ii) Disclosure of prior period and extraordinary items and changes in economic policies - **AS II**

These are almost on the lines of AS I and AS 5 issued by the ICAI (Institute of Chartered Accountants of India). These are meant to define accounting policies, referring to specific accounting principles and the methods of applying these principles to be adopted by an entity in the preparation and presentation of financial statements. The ICAI's standards also are meant for the same purpose. The statutory auditors have to certify in their reports that the accounts have been prepared as per the requirements of ICAI standards and the standards prescribed by the IT Department.

## Lull after the storm

The need for separate Accounting Standards for tax purposes was totally lost sight of after the issue of two standards (*supra*) which were no different than those issued by the ICAI. Reporting on the same becomes a routine matter and no other standards were issued in the last 16/17 years while the number of standards issued by the ICAI has swelled from then 17 to 40!

## New series

New series differently numbered as IND AS 101 - IND AS 102 and so on have since been issued by the ICAI. The objective





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of new series of Indian Accounting Standards (IND-AS) is to ensure that an entity's first IND-AS financial statements and its interim financial reports for part of the period covered by those financial statements contain high quality information that :

- (a) is transparent for users and comparable over all periods presented;
- (b) provides a suitable starting point for accounting in accordance with Ind-ASs; and
- (c) can be generated at a cost that does not exceed the benefits.

## Indian Accounting Standards convergence with IFRs

The ICAI codified the Exposure Drafts of Converged Indian Accounting Standards in the line of IFRS and published a series of near final Indian Accounting Standards (Ind ASs). These new drafts were finalized by the Council of the ICAI and forwarded to the National Advisory Committee on Accounting Standards (NACAS). These are subject to any changes, which may be made by the Government before their notification.

The Ministry of Corporate Affairs has notified the following 35 Indian Accounting Standards:

1. Ind AS 101 First-time Adoption of Indian Accounting Standards
2. Ind AS 102 Share based payment
3. Ind AS 103 Business Combinations

4. Ind AS 104 Insurance Contracts
5. Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations
6. Ind AS 106 Exploration for and Evaluation of Mineral resources
7. Ind AS 107 Financial Instruments : Disclosures
8. Ind AS 108 Operating Segments
9. Ind AS 1 Presentation of Financial Statements
10. Ind AS 2 Inventories
11. Ind AS 7 Statement of Cash Flows
12. Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
13. Ind AS 10 Events after the Reporting Period
14. Ind AS 11 Construction Contracts
15. Ind AS 12 Income taxes
16. Ind AS 16 Property, Plant and Equipment
17. Ind AS 17 Leases
18. Ind AS 18 Revenue
19. Ind AS 19 Employee Benefits
20. Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance
21. Ind AS 21 The Effects of Changes in Foreign Exchange Rates
22. Ind AS 23 Borrowing Costs
23. Ind AS 24 Related Party Disclosures
24. Ind AS 27 Consolidated and Separate Financial Statements
25. Ind AS 28 Investments in Associates
26. Ind AS 29 Financial Reporting in Hyperinflationary Economies
27. Ind AS 31 Interests in Joint Ventures
28. Ind AS 32 Financial Instruments: Presentation
29. Ind AS 33 Earnings per Share
30. Ind AS 34 Interim Financial Reporting
31. Ind AS 36 Impairment of Assets
32. Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets
33. Ind AS 38 Intangible Assets
34. Ind AS 39 Financial Instruments: Recognition and Measurement
35. Ind AS 40 Investment property

## IT Department's discussion paper on Tax Accounting Standards (TAS) issued vide Press Release dated 21st October, 2011

After nearly 17 years of the issue of two Accounting Standards relating to disclosure of accounting policies and disclosure of prior period and extraordinary items, drafts of two more standards (TAS) on construction contracts and Government grants have been issued. It is not proposed to go into the knitty-gritty of these Standards in this article where the discussion centres more on the ideological issue namely, whether separate





Tax Accounting Standards (TASs) are at all necessary.

## Critique of TAS- existing and proposed

The foregoing discussion raises some pertinent questions regarding the justification for Government action regarding Tax Accounting Standards – existing and two proposed. A perusal of these show that the same are more or less reproduction of the standards already formulated by the ICAI. The issue then is as to why IT Department should duplicate the same exercise and what will be achieved by doing this?

The reasons given for introducing the first set of two standards in 1995 as mentioned in the Finance Act 1995 were that there is flexibility in the standards issued by the Institute of Chartered Accountants of India (ICAI) which makes it possible for an assessee to avoid the payment of correct taxes by following a particular system and therefore, there is an urgent need to standardize one or more of the alternatives in various standards so that income for tax purpose can be computed precisely and objectively. However, these grounds are mere conjectures not supported by any study of any kind to support the fear expressed.

## Committee's view

The Central Government constituted a Committee on formulation of TASs in the year 2002. The committee submitted the report in the year 2003 and its main recommendations were:

- (i) *It would be impractical for a taxpayer to maintain two sets of books of account – one in accordance with the Accounting Standards issued by the ICAI and another set in accordance with the Accounting Standards to be notified under the Act. The Committee (2002), therefore, recommended that the Accounting Standards issued by the ICAI should be notified under the Act without any modifications.*
- (ii) *Appropriate legislative amendments should be made to the Act to prevent any scope for leakage of revenue on account of notification of Accounting Standards issued by the ICAI.*

The Government's response to the Committee's recommendations as mentioned in the Press Release (*Supra*) is as under:

*"The recommendation of the Committee (2002) could not be implemented because of the following:-*

- (i) *The implementation of the recommendation of the Committee (2002) would have required extensive amendment to the Act resulting in complexity and litigation, and would have negated the concept of notification of accounting standards under the Act to provide certainty.*

- (ii) *As the Accounting Standards issued by the ICAI keep on evolving/changing by way of issue of new standards, interpretation and revision, it would have been cumbersome for the Ministry of Finance to keep track of all changes in the Accounting standards issued by the ICAI and to move simultaneous amendments to the Act."*

## Later Developments

The Press Release lists out further developments as under:

*"There have been significant developments since the Committee (2002) submitted its report, notable among them are:*

- (i) *The Government of India, through the Ministry of Corporate Affairs (MCA) has notified twenty eight Accounting Standards issued by the ICAI, under the Companies Act, 1956.*
- (ii) *The Government of India has decided to converge Indian Accounting Standards with the International Financial Reporting Standards (IFRS). In February, 2011, the MCA, being the nodal agency for this convergence, has placed thirty five Indian Accounting Standards converged with International Financial Reporting Standards (termed as IND AS) on its website.*
- (iii) *In the absence of notification of Accounting Standards under the Act, uncertainty and litigation continues on various accounting related issues such as accounting for construction contracts, foreign exchange fluctuations and Government grants.*

## Another Committee appointed

The Central Board of Direct Taxes (CBDT) constituted a new Accounting Standard Committee comprising departmental officers and professionals vide Order No. 134/48/2010-SO (TPL), dated 20<sup>th</sup> December, 2010. The terms of reference of this Committee are as under:

- (i) *to study the harmonization of Accounting Standards issued by the ICAI with the direct tax laws in India, and suggest Accounting Standards which need to be adopted under section 145(2) of the Act along with the relevant modifications;*
- (ii) *to suggest method for determination of tax base (book profit) for the purpose of Minimum Alternate Tax (MAT) in case of companies migrating to IFRS (IND AS) in the initial year of adoption and thereafter; and*
- (iii) *to suggest appropriate amendments to the Act in view of transition of IFRS (IND AS) regime.*

## Recommendations of the Committee

In its interim report in August, 2011 the Committee gave



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certain recommendations and the main ones are as under:

- (i) *Since the Accounting Standards to be notified under section 145(2) of the Act would need to be in harmony with the provisions of the Act, the Accounting Standards issued by the ICAI cannot be notified without modification. The notified Accounting Standards should provide specific rules, which would enable computation of income with certainty and clarity. To ensure horizontal equity and uniformity, the notified Accounting Standards would also need elimination of alternatives, to the extent possible. Accordingly, separate Accounting Standards should be notified under section 145(2) of the Act.*
- (ii) *It would be burdensome for affected taxpayers to maintain two sets of books of account i.e. one in accordance with the Accounting Standards issued by the ICAI/notified under the Companies Act, 1956; and another in accordance with the Accounting Standards notified under the Act. Accordingly, the Accounting Standards notified under the Act should be made applicable only to the computation of taxable income and a taxpayer should not be required to maintain books of account on the basis of Accounting Standards notified under the Act.*
- (iii) *Two different sets of Accounting Standards may cause confusion for taxpayers and other stakeholders. Accordingly, the Accounting Standards notified under the Act should be termed as "Tax Accounting Standards" (TAS) to distinguish them from the Accounting Standards issued by the ICAI/notified under the Companies Act, 1956.*
- (iv) *Since the TAS are based on the mercantile system of accounting, the TAS should be applicable to all taxpayers who follow the mercantile system of accounting, and should not be applicable to those taxpayers who follow the cash basis of accounting.*
- (v) *As the TAS are intended to be in harmony with the provisions of the Act, it should be expressly provided in the TAS, that in case of conflict, the provisions of the Act shall prevail over the TAS.*
- (vi) *Currently, the starting point for computation of income under the head "Profits and gains of business or profession" and "Income from other sources" is the income as per the financial statements. Since the provisions of the TAS may not be the same as the corresponding provisions used for preparation of the financial statement, a reconciliation between the income as per the financial statement and the income as computed per the TAS should be presented.*

The Committee gave drafts of the two standards (*supra*) and government's final formulation of such drafts is awaited.

## Concluding comments

The foregoing discussion shows that very many issues need to be pondered upon before coming to the conclusion that TASs are necessary despite the fact that elaborate standards formulated by the ICAI already exist and are to be mandatorily followed.

- (a) The main reason given for TASs in the Press Release is that there is *flexibility in the standards issued by the Institute of Chartered Accountants of India (ICAI) which makes it possible for an assessee to avoid the payment of correct taxes by following a particular system and therefore, there is an urgent need to standardize one or more of the alternatives in various standards so that income for tax purpose can be computed precisely and objectively*. Has the view been arrived at after some studies bringing out the conclusion reached? If so, what is the magnitude of the problem? It is widely prevalent and being misused?
- (b) Whether such situations cannot be resolved by discussion with the ICAI and by making changes in the standards promulgated by them.
- (c) Why situation needing changes in law (which are expected to be quite rare) cannot be taken care of by Rule making power and not by amendments of IT Law, as the changes required are expected to be merely of procedural nature.
- (d) The IT Department seems to be losing sight of the fact that task relating to review and formulation of TASs and their convergence with IFRSs is going to be stupendous – almost whole time exercise. Will such labour be commensurate with this results expected to be obtained.
- (e) The ICAI while expressing view against TASs has made an offer that it is prepared to make changes in its standards as per the IT Department's requirements whose compliance can be made obligatory by the IT Rules! What is the problem in accepting this offer?
- (f) When Chartered Accountants' certificates are accepted by the IT Department for many matters including authenticity of financial results, why the same is not acceptable in respect of reporting about compliance of accounting standards!

The decision regarding separate standards for income tax accounting is going to be major one affecting numerous taxpayers. It should not be taken as a snap decision. Its consequences are to be manifold affecting both the taxpayers and tax administrators substantially. If it is considered imperative to have these, a full-fledged whole time independent Commission need to be constituted to study the problem in all aspects and then give recommendations along with the drafts of the standards considered necessary for income tax and how these need to be converged with other standards. Part time studies done intermittently are likely to do harm than improving the situation. ■



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## The Company Secretary Terra Incognita in Comparative Corporate Governance

Merely having a statutory requirement for appointment of a company secretary is not what the profession desires. What is more important is how good the position is held in the company hierarchy and how vast are his responsibilities. This article examines the comparative position of company secretaries in different countries.

### INTRODUCTION

There is no need to reiterate that in India the company secretary is required to play a vital role in corporate governance of companies. A plethora of articles running into hundreds of thousands in pages have discussed this topic and one can possibly make no difference by discussing it once again. But the issue of role and position of a company secretary in various other jurisdictions definitely merits a discussion. A research into the corporate governance codes of various countries across the world show us that the company secretary has been given varying degrees of power in ensuring better corporate governance in different countries.

While in some countries the company secretary holds a pivotal position in the company hierarchy, some others have never felt the need of a company secretary. This article makes a modest attempt to

find out a pattern in the development of corporate law across the world with respect to provisions of company secretary and to see if it is possible to initiate changes that popularize the profession globally.

### Corporate Governance Codes - A comparative analysis

To understand the position of a company secretary in various countries, a comparative analysis of the corporate governance codes of different countries has been done in the following paragraphs. For this purpose various countries have been categorized into two broad headings viz. countries having provision for a company secretary and countries not having such provision. Among the jurisdictions having the requirement, it can be noticed that while some countries attach more importance to the position and consider the significance of a company secretary in corporate governance





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as supreme, there are other countries where the role of a company secretary is merely suggestive. Accordingly, the countries prescribing requirement of a company secretary have been further categorized into two sub categories. Therefore, the discussion in the following sections has been based on the following categorization:

1. Countries having provision for company secretaries
  - 1.1. Countries giving more importance to the role of a company secretary
  - 1.2. Countries giving less importance to the role of a company secretary
2. Countries not having provision for company secretaries

## Countries having provision for company secretaries

The corporate laws of some countries like the United Kingdom, India, Australia, New Zealand, Thailand, Singapore, Malaysia, Ghana, Kenya, Hong Kong (China) etc. provide for the provision of a company secretary with varying degrees of power, duties and responsibilities. These are the common law countries that recognize the provision of a company secretary. The fact that China being a civil law country does not have this provision in general, but Hong Kong, a part of this vast country which for long, was under the British dominion, has recognized the provision of company secretary. However, it is necessary to mention here that there are exceptions to this rule. Two Civil law countries that also recognize the provision of a Company Secretary are Thailand and Singapore. As a matter of fact, Common law is of British origin and most of the nations that follow the common law legal system have been British colonies in the past. Common law is a case law based legal system that lays supreme importance on precedents and decisions by judges. In sharp contrast to this, Civil law draws inspiration from the Roman law and is a written down and codified legal system and is not dependent on decision by the judges.

A point to be noted is that merely having the statutory requirement of a company secretary is not what our fraternity would call for, what merits more importance is how good the position is held in the company hierarchy and how vast are the company secretary's responsibilities. In order to discuss further on this, countries recognizing the CS profession have been categorized further under two broad headings, viz., those attaching supreme importance to a company secretary's role in corporate governance and those not.

## Countries giving more importance to the role of a company secretary

The two best examples under this category are India and the United Kingdom. With amendments in corporate laws and



introduction of more and more stringent provisions, greater recognition is increasingly being given to the company secretary's role in ensuring better corporate governance in these countries. There is no denying the fact that a company secretary ensures better flow of information between various levels of management and the board and thereby enhances corporate governance. In India, the company secretary is listed as an officer in default and the new Companies Bill also seeks to introduce the concept of a Key Managerial Personnel (KMP) and a company secretary has been included in the definition of a KMP. The listing agreements in India make the Company Secretary the Compliance Officer in listed companies entrusted with the duty of making all necessary legal compliances. Apart from these a host of other regulations have also recognized the company secretary as one of the principal officers of a company and clothed him/her with adequate powers. These are only the statutory recognitions for a company secretary in India. These go to show that his importance in the organisation is paramount.

In UK, two decades ago, in 1991, a Committee on Financial Aspects of Corporate Governance under the Chairmanship of Sir Adrian Cadbury was set up by the London Stock Exchange Financial Reporting Council which in course of time has come to be better known as the Cadbury Committee. The idea behind was to study and report its findings on financial reporting aspects of corporate governance and to suggest best practices for good corporate governance. The Committee came out with its findings in December 1992. The Committee's Report on corporate best practices for good corporate governance time and again highlights the importance of the role to be played by the company secretary towards ensuring better corporate governance in companies. The company secretary is required to ensure that board procedures are followed and regularly



reviewed. He/she is supposed to know the duties and responsibilities of the chairman and the members of the board and the latter would look forward to him/her for advice and guidance in such matters when required. Because the appointment and removal of a Company secretary is a crucial matter, the Report suggests that the same should be done by the board of directors through its meetings only. All the recommendations of the Cadbury Committee were incorporated into the UK Combined Code on Corporate Governance. The Code makes it the duty of the Company secretary to be instrumental in the induction programme and professional development of the Board members and to ensure the proper flow of information to different board committees.

Sir Derek Alan Higgs, English businessman and merchant Banker once wrote a letter to the British Chancellor of the Exchequer and the Secretary of State for Trade and Industry and the same letter came to be popularly known as the Higgs Report. It contained a detailed review of the existing UK Combined code on Corporate Governance and suggested further changes into the code to reflect certain best practices that could enhance the performance of the Board. The Higgs' Report also highlighted the importance of the Company Secretary in achieving better corporate governance. The following are some important highlights from the report: The company secretary is expected to assist the chairman in his task of ensuring that there is a proper induction programme for Board members; The company secretary has to facilitate the development programmes of board of directors; The company secretary should play an important role in arranging and providing necessary information and thereby ensuring effective performance of duties by the non-executive directors. This would help the directors to provide the company with their impartial guidance and expert advice; the company secretary would remain accountable to the board of directors on all matters of corporate governance. Because of his unique position, it has been said that the integrity of the position has to be maintained.

It is worthwhile to note that despite the supreme importance attached to the office of a company secretary in the corporate governance codes of the United Kingdom, the new English Companies Act, 2006 has abolished the requirement of appointment of a company secretary in private limited companies. Earlier, all limited companies, both public and private, were required to have at least two officers appointed, one company director and a company secretary, the former charged with running the company on behalf of the shareholders and the latter, to provide administrative support to the company. The new Act now makes it possible for a UK company to be registered with a single officer, i.e. only a director and he would assume the duties of the company secretary as well. With this, it seems that the much acclaimed 'distinguishing factor' between a limited company and a sole proprietorship business is being abandoned. It has been observed in this context that if there is no company secretary,

and the Board is left to itself, it is bound to produce chaos and uncertainty in the management of the company and at the extreme level might even lead to a business failure. Nonetheless, the reason being put forward for abolishing the requirement of company secretaries in smaller companies is that a review of the British company law had found the legal provisions to be pretty complicated for small business houses leading to a feeling of over-regulation among them and ultimately putting an adverse effect on competition. Thus the new Act seeks to simplify the law and make it more comprehensible, making business easier, cheaper and more competitive and thus giving more incentives to small entrepreneurs to come forward. It ensures that the impact of regulation on small business houses that need to be promoted and encouraged are kept at the basic level without hampering their progress by overburdening them with restrictions and requirements. There is no denying that under the current provisions the directors would find themselves more responsible and this move has been welcome by critics. However, it is equally true that although directors themselves ideally have a sense of personal responsibility to know and apply the legal provisions, it is in effect the day-to-day job of the company secretary to ensure that directors are kept abreast of all legal provisions and amendments. There cannot possibly arise a redundancy in that area even if a company is relatively small in size. A cloud of doubt therefore still exists about the practical success of the new legislation. Nonetheless, this hardly changes any real life situation as most of the small private limited companies were already run by just a director and the company secretary was in name only. The attempt of the legislature in overhauling the corporate law coupled with the still existent stress of the corporate governance codes on a company secretary's important role only goes to prove that they are required to perform highly skilled and professional job which can be found in the bigger companies only and which the directors are not capable of performing by themselves.

## ***Countries giving less importance to the role of a company secretary***

Under this category we discuss countries that do have provision for company secretaries but attach little importance to the role played by them. Examples are Thailand, Australia, New Zealand etc. In his article 'The Company Secretary, Good Corporate Governance, and Operating Management Investment Schemes Investing in Real Property' (published in Legal Issues in Business, The Real Estate Industry, Volume 2), the author John Douglas Maltas, from the School of Business Law, Curtin University of Technology, speaking about the state of corporate governance in Australia and New



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The Company Secretary - Terra Incognita in Comparative Corporate Governance

Zealand and the importance of a company secretary therein, has opined that "The company secretary's duties, as the chief administrative officer of the company, are an essential ingredient in the implementation of sound corporate governance procedures. In the eyes of many directors the position represents a shield against breaches of the Corporations Law. In the context of this narrow and simplistic view, it is unfortunate that Australia has been slow to grasp the thrust of the Cadbury Report and its broader view of the role of the company secretary in the United Kingdom, especially as a source of advice to the board, on key legal and administrative issues. The failure to recognise this in Australian corporate legislation will greatly weaken the ability of companies, both proprietary and public, to meet their corporate governance objectives". In Australia, very few directors appreciate the importance of a company secretary and the same is also testified by the fact that in this country's corporate law does not specify any professional qualification for a company secretary. Concluding this observation, John Douglas Maltas has further remarked that "Australia seems destined to follow the New Zealand example of complete abolition of the position in line with the Canadian legislation on which New Zealand legislation is modeled". As for Thailand, the country's corporate law states that the duty of the company secretary is to serve the board by providing legal advice, assisting in the board's activities and ensuring that board's resolutions are duly taken into effect. Further the role of the company secretary in arranging and providing necessary information is also recognised. However, the unparalleled role of the company secretary in ensuring better corporate governance has nowhere been highlighted.

## Countries not having provision for company secretaries

France, Germany and all the countries of the European Union are examples of jurisdictions that do not recognize a company secretary. We have talked about the author John Douglas Maltas and his article in this article earlier on. In the same article he remarked that "In an era when corporate governance issues are being addressed in several jurisdictions, it seems short-sighted to eliminate the appointment of a company secretary from legislation". So while it would almost be impossible to think about the Indian or English company law without a company secretary, the countries listed out above have been able to conceive of a corporate law without the provision for company secretaries. Generally, in my opinion, these are the civil law countries that do not recognize the profession. But here again, Canada is an exception and although it is a common law country, it still excludes the provision of company secretary. Sadly though,

the Canadian corporate law recognized the company secretary until recently before being amended. The amendment abolished the requirement of a company secretary. This is unfortunate for our fraternity.

The German companies have two-tier board structure, viz., the Supervisory Board and the Management Board. While the Supervisory Board is given the responsibility of taking decisions that are fundamentally important for the company management as well as appointing, supervising and advising members of the Management Board, the Management Board manages the company. All members of the management board are jointly accountable for management of the affairs of the company. An important role of the company secretary, i.e., the information providing role, is performed by the Management Board here and the members of this Board are jointly responsible for providing necessary information to the Supervisory board and keeping it updated of all developments. It is the duty of the Supervisory board to clearly specify what kind of information it requires from Management board. Efficient corporate governance would call for both the levels of Board to work in complete harmony in discharging their respective duties towards the management of the affairs of the company. It is the responsibility of the management Board to develop strategies for management of affairs of the company. After developing them they discuss those with the supervisory board and ensure their proper implementation. In so doing, it takes care that all relevant provisions of law are properly complied with. It is also the duty of the Management Board to report on financial statements of the company including the Consolidated Financial Statements. To sum up, the powers of the two levels of the Board of Directors are quite well demarcated and clearly distinguished.

In contrast to the German system, the French corporate system provides for an option between a single tier board and a two tier board of Directors and the choice is left to the organisation. It is the duty of the directors to collect all necessary information from relevant sources in order to fulfill their duties and failure to perform such duties in order may give rise to their personal liability. By implication, there is quite a lot of stress on Independent directors. Once every year, one item in the agenda of Board meetings should focus on discussing the efficiency of the company's operations, with special emphasis on the participation of each director in the relevant discussions and whether or not each issue is suitably prepared before being discussed. The shareholders are required to be informed through the annual report every year about the self-evaluations exercise done by the Board and whether or not any steps have been taken to correct any resultant inefficiency. It is thus left to the directors to ensure that in discharging their duties they take care of all relevant provisions of law.

## A CRITICAL ANALYSIS

While in India, being a qualified company secretary is a matter of great pride and prestige, from what we have seen in the





foregoing paragraphs, it is clear that not all countries' legislations provide for a company secretary. Taking about the German corporate system, the members of both Supervisory Board and Management Board are required to exercise duty of care and good faith in discharging their duties. If they violate the same, they are liable for damages to the company. However, the business judgment rule provides them immunity for any decision taken *bona fide* in the interest of the company. However, in the presence of this rule applied by the courts, the directors may be prone to exceed their powers given that there is nobody to ensure that they do not. Further, in the German corporate governance code, nothing specifically is mentioned as to who provides the Board of directors with necessary legal advice and guidance. In practice, the companies generally have tie up with some law firms on retainer basis and seek their expert advice as and when the necessity arises. But the fact remains that such an arrangement generally imposes comparatively more transaction cost than that would have been incurred with a person internal to the organisation, charged with the responsibility of all compliances. Further, for day-to-day minor compliance requirements with large implications in case of violation, it is more desirable to have a person who would be in constant vigilance of the same as otherwise such small matters often go overlooked. It is futile to refer every small matter to a law firm for advice. However, most of the big companies have an internal law department in which case the deficiency is minimized. The costs of the law department and that of the secretarial department may be comparable. But the question that still remains is the accountability for mistakes in the absence of liability. One more point that seems worth mentioning is that in the presence of the provision of joint responsibility of the several members of the Management board to provide the Supervisory board with necessary information, the chances of free riding are not wiped out and everybody's duty may become nobody's lookout as everybody might think that somebody is

taking care. To explain in plain language, since all the members of the supervisory board and management board are jointly responsible, it is everybody's duty to take care and there are chances that some may shirk and neglect. In this respect, it seems that the French system of making the Directors responsible for collecting the information needed for their own purpose is more practical in that they have the incentives to gather all necessary information to avoid any future liability for negligent act or wrongful decision making. Similarly, the fact that the directors are themselves under obligation to see that all legal compliances are duly taken care of also seems appropriate. However, this provision might shift focus of the directors from their duty of maximizing shareholders' wealth to taking care of routine compliances to avoid the risk of liability. Further, one of the most important assignments of company secretary is the recording of minutes. He/she acts as the secretary to every committee of the Board as well and hence he/she is present in not only general meetings and Board meetings, but also in committee meetings and he/she is entrusted with the responsibility of recording minutes accurately and these minutes serve as evidence of the activities conducted in the meetings. In the German and French codes, however, although correct recording of minutes has been stressed on, nobody has been particularly charged with this responsibility.

## CONCLUDING REMARKS

The recent amendments of the Canadian legislations in that they abolished the profession of company secretary ship that was recognized until recently, look discouraging. Equally disappointing are the provisions of the UK Companies Act of 2006 w.r.t. non-requirement of company secretaries in private limited companies, especially so when in practice such companies still continue to hire company secretaries for better management of compliances. What is the rationale behind making such an amendment then? This may well be an indication that the fellow professionals in the UK have failed to strengthen their profession and are thereby suffering the consequences. Can we afford to have the Companies Act in India state that private limited companies will NOT be required to have a company secretary? After all private limited company does not essentially mean a 'small company'. With legislative provisions relating to the company secretary being amended across the world to the detriment of our professional brothers and sisters, it is high time for us to stand up and take an oath: that we will strengthen our profession, take ourselves higher up in the society, exhibit the highest professional standard and the best conduct, ensure that each and every individual understands the role of a company secretary and respects the profession and see that all these go hand in hand to make us indispensable not only in the legislative requirements of our own country but globally. ■



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## Operational Challenges Post Corporate Restructuring

Corporate re structuring leads to significant changes in the organization touching various tangible as well as intangible aspects. Apart from various considerations involved in any restructuring and the benefits sought to be achieved therefrom, it is important that each concerned is aware of *post facto* actions that need to be completed to ensure smooth working of the organization post restructure.

### Beginning of the End

**T**he actions that need attention in the post restructure scenario find their roots somewhere in the beginning of the whole process. It is imperative that the team involved in the restructure understands the logical ends to each of the steps and sub-steps at the time when an organization is planning for the restructuring. Certain decisions taken in terms of the overall structuring plan, methodology adopted for specific actions forming part of the restructure could be irreversible or may have very little scope to make changes and therefore, it is essential to keep the end objective in mind while planning for the restructure.

It would also help, wherever possible, to initiate certain actions parallelly without waiting for the final





stage of restructure to begin. In other words, it may be worthy to consider any decisions/ actions that could be taken/ initiated at early stage without waiting for formal approval from the authorities depending on the costs and efforts involved e.g. if a company is planning to change its name post merger, it may consider seeking availability of the proposed name at an early stage.

In addition, if an organization is planning to incur costs it should plan appropriately keeping in mind the expected timeframe for completion of formalities with respect to impending restructuring exercise e.g. if a company is planning for an office space in Hyderabad and it is understood that another company, with which it is likely to be merged, has substantial space in Hyderabad, the former should consider exploring options to procure office space on a temporary basis and take a decision based on the availability of space as against its requirements in the post merger scenario. Similar situation may arise for certain operational costs such as printing of stationery, packing and marketing material etc. in the pre-merger scenario.

## Challenges in the post-restructure phase

It would not be inappropriate to divide all actions in the restructuring process in three stages viz. before, during and after, to ensure all actions are covered and put in right buckets to ensure proper planning for each of these actions. Post-restructure actions envisage actions required to be taken after the approval from the Court is obtained in case of a merger of two or more companies. In other words, these are the actions put in the third and final bucket where all prior actions before and during the restructure would flow down.

Restructure could be in the nature of merger, amalgamation, acquisition, de-merger, internal organizational restructuring, financial restructuring, re-alignment of business segments etc. The points stated below would at best apply to a merger/ amalgamation scenario. Some of these points may apply to other scenarios also. One will need to give a thought about the applicability of the points stated below to the relevant type of business restructuring.

### ◆ Change of name and logo

If the restructure is going to result in change of name or where the Board of Directors decide to change the name of the entity post restructuring, the company will need to plan implementation of change of name on all name boards, letterheads, all branches/ locations where name of the Company has been



posted/displayed, including company's website/internet. Similarly, actions need to be taken to modify the corporate logo, if the same is going to change as well.

If the company proposes to adopt a new branding strategy to impress its new logo in the minds of people, it will need to undertake suitable advertisement campaign for the same. Some time back HERO group advertized changes in its name and logo.

### ◆ Revised organization chart

The company will need to work on updating its organization chart at all levels. It will need to reflect the new vision/mission, new thinking post restructure. In case of takeover, the organization chart may not change significantly; however the acquired entity may need to align its organization structure with the acquiring entity. Current trends add up to dotted line/ multiple reporting to complicate it further. Also, changes may be necessitated by vertical/ horizontal structures in the organization.

### ◆ Communication

The company should provide proper and timely communication about the restructuring in the organization to all its employees, which would provide updated status, bring clarity on what's happening at the organizational level and avoid miscommunication.





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Also, it would be useful to send a communication regarding changes in company policies as well.

The company should also consider sending appropriate communication to bankers, auditors, advisors, etc. upon formal completion of the restructuring activity.

## ◆ Employee compensation, benefits and welfare activities

Companies need to be sensitive with regard to terms and conditions of employment. Usually, courts would uphold terms of employment to be no less favorable than existing terms and conditions. Post acquisition, the parent company may want the acquired company to adopt compensation structure of the parent entity. It would result in re-aligning the structure as well as pay scales of existing employees. The company will have to carefully handle such sensitive areas to ensure employee satisfaction and comfort, which pays in the long run in building an image apart from preventing or reducing low employee turnout. Additionally, company would need to consider any prevailing fringe benefits and amenities provided to employees and the feasibility of continuing the same in the new set up (post restructure).

The company may re-negotiate insurance premium for employee related insurance policies (life, accident, medical as applicable) depending on the conditions of existing policy or the preferred insurance vendor recommended by acquiring entity.

## ◆ Aligning company policies

The company would need to align/ amend its internal policies to reflect the organization in the post restructure scenario. This may not apply in all types of restructuring. Particularly in case of takeover, the acquiring entity is likely to insist all its policies on the acquired entity to bring consistency in the groups' policies. Specific changes to group policies may be needed depending on nature and size of business, location, applicability of relevant State laws.

The challenge continues further in terms of

implementing changes in the policies e.g. if acquired company has a policy to use laptops/ computers manufactured by DELL. If the acquiring company uses laptops/ computers manufactured by HP, the company would need to take decision to implement the group policy or make an exception till the time the existing laptops/ computers consume expected life and new ones are due for procurement. Similarly, it would be appropriate to revisit policies with respect to employee uniforms, mobile phones provided by the company, tie up with insurance agents to provide cover as per the terms and conditions acceptable to the parent company, HR-policies that impact office timings, leaves and so on.

## ◆ Aligning accounting and internal database management systems

Besides passing appropriate accounting entries to capture the merger/ acquisition/ financial structure, the company may need to adopt accounting policies, practices based on those followed by its new parent organization post acquisition. The company needs to understand any reporting and database requirements of acquiring company or merged entity to provide relevant data to the new management and to align existing systems with those of the parent/ merged entity. This may involve providing suitable training to concerned personnel and understanding issues, if any, to avoid incorrect reporting.

## ◆ Re-visiting internal processes

The company which is subjected to restructuring will need to align its internal processes with that of the merged entity/ acquired entity e.g. domestic travel process, reimbursement of expenses process. Company's current process may involve issue of cheques to employees against expenses claimed;





whereas merged/ acquiring entity credits its employee claims to a bank account maintained for the purpose. Accordingly, the company will need to open bank account (expense reimbursement account) for all its employees. Company will also need to create e-mail ids for employees of merging entity and ensure access to their previous data as well. In case of an acquisition, acquiring company may insist on changing the mail ids of acquired entity to ensure consistency with its internal requirements.

## ◆ Re-allocation of people

Restructuring typically would entail re-allocation of persons operating on various positions/ grades in similar functions. At times, allocation in support functions becomes a challenge as now two persons handle the similar profile e.g. personnel in HR, finance, administration etc. This would require re-allocation of responsibilities or re-defining the responsibilities to specific geography/ line of business/ business units. In addition, a situation may arise where new positions get created to fit into the new organization structure post restructure. A careful planning is needed to avoid overlapping, underutilization of staff and to take care of career progression.

## ◆ Engagement with statutory authorities

This is one of the important areas that deals with legal requirements and is close to the company secretary. It is essential to identify government authorities that need to be intimated formally about the merger/ amalgamation/ takeover e.g. SEBI, Stock Exchange....etc.

Restructuring is also likely to require reflection of the changes to various government permissions, licenses, approvals granted in the past e.g. under labour and industrial laws, sales tax and service tax registrations, permissions under SEZ/ STPI requirements where a unit of a merging entity now becomes part of the merged entity. Appropriate steps need to be carried out for updating registration of vehicles owned by merging entity prior to merger.

## ◆ Record keeping

Maintenance of records of merging entity and making suitable entries in the records (e.g. registers under Companies Act reflecting changes in shareholding, directors etc. as applicable) of merged entity is a must. One will need to dive deep to ensure maintenance of all past records including statutory and non-statutory registers, original copies of various forms, returns, certificates, approvals, litigation and property records. Company may need to relocate the records to centralized storage maintained by the merged/ new entity.

## ◆ Immoveable Property

A restructuring may cause changes in property records e.g. consequent to merger if merging entity ceases to exist, merged entity would need to take steps to ensure that property records are updated to reflect the name of the merged (new) entity.





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If a company is occupying leased premises, one should check conditions under the lease agreement and complete necessary formalities such as intimation to landlord or the like.

If a company has borrowed money against mortgage of property, the company will need to inform bank about the restructure and check if any formalities need to be completed as per bank's policies. While the order of the Hon'ble Court is sufficient to bring legal effect to a merger/ amalgamation, the bank may require formal intimation in the prescribed form within 7 days or so.

## ◆ Expansion of existing teams to support larger organization

A restructuring is likely to put pressure on support staff, which was supporting employee strength before amalgamation e.g. in-house training department was probably handling technical training for 2000 employees. Post amalgamation with another company, the training function needs to cater to training requirements for 5000 employees. It is further likely that the amalgamating entity had an independent training department or had a sophisticated training module to conduct on-line trainings, which the amalgamated entity may not have; which would require further deliberations to implement better practices in the new organization.

## ◆ Revised ISO certification and similar other certifications

Restructuring could lead to changes in existing certifications such as ISO or similar other certifications. With the addition to locations or changes in organization structure, suitable changes need to be reflected to the certifications obtained e.g. post acquisition, the acquiring company may decide to close down a branch of acquired company located in Bangalore, since acquiring company may have a large set up in Bangalore; which would require intimation to concerned bodies and completing necessary formalities to ensure all locations/ Functions in new set up are certified.

## ◆ Re-visiting past decisions/ government approvals/ compliances

Restructuring is not always about future decisions or



actions. One would need to take a look at past decisions or approvals which were conditional and insist for re-visiting earlier decisions e.g. assuming that the Board of Directors of a company had passed a resolution for not paying any remuneration to non-executive directors. However, acquiring entity pays certain percentage of its profits to non-executive directors. Post acquisition and to fit into group policy, company would need to pass another resolution for payment of remuneration to non-executive directors. Take another example, where a company had obtained permission from Reserve Bank of India stating a condition that the permission is subject to condition that foreign shareholding in the company does not exceed X%. If post acquisition, the percentage of foreign shareholding passes stipulated percentage, the company would need to refer the matter to RBI and seek appropriate sanction. There would be a few issues which are disputable where the order of Court would operate and no formal process needs to be followed. However, it is recommended that a company should take appropriate steps to avoid multiple interpretation or possible non-compliance in such cases. Additionally, a company may be subjected to compliance with





certain laws of requirements as a result of restructure e.g. a non-listed company acquires a listed company to make the listed company as its subsidiary. Certain provisions of listing agreement/ SEBI regulations would apply which apply to a holding company of a listed company, which was so far not applicable to such a non-listed company. Or where a merging entity had a unit in SEZ; now the merged entity would need to ensure compliances under regulations applicable to SEZ unit.

Assume a company has obtained 100 software licenses required as a part of internal system used for a particular project. Post merger, if the size of such team increases to 150 members, company would need to procure additional licenses.

## ◆ Contracts

It is a onerous exercise to check provisions in the existing contracts having connection to any form of restructuring. While order of the Hon'ble Court would prevail and shall ensure that the contracts entered by the merging entity shall continue to be transferred in the name of merged entity as if merged entity was the signing party from the relevant date, provisions

contained in a contract with third party may require company to inform about such merger or may give rise to the other party to terminate the contract.

A lease agreement having committed period clause (providing for minimum period of lease during which the lease contract is not terminable by the landlord) may release the landlord from such restriction in the event of a restructure of the lessee entity. Likewise, the company may lose the benefits/ concessions under existing contract, unless company is able to re-negotiate those terms to its favor. Or a contract may provide for lifting the restrictions around fixed fees say for a period of three years, consequent to restructure.

It is now imperative for the merged entity to check all such provisions triggering from a restructure rather than criticizing how badly the contract was negotiated by merging entity.

Further, the merged entity would need to check various rights and obligations spelt out in the contracts with third parties and should allocate teams to identify and ensure compliance of those requirements.

A loan agreement may insist on the borrower company to obtain prior permission from the Bank.

Restructuring is likely to trigger termination rights for other party to the contract, which could turn out to be dangerous from business continuity perspective.

## ◆ Miscellaneous

A restructure would require changes to data displayed on the website of the company/ new entity as the case may be. It would require bringing appropriate changes in company's branding strategy, marketing material, employee visiting cards, employee identity cards, changes to any power of attorneys issued by the erstwhile entity, consolidation of existing bank accounts with the same bank, any action related to existing bank guarantees and other miscellaneous items such as crockery bearing company's logo, etc.

## Conclusion

There could be many more aspects to a restructure beyond those stated above, depending on the peculiarities of restructuring by a company. A company should plan for a restructure and try to cover as many aspects as possible to ensure smooth transition and taking necessary actions to complete the restructuring process to its logical end. ■



# Articles

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## “Go Green” A Clean Revolution in India

As population growth greatly injures our limited resources, there are fewer resources available. If we have it in mind to leave our children and grandchildren with better standards of living we have enjoyed, we must preserve the foundation of the standard of living. We have to preserve clean air, water, fuel sources and soil for future generations.

### INTRODUCTION

The term "Green Revolution" is applied to the period from 1965 to 1980 in India. The major benefits of the Green Revolution were experienced mainly in northern and northwestern regions; the program resulted in a substantial increase in the production of food grains, mainly wheat and rice using seeds with improved genetics, but on other side the environmental impact of excessive use to chemical fertilizers and pesticides. The exploitation of groundwater resources allowed farmers to double-crop but it led to an alarming drop in the water table in a number of key agricultural Indian states where water level is falling drastically. The Green Revolution cannot therefore be considered to be a cent percent successive measure to resolve the actual problem of environment.

Hence, a new concept called 'Clean Revolution' came in existence with tremendous efforts of Shri Jayram Ramesh, the then Minister, Ministry of Environment & Forests, Government of India. The Environment and Forests Ministry was in news throughout 2010 -- be it for Vedanta Resources, Posco and Lavasa -- or for the the Minister's aggressive green activism.

### WHY GO GREEN

Why go green? Though everybody is aware about this question but still there is basic need to keep this good idea in mind and to remind continuously. Why go green? Reduction of pollution, prevention of global warming, protection of the planet, human life, wild life and the list goes on. These are just some of the many reasons to go green.

There is a limited amount of natural resources, and with a population explosion expected to reach 9 billion by 2050, our time to find a real workable solution is running short. Soon, there will be a lot less to go around. Our consumption of non-renewable natural resources is too high already. As the planet's population grows, scarce resources will become harder to obtain.





We all are aware about the kind of pollutions like air pollution, light pollution, noise pollution, soil contamination, radioactive contamination, thermal pollution, visual pollution, water pollution etc. Pollution causes instability, disorder, harm or discomfort to the ecosystem i.e. physical systems or living organisms. There is current need to save the environment.

## EFFORTS TO SAVE THE ENVIRONMENT IN INDIA

India is determined to see that her per capita emission level will never exceed the average per capita carbon emission level of developed countries. This declaration, made by India's Prime Minister on June 8, 2007 at Heiligendamm, Germany continues to guide India's stand towards energy consumption and places a self-imposed restraint. It is a voluntary commitment made by India towards the international community.

In December 2009, India announced that it would aim to reduce the emission intensity of its GDP by 20-25 percent from 2005 levels by 2020. This is a further articulation of India's voluntary domestic commitment, even though it does not see itself a part of any internationally legally binding agreement on emission intensity targets and emission reduction outcomes. This announcement shows India's resolve to ensure that its growth process is sustainable and based on low carbon principles.

## India's Clean Revolution - Report by Climate Group

A report named "India's Clean Revolution" was published in March 2011. This new report from The Climate Group, NGO shows that India's Government and businesses are well aware of the challenges and opportunities posed by climate change. It shows that while they recognize India has no historical responsibility for global warming, the country has a huge role to play in delivering its solutions. Second, it shows that India's Clean Revolution is about more than just climate change - it is about energy security, sustainable growth, access to energy for millions of citizens and the creation of skilled jobs in a variety of industry sectors. Finally, and perhaps most importantly, it also shows significant actions are already underway. India's Clean Revolution analyzes the low carbon development path India must take, for a share of the USD 2.2 trillion global clean technology market. The report argues that by prioritizing bold low carbon policies and investing in clean energy now, India is creating a better, more secure, and more prosperous future for its more than one billion people.

- ◆ India's share of the USD 2.2 trillion market for low carbon goods and services in 2020 could be as much as USD 135 billion, creating 10.5 million green jobs, and is likely to grow faster than any other country, according to HSBC research







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"Go Green" - A Clean Revolution in India

## Why go green?

Because it is the right thing to do and because it may be the only thing to do. Going green is the right solution not just for yourself, but also for your family, loved ones, your future descendants, and everyone on the planet. Most of us should start off small, local, and without trying to change the world all at once. Work consistently and steadily to work our way up to actions with greater impact.



We need to make this work, starting small and being consistent is often what works. There are many ways to save and preserve natural resources, we need to figure them out and implement them for the future generations.

- ◆ India is making more progress than US on energy efficiency, and this market is expected to treble to INR 351,000 crore (USD 77 billion) in the next ten years
- ◆ India is now fifth in the world in terms of wind energy production
- ◆ Bold low carbon policies will increase India's energy independence and help provide access to energy to those who still lack it
- ◆ Low cost labor and a highly skilled manufacturing base will make India a major hub for clean technologies
- ◆ The rate of increase of India's private investment in clean energy will be 736% over the next ten years - three times that of US or China

The information brought together in India's Clean Revolution shows that enormous potential exists for generating new income and jobs by developing domestic renewable energy resources and clean technologies that improve the efficiency of key sectors, such as transport and industry – saving energy and money.

India is already home to world-class technology, energy, manufacturing, heavy industry and finance sectors and the Government of India is alive to the low carbon economy.

## Low Carbon Strategies for inclusive Growth - An Interim Report by Planning Commission

The Interim Report of the Expert Group on Low Carbon Strategies for Inclusive Growth was released in May 2011 by

the Planning Commission, Government of India, to offer guidance on achieving a Clean Revolution in India's power, transport, industry, buildings and forestry sectors through ambitious emission reductions. To reduce electricity consumption in the buildings sector, the Expert Group suggests implementation of an Energy Conservation Building Code and Green Buildings Rating System for both new and existing buildings. For emissions reductions in transport, early completion of the dedicated freight corridor, investment in urban public transport and improvement in fuel efficiency of vehicles are highlighted as critical. The report says that the power sector can reduce electricity demand by using more efficient appliances, as well as more varied and fuel efficient power plants. Reducing emissions through new technologies in the steel, cement, oil and gas sectors must also be considered. Clearly emphasizing the need for a supportive institutional set-up for implementing low carbon strategies, the report also lists principles around which policies and institutional designs should be based. On top of the policies being incentive compatible, they must also aim towards promoting technological and institutional innovation.

The report tells that Increase in anthropogenic activities since the advent of industrialisation in the mid-18th century has led to cumulative accumulation of Greenhouse Gases (GHGs) in the earth's atmosphere. Increased concentrations of GHGs and the overall warming of the atmosphere has resulted in changing rainfall patterns, disruption in hydrological cycles, melting of ice caps and glaciers, rise in sea levels, and increase in frequency and intensity of extreme events such as heavy precipitation and cyclonic activities. These have in turn had serious impact on sustainability of water resources, agriculture, forests and ecosystems, affecting the well being of billions of people on earth.





## According to Inter-governmental Panel for Climate Change:

- ◆ By 2020, in some parts of Africa, yields from rain-fed agriculture (the dominant method) could reduce by up to 50 percent
- ◆ Approximately 20-30 percent of plant and animal species are likely to be at increased risk of extinction, if increase in global average temperature exceeds 1.5-2.5°C
- ◆ Widespread melting of glaciers and snow cover will reduce melt water from major mountain ranges (e.g. Hindu Kush, Himalaya, Andes) where more than one billion people currently live
- ◆ More than 20 million people were displaced by sudden climate-related disasters in 2008 alone. An estimated 200 million people could be displaced as a result of climate impacts by 2050

As per report, impacts of climate change disproportionately affect the poor, those who do not have the means to deal with them. Thus, a strong adaptation and mitigation framework is required, and substantial resources in terms of finance, technology and capacity building will be needed to implement it.

The report says that a low carbon strategy for inclusive growth should suggest options that meet the objective of inclusive growth in low carbon ways. Many low-carbon options have attractive payback period for individuals and firms; yet these are not adopted for a variety of reasons. The low carbon strategy



should identify the barriers to adoption of these options, as also the policy measures that will help overcome them.

The interim report provides a menu of several options that can help reduce emission intensity of our economy. This will enable selection of measures that would help the country reach the desired target of reduction in the carbon intensity of its economy.

## Green Initiative Steps by Ministry of Railways

The Minister for Railways declared 2011-12 as the 'Year of Green Energy'. Some of the environment friendly measures taken by the Railways were:

1. Free supply of 14 lakh CFLs to railway households and phasing out of incandescent lamps.
2. Regenerative braking in Mumbai EMUs.
3. Windmill at ICF, Chennai.
4. Production of locos with 'hotel land converter'.
5. Increase use of solar energy at LC gates, stations etc.
6. Use of bio-diesel, CNG and LNG in locos, workshops etc.

## Green Initiative steps by Ministry of Finance (Budget aspect)

The Budget for the year 2011-12 made a positive dent towards environmental issues and their rectification. The Finance Minister while presenting the Union Budget 2011-12 focused on protection and regeneration of forests which is having a great social, ecological and economic value, and for which he allotted Rupees 60 million. He also said that, the Indian Government has launched the Green India Mission(GIM), an ambitious project which longs for 10 years. He also proposed to allocate Rupees 20 million through the National Clean Energy Fund in order to initiate its implementation in 2011-12.

## Green Initiative steps by Ministry of Environment and Forests

The Ministry of Environment and Forests of India has made it compulsory for all organizations planning for new projects to put up single comprehensive report on environmental impact. This is to avoid the pit fall where in projects would apply for piece meal clearances. For example, they would apply for environmental clearance of a captive power plant and later on, they would apply for the clearance of the captive mine. The ministry would there by lose the big picture on the environmental impact of a large project. There will be no clearance for "no-go" zone, where no





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mining or excavation or any activity which affect the environment can be started / continuing.

## Green Initiative steps by Ministry of Coal

There is worldwide concern about increased coal use, as greater carbon dioxide (CO<sub>2</sub>) emissions from coal combustion will exacerbate climate change. At the same time, there are now a number of different existing and emerging technological options for coal conversion and greenhouse gas (GHG) reduction worldwide that could potentially be useful for the Indian coal-power sector. The Ministry of Coal (MoC) has initiated the policy measure to ensure efficient distribution of the coal produced. Under the new policy, coal shall be got through FSA with conformity of norms and efficiency compliance and quality concern.

## Green Initiative steps by Ministry of Power

### *Environment Policy & Environment Management System*

Driven by its commitment for sustainable growth of power, NTPC has evolved a well defined environment management policy and sound environment practices for minimising environmental impact arising out of setting up of power plants and preserving the natural ecology.

### *National Environment Policy*

At the national level, the Ministry of Environment and Forests had prepared a draft Environment Policy (NEP) and the Ministry of Power along with NTPC actively participated in the deliberations of the draft NEP. The NEP 2006 has since been approved by the Union Cabinet in May 2006.

### *NTPC Environment Policy*

As early as in November 1995, NTPC brought out a comprehensive document entitled "NTPC environment Policy and Environment Management System". Amongst the guiding principles adopted in the document are company's proactive approach to environment, optimum utilisation of equipment, adoption of latest technologies and continual environment improvement. The policy also envisages efficient utilisation of resources, thereby minimising waste, maximising ash utilisation and providing green belt all around the plant for maintaining ecological balance.

### *Environment Management, Occupational Health and Safety Systems*



NTPC has actively gone for adoption of best international practices on environment, occupational health and safety areas. The organization has pursued the Environmental Management System (EMS) ISO 14001 and the Occupational Health and Safety Assessment System OHSAS 18001 at its different establishments. As a result of pursuing these practices, all NTPC power stations have been certified for ISO 14001 & OHSAS 18001 by reputed national and international Certifying Agencies.

Further the Ministry has been encouraging the power generation through Renewable Energy, Hydro Project, Wind Power and Solar Project Plant.

The Ministry of Power has also taken a serious note on energy efficiency of IT products. With a voluntary program for notebooks at an initial stage, the Bureau of Energy Efficiency (BEE) under MoP, is expected to enroll desktop PCs and other office equipment, soon.

The industry projected the sales for desktop and laptop computers to be around 12 million in 2011. On the flipside, there is a huge challenge to meet the growing power requirements in the country. With 160,000 MW energy currently available, the requirement is expected to grow five-fold in the next 20 years. IT hardware body MAIT, together with the Ministry of Power, has







taken ecosystem-wide green initiative to reduce carbon footprint in the IT industry. Ajay Mathur, Director General, BEE said that both the industry and government have a common goal to move ahead.

## Green Initiatives steps by Ministry of New and Renewable Energy

The Ministry of New and Renewable Energy (MNRE) is the

In order to save trees and environment by cutting down the consumption of costly paper habits, the Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies under the provisions of the Companies Act, 1956. ● ●

nodal Ministry of the Government of India for all matters relating to new and renewable energy. The broad aim of the Ministry is to develop and deploy new and renewable energy for supplementing the energy requirements of the country. Ministry is encouraging and offering more initiative towards Solar Energy.

The Ministry launched Special Area Demonstration Project in July, 2009, under which several Raj Bhavans have adopted measures for using renewable energy sources. The Green Campus Guidelines shall soon be announced by the Ministry.

## Green Initiative steps by Ministry of Corporate Affairs for Corporate Governance

In order to save trees and environment by cutting down the consumption of costly paper habits, the Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies under the provisions of the Companies Act, 1956. Some of the important initiatives are as under :

- (i) *Allowing service of Documents including Balance Sheets and Auditors report etc. through e-mail addresses:*

In order to reduce cost of posting and speedy delivery of documents, service of documents through electronic mode has been permitted under section 53 of the Companies Act, 1956 in place of service of document under certificate of posting.

Similarly, to reduce the consumption of papers and speedy secure delivery, service of copies of Balance Sheets and Auditors Report etc., to the members of the company as required under section 219 of the Companies Act, 1956 has been allowed to be served through electronic mode by capturing their e-mail addresses available with the depositories or by obtaining directly from the shareholders.

- (ii) *Participation by Directors and shareholders in meetings through video conferencing:*

To provide larger participation and for curbing the cost borne by the Company, Directors, and shareholders to attend various meetings under the provisions of the Companies Act, 1956, participation through video conferencing has been permitted subject to certain compliances.

- (iii) *Voting in General Meeting of Companies through electronic mode:*





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In order to have secured electronic platform for capturing accurate electronic processes, Central Depository Services (India) Ltd (CDSL) and National Securities Depositories Limited (NSDL) are being given approval by the Ministry of Corporate Affairs to provide their electronic platform for capturing accurate electronic voting in General meetings of the company.

#### (iv) Issue of Digital Certificates by Registrar of Companies:

The Registrar of Companies has to issue a number of certificates to the companies and other stakeholders as required under the provisions of the Companies Act, 1956. In order to cut timelines and as a step towards "Green Initiative" it has been decided that all certificates and standard letters issued by the Registrar of Companies will now be issued electronically under the Digital Signatures of the Registrar of Companies.

These are some examples of Green Steps of various Ministries. There are lot of other initiatives which have been taken by the various Ministries and Government Departments, but still more efforts are desired.

## WHAT ONE CAN DO

*"Every person is the right person to act. Every moment is the right moment to begin". The Time to Act is Now!*

**Reduce Consumption:** The first step to reducing your impact on the environment, is reducing the amounts of resources you consume and use. Think twice before you buy or use anything. Do you really need it? By reducing your consumption you will also decrease the amount of waste you produce.

**Waste:** There are also many other ways to reduce your waste. The opportunities are nearly endless. Here are just a few ideas.

- ◆ Think before you print or photocopy! Print and copy as little as possible
- ◆ Edit on screen, not on paper
- ◆ Use e-mail to minimize paper use
- ◆ Send and store documents like necessary papers and business proposals electronically instead of on paper
- ◆ When you must print or copy, do it double-sided
- ◆ Circulate documents instead of making an individual copy for everyone
- ◆ Change the margins on your Word documents. The default margins on the documents you print are 1.25 inches on all sides. Simply changing the margins to 0.75 inches will reduce the amount of paper you use by almost 5 percent
- ◆ Eat together

**Energy Consumption:** There are so many ways of optimizing your energy consumption:

- ◆ Turn off unused or unneeded lights
- ◆ Use natural lighting instead of electric lighting whenever possible
- ◆ If you have a desk lamp, make sure it uses fluorescent bulbs (instead of incandescent bulbs)
- ◆ Dress appropriate to the season
- ◆ Select cold water for washing clothes
- ◆ Keep windows and doors closed in heated and air-conditioned areas
- ◆ Turn off computers when they are not in use
- ◆ Turn off printers, especially laser printers, when not in use
- ◆ Don't use power strips to turn on all computers and desk equipment at once
- ◆ When purchasing computers and peripherals, buy low wattage equipment
- ◆ Minimize use of screen savers and instead enable power management features
- ◆ Purchase only energy-efficient products
- ◆ Move your refrigerator. Leaving space between your refrigerator and the wall increases air circulation around the condenser coils, allowing the fridge to operate more efficiently





## Oil consumption and pollution

◆ Drive Efficiently - If you must drive, buck the trend toward more wasteful vehicles and drive a fuel efficient car, i.e. one which gets more miles per gallon, and don't drive it more than you really need to!

- ◆ Park your car in the shade. Gas evaporates from your fuel tank more quickly when you park in the sun. Parking in the shade lowers the temperature in your gas tank by up to 7 degrees, significantly reducing fuel evaporation
- ◆ Car pool and get driven to work in a Bus

## Reuse

Plastic containers can become food storage, paper can become wrapping paper. The ways in which to reuse things are unlimited. All you need is to be creative. If being creative is not your thing, here are some other ideas:

- ◆ Reuse envelopes by placing a new label over the old address
- ◆ Designate a box for scrap paper and use it for printing all drafts or unofficial documents
- ◆ Reuse plastic bags or better get a reusable canvas bag

## Recycle

- ◆ When buying any type of product, see if it is available with post consumer recycled content
- ◆ Wrap presents in gift bags which can be used again and again instead of wrapping paper which is consigned to the dustbin
- ◆ Production of recycled paper uses only half the water and 3/4 of the energy than new paper
- ◆ Every ton of recycled paper saves almost 400 gallons of oil, three cubic yards of landfill space and seventeen trees
- ◆ If you recycle soda cans, the energy used and air pollution created, is 95 percent less than if the cans were produced from raw materials
- ◆ You could operate a TV set for an estimated three hours with the energy saved by recycling just one aluminum can

Thinking green means being aware of our interconnectedness with the world and reflecting on the unintended damage we cause nature in the daily course of our lives. Thinking green leads to acting green - taking corrective action to make environmental responsibility a reality.

- ◆ Plant Trees
- ◆ Conserve as well as harvest rainwater

## CONCLUSION

All around the world, individuals and communities are learning to save and conserve. Most of us realize the need to save financially, such as for retirement, weddings, or for college educations. However, saving natural resources in order that our descendants can enjoy a high quality of life isn't

Thinking green means being aware of our interconnectedness with the world and reflecting on the unintended damage we cause nature in the daily course of our lives. Thinking green leads to acting green - taking corrective action to make environmental responsibility a reality.

necessarily something everyone thinks to do. Another issue is that many of us carelessly improperly discard the very things that endanger our natural resources. Tossing batteries in landfill trash, for example, will end up polluting the earth and even underground water.

We need a new and different way of thinking. But, it will take time and effort before it becomes second nature. Why go green? Because it is the right thing to do and because it may be the only thing to do. Going green is the right solution not just for yourself, but also for your family, loved ones, your future descendants, and everyone on the planet. Most of us should start off small, local, and without trying to change the world all at once. Work consistently and steadily to work our way up to actions with greater impact. There are many ways to save and preserve natural resources, we need to figure them out and implement them for the future generations. ■

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## **CYBER CRIME & CYBER TERRORISM:** The need to know **Cyber Laws**



Cyber laws are required to combat cyber crime and cyber terrorism and this Article endeavours to delve deeper into the subject to understand various other nuances of Information Technology Act, 2000 which the Company Secretaries and other corporate professionals should be apprised of.

*"Mistakes like straws float on the surface  
One who wants pearls must dive deep below"*

Cyber law has emerged as a field for a new crop of professionals who may be called techno-legal specialists. Since the emerging digital era indicates that "There is no business without e-business", there will be no room for corporate professionals without a basic understanding of "cyber laws".

Hence cyber law literacy amongst professionals like Chartered Accountants, Company Secretaries, Bankers, Insurance professionals, Law Enforcement Officers, and E-governance officials is as essential as the study of company law or corporate laws.

*"The Modern Thief can steal more with a computer than with a gun"*

Cyber Crime is a crime where cyberspace is used either as a tool, target or both. This includes anything from downloading illegal music files to stealing millions of dollars from on-line bank accounts. Cyber crime also includes non-monetary offences, such as creating and distributing viruses on other computers or posting confidential business information on the Internet. However the most prominent form of cyber crime is identity theft, in



which criminals use the internet to steal personal information from other users.

*The first recorded Cyber crime* took place in the year 1820 when Joseph Marie Jacquard, a textile manufacturer in France, produced the loom.

This device allowed the repetition of a series of steps in the weaving of special fabrics. This resulted in a fear amongst Jacquard's employees that their traditional employment and livelihood were being threatened. They committed acts of sabotage to discourage Jacquard from further use of new technology. This is the first recorded cyber crime.

## REASONS FOR CYBER CRIME

### Data storage in small space

Removal or deriving information through physical or virtual medium makes it much easier.

### Easy to access

Computer system is difficult to guard from unauthorized access. A logic bomb could be secretly implanted and key loggers can steal access codes. Advanced voice recorders, retina images etc. can fool biometric systems and bypass firewalls to get past many a security system.

## WHO ARE THE USUAL CYBER CRIMINALS

- 1. Children and adolescents between the age group of 6-18 years:** This delinquent behavior pattern in children is mostly due to inquisitiveness to know and explore things. Other reasons may be psychological or the thirst to prove themselves outstanding amongst other children in their group.
- 2. Organized Hackers:** The hackers who organize themselves to fulfil certain objectives like political bias, fundamentalism, etc.
- 3. Professional Hackers:** They are motivated by the colour of money. These hackers are mostly employed to hack the site of rivals and get credible, reliable and valuable information.
- 4. Discontented Employees:** This group includes

people who either get sacked by their employer or are dissatisfied by their employer.

## MODE AND MANNER OF COMMITTING CYBER CRIME

### Theft of Telecommunication Services

By gaining access to an organization's telephone switchboard (PBX) individual or criminal organizations can obtain access to dial-in/dial out circuits and then make their own calls or sell call time to third parties. Offenders may gain access to the switchboard by impersonating a technician, by fraudulently obtaining an employee's access code, or by using software available on the internet. In one case, computer hackers in the United States illegally obtained access to Scotland Yard's telephone network and made £620,000 worth of international calls for which Scotland Yard was responsible.

### Communications in Furtherance of Criminal Conspiracies

Activities of criminal organizations are enhanced by technology. There is evidence of telecommunications equipment being used to facilitate organized drug trafficking, gambling, prostitution, money laundering, child pornography and trade in weapons. The use of encryption technology may place criminal communications beyond the reach of law enforcement.

### Telecommunications Piracy

Digital Technology permits reproduction and easy dissemination of print, graphics, sound and multimedia combinations. The temptation to reproduce copyrighted material for personal use, for sale at a lower price, or indeed for free distribution has proven irresistible to many. This has caused considerable concern to owners of copyrighted material. Each year it has been estimated that losses between US\$ 15 and US\$ 17 billion are sustained by industry by reason of copyright infringement.

### Dissemination of Offensive Materials

Objectionable content exists in abundance in cyberspace. This includes among much else, sexually explicit materials, racist propaganda and instructions for the fabrication of explosive devices. 'Cyber stalking' is indulged in which persistent messages are sent to an unwilling recipient.



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## Electronic Money laundering & Tax Evasion

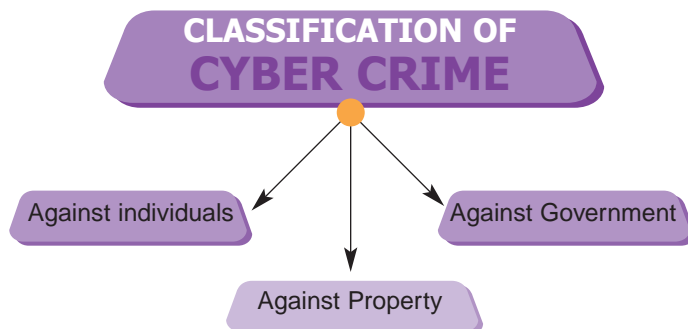
Electronic funds transfer has assisted in concealing and in moving the proceeds of crime. Emerging technologies will greatly assist in concealing the origin of ill-gotten gains. Legitimately derived income may also be more easily concealed from taxation authorities. The development of informal banking institutions and parallel banking systems may permit central bank supervision to be bypassed, but can also facilitate the evasion of cash transaction reporting requirements in those nations which have them. With the emergence and proliferation of various technologies of electronic commerce, one can easily envisage how traditional countermeasures against money laundering and tax evasion may soon be of limited value.

## Cyber Terrorism/Electronic Vandalism

Cyber Terrorism is the re-meditated use of disruptive activities, or the threat thereof in cyberspace with the intention to further social, ideological, religious, political or similar objectives, or to intimidate any person in furtherance of such objectives.

Cyber terrorism is a global concern. Defence planners around the world are investing substantially in information warfare - means of disrupting the information technology infrastructure of defence systems. Attempts were made to disrupt the computer systems of the Sri Lankan Government and of the World Atlantic Treaty Organization during the 1999 bombing of Belgrade. In another case which illustrates the transnational reach of extortionists involved a number of

German Hackers who compromised the system of an Internet Service Provider in South Florida, disabling eight of the ISPs ten servers. The offenders obtained personal information and credit card details of 10,000 subscribers and ultimately extortionists were arrested with the co-operation between the US and German Authorities.



### *Against Individuals*

#### **Cyber crime is effected through**

- (a) **Harassment via e-mails**
- (b) **Cyber-stalking** - Following a person's movement across the internet by posting messages on the bulletin boards frequented by the victim, entering chatroom frequented by the victim, constantly bombarding the victim with e-mails
- (c) **Dissemination of obscene materials:** This may include the hosting of website containing these prohibitive materials.
- (d) **Unauthorized control over computer system or Hacking**
- (e) **E-mail spoofing** : A spoofed e-mail may be said to be one which misinterprets its origin. It shows its origin to be different from which actually it originates.

### *Against Property*

Cyber crime also includes computer vandalism or destruction of other's property, transmission of harmful programmes. A Mumbai based upstart engineering company lost much money in the business when the rival company, stole the technical database from their computers with the help of a corporate cyber spy.

### *Against Government*

The medium of cyberspace is being used by individuals and groups to threaten international governments as also to terrorize the citizens of a country.





## CYBER WARS ARE REAL AND ALARMING

Hackers attack with bots, viruses and Trojans instead of planes or armoured vehicles, and missiles and systematically create online "trapdoors" to invade servers and computers and steal banking passwords and money besides disabling communication links.

- ◆ In March 2009, a cyber spy network dubbed Ghost Net allegedly used servers mainly based in China to tap into classified documents from Government and private organizations in 103 countries including computers of Tibetan exiles. China denied the claim.
- ◆ In 2007, the US Government reportedly suffered an "espionage Pearl Harbour" where an unknown foreign power broke into all its high tech agencies and downloaded terabytes of information.
- ◆ In May 17, 2007 the Estonian Parliament, ministries, banks and media were targeted after which the North Atlantic Treaty Organization (NATO) established the cooperative Cyber Defence Centre of Excellence (CCDCOE) in Tallinn, Estonia.
- ◆ In December 2009, a cyber attack dubbed "Operation Aurora" by security firm McAfee was launched from China against Google and over 20 other companies. China denied this attack but Google said that it would shift base out of China though it is yet to do so.
- ◆ Around 6000 Indian websites were defaced in 2009 according to Indian Computer Emergency Response Team (CERT).

## INDIA – NOT READY FOR CYBER WAR

Online security expert Vijay Mukhi concurs that India is not prepared to fight a cyber war despite the fact that most banks have their data online. In India, online security experts feel that the apathy towards strengthening online security stems from the fact that the maximum attacks related to defacing a site or largely sending denial of services (DoS). But that may not be the case for long with India deciding to digitize its data and make them available to all citizens online. Setting up of State Wide Area Network (SWAN) connections and important e-governance programmes-including that of MCA 21, e-passport and e-office-are cases in point. "Cyber attacks have changed over the period of years. Earlier attacks were much simpler" cautions Kartik Shahani, regional director -India-SAARC McAfee. His firm's global threat intelligence data suggest that India has recently replaced (China, Russia and Romania) as the richest hunting ground for hackers. Shivarama Krishnan, Executive Director and partner, PwC concurs that India need to be well prepared for any

Cyber terrorism is a global concern. Defence planners around the world are investing substantially in information warfare means of disrupting the information technology infrastructure of defence systems.

eventuality. If someone wants to paralyse American Banks or the retail sector, India is the best target as most of the maintenance and operational processes are managed out of India. So India's preparedness to fight Cyberwar has to be higher.

## PREVENTION OF CYBER CRIME

1. Passwords should be strictly guarded
2. Use latest and update antivirus software to guard against virus attacks
3. Use of Cyber Café should be avoided
4. Use of firewalls may be beneficial
5. Web servers running public sites must be physically separate and protected from internal corporate network
6. It is better to use a security programme that gives control over the cookies and send information back to the site as leaving the cookies unguarded might prove fatal.

## Regulating 'Indian' Cyberspace - Statutory Provisions which a Company Secretary should know

Information Technology Bill passed by the Indian Parliament in May 2000 notified as the IT Act 2000 has received the Assent of the president on 9th June, 2000. This Act provides legal recognition for electronic commerce and accords stringent punishments to cyber criminals.

Cyber contravention may result in civil prosecution and the judicial proceedings are carried before the adjudicating officer. Offenders are liable to pay damages depending on the nature of offence by way of compensation to the victim up to an amount not exceeding Rupees 1 crore. Sections 65 to 74 of the IT Act deal with various offences. Cyber offences may result in criminal prosecution and the offender made liable to punishment with fine or imprisonment or both. The offences are classified into cognizable or non-cognizable and bailable or non-bailable. Section 45 provides for residuary penalty for



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offences under sections 43 and 44. Residuary penalty is limited to ₹ 25,000.

## OFFENCES COVERED UNDER IPC & SPECIAL LAWS

### 1. Section 503 IPC - Criminal Intimidation: Sending threatening messages by e-mail

Whoever threatens another with any injury to his person, reputation or property, or to the person or reputation of anyone in whom that person is interested, with intent to cause alarm to that person, commits criminal intimidation.

### 2. Section 499 IPC: Sending defamatory messages by e-mail

Whoever by words either spoken or intended to be read or by signs or by visible representations, makes or publishes any imputation concerning any person intending to harm, or knowing or having reason to believe that such imputation, will harm the reputation of such person, is said to defame that person.

### 3. Section 463, 464, 468, 469 IPC: Forgery of electronic Records, E-mail spoofing

(a) **Section 463-Forgery:** Whoever makes any false documents or electronic record with intent to cause damage or injury to the public or to any person, or to enter into express or implied contract, or with intent to commit fraud, commits forgery.

(b) **Section 464 - Making a false document:** A person is said to make a false document or a false electronic record when he dishonestly or fraudulently makes, signs, seals or executes a document, makes or transmits any electronic record, affixes any digital signature on any electronic record, with the intention of causing it to be believed that such document, electronic record or digital signature was made, signed, sealed, executed transmitted or affixed by or by the authority of a person whom he knows that it was not made, signed, sealed, executed or affixed.

(c) **Section 468: Forgery for the purpose of cheating:** Whoever commits forgery, intending that the document or Electronic Record forged shall be used for the purpose of cheating, shall be punished with imprisonment and liable to fine.

**Section 469:** Whoever commits forgery intending that document or electronic record forged shall harm the reputation of any party shall be subject to imprisonment or appropriate fine.

## 4. Bogus Websites, Cyber Frauds:

### (a) Section 420 IPC: Cheating and dishonestly inducing delivery of property

Whoever cheats and thereby dishonestly induces the person deceived, any property or makes, alters, or destroys whole or part of a valuable security shall be punished with imprisonment and also liable to fine.

### (b) Section 383 IPC: Extortion

### (c) Section 500: Punishment for defamation

Whoever defames another shall be punished with simple imprisonment or liable to fine.

(d) **Section 506, 507 IPC:** Whoever commits the offence of criminal intimidation shall be punished with imprisonment. Whoever commits the offence of criminal intimidation by an anonymous communication shall be punished with imprisonment.

## 5. Piracy: Section 53, 63, 63B Copyright Act

## 6. Obscenity: Section 292, 293, 294 IPC, Indecent Representation of Women Act.

## 7. Theft of computer hardware: Section 378, 379 IPC.

## INFORMATION TECHNOLOGY ACT, 2000

**Section 77A of the IT Act provides that the 'offences under sections 66, 66A, 72 and 72A may be compounded by the aggrieved person.'**

**Section 66:** If a person dishonestly or fraudulently does any act which damages the computer or the computer system, he is liable to a fine of up to five lakhs or be imprisoned for a term of up to three years. A host of new sections have been added to section 66 as sections 66A to 66F prescribing punishment for offences such as obscene electronic message transmissions, identity theft, cheating by impersonation using computer resource, violation of privacy and cyber terrorism.

**Section 66A:** If any person sends by means of a computer



In view of the increasing threat of terrorism in the country, amended section 69 gives power to the State to issue directions for interception or monitoring of decryption of any information through any computer resource. ●●

Further, new sections 69A and 69B, two new sections, grant power to the state to issue directions for blocking for public access of any information through any computer resource and to authorize to monitor and collect traffic data or information through any computer resource for cyber security.

resource or a communication any content which is grossly offensive or has a menacing character or which is not true but is sent to create nuisance, annoyance, criminal intimidation, hatred or ill will etc. shall be imprisoned for an imprisonment term which may be up to three years combined with a fine.

**Section 67:** of the old Act is amended to reduce the term of imprisonment for publishing or transmitting obscene material in electronic form to three years from five years for first conviction and increase the fine thereof from Indian Rupees 100,000 (approximately USD 2000) to Indian Rupees 500,000 (approximately USD 10,000).

A host of new sections have been inserted as Sections 67 A to 67C. While Sections 67A and 67B inserted penal provisions in respect of offences of publishing or transmitting material containing sexually explicit act and child pornography in electronic form, section 67C deals with the obligation of an intermediary to preserve and retain such information as may be specified for such duration and in such manner and format as the Central Government may prescribe.

In view of the increasing threat of terrorism in the country, amended section 69 gives power to the State to issue directions for interception or monitoring of decryption of any information through any computer resource. Further, new sections 69A and 69B, two new sections, grant power to the state to issue directions for blocking for public access of any information through any computer resource and to authorize to monitor and collect traffic data or information through any computer resource for cyber security.

**Section 72:** If a person is found in possession of some information like electronic record, book, register, correspondence and he is found disclosing it to any third party without the consent of the person concerned, then he shall be punished

with imprisonment for a term which may be up to two years, or a fine which may extend to One Lakh rupees, or with both.

**Section 72A:** If any person while providing services under the terms of the contract, has secured access to any material containing personal information about another person, with the intent to cause wrongful loss or wrongful gain discloses the information, without the person's consent or in breach of a lawful contract, shall be punished with imprisonment for a term which may extend to three years or with fine which may extend to five lakh rupees or with both.

Gradation of severity of computer related offences under Section 66 has been amended. Now if an offence is committed dishonestly or fraudulently then punishment is for a term which may extend to three years or a fine which may extend to Rs 5 lakhs or with both.

**Section 43(A)** is related to handling of sensitive personal data or information with reasonable security practices and procedures. This section has been inserted to protect sensitive personal data or information possessed, dealt or handled by a body corporate in a computer resource which such body corporate owns, controls or operates. If such body corporate is negligent in implementing and maintaining reasonable security practices and procedures and thereby causes wrongful loss or wrongful gain to any person, it shall be liable to pay damages by way of compensation to the person so affected.

**Section 85:** relates to responsibility of the company for contravention of any provisions of the Act or of any rule, direction or order made there under. Every person who, at the time the contravention was committed, was in charge of, and was responsible to, the company for the conduct of business of the company as well as the company, shall be guilty of the





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contravention and shall be liable to be proceeded against and punished accordingly. Further notwithstanding anything contained above, where a contravention of any of the provisions of this Act or of any rule, direction or order made there under has been committed by a company and it is proved that the contravention has taken place with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of the contravention and shall be liable to be proceeded against and punished accordingly.

## SNAPSHOT OF IMPORTANT CYBER LAW PROVISIONS IN INDIA

### Offences Under IT Act

Offence	Section under IT Act
Tampering with Computer source documents	Section 65
Hacking with Computer systems, Data alteration	Section 66
Publishing obscene information	Section 67
Un-authorized access to protected system	Section 70
Breach of Confidentiality and Privacy	Section 72
Publishing false digital signature certificates	Section 73
Offences by Company	Section 85

**NOTE:** Section 78 of I.T. Act empowers Deputy Superintendent Of Police to investigate cases falling under this Act.

### Computer Related Crimes Covered under Indian Penal Code and Special Laws

Offence	Section
Sending threatening messages by email	Section 503 IPC
Sending defamatory messages by email	Section 499 IPC
Forgery of electronic records	Section 463 IPC
Bogus websites, cyber frauds	Section 420 IPC
Email spoofing	Section 463 IPC
Web-Jacking	Section 383 IPC
E-Mail Abuse	Section 500 IPC
Online sale of Drugs	NDPS Act
Online sale of Arms	Arms Act



## ROLE OF COMPANY SECRETARY IN INFORMATION TECHNOLOGY

1. Compliance with Cyber laws and other laws.
2. Conducting Board Meetings through Video Conferencing and tele-conferencing.
3. Advising on IT related IPR.
4. Developing Management Reports & controls.
5. Maintaining statutory records in electronic form.
6. E-filing of forms/documents under MCA-21 and other statutory authorities.

## CONCLUSION

Today, increasing number of Corporations are embracing a new paradigm in the way they approach enterprise security. They have engaged not only IT Experts but also professionals like lawyers and Company Secretaries to combat with the Cyber crime menace.

The world has finally woken up and understood that cyber security needs a global approach and is a very serious matter. The Internet places a profound and staggering degree of information and knowledge at our fingertips. The Internet is the ultimate library and encyclopedia. It enables an army of telecommuting working men and women to work at home. It facilitates instant back and forth communication by e-mail. Online, one can read newspapers and listen to music. The Internet is where one can advertise goods for sale on e-bay and purchase all sorts of items at retail stores. However, this boon of knowledge is not without ill effects and unless arrested will prove to be a bane to the world. ■



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## Forensic Accounting: A Tool to Uncover the Accounting and Financial Frauds

Several instances of corporate scandals and failure in recent past have put the professional accounting bodies into a new perception that goes beyond statutory audit and in some ways even the trend of corporate governance. This article discusses the concept, need and role of forensic accounting in solving the complex problems of the corporate world.

### Introduction

The word "forensic" refers to something that could be (or will be) used in a court of law. Thus, forensic accounting is a subset of accounting that is completed to standards suitable for legal review, and ultimately dispute resolution through the integration of auditing, investigatory and standard accounting measures. Corporations, law enforcement and government agencies, insurance companies, courts and others hire forensic accountants for purposes of investigating potential financial wrongdoing and, more and more, to assist the company in preventing such wrongs.

The growth of the limited liability companies and huge increase in the number of investors owning share and the divorce of ownership from control of companies has called for regular auditing of corporate financial reports.





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However, modern organized corporate frauds are sophisticated, and well resourced by managers, entrepreneurs and politicians and score of others. There is the need to respond to this changing criminal threat and the skills of non traditional investigators like accountants and legal experts are needed to combat the corporate evil. The failure of statutory audit to prevent and reduce misappropriation of corporate funds and an increase in corporate crime has put pressure on the professional accountant and legal practitioner to find better ways for prevention of white collar crimes. The present study, intends to find out how the knowledge of forensic accounting can reduce corporate frauds and mismanagement.

## Methodology

The body of forensic accounting literature that has emerged since the 1990s has mirrored the changing scope of concerns about this topic. A number of articles have focused on the increasing demand for accountants to conduct forensic accounting activities. The academic literature has focused on descriptive studies of university offerings. Some universities have integrated fraud or forensic accounting throughout the accounting curriculum while others offered individual fraud or forensic accounting.

The study being a theoretical analysis of the role of forensic accountant in solving the vexed problem of corporate world, has employed the secondary source of data collection by

making use of available literature on forensic accounting and its application in modern corporate world.

## Literature Review

According to the Webster's Dictionary, forensic accounting means, Belonging to, used in or suitable to court, of judicature or to public discussions, debate and ultimately dispute resolutions, it is also defined as an accounting analysis that is suitable to the court which will form the basis for discussion, debate and ultimately dispute resolution.

Forensic accounting is the practice of utilizing accounting auditing and investigative skills to assist in legal matter and the application of specialized body of knowledge to the evidence of economic transaction and reporting. It is suitable for establishing accountability or valuation of administrative proceeding. In a wide sense, it can be said as the integrity of accounting auditing and investigative skills to obtain a particular result.

However, forensic accounting is different from the old debit or credit accounting as it provides an accounting analysis that is suitable to the organization. Forensic accounting is the practice of utilizing accounting, auditing, and investigative skills to assist in legal matters. It encompasses two main areas - litigation support, and dispute resolution. Litigation support represents the factual presentation of economic issues related to existing or pending litigation. In this capacity, the forensic accounting professional quantifies damages sustained by parties involved in legal disputes and can assist in resolving disputes, even before they reach the courtroom. If a dispute reaches the courtroom, the forensic accountant may testify as an expert witness.

## Need for Forensic Accounting

"Forensic accounting" is a growing area of practice in which the knowledge, skills and abilities of advanced accounting are combined with investigative expertise and applied to legal problems. Forensic accountants are often asked to provide litigation support where they are called on to give expert testimony about financial data and accounting activities. In other more proactive engagements, they probe situations using special investigative accounting skills and techniques. Some even see forensic accounting as practiced becoming a part and parcel of most financial audits – an extra quality control step in the auditing process that will help reduce financial statement fraud.

When the AICPA formed a committee to develop its Certified in Financial Forensics (CFF) certification program in June 2008, the goal of the committee was to award 900 credentials by the end of year one. That goal was quickly realized and surpassed. By the end of September 2009, the AICPA had





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awarded more than 3,500 CFF certifications, which is more than four times the number of certifications projected.

The need for forensic accounting was felt because of the failure of internal and external audits in the organizations to figure certain errors in the managerial system.

Experts in the field pointed out that the intense economic pressure, with more companies facing bankruptcy jobs and careers are at risk and employee feel pressured to maintain and support performance levels, this at times compels many to indulge in corrupt practices, what ever may be the reason of corruption. More and more forensic accountants are being called to meticulously search through documents.

The following are the important reasons for the growth of forensic accounting:

- ◆ Rotation of the statutory auditor addresses a part of the problem. The method of appointing the statutory auditors is not foolproof as it is prone to collusion and lobbying.
- ◆ The certificates of the auditors are hardly scrutinized carefully especially when the reports are unclear and qualified.
- ◆ The internal auditors can surely detect what was happening but they are hardly in a position to initiate proper action in proper time.
- ◆ Internal audit and audit committee as a part of the management function fail to shed light on the hidden aspects of corporate fraud.

## The Skill Needed by Forensic Accountant

Arising from the need for forensic accountant is the quality and skill required for the performance of his duties. Aderibigbe (2000) suggested that a forensic accountant requires high level of competence, integrity and honesty to perform his job. He is of the opinion that a forensic accountant must be thoroughly trained and must prove his competence by clearing all relevant examinations to become a member of a recognized accountancy body.

He maintains that a forensic accountant should always work with integrity, honesty and probity and must maintain a professional attitude in the performance of his responsibilities. The skills required are numerous but he must develop these during the training years.

Wallace (2001) has listed the following minimum requirements a forensic accountant must possess:

- ◆ Ability to review a large volume of documentation ranging from the more usual accounting records and management information systems to memos, correspondence and other less obviously financial data and to extract the key issues quickly.
- ◆ Sound understanding of peculiarity of various business methods.
- ◆ Sense of urgency and commitment which will ensure prompt response when required however slow civil litigation may appear to the on looker or even to the participant's in a dispute.





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- ◆ Adherence of strict timetable even when needs arise to work for more hours to meet targeted time.
- ◆ An ability to communicate complex theoretical ideas in a manner which is readily understandable by the layman supporting with facts and figures when necessary without giving an impression of superiority.
- ◆ Most essentially, an ability to appear objectives and professional even when taking part in the inherently partisan process of a court case.

## The Role of Forensic Accountant

A forensic accountant can uncover theft, fraud or waste through careful, systematic securitization of a company's or individual's financial records. They are trained to recognize patterns that are indicative of account falsification, manipulation and deletions in records. An audit and the follow-up report can consist of any number of steps depending on the complexity of the records being investigated. A forensic accountant will summarize transactions, trace assets, perform regressions or other statistical analyses as called for and present findings. After completing audits, a forensic accountant's other primary responsibility is to appear in court as an expert witness. A forensic accountant is often retained to analyze, interpret, summarize and present complex financial and business information in a manner, which is both understandable and properly supported.

A forensic accountant can be of assistance in the following manner:

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- ◆ Giving preliminary advice as an initial appraisal of the pleading and evidence available at the start of proceedings
- ◆ Identifying the key documents which should be made available as evidence. This is important when the forensic accountant is acting for the defense and lawyers are preparing lists of documents to tender in court
- ◆ Preparing a detailed balanced report on quantum of evidence, written in a language readily understood by a non-accountant and dealing with all issues, irrespective of whether or not they are favorable to the client
- ◆ Reviewing expert accounting reports submitted by the other party which may have impact on the quantum of evidence and advising lawyers on these reports
- ◆ Briefing legal counsels on the financial and accounting aspects of the case during pre-trial preparation
- ◆ The forensic accountant can initiate measures for introduction of environment accounting to highlight the damage done to the environment by the possible recoupment of such damages or replenishment of lost properties through environmental management continually.

The occupational fraud committed by employees usually involves theft of assets and embezzlement and the involvement of employees in kickback schemes or conversion of corporate assets for personal a use. The forensic accountant can intervene and examine suspected assets, documents etc.



and also interview those involved to control such practices. Experience enables the forensic accountant to offer suggestions for internal controls that owners could implement to reduce the likelihood of fraud.

Besides, the forensic accountant will also help in criminal investigation on behalf of police force, where his report is prepared with the objectives of presenting evidence in a professional and concise manner.

These assumptions often involve a detailed analysis of numerous years of accounting records to quantify the issues in dispute. He does need an understanding of legal issue of business activities.

The forensic accountant can thus be of assistance in various ways that include investigation accounting, review of the factual situation and suggestions, regarding possible courses of actions, assisting the professionals and recovery of assets and co-ordination with other experts, viz. private investigators, forensic document examiners, consulting engineers etc.

## BENEFITS

Companies that employ forensic accountants enjoy many benefits. Accountants can work to prevent fraud from occurring through monitoring financial records and transactions, allowing companies to further investigate and stop illegal or ethical activities early. This not only benefits a company in terms of avoiding or minimizing legal action; it can also result in substantial monetary savings. In addition to their ability to scrutinize revenue streams, incomes and business expenditures of individuals and businesses, forensic accountants also help courts as expert evidence to present information succinctly in court. During the course of auditing, forensic accountants can help uncover not only theft, but also instances of wasteful spending and fraud.

There are three procedural protocols of forensic accounting as a way of dividing its purview into broad general categories: (1) discovery, (2) analysis, and (3) communication. Discovery refers to the identification of relevant key issues and information in a forensic accounting engagement. Consistent with the essential traits and characteristics findings, respondents in each group rated the analysis protocol as most important.

Even though "discovery" precedes "analysis" in a forensic accounting engagement, the apparent ability of the forensic accountant to incorporate the information toward a solution is most critical. The groups diverge somewhat in their ranking of importance for "Discovery" and "Communication."

There is a need for the forensic accountant to be able to look beyond the analytical details and see the big picture -- to start

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with the goal in mind. Forensic accounting is the fastest growing area in accounting. Various agencies fighting corruption world wide will need to engage the services of forensic accounting experts to complement the efforts of other professionals in reducing fraudulent activities and installing fraud proof internal control system in business organizations. It is beyond doubt that the role of forensic accountants will become more crucial in the days to come. ■

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## Industrial Sickness in India: Macro Economic Concept

The aim of this article is to create awareness among the management of industrial units in India about the genesis of industrial sickness so that they do not fail to play their role in the perennial gale of creative destruction. This would help the management at the firm level take corrective measures by implementing turnaround scheme at the appropriate time.

### INTRODUCTION

Industrial sickness is a global phenomenon. It is a concomitant of industrial development; it encompasses all industries, may be with varying degree. Incidence of sickness is pervasive to all segments of economy ruled by the market forces. It is as abundant in developed countries as it is in the developing countries; to the extent capitalist market economy has developed in these regions. At the micro or firm level, the apparent causes of sickness in Indian industrial companies are many: inefficient management; shortage of fund; use of obsolete technology; inefficient plant and machinery leading to poor capacity utilisation and substandard products; labour problem; market recession etc. Whatever be the reasons for industrial sickness, the *sine qua non* of industrial sickness is that production fails to maintain cost-effectiveness, as a result of which the firm or a group of firms cannot maintain competitive efficiency. As the firm fails to meet the sunk cost, it has to close its operation.





These factors, which are considered to be responsible for sickness at micro level, cannot fully explain the phenomenon of sickness at macro level. As one knows, in the era of globalization, when economies are opening up, industrial units in India are increasingly being exposed to global competitiveness. The units with better technological know-how and managerial efficiency gradually eliminate others from the market. Those who cannot survive are to face the reality of getting sick and closing the operation. The importance of the issue of industrial sickness in India can hardly be ignored as the number of sick units in India was as high as 1, 71,376 as on 31.3.2003. The manpower involved in the sick units was as high as 24, 73,229 as on 31.12.2004 (which is higher than total industrial workforce in various developed countries, namely, Austria, Denmark, Australia, Switzerland, Sweden and New Zealand and in one underdeveloped country, namely, Sri Lanka). A capital – poor country like India can not afford the closing down of industrial units. It would not only retard the future rate of capital formation but also it would cause loss of employment in a large scale. In this context, one needs to theorise the macro economic concept of industrial sickness from a review of the literature on the subject, it appears that no major work have been made to consider the issue of industrial sickness at macro level and theorise it. In the beginning, an attempt has been made to theorise the

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phenomenon of industrial sickness on the basis of Joseph Schumpeter's well-known theory of creative destruction and Karl Marx's theory of capitalist development. This is followed by an analysis to show how the era of globalization has become the period of embedment of sickness in Indian industries.

## SCHUMPETER'S THEORY OF CREATIVE DESTRUCTION

Schumpeter, as one knows, developed a theory of economic development in terms of the concept of innovation. Innovation refers to the economic application of a new idea. According to Schumpeter, entrepreneur commercialises invention through innovation. As Schumpeter observes, innovation covers five cases: (1) the introduction of a new good – that is one with which consumers are not yet familiar – or of a new quality of a good (2) The introduction of a new method of production, that is one not yet tested by experience in the branch of manufacture concerned, which need by no means be founded upon a discovery scientifically new, and can also exist in a new way of handling as commodity commercially, (3) The opening of a new market, that is a market into which the particular branch of manufacture of the country in question has not previously entered, whether or not this market has existed before, (4) The conquest of a new source of supply of raw materials of half-manufactured goods, again irrespective of whether this source already exists or whether it has first to be created, (5) The carrying out of the new organization of any industry, like the creation of a monopoly position (for example through trustification) or the breaking of a monopoly position.








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A class of people, according to Schumpeter, has the animal spirit of utilising the results of scientific inventions in industrial modernisation. Such a class of people known as entrepreneur can bear the risk associated with the new technology. As a result of the introduction of new technology in a given area of economic activity, the existing technology becomes obsolete in as much as the existing technology does not remain cost effective. The obsolete technology is destroyed as a consequence. Such a destruction of social assets, according to Schumpeter, is a creative destruction. This is so because such destruction paves the way for the adoption of new technology which produces the output at a lower average cost or a new facility is added to the existing product line. In Schumpeter's conception, such a transformation should be noted as 'development'. The destruction of old technology is, therefore, a creative destruction for development and the entrepreneur is an agent of such 'development'. In sum, the key agent in Schumpeter's theory of development is the entrepreneur. The entrepreneurs are the initiators of significant advances in an economy. And these advances do not occur through a smooth, continuous process; economic development is an uneven, disharmonious process. Destruction of social assets in this process is the cost of economic development under capitalism. Based on the concept of creative destruction, one can theorise the phenomenon of industrial sickness, in general. With technological advancement, the basis for technological innovation remains ever present in a capitalist society. The entrepreneurial class has thus a basis for its existence. Given a proper macro economic environment, such a class takes up innovation which threatens the existing industrial units which would become less competitive as the innovation takes place. Such units would fail to survive in competition and would thus be eliminated from the industrial scenario. The process of the exit starts with *morbidity* that is identified as the symptom of industrial sickness. If the signal of morbidity is not properly noted, as the management does not take adequate measures for technological upgradation in the form of turnaround management, the unit would ultimately shut down and would fall prey to the creative destruction. Industrial sickness, in the framework of Schumpeter's theory of development, is the logical consequence of industrial development through innovation. Development calls for new investments. The cost of development is capital intensive. The old firms which cannot cope up with such technological change and cannot make new investments, fail to survive in the market and ultimately perish. Schumpeterian theory does not give importance to price competition. It lays stress on competition that a given product faces from the new commodity, new technology, new source of supply and the new type of organisation. According to Schumpeter, 'in capitalist reality as distinguished from its

text book picture, it is not that kind of competition which counts but the competition from the new commodity, the new technology, the new source of supply, the new type of organization – competition which commands a decisive cost or quality advantage and which strikes not at the margin of the profits and the outputs of the existing firms but at their foundations and their very lives are more effective than the price competition'. Following Schumpeter, one may argue that such change has been taking place since the time of industrial revolution and at every phase of such change, plant and equipment, production process and skill of the workforce become obsolete rendering loss of capital equipments and employment. At the same time, it creates opening for others who possess entrepreneurial skill and can exploit the new opportunities. The process is continuous. What could be found from the analysis of Schumpeter's theory of economic development is that sustained long term economic development depends on three variables – technological innovation, commercialisation of technological innovation by

 The key agent in Schumpeter's theory of development is the entrepreneur. The entrepreneurs are the initiators of significant advances in an economy. And these advances do not occur through a smooth, continuous process; economic development is an uneven, disharmonious process. Destruction of social assets in this process is the cost of economic development under capitalism.







entrepreneurs and market driven economy devoid of much state intervention. These three variables are interdependent on each other and for a successful industrial growth, all these variables must function together. For example, technological innovation alone cannot accelerate growth of productivity unless it is freely used by the entrepreneurs. First two factors are capital intensive. Companies that once revolutionised and dominated in a particular line of product(s) may see fall in their profit margin and loss of market share if a new set of companies start using improved technology reducing cost and charging lower price to customers. Once the old companies are caught behind by their competitors, they have to reorganise their business which involves huge cost. Sometimes, this cost cannot be borne by the old firms. Moreover, reorganisation is also a time-consuming process. The existing legal provisions, no doubt, cover reorganisation and restructuring, but the cost and the delay are so enormous that in many cases it either prevents or dissuades the firms from pushing ahead with new proposals. By the time they reorganise, further innovation takes place which they cannot match if they fail to acquire innovative spirit. In the process, they eventually close their shop rendering the workforce jobless and leaving the capital assets idle. In a closed economy, where market and commodities to be produced are influenced by state intervention, firms do not normally face price competition. In such a situation, firms tend to employ traditional process technology. Investment in research and development activities for upgradation of process technology and development of new products is hardly made. Overhauling of plant and equipment is neglected. All these result in lower productivity leading to uneconomic use of scarce resources. Profit margin reduces and the enterprise fails to meet the debt obligation. The problem gets further aggravated when the owners shift to other business by diverting funds from the existing business. Thus, the cow which he has so far milked drops dead. The result is loss of capital assets and employment. Schumpeter's theory of economic development through creative destruction can thus be considered as the basic macro economic theory in terms of which the phenomenon of industrial sickness can be explained to a large extent.

## KARL MARX'S THEORY OF CAPITALIST DEVELOPMENT

One can theorise the phenomenon of industrial morbidity and mortality in a capitalist economy in terms of Karl Marx's 'Theory of Capitalist Development'. In the Marxian thought of capitalist economy, small capitalists cannot compete with the large capitalists. The latter being powered by centralization of capital cheapens the commodities with a view to weed out the small capitalists from the market. According to Karl Marx. "With the accumulation of capital, the number of capitalists grows to a greater or less extent. The part of social capital domiciled in

What could be found from the analysis of Schumpeter's theory of economic development is that sustained long term economic development depends on three variables - technological innovation, commercialisation of technological innovation by entrepreneurs and market driven economy devoid of much state intervention.

each particular sphere of production is divided among many capitalists who face one another as independent commodity-producers competing with each other. Accumulation, therefore, presents itself on the one hand as increasing concentration of the means of production, and of the command over labour; on the other, as repulsion of many individual capitals one from another. Capital grows in one place to a huge mass in a single hand, because it has in another place been lost by many. The battle of competition is fought by cheapening of commodities. The cheapness of commodities depends, *ceteris paribus*, on the productiveness of labour, and this again on the scale of production. Therefore, the large capitals beat the smaller. It always ends in the ruin of many small capitalists, whose capitals partly pass into the hands of their conquerors, partly vanish. Cheapening of commodity leads to fall in rate of profit. In such a situation, capitalists realise less surplus-value. The new method of production increases the quantum of sales. Thus, even with lower rate of profit, accumulation of capital is accelerated. Karl Marx further explained that examination of competition shows, furthermore, that under certain circumstances, when the greater capitalist wishes to make room for himself on the market and to crowd out the smaller ones, as happens in times of crises, he deliberately lowers his rate of profit in order to drive the smaller ones to the wall. The producers in this line of operation are placed in a situation where they can absorb a part of surplus value produced by its competitors through the cheapening of the prices of production. The victor thus gets a bigger share of the market, the capital gravitates to the victor and gives rise to concentration of capital. The line of operation in which the technological innovation does not take place is threatened by 'sickness' that might ultimately lead to the closing down of the unit or the industry itself. Marx's theory of accumulation



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through concentration of capital can thus be utilised for explaining industrial sickness in a capitalist economy.

## Industrial Sickness in India in the Era of Globalisation

The present era of globalisation can be conceived as a period of boom in innovation in a Schumpeterian paradigm of capitalist development. Often described as the era of the fourth industrial revolution, in this era, new opportunities for innovation have developed at an unprecedented scale, thanks to information technology-based expansion of knowledge in every branch of natural and social science. A vital characteristic of this fourth type of technical change is that it has pervasive effects throughout the economy, i.e., it not only leads to the emergence of a new range of products, services, systems and industries in its own right; it also affects directly or indirectly almost every other branch of the economy. The boom in innovation needs expansion of market within and outside a nation state. The need for expansion of market had always been there under capitalism. Capital had always exhibited the tendency to cross the boundary of a nation state after destroying the reminiscence of pre-capitalism within the boundary of a nation state. But then, the intensity of such a tendency has increased at an unprecedented scale in the present era. The new opportunity for accelerating the production with enhanced productivity achieved by technological innovation has aggravated the problem. The innovations cannot be sustained and the results of innovations cannot be absorbed by the economy unless the domain of the market is expanded. The necessity of removing national barrier for the movement of commodities and capital as also the necessity of integrating all domestic markets with a global market has also become intensive. Globalisation is the term that captures this reality. One may point out that revolution in electronic technology that propelled the fourth industrial revolution has also paved the way for expansion of innovative activities so much so that development through creative destruction has become an order of the day. Easy access to the information on new inventions and the possibility of commercial use of such inventions has brought about a sea change in the scenario of adoption of new technology. Unprecedented advancement in the area of telecommunication and computer technology makes it possible to close the information gap on such a scale that the entrepreneurial risk can now be based on more rational judgement so that Schumpeterian animal spirit for innovation gets a more solid foundation. Consequently, innovation at global scale is now advancing at an accelerated pace. The nation states have conceded to the need for allowing the innovative activities at cross border level to an extent which

In the Marxian thought of capitalist economy, small capitalists cannot compete with the large capitalists. The latter being powered by centralization of capital cheapens the commodities with a view to weed out the small capitalists from the market. ●●

was never there in human history. The national barrier for movement of commodities and capital along with the knowledge of the technology conceded the demand for more stringent intellectual property right. The nation state now facilitates the innovating activities in a better way. Innovation has also taken place in restructuring the individual firm with lean management and lean workforce that may retain competitive efficiency at the global level. A study made by the All India Management Association (AIMA) showed that eight big industry houses of India had downsized manpower and management staff while undertaking corporate restructuring. Study made by Pradip Khandwalla has also shown that firms that had undertaken corporate restructuring for turnaround in India and abroad had adopted downsizing in manpower and management staff. The nation states have to undertake broad based external and internal economic reforms for allowing the innovators to operate on a level playing field. This is the essence of globalisation. In the Schumpeterian paradigm, globalisation is the triumph of capital in achieving its expansion through innovations where the process of creative destruction is facilitated by removing the institutional barrier to innovative activities. Strictly speaking, this is a phase of economic development where capital in its history of progress has attained the most favourable institutional back-up. To put the elements of changes in the institutional set-up in brief, one may point out that in the era of globalisation, barriers to the cross-border movement of capital have been removed to a great extent in many of the countries of the world. Tariff cuts on imports, reduced quantitative restrictions on trade under WTO agreement, more liberalised foreign investment policy backed by TRIMs had paved the way for cross-border investment in manufacturing and service related industries. Internal institutional reforms including the reduction in excise duty, removal of licensing requirements in industries, encouragement to private capital and reduced state interventions have encouraged the innovators to operate in an economy in a better way. The innovators now understand that they shall have to operate in an economy where the rules of market would be supreme. In the financial sectors, free



movement of capital creates the possibility of reducing the cost of capital. The bankers now learn to live in a market economy where the regulatory measures are being withdrawn gradually. The state, as an agent in the economic arena, learnt to live with the reality of fiscal consolidation and a market driven monetary policy. The state and the other agents in an economy get the message that in order to survive they must operate efficiently. The efficiency *inter-alia* depends on the innovative skill of an agent. The world, as it appears, learns to live in a Schumpeterian world of creative destruction where innovation is the *mantra* for survival. At the level of an enterprise, the message of globalisation is that the competitive efficiency is the key for survival. Those who cannot adopt innovative strategy will simply be eliminated from the market. The incidence of sickness in the era of globalisation can be rationalised in this perspective. The incidence of creative destruction at an unprecedented scale in the era of globalisation has mounted the problem of industrial sickness. Regime of liberalised industrial and economic policy started with the announcement of the New Industrial Policy by the Narasimha Rao Government in July, 1991. All the Indian industries that used to enjoy the state patronages during the regime of control and regulation, which in effect placed them under protective umbrella of the state, became less competitive and inefficient. They had neither to face the Schumpeterian entrepreneur nor the Schumpeterian turmoil of creative destruction. During the period of deregulation, when government started withdrawing the protective measures gradually, those industries, whose unviable status were otherwise hidden, were subjected to market competition. The result was that these industries started incurring huge losses. Since they operated under a protective umbrella of the state, they hardly had the quality of Schumpeterian innovator. The animal spirit of entrepreneurial risk-taking was missing. It is no wonder that they fell prey to the Schumpeterian creative destruction to the extent the economy was opened up to the global competition. Since the social cost of such a process would have been heavy, the Indian state, thanks to the existing democratic set-up of the government, did not take a big bang approach for industrial modernisation. Process of creative destruction was moving in a haltered way. The endogenous capital thereby got a breathing space for learning the rules of survival in a competitive set-up. Many of the industrial houses could learn to live by adopting new management policies. The essence of such policies was to inculcate Schumpeterian spirit of risk-taking entrepreneurship. A new set of management people did emerge in India who could learn the rule of turnaround management. Industrial climate was thus changing slowly. Nevertheless, many of the industries or companies in a group of industries could not cope with such a changing climate. They became morbid and ultimately many of such morbid industries had to wind up the business. Sickness became a familiar phenomenon in Indian industries. Result was increase in magnitude of sickness in Indian

industries. One can say that most of the industries were caught unaware in the changed scenario in the liberal industrial and economic policy regime following removal of institutional bottlenecks. This was expected. Industries which enjoyed various concessions and protection during the regime of control and regulation became exposed to the market driven economy during the post-liberalised period. In the era of globalisation, most of the industries could not cope with massive progress in technological innovation which is typical to the fourth industrial revolution. This has happened since these processes are capital intensive with high gestation. In other words, most of the Indian industries have failed to play its role in the perennial gale of creative destruction. The era of globalisation has thus become the period of embedment of sickness in Indian industries.

## CONCLUSION

Understanding macroeconomic concept of industrial sickness is important to deal with the menace of growing industrial sickness all over the world. The theory of economic development of Joseph Schumpeter and the theory of capitalist development expounded by Karl Marx that discuss the short run and long run crisis of capitalist economy have outlined the basic concept of industrial sickness at macro level. During the globalization phase, rate of technological diffusion is high. Incidence of sickness also grows in this era. The era of globalization had become the period of embedment of sickness in Indian manufacturing industries. During this period, the units with better technological know-how and managerial efficiency gradually eliminated others from the market. The individual management at the firm level has to understand this reality. The aim of this paper is to create an awareness amongst the management of industrial units in regard to impact of sickness on the economy of a country so that a proper alternative course of action could be taken to prevent an industrial company from falling sick by implementing turnaround management at correct time so that creative destruction can be contained within the firms rather than causing their outright collapse. ■

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## Ensuring Compliance under The Factories Act, 1948



The Factories Act, 1948 is a very important legislation governing the working of factories. The Act and the Rules framed thereunder contemplate numerous procedures to be complied with. In view of hazards involved in the working of factories there is a need to notify a person as occupier for foisting upon him the responsibilities for various actions. The various compliances are listed out in this article.

### Landmark judgment of Apex Court

In October 1996, the Supreme Court fixed the responsibility for violations of the rules under the Factories Act, 1948 on a nominated Director of a company and not on any of the employees as some companies chose to do by appointing one of its employees as "Occupier of the Factory". The Court's ruling in the case of *J K Industries Limited v. The Chief Inspector of Factories and Boilers and others* (1997) 1LLJ SC 772 have far-reaching consequences as the designated Director under the Factories Act, 1948 will henceforth be liable for all the illegal acts of the unit along with the Manager. Each of them is liable for offences punishable with imprisonment or fine or with both (which may extend to the extent of two years imprisonment or fine of Rs. 1 lakh or with both). The Apex Court, while delivering the judgment made the following observations: -

"The Legislature has attempted to plug the loopholes which existed earlier and enable the Directors to escape their liability by passing on the buck, as they say, to an employee. It is much too obvious that when top persons of the company are made conscious of their responsibility and duties for the implementation of the safety and welfare measures in a factory and to carryout the duties prescribed under the Act, at the pain of punishment in case they choose to overlook, there are much greater chances that proper care would be taken for maintenance of the factory, particularly in regard to the safety measures and welfare of workers".

The court held that in the case of a company, which owns a factory, it is only one of the Directors of the Company who can be notified as the occupier of the factory for the purposes of the Act and the company cannot nominate any other employee as the occupier of the factory. Where the Company fails to nominate one of its Directors as the occupier of the factory, the Inspector of Factories shall be at liberty to proceed



against any of the Directors of the Company, treating him as the deemed occupier of the factory, for prosecution and punishment in case of any breach of contravention of the provisions of the Act or for offences committed under the Act.

The Court further held that Proviso (II) to Section 2(n) of the Act was *intra-vires* the substantive provisions of Section 2(n) of the Act and constitutionally valid and not *ultra-vires* Articles 14, 19(1) (g) and 21 of the Constitution of India.

While delivering the judgment the Court also made reference to various Sections of the Factories Act, 1948 especially the notice to be sent to the Chief Inspector of Factories once the occupier is appointed, the vast difference between the occupier, who would have the ultimate control over the factory and the Manager, who would have the control over day to day affairs of the factory. There is a vast difference between a person having the ultimate control of the affairs of a factory and the one who has immediate or day-to-day control over the

affairs of the factory. In the case of a company, the ultimate control of the factory, where the company is the owner of the factory, always vests in the company through its Board of Directors. The Manager or any other employee, of whatever status can be nominated by the Board of Directors of the company to have immediate or day to day or even supervisory control over the affairs of the factory. From the above it is clear that as per Section 2 (n), in a resolution nominating an employee or an officer as the occupier by stating that he shall have "ultimate control over the affairs of the factory", a company cannot be permitted to defeat the object of the amendment. The Supreme Court further observed that though the expression 'ultimate control' was used in Section 2(n) even prior to the 1987 amendment read with the proviso to Section 100 (2), it gave an opportunity to the companies owning the factory to dilute the rigor of the provision by not notifying one of its Directors to be the occupier and instead nominating some employee or the other to be the "Occupier" for purposes of punishment and penalty.

## VARIOUS COMPLIANCES UNDER THE FACTORIES ACT, 1948

The Factories Act is administered by the State Governments and each State Government has framed separate Factories Rules. For example, in Maharashtra, the Factories Rules of 1963 is prevalent while in the Union Territory of Pondicherry; they are following the Tamil Nadu Factories Rules of 1950 read with The Pondicherry Industrial Establishments Act, 1964.

Under the Factories Act, 1948 read with the relevant Factories Rules, the following compliance will be applicable for factories. (The Factory Rules of Maharashtra and Pondicherry are referred while listing the requirements). In other States also, the requirement would be the same but the relevant sections and rules may be different. The level of compliance may vary depending upon the nature of business of the factory i.e. whether chemical factory, factory producing dangerous chemical products or hazardous chemical products, etc.

## Displays on the Notice Boards

Prominent display of the following information is required in the factory premises at or near the main entrance of the establishment:

- Form No.11 showing clearly for every day the period of work for adult workers pursuant to section 6(1).
- Abstract of the Act and Rules made there under along with name and address of the Inspector and the Certifying Surgeon as required under section 108.
- Form No. 7 showing the list of National and Festival Holidays duly approved by the Inspector under the



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Pondicherry Industrial and Establishment Act (similar Acts would be there for other states).

- (d) Under the Payment of Gratuity Rules {Rule 4(1)} notice in English and in vernacular language showing in bold letters, the name of the officer with designation, authorized by the employer to receive on his behalf the notice under the Act or the Rules.
- (e) An abstract of the Payment of Gratuity Act, 1972, and Rules in Form U, in English and vernacular language.

## Maintenance of Bound Inspection Book

Under Rule 118, one bound Inspection Book containing the particulars as prescribed under this rule is required to be maintained and the same is to be produced to the Inspector of Factories for entering his remarks at the time of inspection.

## List of Registers required to be maintained

- (a) Muster roll in Form 23 with entries made correctly and upto date in respect of all workers employed in the factory as required under Rule 115.
- (b) Register in Form 25 with entries of dangerous occurrences and accidents if any in the factory pursuant to Rule 117.
- (c) Register of wages with prescribed entries made correctly and upto date in respect of all the workers employed in the factory as per Section 13A of The Payment of Wages Act. (Stamped receipt is required to be obtained from the workers for the payment of wages).
- (d) Register of National Holidays and Festival Holidays in Form No. VII as per Rule 8 (1) of the Pondicherry Establishment Act (similar Acts would be applicable in other states too).

- (e) Pressure vessels are required to be thoroughly examined by a competent person once in every period of six months externally and twelve months internally and the result of such examination is to be submitted in Form No. 8 to the Inspectorate as per Rules 60 (9) (b) read with Section 31 & Rule 60 (7).
- (f) Form No. 15 - Leave with Wages Register.

In addition to the above, the following registers are also required to be maintained as per format prescribed by the rules:

- (a) Record of lime washing, painting etc. [Form 8, rules 20 & 51].
- (b) Register of Compensatory holidays [Form 14, rule 93].
- (c) Overtime register [Form 15, rule 95].
- (d) Notice of periods of works for adult workers [Form 16, rule 98].
- (e) Register of adult workers [Form 17, rule 99].
- (f) Register of leave with wages [Form 20, rule 105].
- (g) Leave Book [Form 21, rule 106] and Register of Leave with wages [Form 20] should be made out separately for each worker on a thick bound sheet.
- (h) Report of the Accident [Form 24, rule 115].
- (i) Notice of Dangerous Occurrence - maintenance of register [Form 24A, rule 115].
- (j) Muster roll [Form 29, rule 122].

## Further Provisions

Following are to be ensured: Cleanliness of walls and ceilings; Standard Lighting; Provision for drinking water; proper toilets with sign boards; proper drainage system/maintenance of drains; periodical White washing, colour washing of toilets; employment of sweepers; provision of Spittoons; disclosure of information to workers (hazardous process etc.); Disposal of industrial wastes; provision of ambulance vans in case of hazardous process; Washing facilities; First aid appliances/notice regarding first aid / ambulance room or dispensary room.

Canteen facility is another requirement but the same will not be applicable where less than 250 workers are employed. Register of compensatory holidays, Overtime register, and Register showing white washing, lime washing done etc. are also required to be maintained.

## Floor Space/ Rest Room Requirements

As per section 16(2) and rule 120(1) floor space of 23 square meters in the case of existing factories built after the commencement of the Act, shall be provided for each worker working at any one time in the room but such floor space shall be exclusively of the space occupied by materials in the room. Adequacy and suitable shelters or rest rooms are required to be provided to the workmen. Adequate suitable lunchrooms are required to be provided.





## Nomination Form

Under the Payment of Gratuity Act, 1972, duplicate copy of the nomination in prescribed Form F duly attested by the employer (as a token of recording of the nomination) is required to be returned to the employee. In addition to the above, there may other requirements under the various labour laws read with rules of the local state Government.

## Labour Laws Provision v. Board of Directors Responsibility

All the above provisions are made mainly to ensure that the company ensures the Safety, Health and good working environment to its employees. To ensure the above, the Board of Directors needs to have a policy guidelines and a good reporting system with review so that the compliance is taken care of. The compliance is not only from the regulatory point of view but also in the interest of its own employees with whom the company is running its business.

## APPOINTMENT OF OCCUPIER (DIRECTOR) WHO WOULD HAVE THE ULTIMATE CONTROL OVER THE FACTORY

The Board of Directors, should pass a resolution to appoint one of the Directors - generally the Managing Director as the occupier of the factory, who would ensure the required compliance. If the company has more than one unit, then it can identify the Director (s) under whose control the factory is functioning and can appoint more than one occupier for different factories. The Occupier Director, thus appointed would be responsible in respect of the factory / factories for which he is responsible to ensure compliance. The organization can have more than one occupier in case of multi-location units.

### Draft Resolution for Appointment of (the Director's Name) as Occupier under the Factories Act, 1948

Considering the applicable provisions of the Factories Act, 1948, it has been debated whether a Director alone has to be appointed as Occupier or it would also be any other person not necessarily a Director in charge of the factory engaged in the manufacturing operations. It was pointed out that this controversy has now been laid at rest by a recent decision of the Supreme Court of India in the case of *J K Industries Limited v. The Chief Inspector of Factories & Boilers and others* where it has been held that in the case of a company which owns a factory, it is only one of the directors of the company who can be notified as the Occupier of the Factory for the purposes of the Factories Act and the Company cannot nominate any employee to be the Occupier of the factory.

Attention was invited to the provisions contained in Section 101 of the Factories Act, 1948, in terms of which where the Occupier or Manager of a factory is charged with an offence punishable under this Act, he shall be entitled, upon complaint duly made by him and on giving to the prosecutor not less than three clear days notice in writing of his intention so to do, to have any other person, whom he charges as the actual offender, brought before the Court at the time appointed for hearing the charge and if, after commission of the offence has been proved, the Occupier or Manager of the Factory as the case may be, proves to the satisfaction of the Court.

- that he had used due diligence to enforce execution of the above Act; and
- that the said other person is deemed to have committed the offence in question without his knowledge, consent or connivance.
- that the Occupier or the Manager shall be discharged from any liability under the Act in respect of such offence. The Board was advised that, in the circumstances, even if a Director was so appointed as the Occupier of a factory, he could have recourse to the remedy provided for in the aforesaid Section 101 of the Factories Act, 1948. In fact there is an express reference to such recourse even in the aforesaid Supreme Court Judgment referred to above.

The Board decided to appoint.....(the Director's name and designation) as Occupier in respect of the Company's factories at (name of the factory / factories) and passed the following Resolutions:

### RESOLUTION FOR THE APPOINTMENT OF OCCUPIER (DIRECTOR)

#### RESOLVED

that ..... (the Director's name and designation)..... be and is hereby appointed Occupier of the factory / factories of the Company at ..... (location / locations).

## APPOINTMENT OF THE MANAGER WHO WOULD BE RESPONSIBLE FOR DAY-TO-DAY AFFAIRS OF THE FACTORY

The Managing Director being the Chief Executive Officer of the company and the whole time Director(s) being in-charge of the total operation of the unit, it is always not possible for them to look after the day to day affair of the factory. The lawmakers also don't expect that the board members should be involved on day-to-day affairs of the factory and look into the routine matters. However, the ultimate responsibility lies with the director, who is appointed as the occupier of the factory.

In practice, since the factory's operations are run by the experts in the field such as works manager, production



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manager, cell manager the day to day operations of the factory and the routine matters relating to safety measures, health relating to factory workmen, maintenance of plan and system of work in the factories, risk related matters in connection with use, handling, storage and transportation of materials, working environment and other safety related measure are looked after by the respective factory manager / works manager / production manager / cell manager etc.

In the light of the above, the Board of Directors also recognizes the fact that the day to day responsibility of running the factory rests with the factory manager and accordingly, the board passes a resolution to that effect.

The Board of Directors should resolve for the appointment of the manager for day-to-day affair by passing a suitable resolution a draft of which is provided below. This resolution could be in continuation of the earlier resolution passed in respect of the appointment of occupier of factory, appointing one of the directors as an occupier.

## FURTHER RESOLUTION SPELLING OUT THE RESPONSIBILITY OF THE MANAGER WHO IS INCHARGE OF THE DAY-TO-DAY CONTROL OF THE FACTORY

### RESOLVED

That, it is hereby understood that notwithstanding the aforesaid nomination of (the name of the Director and his designation) of the Company, as the Occupier, he would not actually be in the immediate control over the affairs of the said Factories as in fact he could not be considering the circumstances and the nature of his duties *vis-à-vis* the Company and it be hereby reiterated that (the name of the Manager and his designation) as specified above, who is in immediate charge of the Factory / Factories is vested with immediate control over the affairs thereof and he shall be solely liable, answerable and responsible for the full and timely observance of and compliance with all the provisions and requirements of the Factories Act and Rules made there under and in so far and to the extent they are to be observed and complied with by them by virtue of this Resolution and the consequential authority so vested in him.

## ANSWERABILITY FOR OFFENCES

There could be minor non-compliances, certain rectifications, calling for certain action upon the visit of the factory Inspector etc., in connection with the Factories Act and regulations. Since most of the routine matters need to be attended then and there, they need not, come to the

occupier on routine basis and the manager in-charge could take suitable action and answer the same including the offences if any arising on day to day operations. It is better, that the board makes this point clear and puts it in the form of a resolution. Many companies generally take a resolution to this effect as foreign nationals manage many of the multinational companies. Given below is the suggested draft of the resolution, which could be taken by the board of directors, in continuation of the earlier resolution.

## FURTHER RESOLUTION STATING THAT THE MANAGER WOULD BE ANSWERABLE FOR THE OFFENCES IF ANY IMMEDIATELY AFTER A CHARGE IS MADE

### RESOLVED

That, in the event of the said.....(name of the Director and his designation) being charged with an offence punishable under the Factories Act or the Rules made there under.....(the name of the Manager and his designation) of the Company as specified as above, shall appear before the Court at the hearing and confirm that notwithstanding the aforesaid formal nomination of (the name of the Director and his designation) he is in immediate control over the affairs of the said factory / factories and answerable for compliance of all provisions, rules and regulations applicable under the Factories Act and the Rules there under.

## INFORMATION TO INSPECTOR OF FACTORIES

The resolutions passed by the board for the appointment of occupier, appointment of manager, making the manager responsible for day-to-day operation of the factory etc. need





to be communicated to the Inspector of Factories. The board may pass the following resolution authorizing the company secretary to inform the same. (Many States and Union Territories have specified the form in which the details are required to be filled up and submitted to the inspector of factories along with the certified copy of resolution and this may have been checked up while intimating the same to the relevant inspectorate of factories.

## RESOLUTION AUTHORISING THE SECRETARY TO ADVISE THE INSPECTOR OF FACTORIES ABOUT THE APPOINTMENT

### RESOLVED

That the Company Secretary of the Company be and is hereby authorized to advise the Inspector of Factories of the appointment of.....(name of the Director and his designation) as occupier of the factories at.....(location / locations).

## ENSURING COMPLIANCE ON AN ONGOING BASIS

Once the Board has passed a resolution for appointment of the occupier director and also the Manager, the next thing to follow is to give intimation to the Inspector of factories in the form specified (Form 3) along with the certified copy of the Board resolution.

## Mode and form of intimation

The Occupier shall, at least fifteen days before he begins to occupy or use any premises as a factory send to the Chief Inspector a written notice containing:

- Name and situation of the factory.
- Name and address of the occupier.
- Name and address of the owner of the premises or building (including the precincts thereof) referred to in section 93.
- Address to which communication relating to the factory may be sent.
- Nature of manufacturing process:
  - carried on in the factory during the last twelve months in the case of factories in existence.
  - On the date of commencement of this Act.
  - to be carried on in the factory during the next twelve months in the case of all factories.
- Total rated horsepower installed or to be installed in the factory which shall not include the rated horsepower of any separate standby plant.
- Name of the manager of the factory for the purpose of this Act.
- Number of workers likely to be employed in the factory.
- Number of workers employed during the last twelve months in the case of a factory in existence on the date of the commencement of this Act.
- Such other particulars as may be prescribed.

## Ensuring Compliance - system to be in place

Once the intimation is given, the actual compliance part is required to be ensured and also continuous compliance is required to be ensured thereafter. The Director Occupier and the Manager have to evolve a better system to ensure the safety, health and environment of the workmen employed in the factory.

## Declaration from the Manager

The Director Occupier may like to take a declaration from the Manager stating that the Manager would ensure the statutory compliance while running the day-to-day factory and in turn the Manager has to ensure the same. This declaration is taken to show that the manager who is appointed for running the day to day operation is actually a capable executive, to whom the responsibility is entrusted and not a dummy person for record purposes. In case of any compliance issue, the authorities may like to rely on this document and the operations were really run by an able and





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efficient executive of the company.

To make it clean and transparent, the Manager may give a declaration to the Director-Occupier as per the following format and he shall ensure the compliance on an ongoing basis. The suggested draft declaration form is given below: -

## SUGGESTED DRAFT DECLARATION BY THE MANAGER

I, son of....., residing at .....is working for gains with (Company's name) thereafter-called Company, as (designation) at its factory located at (place) (responsible for the operations of the factory / factories at (location / locations)) effective from.....

I hereby confirm and declare as under: -

1. That I have the expertise to run similar factories and am fully aware of and conversant with the requirements of the Factories Act and the Rules made thereunder for the running of factories and that I am aware of and conversant with the various health, safety and welfare regulations and methods to be followed in such factories.
2. That keeping in view my ability, I have been sufficiently empowered by the Board of Directors of the Company in the meeting of the Board held on (date of board meeting) and that I have been furnished a certified true copy of the resolution passed in the said meeting and that I have been *inter-alia* entrusted independent responsibility for effective running and monitoring of the said factory on day to day basis including compliance of the various requirements of the Factories Act and the Rules made there under.
3. That I shall at all times ensure and keep ensured that all the provisions of the Factories Act and the rules made there under are complied with and that I shall every month give a certificate to (name of the Director - Occupier) and the nominee Occupier that there has been due discharge of responsibility and compliance of the provisions of the Factories Act and the Rules made there under and that this certificate will be effective and binding on me.
4. That in the event,.....(name & designation of the Director-occupier) and nominee Occupier of the factory is charged with an offence punishable under the Factories Act and the Rules made there under, I, as the immediate person responsible for complying with the same hold myself responsible and shall on being called upon, on a charge being framed under the said Act and the Rules made thereunder against him, make myself available before the concerned Court (whether in employment with (name of the company) or not) at the time appointed for hearing the charge, provided, the charge relates to the period of my employment.

5. That I shall at all times exercise due diligence in complying with the requirements of the said Act and the Rules made there under and that I shall be answerable in terms of Section 101 of the said Act notwithstanding the nomination of (name of the Director Occupier) as Occupier under Section 2(n) of the said Act.
6. That due to my proximity with the operation of the said factory and being responsible for day to day operations, I shall be liable for non compliance of the provisions of the Factories Act and Rules made there under and accordingly hold myself liable for contravention, if any.
7. This declaration is given by the undersigned knowing well that (name of the Director occupier), the nominee Occupier and/or the Board of the Company shall on its faith and strength place his/its reliance that all the provisions of the Factories Act and Rules made there under have been complied with.

Place:  
Date:

.....  
Signature of The Manager

## Monthly Compliance Certificate from the Manager to the Occupier

The Manager, who is in-charge of day to day operation could issue a certificate on a monthly basis, every month, in the beginning of the month, for the earlier month, a compliance certificate to the Director- Occupier as per the suggested format is given below. This would ensure that the factory compliance is in place, if there is noncompliance, necessary rectification action could be taken. On the basis of this certificate, the director-occupier could issue his compliance certificate to the board members.





## SUGGESTED DRAFT MONTHLY COMPLIANCE CERTIFICATE

(draft certificate in ideal circumstances)

Addressed to: -  
Director-Occupier of the Factory  
Place where he is located

**Subject: Compliance Certificate for the month of .....**  
**Regarding: Factories Act and the Rules made there under in respect of (location / locations) Works.**

Certified that there has been due compliance of the Factories Act, 1948 and the Rules made there under during the month of.....and in particular, I confirm, declare and certify as under: -

That health, safety and welfare of all the workers while they were at work has been adequately taken care of.

That the existing provisions and maintenance of plant and systems of work in the factory are safe and without risk of health and wherever and whenever required, corrective actions are being taken.

That suitable arrangements exist in the factories for ensuring safety and absence of risks to health in connection with the use, handling, storage and transport of articles and substances.

That the workers are continuously kept informed, instructed, training and supervision as are necessary given to them to ensure the health and safety of all workers at work.

That the maintenance of all places of work in the factories including maintenance of such means of access to and egress from, such places are regularly carried out and work place is totally safe and without risk to health.

That provision, maintenance or monitoring of such working environment in the factories for the workers are safe, without risks to health and adequate as regards facilities and arrangement for.

That there exists a written statement of the general policy suitably modified from time to time with respect to the health and safety of the workers at work and the organization and arrangements for the time being in force for carrying out that policy. That the said statement is put in Notice Boards at different locations and it is ensured that it is brought to the knowledge of all the workers.

That periodical safety drills are undertaken by involving all the workers and the workers are trained on various aspects relating to safety and health.

This declaration is given by the undersigned knowing well that you as the Occupier will on its faith and strength place reliance that all the provisions of the Factories Act and Rules made there under have been complied with.

Place:

Signature of the Manager

Date:

## Intimation regarding Proposed Action on the Compliance

The Manager, may add the necessary action points under the relevant paragraph spelling out the proposed action which are planned in case part compliance/non compliance. For example:

Under para 1 of the certificate the Manager may like to inform the Director-Occupier that the workers are being educated about the safety requirement by adding the following remarks.

The workers are being educated about the requirement of safety and necessary precautions to be taken on the shop floor as required. Similarly, the Manager may like to inform the Director-Occupier about the planned medical room facilities to be provided on an ongoing basis by adding the following remarks.

The Improvements to the medical room facilities have been included in the list of projects planned and expect initiation work in (indicate the month here), completion by (indicate the month).

In the last para, the Manager may like to inform about the safety drills and training by adding the suitable remarks, which could be:

At.....(Location), the safety drills and formal safety training for employees would be commenced after appointment of Safety Officer, which is expected to be completed by.....(indicate the month). Currently periodical safety drills are undertaken for the security personnel.

## Review of the compliance report and initiating required action

The Occupier Director can review the action plans on a month to month basis on an ongoing basis and ensure that the compliance is strictly made as required under the Factories Act 1948, not only to satisfy the regulatory authorities but also environment to safe guard the interest of his own workmen in the factory in respect of their safety, health, etc.

## Compliance Report to the Board

Whenever the Board meets periodically, the concerned Occupier Director has to place the compliance certificate under the Factories Act, 1948 so that the Board is kept informed about the required compliance in each of its Board meeting. The Board members could discuss the various action points so that the members can add value to it for the



# Articles

Ensuring Compliance under The Factories Act, 1948

improvement over the existing compliance, after their detailed deliberations, discussions and review.

The draft compliance report (on ideal circumstances) by the Director-Occupier is given below.



## CERTIFICATE OF COMPLIANCE

### BOARD OF DIRECTORS

**Subject: Compliance Certificate upto the month of (month here) Regarding Factories Act and the Rules made there under**

The Board had nominated me as Occupier under Section 2 (n) of the Factories Act, 1948 in the meeting of the Board held on (date).

Pursuant to the resolution passed in the said meeting, all the Managers who have been vested with the powers and immediate control of the respective factories have given certificates individually confirming due compliance of the provisions of the Factories Act and the Rules made there under. Based on the compliance certificates received from them and relying them to be true in *bona fide* good faith. I hereby certify that there has been due compliance of all the provisions of the Factories Act, 1948 and the Rules made there under upto the month of (month) in particular I confirm, declare and certify as under:

- a. that health, safety and welfare of all the workers while they were at work has been adequately taken care of.
- b. that the existing provisions and maintenance of plant and systems of work in the factory are safe and without risk of health and wherever and whenever required, corrective actions are being taken.
- c. that the workers are continuously kept informed, instructed, trained and supervised as are necessary given to them to ensure the health and safety of all workers at work.
- d. that the maintenance of all places of work in the factories including maintenance of such means of access to and egress from such places are regularly carried out and work place is totally safe and without risk to health.
- e. that provision, maintenance or monitoring of such working environment in the factories for the workers are safe, without risks to health and adequate as regards facilities and arrangement for their welfare at work;
- f. that there exists a written statement of the general policy suitably modified from time to time with respect to the health and safety of the workers at work and the organization and arrangements for the time being in force for carrying out that policy. That the said statement is put in Notice Boards at different locations and it is ensured that it is brought to the knowledge of all the workers.

- g. that periodical safety drills are undertaken by involving all the workers and the workers are trained on various aspects relating to safety and health.
- h. that I have exercised due care to the best of my ability notwithstanding the fact that I am not involved in day to day affairs of the factories due to my pre-occupation with my main responsibilities elsewhere as Managing Director/Occupier to enforce execution of the provisions of the Factories Act and the Rules framed there under and that I have not given any consent or acted in connivance with the said Managers whereby offence could have been committed with my knowledge under the said Act and Rules in any manner.

This declaration is given by the undersigned knowing well that the Board will on its faith and strength place reliance that all the provisions of the Factories Act and Rules made there under have been complied with.

For (the Company's name)

Place:  
Date:

Signature of the Occupier/Director  
with Name and Designation.

## ACTION POINTS ARISING ON THE COMPLIANCE CERTIFICATE

Based on the certificate issued by the Manager(s) the action points could also be indicated by the Occupier Director as informed / intimated by the Manager (s) to enable the Board to have a detailed discussions on the action points arising out of this.

The above procedure, if strictly followed, the compliance could be monitored to a greater and fuller extent and non compliance could be avoided. It is not the question of only introducing the procedure but strictly adhering to it with regular review and follow up along with the action plan from time to time, which would ensure the compliance. The compliance should not only be for the purpose of meeting the requirement of the law and law enforcement agencies but also to ensure the adherence of the compliance in its true spirit so that the health, safety and environment problems are taken care of for the workmen through whom the company works with and achieves its targets.

## Compliance Certificate taken on Record by Board

The Board may record the compliance certificate in its minute book along with the action points agreed upon which could form part of review in their next meeting while discussing the "matter arising out of previous meetings" / "





Company Secretaries can play a much wider role in ensuring compliance and the secretary can institute a process of compliance and regular monitoring. At each board meeting, if the secretary could apprise the board on the status of compliance, the corporate India would move much forward in the areas of greater compliance - The role of company secretary should be proactive in ensuring the safety health and environmental compliance. ●●

Meeting Action Points" / " Action Taken Report" - whatever be the name on the action points. This would help the board to review the action periodically and ensure that the required compliance is done and all pending actions are attended to. Compliance certificate placed in each board meeting would also give the comfort level on the compliance to the board and the board members can be

rest assured that the compliance are in place. Since non-executive directors are not involved on day-to-day management of the company, the compliance certificate would give a greater comfort level to them since the directors are now made responsible for the compliance under Factories Act, 1948.

## COMPLIANCE OTHER THAN THE FACTORIES ACT, 1948

Apart from the compliances under Factories Act, there are other compliance under various laws such as the Income Tax, Labour Legislation, ESIC, FERA/FEMA etc. for which a separate compliance certificate may be issued by the Managing Director stating that the required compliance are met with. Needless to mention that the required compliance in terms of returns, payment, submission of documents are to be complied with by the respective executives who are in-charge of the respective function, preferably with a help of a check list of compliance.

## ROLE OF THE COMPANY SECRETARY

The Company Secretary can play a major role in assisting the Managing Director and the Board in ensuring the compliance. One of the job objectives of the Company Secretary could be to "Monitor and report on the statutory compliance of all the company's operations through the control of a compliance certificate process".

The Company Secretary while preparing the agenda should ensure that an agenda item always appears in the Board meeting titled "matters arising out of previous meetings" so that the points raised and the action plan agreed upon is discussed at this meeting and a thorough review is taken. He can make a note of various action points arising out of the meeting and assist the Managing Director and the other Executives of the Company for necessary action and its implementation.

The Company Secretary can always keep Executives of the Company updated about latest amendments and have a continuous monitoring and follow up action. At the time of Board meeting, he can review the same with the Managing Director and prepare a summary note for the Board members so that the compliance is better attended to. For this purpose, the Company Secretary should equip himself properly to give correct legal advice on all relevant aspects of the company's operations. ■



## Corporate Laws



**LW 21.03.2012**

**RAHEJA UNIVERSAL LIMITED v. NRC LIMITED & ORS [SC]**

Civil Appeal No. 1920 of 2012 (Arising out of SLP (C) No.26149 of 2011) with Civil Appeal No. 1921 of 2012 [Arising out of SLP (C) Nos. 5360 / 2012 (CC 15948/2011)], Civil Appeal No. 1922 of 2012 (Arising out of SLP (C) No.26624 of 2011), Civil Appeal No. 1923 of 2012 (Arising out of SLP (C) No.26964 of 2011)

S.H. Kapadia CJI, K.S. Radhakrishnan & Swatanter Kumar, JJ.

[Decided on 07/02/2012]

**Section 22 of the Sick Industrial Companies (Special Provisions) Act, 1985 read with section 53A of the Transfer**

**of Property Act, 1882 - Agreement to sell land by a sick company - Possession of land given to the purchaser - BIFR restricts the sale-Whether correct - Held, Yes.**

### Brief facts

An interesting question of law as to the ambit and scope of Section 22 of the Sick Industrial Companies (Special Provisions) Act, 1985 (for short, the "Act of 1985") and its overriding application over the provisions of Transfer of Property Act, 1882 (for short, the "Act of 1882"), with particular reference to Section 53A and Section 54 of the latter Act, arises for consideration in the present case.

In order to bring in additional funds required for financial restructuring, Respondent company NRC Limited intensified its efforts to dispose of the surplus land and entered into a MOU with the appellant company for the sale of about 344 acres of land for a total consideration of Rs.166.40 crore. There is some dispute between the parties with regard to the manner and time in which these payments were or were not made. In 2008 the Respondent registered with the BIFR as sick company. Meanwhile, the Appellant refused to release the third instalment and resultantly, even the dues of 577 employees, who had taken the benefit of the early retirement scheme, could not be cleared. The BIFR, vide its order dated 16th July, 2009, fixed the cut-off date as 30th July, 2007. It directed that the sale of assets, including investments, will require prior approval of the BIFR.

The BIFR treated the land as an investment and has put certain restrictions thereupon, including that of sale of assets, which required the prior approval of BIFR as the Respondent-Company was under the purview of the Act of 1985. With reference to the land, it was directed that Capacity Valuation Report should be placed on record to show how the sale consideration of Rs.166.40 crore was arrived at. Aggrieved from this order, both the Appellant as well as the Respondent preferred an appeal before the AAIFR, which made major variations in the order of the BIFR. The correctness and legality of this order of the AAIFR was questioned by the Appellant, Respondent and the NRC Mazdoor Sangh before the High Court. The High Court quashed the order of the AAIFR and confirmed the order passed by the BIFR. The appellant appealed to the Supreme Court.

**Decision: Appeal dismissed.**

### Reason

Referring to the facts of the present case, the land was one of the major assets of the Respondent Company and in the event the said asset was kept outside the scope of the scheme or its sale was permitted by the BIFR, probably the company could never be revived and any effort in that direction *de hors* such asset of the company would be in futility.



Besides, the fact that the statutory protection contained in Section 22(3) was available to the company, it could be stated with more emphasis that the BIFR could even adopt and permit the transaction with such adoption as it may have deemed appropriate. The imperative nature of the functions of the BIFR under the provisions of the Act of 1985 and the overriding effect of its provisions fully support such a view. The unambiguous principle of law that emerges is that the provisions of the Act of 1985 shall normally override the other laws except the laws which have been specifically excluded by the Legislature under Section 32 of the Act of 1985. The Act of 1985 has been held to be a special statute *vis -a - vis* the other laws, most of which have been indicated above. In the present case, we are concerned with the provisions of the Act of 1882. It is the case of the respondent-company before us that they have got an interest in the immovable property by virtue of the Memorandum of Understanding, Agreements dated 1st March, 2007 and 17th August, 2010 and by part performance, as they had been given possession of the land in question. It was contended that as their interests were duly protected under the provisions of the Act of 1882, the BIFR/AAIFR, in exercise of its powers under Sections 22(1), 22(3) and 22A of the Act of 1985, cannot place any restriction upon their title or interest in the immovable property. In other words, the contention is that *vis-a-vis* the Act of 1985, the provisions of the Act of 1882 shall prevail.

The Act of 1882 is a general law and controls and operates in a very wide field. It was an Act enacted for and related to transfer of immovable property in India and to decide the disputes as well as to resolve the confusion and conflict, which was in existence, as the courts were forced to decide the disputes according to their own notions of justice and fair play. The Act of 1882 does not have application to a particular situation or class of persons. On the contrary, the Act of 1985 is a special legislation providing for imperative functioning of specialized bodies like the BIFR and AAIFR and is intended to apply to a very specific situation, i.e., where a company is a sick industrial company. It has no application even to other different kinds of companies within the purview of the Companies Act, except sick industrial companies. The Legislature has undoubtedly given an overriding effect to the provisions of the Act of 1985 and even restricted the jurisdiction of the civil courts, as is demonstrated from the language of Sections 26 and 32 of the Act of 1985. Thus, we have no hesitation in holding that the provisions of the Act of 1985 shall prevail over the provisions of the Act of 1882. The contention raised before us is that in view of the provisions of Sections 53A and 54 of the Act of 1882, the title in the property in question is vested in the Respondent-Company and they are entitled to transfer the property, free from any restrictions or limitations. As such, the order of the High Court is liable to be set aside and that of the AAIFR be restored. In view of our afore-stated discussion and the

reasons to follow, we are unable to accept this contention entirely or even in part for that matter.

The principle of law that emerges, which consistently has judicial benediction, is that a scheme for rehabilitation or restructuring of a sick industrial company undertaken by a specialized body like the BIFR/AAIFR should, as far as legally permissible, remain obstruction free and the events should take place as pre-ordained, during consideration and successful implementation of the formulated scheme. Wide jurisdiction is vested in BIFR/AAIFR to issue directives, declarations and prohibitory orders within the rationalized scope and limitations prescribed under Sections 22(1), 22(3) and 22A of the Act of 1985.

For the reasons afore-recorded, the present appeals are dismissed. The order of the BIFR dated 16th July, 2009 which has merged into the order of the High Court dated 29th July, 2011 is maintained while that of the AAIFR dated 28th May, 2010 is set aside. The parties are directed to appear before the BIFR which shall proceed with the matter in accordance with law. However, we express a poised hope that the BIFR would deal with and dispose of the matter expeditiously. ■

## LW 22.03.2012

### UNION OF INDIA v. RELIANCE INDUSTRIES LTD [BOM]

Civil Application No. 140 of 2010 in Ferast No. 22067 of 2010

D Y Chandrachud, J. & M S Sanklecha, J.  
[Decided on 07/02/2012]

***Section 52 of the Foreign Exchange Regulation Act, 1973 read with Sections 19 and 52 of the Foreign Exchange Management Act, 1999 - Appeal to High court from the order of the Tribunal - delay of 570 days - whether delay condonable - Held, No.***

### Brief facts

In the present case, a notice to show cause was issued to the Respondent for a violation of the provisions of the FERA, 1973 on 27 July 2001. By an order dated 30 October 2003, the Special Director in the Directorate of Enforcement, Mumbai, adjudicated upon the notice to show cause and did not impose any penalty upon the Respondent. A revision was filed by the





Union of India to the Appellate Tribunal for Foreign Exchange constituted under the provisions of the FEMA, 1999. The Appellate Tribunal dismissed the revision on 30 September 2008. The appeal before this Court has been filed on 6 August 2010. There is a delay of 570 days in filing the appeal. The issue is as to whether that delay can be condoned.

**Decision:** Appeal dismissed.

## Reason

In *Thirumalai Chemicals Limited v. Union of India* (2011) 6 SCC 739, the Supreme Court considered whether the Appellate Tribunal constituted under the FEMA, 1999 could reject an appeal filed under Section 19 of the new Act by applying the first proviso to sub-section (2) of Section 52 of the FERA, 1973. Under Section 19(2) of the FEMA, 1999, the Appellate Tribunal is empowered to entertain an appeal filed beyond the expiry of 45 days subject to sufficient cause being shown. Under Section 52 of the FERA, 1973, the erstwhile Appellate Board could entertain an appeal after the expiry of forty five days, but not beyond ninety days. The Supreme Court held that the Appellate Board under the FERA stood dissolved and ceased to function when the FEMA was enacted in 1999. Hence, an appeal against an order of an Adjudicating Officer made under the FERA had to be filed before the Appellate Tribunal after the FEMA came into force. Upon a combined reading of Section 49 of the FEMA and Section 6 of the General Clauses Act, 1897, the Supreme Court held that it was the procedure prescribed by the FEMA which would be applicable in respect of an appeal filed under the FEMA though the cause of action arose under the FERA. Hence, it was held that it was Section 19 of the FEMA, 1999 that would apply and the Appellate Tribunal would be entitled to condone a delay beyond forty five days in accordance with the provisions made in the new Act. Limitation, it was reiterated, relates to procedure.

Applying the principle which has been enunciated by the Supreme Court to the facts of the present case, it is evident that an appeal against an order of adjudication passed on 30 October 2003 by the Special Director of Enforcement, which was after the repeal of the FERA, 1973 had to be filed before the Appellate Tribunal constituted under the FEMA, 1999. An appeal against the order of the Appellate Tribunal would be governed by the provisions of Section 35 of the FEMA, 1999. This Court does not have any jurisdiction to condone a delay in excess of sixty days beyond the period of sixty days prescribed for the filing of an appeal. For these reasons, we are of the view that the delay of 570 days in filing an appeal before this Court under Section 35 of the FEMA, 1999 cannot be condoned. ■

## General Laws



**LW 23.03.2012**

**JK INDUSTRIES LIMITED & ORS v. AMARLAL v. JUMANI & ANR [SC]**

SLP (Crl.) No.6643-6651 of 2010 & related batch of appeals

Asok Kumar Ganguly & Jagdish Singh Khehar, JJ.

[Decided on 01/02/2012]

**Section 147 of the Negotiable Instruments Act, 1881 read with Section 391 of the Companies Act, 1956 - Compromise with creditors - Scheme sanctioned by the court - Whether results in automatic compounding of the offence of cheque dishonour - Held, No.**

## Brief facts

This group of appeals were heard together as they involve common questions of law. There are some factual differences



but the main argument by the appellant(s) in this matter was advanced on behalf of the Sharp Industries Limited in SLP (Crl.) No.6643-6651 of 2010 and the facts are taken mostly from the said case.

The material facts of the case are that the appellant company came out with a scheme by which it was agreed that the appellant company should be revived and thereafter payments will be made to the creditors. Pursuant to such scheme the appellant company filed a petition under Section 391 of the Companies Act to the High Court. The whole scheme was placed before the High Court and according to the appellant(s), first order of the scheme came to be passed by the Hon'ble High Court by its order dated 5th May, 2005 in Company Petition No.92 of 2005. At the time the said company petition was pending, a meeting was convened by the appellant company on 1.6.05 and the same was attended by several creditors including representative of the first respondents and they opposed the scheme. Despite the said opposition, the appellant(s) succeeded in getting the scheme approved by statutory majority as required under the law. Thereafter, on 17.11.2005 another company petition with a fresh scheme (Company petition No. 460 of 2005) was filed. After the said company petition was filed all proceedings which were initiated by different companies against the appellant(s) came to be stayed by the High Court. In view of the aforesaid scheme the appellant company filed application for compounding under Section 147 of the N.I. Act read with Section 320 of the Criminal Procedure Code (hereinafter, "the Code") and Section 391 of the Companies Act. However, the respondents opposed the said prayer of the petitioner and by an order dated 19th January, 2007, the learned Chief Judicial Magistrate, Ahmednagar rejected the application filed by the appellant for termination of the proceedings *inter alia* on the ground that the learned Magistrate has no power to quash or terminate the proceedings.

Being aggrieved by the said order of the Magistrate, the appellants filed writ petitions before the High court, which was dismissed. By way of a detailed judgment, the High Court after dismissing the writ petitions held that sanction of a scheme under Section 391 of the Companies Act, 1956 (hereinafter "Companies Act") does not amount to compounding of an offence under Section 138 read with Section 141 of the N.I. Act. The High Court also held that sanction of a scheme under Section 391 of the Companies Act will not have the effect of termination or dismissal of complaint proceedings under N.I. Act. However, the learned Judge made it clear that the judgment of the High Court will not prevent the petitioners from filing separate application invoking the provisions of Section 482 Criminal Procedure Code, if they are so advised. Appellants approached the Supreme Court.

## Reason

Considering the submissions of the rival parties, this Court finds that the effect of approval of a scheme of compromise and arrangement under Section 391 of the Companies Act is that it binds the dissenting minority, the company as also the liquidator if the company is under winding up. Even if the aforesaid position is accepted the same does not have much effect on any criminal proceedings initiated by the respondent creditors for non-payment of debts of the company arising out of dishonour of cheques. Factually the allegation of the respondent is that even payment under the scheme has not been made. However, without going into those factual controversies, the legal position is that a scheme under Section 391 of the Companies Act does not have the effect of creating new debt. The scheme simply makes the original debt payable in a manner and to the extent provided for in the scheme. In the instant appeal in most of the cases the offence under the N.I. Act has been committed prior to the scheme. Therefore, the offence which has already been committed prior to the scheme does not get automatically compounded only as a result of the said scheme. Therefore, even by relying on the ratio of the aforesaid judgment, this Court cannot accept the appellant's contention that the scheme under Section 391 of the Companies Act will have the effect of automatically compounding the offence under the N.I. Act.

Therefore, the main argument that once a scheme under Section 391 of the Companies Act is sanctioned by the Court the same operates as compounding of offence under Section 138 read with Section 147 of the N.I. Act cannot be accepted. Rather the principle which has been reiterated by this Court repeatedly in the aforesaid judgments is that a scheme under Section 391 of the Companies Act cannot be contrary to any law. From this consistent view of this Court it clearly follows that a scheme under Section 391 of the Companies Act cannot have the effect of overriding the requirement of any law. The compounding of an offence is always controlled by statutory provision. There are various features in the compounding of an offence and those features must be satisfied before it can be claimed by the offender that the offence has been compounded. Thus, compounding of an offence cannot be achieved indirectly by the sanctioning of a scheme by the Company Court.

In our country also when the Criminal Procedure Code, 1861 was enacted it was silent about the compounding of offence. Subsequently, when the next Code of 1872 was introduced it mentioned about compounding in Section 188 by providing the mode of compounding. However, it did not contain any provision declaring what offences were compoundable. The

**Decision: Appeal dismissed.**



decision as to what offences were compoundable was governed by reference to the exception to Section 214 of the Indian Penal Code. The subsequent Code of 1898 provided Section 345 indicating the offences which were compoundable but the said Section was only made applicable to compounding of offences defined and permissible under Indian Penal code. The present Code, which repealed the 1898 Code, contains Section 320 containing comprehensive provisions for compounding. A perusal of Section 320 makes it clear that the provisions contained in Section 320 and the various sub-sections is a Code by itself relating to compounding of offence. It provides for the various parameters and procedures and guidelines in the matter of compounding. If this Court upholds the contention of the appellant that as a result of incorporation of Section 147 in the N.I. Act, the entire gamut of procedure of Section 320 of the Code are made inapplicable to compounding of an offence under the N.I. Act, in that case the compounding of offence under N.I. Act will be left totally unguided or uncontrolled. Such an interpretation apart from being an absurd or unreasonable one will also be contrary to the provisions of Section 4(2) of the Code, which has been discussed above. There is no other statutory procedure for compounding of offence under N.I. Act. Therefore, Section 147 of the N.I. Act must be reasonably construed to mean that as a result of the said Section the offences under N.I. Act are made compoundable, but the main principle of such compounding, namely, the consent of the person aggrieved or the person injured or the complainant cannot be wished away nor can the same be substituted by virtue of Section 147 of N.I. Act. For the reasons aforesaid, this Court is unable to accept the contentions that as a result of sanction of a scheme under Section 391 of the Companies Act there is an automatic compounding of offences under Section 138 of the N.I. Act even without the consent of the complainant.

**LW 24.03.2012**

**CENTRE FOR PUBLIC INTEREST  
LITIGATION & ORS v. UNION OF INDIA &  
ORS [SC]**

Writ Petition (Civil) No. 423 of 2010 with  
Writ Petition (Civil) No. 10 of 2011  
G.S. Singhvi & Asok Kumar Ganguly, JJ.  
[Decided on 02/02/2012]

**Telecom Regulatory Authority of India Act, 1997 read with**

**Constitution of India - Allotment of 2G spectrum licences -  
Whether arbitrary and against the constitution - Held, Yes.**

## Brief facts

This case is popularly known as 2G spectrum case. The important questions which arise for consideration are:

- (i) Whether the Government has the right to alienate, transfer or distribute natural resources/national assets otherwise than by following a fair and transparent method consistent with the fundamentals of the equality clause enshrined in the Constitution?
- (ii) Whether the recommendations made by the Telecom Regulatory Authority of India (TRAI) on 28.8.2007 for grant of Unified Access Service Licence (for short "UAS Licence") with 2G spectrum in 800, 900 and 1800 MHz at the price fixed in 2001, which were approved by the Department of Telecommunications (DoT), were contrary to the decision taken by the Council of Ministers on 31.10.2003?
- (iii) Whether the exercise undertaken by the DoT from September 2007 to March 2008 for grant of UAS Licences to the private respondents in terms of the recommendations made by TRAI is vitiated due to arbitrariness and *mala fides* and is contrary to public interest?
- (iv) Whether the policy of first-come-first-served followed by the DoT for grant of licences is *ultra vires* the provisions of Article 14 of the Constitution and whether the said principle was arbitrarily changed by the Minister of Communications and Information Technology (hereinafter referred to as "the Minister of C&IT"), without consulting TRAI, with a view to favour some of the applicants?
- (v) Whether the licences granted to ineligible applicants and those who failed to fulfil the terms and conditions of the licence are liable to be quashed?

**Decision:** Petition allowed.

## Reason

The Supreme Court answered the above questions, after elaborate economic and judicial analysis, in the following manner:

### Question No.1

At the outset, we consider it proper to observe that even though there is no universally accepted definition of natural resources, they are generally understood as elements having intrinsic utility to mankind. They may be renewable or non renewable. They are thought of as the individual elements of the natural environment that provide economic and social services to human society and are considered valuable in their relatively unmodified, natural, form. A natural resource's value rests in the amount of the material available and the





demand for it. The latter is determined by its usefulness to production. Natural resources belong to the people but the State legally owns them on behalf of its people and from that point of view natural resources are considered as national assets, more so because the State benefits immensely from their value. The State is empowered to distribute natural resources. However, as they constitute public property/national asset, while distributing natural resources, the State is bound to act in consonance with the principles of equality and public trust and ensure that no action is taken which may be detrimental to public interest. Like any other State action, constitutionalism must be reflected at every stage of the distribution of natural resources. In Article 39(b) of the Constitution it has been provided that the ownership and control of the material resources of the community should be so distributed so as to best subserve the common good, but no comprehensive legislation has been enacted to generally define natural resources and a framework for their protection. Of course, environment laws enacted by Parliament and State legislatures deal with specific natural resources, i.e., Forest, Air, Water, Coastal Zones, etc.

The ownership regime relating to natural resources can also be ascertained from international conventions and customary international law, common law and national constitutions. In international law, it rests upon the concept of sovereignty and seeks to respect the principle of permanent sovereignty (of peoples and nations) over (their) natural resources as asserted in the 17th Session of the United Nations General Assembly and then affirmed as a customary international norm by the International Court of Justice in the case opposing the Democratic Republic of Congo to Uganda. Common Law recognizes States as having the authority to protect natural resources insofar as the resources are within the interests of the general public. The State is deemed to have a proprietary interest in natural resources and must act as guardian and trustee in relation to the same. Constitutions across the world focus on establishing natural resources as owned by, and for the benefit of, the country. In most instances where constitutions specifically address ownership of natural resources, the Sovereign State, or, as it is more commonly expressed, "the people", is designated as the owner of the natural resource.

Spectrum has been internationally accepted as a scarce, finite and renewable natural resource which is susceptible to degradation in case of inefficient utilisation. It has a high economic value in the light of the demand for it on account of the tremendous growth in the telecom sector. Although it does not belong to a

particular State, right of use has been granted to States as per international norms.

As natural resources are public goods, the doctrine of equality, which emerges from the concepts of justice and fairness, must guide the State in determining the actual mechanism for distribution of natural resources. In this regard, the doctrine of equality has two aspects: first, it regulates the rights and obligations of the State *vis-a-vis* its people and demands that the people be granted equitable access to natural resources and/or its products and that they are adequately compensated for the transfer of the resource to the private domain; and second, it regulates the rights and obligations of the State *vis-a-vis* private parties seeking to acquire/use the resource and demands that the procedure adopted for distribution is just, non-arbitrary and transparent and that it does not discriminate between similarly placed private parties.

In conclusion, we hold that the State is the legal owner of the natural resources as a trustee of the people and although it is empowered to distribute the same, the process of distribution must be guided by the constitutional principles including the doctrine of equality and larger public good.

## Question No.2

To say the least, the entire approach adopted by TRAI was lopsided and contrary to the decision taken by the Council of Ministers and its recommendations became a handle for the then the Minister of C&IT and the officers of the DoT who virtually gifted away the important national asset at throw away prices by wilfully ignoring the concerns raised from various quarters including the Prime Minister, Ministry of Finance and also some of its own officers. This becomes clear from the fact that soon after obtaining the licences, some of the beneficiaries off-loaded their stakes to others, in the name of transfer of equity or infusion of fresh capital by foreign companies, and thereby made huge profits. We have no doubt that if the method of auction had been adopted for grant of licence which could be the only rational transparent method for distribution of national wealth, the nation would have been enriched by many thousand crores.

While it cannot be denied that TRAI is an expert body assigned with important functions under the 1997 Act, it cannot make recommendations overlooking the basic constitutional postulates and established principles and make recommendations which would deny people from



participating in the distribution of national wealth and benefit a handful of persons. We have no hesitation to record a finding that the recommendations made by TRAI were flawed in many respects and implementation thereof by the DoT resulted in gross violation of the objective of NPT 1999 and the decision taken by the Council of Ministers on 31.10.2003.

We may also mention that even though in its recommendations dated 28.8.2007, TRAI had not specifically recommended that entry fee be fixed at 2001 rates, but paragraph 2.73 and other related paragraphs of its recommendations state that it has decided not to recommend the standard option for pricing of spectrum in 2G bands keeping in view the level playing field for the new entrants. It is impossible to approve the decision taken by the DoT to act upon those recommendations. We also consider it necessary to observe that in today's dynamism and unprecedented growth of telecom sector, the entry fee determined in 2001 ought to have been treated by the TRAI as wholly unrealistic for grant of licence along with start up spectrum. In our view, the recommendations made by TRAI in this regard were contrary to the decision of the Council of Ministers that the DoT shall discuss the issue of spectrum pricing with the Ministry of Finance along with the issue of incentive for efficient use of spectrum as well as disincentive for sub-optimal usages. Being an expert body, it was incumbent upon the TRAI to make suitable recommendations even for the 2G bands especially in light of the deficiencies of the present system which it had itself pointed out. We do not find merit in the reasoning of TRAI that the consideration of maintaining a level playing field prevented a realistic reassessment of the entry fee.

### Question Nos.3 and 4

There is a fundamental flaw in the first-come-first-served policy inasmuch as it involves an element of pure chance or accident. In matters involving award of contracts or grant of licence or permission to use public property, the invocation of first-come-first-served policy has inherently dangerous implications. Any person who has access to the power corridor at the highest or the lowest level may be able to obtain information from the Government files or the files of the agency/instrumentality of the State that a particular public property or asset is likely to be disposed of or a contract is likely to be awarded or a licence or permission is likely to be given, he would immediately make an application and would become entitled to stand first in the queue at the cost of all others

who may have a better claim. This Court has repeatedly held that wherever a contract is to be awarded or a licence is to be given, the public authority must adopt a transparent and fair method for making selections so that all eligible persons get a fair opportunity of competition. To put it differently, the State and its agencies/instrumentalities must always adopt a rational method for disposal of public property and no attempt should be made to scuttle the claim of worthy applicants. When it comes to alienation of scarce natural resources like spectrum etc., it is the burden of the State to ensure that a non-discriminatory method is adopted for distribution and alienation, which would necessarily result in protection of national/public interest. In our view, a duly publicised auction conducted fairly and impartially is perhaps the best method for discharging this burden and the methods like first-come-first-served when used for alienation of natural resources/public property are likely to be misused by unscrupulous people who are only interested in garnering maximum financial benefit and have no respect for the constitutional ethos and values. In other words, while transferring or alienating the natural resources, the State is duty bound to adopt the method of auction by giving wide publicity so that all eligible persons can participate in the process.

The exercise undertaken by the officers of the DoT between September, 2007 and March 2008, under the leadership of the then Minister of C&IT was wholly arbitrary, capricious and contrary to public interest apart from being violative of the doctrine of equality.

We are also conscious of the fact that the Court should not interfere with the fiscal policies of the State. However, when it is clearly demonstrated that the policy framed by the State or its agency/instrumentality and/or its implementation is contrary to public interest or is violative of the constitutional principles, it is the duty of the Court to exercise its jurisdiction in larger public interest and reject the stock plea of the State that the scope of judicial review should not be exceeded beyond the recognised parameters. When matters like these are brought before the judicial constituent of the State by public spirited citizens, it becomes the duty of the Court to exercise its power in larger public interest and ensure that the institutional integrity is not compromised by those in whom the people have reposed trust and who have taken oath to discharge duties in accordance with the Constitution and the law without fear or favour, affection or ill will and who, as any other citizen, enjoy fundamental rights and, at the same time, are bound to perform the duties enumerated in Article 51A.



In the result, the writ petitions are allowed in the following terms:

- ❑ The licences granted to the private respondents on or after 10.1.2008 pursuant to two press releases issued on 10.1.2008 and subsequent allocation of spectrum to the licensees are declared illegal and are quashed.
- ❑ The above direction shall become operative after four months.
- ❑ Keeping in view the decision taken by the Central Government in 2011, TRAI shall make fresh recommendations for grant of licence and allocation of spectrum in 2G band in 22 Service Areas by auction, as was done for allocation of spectrum in 3G band.
- ❑ The Central Government shall consider the recommendations of TRAI and take appropriate decision within next one month and fresh licences be granted by auction.
- ❑ Respondent Nos.2, 3 and 9 who have been benefited at the cost of Public Exchequer by a wholly arbitrary and unconstitutional action taken by the DoT for grant of UAS Licences and allocation of spectrum in 2G band and who off-loaded their stakes for many thousand crores in the name of fresh infusion of equity or transfer of equity shall pay cost of Rs.5 crores each. Respondent Nos. 4, 6, 7 and 10 shall pay cost of Rs.50 lakhs each because they too had been benefited by the wholly arbitrary and unconstitutional exercise undertaken by the DoT for grant of UAS Licences and allocation of spectrum in 2G band. We have not imposed cost on the respondents who had submitted their applications in 2004 and 2006 and whose applications were kept pending till 2007.
- ❑ Within four months, 50% of the cost shall be deposited with the Supreme Court Legal Services Committee for being used for providing legal aid to poor and indigent litigants. The remaining 50% cost shall be deposited in the funds created for Resettlement and Welfare Schemes of the Ministry of Defence.
- ❑ However, it is made clear that the observations made in this judgment shall not, in any manner, affect the pending investigation by the CBI, Directorate of Enforcement and other agencies or cause prejudice to those who are facing prosecution in the cases registered by the CBI or who may face prosecution on the basis of chargesheet(s) which may be filed by the CBI in future and the Special Judge, CBI shall decide the matter uninfluenced by this judgment. We also make it clear that this judgment shall not prejudice any person in the action which may be taken by

other investigating agencies under Income Tax Act, 1961, Prevention of Money Laundering Act, 2002 and other similar statutes.

## LW 25.03.2012

### TECHNOFAB ENGINEERING LTD v. UNION OF INDIA [DEL]

OMP No. 327/2005

S. Muralidhar, J.

[Decided on 17/02/2012]

***Section 34 of the Arbitration and Conciliation Act 1996 read with Article 112 under the Limitation Act, 1963 and Section 42 of the Sale of Goods Act, 1930 - Supply contract - Demand notice sent after 18 years of completion of work - whether barred by limitation - Held, Yes.***

### Brief facts

The disputes which were referred to arbitration arose out of a supply order placed by the Director General of Supplies and Disposals ("DGS&D") on the Petitioner on 10th August 1979 for the supply of three heat exchanger systems for the Gun Carriage Factory at Jabalpur required for cooling oil of furnaces. The supply of the materials was completed on 22nd December 1981. The tests were carried out from 15th June 1982 to 7th August 1982 and the system was handed over on 10th August 1982. The Respondent sent a rejection note seven years later, on 16th January 1989. Ten years later, on 11th November 1999, the Respondent issued a demand note. Thereafter, the Respondent invoked the arbitration clause in the contract and by an order dated 30th October 2000 referred the disputes to the sole Arbitrator, who passed an award which is under challenge before the High Court.

**Decision:** Petition allowed.

### Reason

The principal submission on behalf of the Petitioner is that the claims raised by the Respondent before the learned Arbitrator were time barred. It is submitted that limitation in a contract for supply of goods would not be saved by Article 112 of the Limitation Act.

This was not a mere claim for money raised by the Respondent. It was a claim arising out of a contract for supply of goods and equipments. The specific case of the





Respondent was of a defect in the goods resulting in breach of the contract for supply for which the Respondent was claiming damages. The delivery of the stores was completed way back in 1982. The Respondent invoked the arbitration clause only on 30th October 2000. Articles 6 to 55 of the Schedule to the Limitation Act pertain to suits relating to contracts where the period of limitation is three years. Article 112 applies to other kinds of suits. Therefore, the extended period of limitation under Article 112 would not come to the aid of the DGS&D. In *Shree Krishna Woollen Mills Private Limited v. Union of India* this Court held that in a contract for supply of goods, Section 42 of the Sale of Goods Act, 1930 would become applicable. A claim by the UOI for liquidated damages for breach of warranty was liable to be rejected if the UOI failed to act within a reasonable time after receiving the goods in question. In the instant case, the response of the Respondent to the RTI application of the Petitioner shows that the goods in question are still with the Respondent. In terms of Section 42 of the Sale of Goods Act 1930, the Respondent was expected to raise its claim within a reasonable time. The facts reveal that the Respondent did not act within a reasonable time and its claims were liable to be rejected on that score. Additionally, the Respondent failed to satisfactorily prove that the demand notice dated 11th November 1999 was delivered to the Petitioner which in turn would have substantiated the Respondent's plea that there was a subsisting arbitrable dispute between the parties as of the date it was referred to arbitration.

**LW 26.03.2012**

**NTPC LIMITED v. ANSALDO CALDAIE  
BOILERS INDIA P. LTD. & ANR [SC]**

Appeal No.2134 Of 2012 (Arising out of  
SLP(C) No.7807 of 2011)

Altamas Kabir & J. Chelameswar, JJ.

[Decided on 16/02/2012]

**Interpretation of contracts - International competitive biddings- Installation steam generator - Bid conditions - Rejection of bid-Bidder JV Company is not the manufacturer of evaporator - Bid rejected - Whether correct - Held, Yes.**

## Brief facts

Following international competitive bidding procedures, the

Appellant had invited bids for the supply and installation of Steam Generator package for captive coal-based Thermal Power Projects in different areas. The bid of the Respondent No.1 was rejected by the Appellant by its letter dated 5th January, 2011, as the same did not meet the minimum qualifying requirements set out in the Bid documents. Furthermore, the Qualified Steam Generator Manufacturer, Ansaldo Caldaie, Italy, proposed by the said Respondent, did not have the necessary minimum qualification, as was required in terms of the Bid documents. Respondent No.1 appealed to the High Court which set aside the rejection against which the appellant had approached the Supreme Court.

**Decision: Petition allowed.**

## Reason

The main issue which arises for consideration in this Appeal is whether Ansaldo Caldaie, Italy, can be said to be a Qualified Steam Generator Manufacturer within the definition set out in the detailed Invitation for Bids.

The controversy which led to the rejection of the Technical Bid of the Respondent No.1 was with regard to the question as to whether in the case of a Joint Venture Undertaking it was essential that the Qualified Steam Generator Manufacturer also had to be the manufacturer of the evaporator or whether it could function as a facilitator. Furthermore, what appears to have weighed with the Appellant in rejecting the Technical Bid of the Respondent No.1 was that the Steam Generator had been designed for constant pressure and not variable pressure, as required by the Appellant. Admittedly, the evaporator is an integral part of the Steam Generator. The question is whether the same could not be manufactured by a third party and supplied to the Qualified Steam Generator Manufacturer for use in the boiler.

From the terms and conditions contained in the MOU, it appears to us that it was the intention of the Appellant that the Qualified Steam Generator Manufacturer would have to be the manufacturer of the evaporator itself and could not have outsourced the manufacture thereof to a third party, since the evaporator controlling the pressure of the Steam generated is a vital and crucial component of the Steam Generator itself. The Appellant, which will be the ultimate user of the Generator, must be presumed to be conscious of the competence of the tenderer to "provide" the evaporator in keeping with the required specifications.

In the aforesaid context, we are unable to uphold the decision of the Division Bench of the Delhi High Court. The High Court while interpreting the provisions of the Tender Documents was influenced by the use of the phrase "manufactured/got manufactured" while considering the



fact that although, Ansaldo Caldaie, Italy, was being projected as the Qualified Steam Generator Manufacturer, Siemens A.G. was shown as the technology owner/licensor of the evaporator which was offered by the Respondent No.1. In other words, the evaporator being offered by the Respondent No.1 was one which had been manufactured not by the Qualified Steam Generator Manufacturer, but by a third party, which was not contemplated in the aforesaid condition of the Tender Documents.

The importance of the above condition is manifested in the functioning of the Steam Generator which handles High Pressure Steam for the purpose of turning the turbines for generating electricity. The design and engineering of the evaporator and the boiler itself has to be such as to withstand the very high temperatures and pressures generated. The importance of the variable pressure operations is of great importance as far as generation and wastage of energy is concerned. The importance of the evaporator in controlling pressure during operations is to automatically regulate the flow of water, generation of pressure and temperature of the steam to the desired level. ■

## Brief facts

By notification dated 23.11.1967, the Central Government in exercise of its power under Section 17(1) (a) of the Act granted exemption to the respondent, which is a company registered under the Companies Act subject to the provisions specified in Schedule II annexed to the said notification. The respondent company comes under Item No. 5 of the notification. Initially the case of the respondent company is that after the grant of exemption it framed a scheme and created a Trust and appointed a Board of Trustees from the Management of the said Trust fund and was thus enjoying exemption under Section 17(1A) (a) of the Act. It is also common ground that there were defaults on the part of the respondent company in making timely payment of dues towards provident fund and the Regional Provident Fund Commissioner directed the respondent company to remit an amount of Rs.32,62,153/- by way of damages.

The respondent company filed a writ petition before the learned Single Judge of the High Court which ultimately upheld the contention of the respondent company. The learned Single Judge while allowing the writ petition proceeded on the basis if the expression "so far as may be" in Section 17(1A)(a) of the Act is given its proper meaning, then the provision in Sections 6, 7A, 8 and 14B of the Act cannot be applied in their entirety and further held that the said expression "so far as may be" used in Section 17(1A)(a) of the said Act is for the purpose of restraining the application of provisions in Sections 6, 7A, 8 and 14B to the exempted establishment. Thereafter, an appeal was taken to the Division Bench of the High Court by the appellant. The Appellate Court also came to the conclusion that Sections 6, 7A, 8 and 14B of the Act would not be attracted to the defaulting 'exempted establishment'. The appellant carried the matter to the Supreme Court.

**Decision:** Petition allowed.

## Reason

The normal canon of interpretation is that a remedial statute receives liberal construction whereas a penal statute calls for strict construction. In the cases of remedial statutes, if there is any doubt, the same is resolved in favour of the class of persons for whose benefit the statute is enacted, but in cases of penal statutes if there is any doubt the same is normally resolved in favour of the alleged offender. It is no doubt true that the said Act effectuates the economic message of the Constitution as articulated in the Directive Principles of State Policy. Under the Directive

# Labour Laws

**LW 27.03.2012**

**REGIONAL PROVIDENT FUND  
COMMISSIONER v. THE HOOGHLY MILLS  
CO. LTD. & ORS [SC]**

Civil Appeal No.655 of 2012 (Arising out  
of SLP(C) No.17298/2009)

Asok Kumar Ganguly & T.S. Thakur, JJ.  
[Decided on 17/02/2012]

*Employees' Provident Funds and Miscellaneous  
Provisions Act, 1952 - Sections 6, 14(B), 17(1)(a) - Default  
by an exempted establishment - Damages imposed -  
whether correct - Held, Yes.*



Principles, the State has the obligation for securing just and humane conditions of work which includes a living wage and decent standard of life. The said Act obviously seeks to promote those goals. Therefore, interpretation of the said Act must not only be liberal but it must be informed by the values of Directive Principles. Therefore, an awareness of the social perspective of the Act must guide the interpretative process of the legislative device.

Therefore, what is required to be done in the instant case for construing the provisions of Section 14B and 17(1A) (a) is to adopt a purposive approach, an approach which promotes the purposes of the Act which have been discussed above. This Court has already decided in *N.K. Jain & Ors v. C.K. Shah & Ors*, (1991) 2 SCC 495 that for construing the provision of this very Act a purposive approach should be adopted.

In view of the interpretation of the Act in *N.K. Jain (supra)* there is no difficulty in construing the provision of Section 17(1A)(a) where it is provided that when an exemption has been granted to an establishment under Clause (a) of sub-section (1), the provision of Sections 6, 7, 8 and 14B of the Act shall, "so far as may be" apply to the employer of the exempted establishment in addition to such other condition as may be specified in the notification granting such exemption.

If we look at sub-section (a) which has been set out hereinbefore, we will find that sub-clause (a) of Section 17(1A) is divided in two parts. The second part is more specific in as much as it has been clearly stated that where an employer contravenes and makes default in compliance with any of the said conditions and provisions or any other provisions of this Act, (this would obviously include Section 14B), he shall be punishable under Section 14 as if the said section had not been exempted under clause (a). Therefore, there is a deeming provision giving clear indication of application of Section 14B of the Act to the 'employer' of an 'exempted establishment'. Thus, the sweep of the second part of clause (a) of Section 17(1A) which is preceded by the word 'and' is very wide.

For the reasons aforesaid, we are not inclined to accept the interpretation of the High Court and we are constrained to overrule the judgment of the Single Bench as also of the Division Bench. We hold that in a case of default by the employer by an exempted establishment, in making its contribution to the Provident Fund Section 14B of the Act will be applicable.

**LW 28.03.2012**

**KIRON B. DHINGRA v. UNION OF INDIA & ANR[BOM]**

Writ Petition No. 9453 of 2011

G S Godbole, J.

[Decided on 03/02/2012]

***Employees' Provident Fund and Miscellaneous Provisions Act, 1952 - Sections 7(A), 14(B) - imposition of damages and penalty - Error apparent on the face of the order - Whether tenable - Held, No.***

## Brief facts

The Petitioner had remitted EPF Contribution at 10%. On account of the fact that the Petitioner was given a sub-code number and was considered to be a part of another establishment of M/s. Asia Transport Company, a summons was issued for an enquiry and an order was passed directing the Petitioner to pay a sum of ₹.3,79,840/- as a difference between provident fund contribution of 10% which was deposited by the Petitioner and 12% which was being demanded from September, 1997 to November, 2006.

Thereafter, the proceeding under Section 14-B of the Act was initiated and the Assistant Provident Fund Commissioner passed an order imposing damages of ₹ 3,55,467/- along with interest. Aggrieved by this order, the Appeal was filed and the same has been dismissed. Against this order the Petitioner approached the High Court.

**Decision: Petition allowed.**

## Reason

In my opinion, the impugned order of the Assistant Provident Fund Commissioner does not stand the scrutiny of the test laid down in paragraphs 10 and 11 of the Judgment in the case of *Bhatkuli Taluka Co-operative Agricultural Sale and Purchase Society Ltd v. Regional Provident Fund Commissioner*, 2007 (2) Mah. L. J.810 where the following observations were made.

"Para-10:- Perusal of the various judgments mentioned above, therefore, clearly show that the Authority writing an order under section 14-B is obliged to point out the actual damages and also the damages imposed as penalty. If the order is not indicating application of mind in relation to these heads, the order has been held to be a non-speaking order. Not only this but the judgment also show that the Authority exercising the function to assess





damages in paragraph No.32-A read with section 14-B is exercising quasi-judicial function, and therefore, it has to take into account the difficulties placed before it by the employees. The contentions that the Authority is therefore obliged to levy damages at the maximum rate prescribed in paragraph No.32A does not appear to be correct. The discretion in the matter is very much available with the Authority and all judgments on which the parties have placed reliance unequivocally indicate this. Even the plain language of paragraph 32A shows that the word used therein is "may". As already pointed out those provisions has been brought into force from 1-9-1991 and if the framers of scheme wanted to force the authority to recover damages at the maximum rate specified in the table, there was no need to use the word "may". The word "shall" could have been very well used in it. In view of the judgments referred above and in view of the language of paragraph No.32-A, I find that the argument of respondent in this respect cannot be sustained. It is also pointed out that paragraph No.32-A cannot be interpreted to defeat scheme of section 14-B as laid down by the Hon'ble Apex Court and as expounded by the learned Single Judge of this Court otherwise it would itself become vulnerable.

Para-11:- In this background when the impugned order is perused, the impugned order nowhere speaks about such damages or its penal part as mentioned above. It is further apparent that the maximum rate stipulated in paragraph No.32-A has been mechanically applied and from the arguments advanced, it appears that the respondent is under wrong impression that it has no discretion to levy damages at lesser rate than prescribed."

The other factor which has to be considered is that the Petitioner was paying 10% contribution and this was not the case of wilful default. All these factors will have to be considered by the Assistant Provident Fund Commissioner in the light of the law laid down by the learned Single Judge of this Court in view of the observations in paragraphs 10 and 11 of the Judgment referred herein above.

Hence, the impugned Judgment and Order dated 11th July, 2011 passed by the learned Presiding Officer of EPFAT under the Appeal ATA No.774(9) of 2009 as also the impugned order dated 9th October, 2009 passed by the Assistant Provident Fund Commissioner, Divisional Officer, Bombay under Section 14-B read with Section 7-Q of the Act are quashed and set aside and the proceedings are remanded back to the Assistant Provident Fund Commissioner for de-novo hearing. ■

## Tax Laws



**LW 29.03.2012**

**VODAFONE INTERNATIONAL HOLDINGS B.V. v. UNION OF INDIA & ANR [SC]**

Civil Appeal No.733 of 2012 (arising out of S.L.P. (C) No. 26529 of 2010)

**S.H. Kapadia CJI, Swatanter Kumar & K.S.Radhakrishnan, JJ**

[Decided on 20/01/2012]

***Income Tax Act, 1961 - Sections 9,161,195 - Income accrued in India - Representative assessee - Deduction of tax at source - Transfer of shares by non resident to non - resident - Non resident company holding majority shareholding in Indian telecom company - Sale of shares of this Non resident company to another Non resident company - Sale transaction took place outside India - Whether the sale of the shares of holding non resident***



**company resulted in the sale of shares of Indian company-Held, No.**

## Brief facts

Hutchin Essar Ltd (later renamed as Vodafone Essar Ltd) is an Indian company (HEL) in which Hutchinson Telecommunications International Ltd (HTIL) a Cayman Island incorporated company, held 52% of the shares through its chain of subsidiaries incorporated in Mauritius. These Mauritius subsidiaries were subsidiaries of CGP Investments (Holdings) Ltd which is a Cayman Island incorporated company (CGP). HTIL sold the shares of CGP to Vodafone International Holdings BV (VIH) which is Nederland incorporated company (appellant herein). Indian income tax authorities considered this as sale of HEL's 52% shareholding and imposed capital gains tax to the tune of Rs.11,000 crore on the appellant. The appellant challenged the levy on the ground that there was no sale of the HEL's shares at all and what were transferred are the shares of the holding company which is based in Cayman Islands and the transaction is an offshore transaction between two non resident companies. The Bombay High Court dismissed the appeal and the challenge was carried on to the Supreme Court of India.

**Decision: Appeal allowed.**

## Reason

We have to view the subject matter of the transaction, in this case, from a commercial and realistic perspective. The present case concerns an offshore transaction involving a structured investment. This case concerns "a share sale" and not "an asset sale". It concerns sale of an entire investment. A "sale" may take various forms. Accordingly, tax consequences will vary. The tax consequences of a share sale would be different from the tax consequences of an asset sale. A slump sale would involve tax consequences which could be different from the tax consequences of sale of assets on itemized basis. "Control" is a mixed question of law and fact. Ownership of shares may, in certain situations, result in the assumption of an interest which has the character of a controlling interest in the management of the company. A controlling interest is an incident of ownership of shares in a company, something which flows out of the holding of shares. A controlling interest is, therefore, not an identifiable or distinct capital asset independent of the holding of shares. The control of a company resides in the voting power of its shareholders and shares represent an interest of a shareholder which is made up of various rights contained in the contract embedded in the Articles of

Association. The right of a shareholder may assume the character of a controlling interest where the extent of the shareholding enables the shareholder to control the management. Shares, and the rights which emanate from them, flow together and cannot be dissected.

In the felicitous phrase of Lord MacMillan in *IRC v. Crossman* [1936] 1 All ER 762, shares in a company consist of a "congeries of rights and liabilities" which are a creature of the Companies Acts and the Memorandum and Articles of Association of the company. Thus, control and management is a facet of the holding of shares. Applying the above principles governing shares and the rights of the shareholders to the facts of this case, we find that this case concerns a straightforward share sale. VIH acquired upstream shares with the intention that the congeries of rights, flowing from the CGP share, would give VIH an indirect control over the three genres of companies. If one looks at the chart indicating the Ownership Structure, one finds that the acquisition of the CGP share gave VIH an indirect control over the tier I Mauritius companies which owned shares in HEL totalling to 42.34%; CGP India (Ms), which in turn held shares in TII and Omega and which on a *pro rata* basis (the FDI principle), totalled up to 9.62% in HEL and an indirect control over Hutchison Tele-Services (India) Holdings Ltd. (Ms), which in turn owned shares in GSPL, which held call and put options. Although the High Court has analysed the transactional documents in detail, it has missed out this aspect of the case. It has failed to notice that till date options have remained un-encashed with GSPL. Therefore, even if it be assumed that the options under the Framework Agreements 2006 could be considered to be property rights, there has been no transfer or assignment of options by GSPL till today. Even if it be assumed that the High Court was right in holding that the options constituted capital assets even then Section 9(1) (i) was not applicable as these options have not been transferred till date. Call and put options were not transferred vide SPA dated 11.02.2007 or under any other document whatsoever.

Moreover, if, on principle, the High Court accepts that the transfer of the CGP share did not lead to the transfer of a capital asset in India, even if it resulted in a transfer of indirect control over 42.34% (52%) of shares in HEL, then surely the transfer of indirect control over GSPL which held options (contractual rights), would not make the transfer of the CGP share taxable in India. Acquisition of the CGP share which gave VIH an indirect control over three genres of companies evidences a straightforward share sale and not an asset sale. There is another fallacy in the impugned judgment. On examination of the impugned judgment, we find a serious error committed by the High Court in appreciating the case of VIH before FIPB. On 19.03.2007, FIPB sought a clarification from VIH of the circumstances in



which VIH agreed to pay US\$ 11.08 bn for acquiring 67% of HEL when actual acquisition was of 51.96%. In its response dated 19.03.2007, VIH stated that it had agreed to acquire from HTIL for US\$ 11.08 bn, interest in HEL which included a 52% equity shareholding. According to VIH, the price also included a control premium, use of Hutch brand in India, a non-compete agreement, loan obligations and an entitlement to acquire, subject to the Indian FDI rules, a further 15% indirect interest in HEL. According to the said letter, the above elements together equated to 67% of the economic value of HEL. This sentence has been misconstrued by the High Court to say that the above elements equated to 67% of the equity capital (See Para 124). 67% of the economic value of HEL is not 67% of the equity capital. If VIH would have acquired 67% of the equity capital, as held by the High Court, the entire investment would have had breached the FDI norms which had imposed a sectoral cap of 74%. In this connection, it may further be stated that Essar had 33% stakes in HEL out of which 22% was held by Essar Mauritius. Thus, VIH did not acquire 67% of the equity capital of HEL, as held by the High Court. This problem has arisen also because of the reason that this case deals with share sale and not asset sale.

This case does not involve sale of assets on itemized basis. The High Court ought to have applied the look at test in which the entire Hutchison structure, as it existed, ought to have been looked at holistically. This case concerns investment into India by a holding company (parent company), HTIL through a maze of subsidiaries. When one applies the "nature and character of the transaction test" confusion arises if a dissecting approach of examining each individual asset is adopted. As stated, CGP was treated in the Hutchison structure as an investment vehicle. As a general rule, in a case where a transaction involves transfer of shares lock, stock and barrel, such a transaction cannot be broken up into separate individual components, assets or rights such as right to vote, right to participate in company meetings, management rights, controlling rights, control premium, brand licences and so on as shares constitute a bundle of rights. [See *Charanjit Lal v. Union of India* AIR 1951 SC 41, *Venkatesh (minor) v. CIT* 243 ITR 367 (Mad) and *Smt. Maharani Ushadevi v. CIT* 131 ITR 445 (MP)] Further, the High Court has failed to examine the nature of the following items, namely, non-compete agreement, control premium, call and put options, consultancy support, customer base, brand licences etc. On facts, we are of the view that the High Court, in the present case, ought to have examined the entire transaction holistically. VIH has rightly contended that the transaction in question should be looked at as an entire package.

The items mentioned hereinabove, like, control premium, non-compete agreement, consultancy support, customer

base, brand licences, operating licences etc. were all an integral part of the Holding Subsidiary Structure which existed for almost 13 years, generating huge revenues, as indicated above. Merely because at the time of exit capital gains tax becomes not payable or exigible to tax would not make the entire "share sale" (investment) a sham or a tax avoidant. The High Court has failed to appreciate that the payment of US\$ 11.08 bn was for purchase of the entire investment made by HTIL in India. The payment was for the entire package. The parties to the transaction have not agreed upon a separate price for the CGP share and for what the High Court calls as "other rights and entitlements" (including options, right to non-compete, control premium, customer base etc.).

Thus, it was not open to the Revenue to split the payment and consider a part of such payments for each of the above items. The essential character of the transaction as alienation cannot be altered by the form of the consideration, the payment of the consideration in instalments or on the basis that the payment is related to a contingency ('options', in this case), particularly when the transaction does not contemplate such a split up. Where the parties have agreed for a lump sum consideration without placing separate values for each of the above items which go to make up the entire investment in participation, merely because certain values are indicated in the correspondence with FIPB which had raised the query, would not mean that the parties had agreed for the price payable for each of the above items. The transaction remained a contract of outright sale of the entire investment for a lump sum consideration [see: Commentary on Model Tax Convention on Income and Capital dated 28.01.2003 as also the judgment of this Court in the case of *CIT (Central), Calcutta v. Mugneeram Bangur and Company (Land Deptt.)*, (1965) 57 ITR 299 (SC)]. Thus, we need to "look at" the entire Ownership Structure set up by Hutchison as a single consolidated bargain and interpret the transactional documents, while examining the Offshore Transaction of the nature involved in this case, in that light.

Section 195 casts an obligation on the payer to deduct tax at source "TAS" from payments made to non-residents which payments are chargeable to tax. Such payment(s) must have an element of income embedded in it which is chargeable to tax in India. If the sum paid or credited by the payer is not chargeable to tax then no obligation to deduct the tax would arise. Shareholding in companies incorporated outside India (CGP) is property located outside India. Where such shares become subject matter of offshore transfer between two non-residents, there is no liability for capital gains tax. In such a





case, question of deduction of TAS would not arise. If in law the responsibility for payment is on a non-resident, the fact that the payment was made, under the instructions of the non-resident, to its Agent/Nominee in India or its PE/Branch Office will not absolve the payer of his liability under Section 195 to deduct TAS. Section 195(1) casts a duty upon the payer of any income specified therein to a non-resident to deduct therefrom the TAS unless such payer is himself liable to pay income-tax thereon as an Agent of the payee.

Section 201 says that if such person fails to so deduct TAS he shall be deemed to be an assessee-in-default in respect of the deductible amount of tax (Section 201). Liability to deduct tax is different from "assessment" under the Act. Thus, the person on whom the obligation to deduct TAS is cast is not the person who has earned the income. Assessment has to be done after liability to deduct TAS has arisen. The object of Section 195 is to ensure that tax due from non-resident persons is secured at the earliest point of time so that there is no difficulty in collection of tax subsequently at the time of regular assessment. The present case concerns the transaction of "outright sale" between two non-residents of a capital asset (share) outside India. Further, the said transaction was entered into on principal to principal basis. Therefore, no liability to deduct TAS arose. Further, in the case of transfer of the Structure in its entirety, one has to look at it holistically as one Single Consolidated Bargain which took place between two foreign companies outside India for which a lump sum price was paid of US\$ 11.08 bn.

Under the transaction, there was no split up of payment of US\$ 11.08 bn. It is the Revenue which has split the consolidated payment and it is the Revenue which wants to assign a value to the rights to control premium, right to non-compete, right to consultancy support etc. For FDI purposes, the FIPB had asked VIH for the basis of fixing the price of US\$ 11.08 bn. But here also, there was no split up of lump sum payment, asset-wise as claimed by the Revenue. There was no assignment of price for each right, considered by the Revenue to be a "capital asset" in the transaction. In the absence of PE, profits were not attributable to Indian operations. Moreover, tax presence has to be viewed in the context of the transaction that is subjected to tax and not with reference to an entirely unrelated matter. The investment made by Vodafone Group companies in Bharti did not make all entities of that Group subject to the Indian Income Tax Act, 1961 and the jurisdiction of the tax authorities. Tax presence must be construed in the context, and in a manner that brings the non-resident assessee under the jurisdiction of the Indian tax authorities. Lastly, in the present case, the

Revenue has failed to establish any connection with Section 9(1)(i). Under the circumstances, Section 195 is not applicable.

Alternatively, the Revenue contended before us that VIH can be proceeded against as "representative assessee" under Section 163 of the Act. Section 163 does not relate to deduction of tax. It relates to treatment of a purchaser of an asset as a representative assessee. A conjoint reading of Section 160(1)(i), Section 161(1) and Section 163 of the Act shows that, under given circumstances, certain persons can be treated as "representative assessee" on behalf of non-resident specified in Section 9(1). This would include an agent of non-resident and also who is treated as an agent under Section 163 of the Act which in turn deals with special cases where a person can be regarded as an agent. Once a person comes within any of the clauses of Section 163(1), such a person would be the "Agent" of the non-resident for the purposes of the Act. However, merely because a person is an agent or is to be treated as an agent, would not lead to an automatic conclusion that he becomes liable to pay taxes on behalf of the non-resident. It would only mean that he is to be treated as a "representative assessee". Section 161 of the Act makes a "representative assessee" liable only "as regards the income in respect of which he is a representative assessee" (See: Section 161).

Section 161 of the Act makes a representative assessee liable only if the eventualities stipulated in Section 161 are satisfied. This is the scope of Sections 9(1)(i), 160(1), 161(1) read with Sections 163(1) (a) to (d). In the present case, the Department has invoked Section 163(1)(c). Both Sections 163(1)(c) and Section 9(1)(i) state that income should be deemed to accrue or arise in India. Both these Sections have to be read together. On facts of this case, we hold that Section 163(1)(c) is not attracted as there is no transfer of a capital asset situated in India. Thus, Section 163(1)(c) is not attracted. Consequently, VIH cannot be proceeded against even under Section 163 of the Act as a representative assessee.

Applying the look at test in order to ascertain the true nature and character of the transaction, we hold, that the Offshore Transaction herein is a bonafide structured FDI investment into India which fell outside India's territorial tax jurisdiction, hence not taxable. The said Offshore Transaction evidences participative investment and not a sham or tax avoidant preordained transaction. The said Offshore Transaction was between HTIL (a Cayman Islands company) and VIH (a company incorporated in Netherlands). The subject matter of the Transaction was the transfer of the CGP (a company incorporated in Cayman Islands). Consequently, the Indian Tax Authority had no territorial tax jurisdiction to tax the said Offshore Transaction. ■

# Introducing e-Voting Empowering Investors

**The process for companies to set up e-Voting is as given below:**

- The company will register itself with CDSL and through its Registrar and Transfer Agent (RTA), will setup the e-Voting schedule on the website [www.evotingindia.com](http://www.evotingindia.com) along with the resolutions, on which voting is required.
- The company will then upload the Register of Members (ROM) and generate the Electronic Voting Sequence Number (EVSN).
- The company or its RTA will then communicate the EVSN for each demat and physical security holder along with the procedure for registering and voting on the e-Voting website, with the notice/draft of the resolution.
- After the voting period is over, the e-Voting system will provide to the Scrutinizer a report containing security holder wise details of voting done, for the records of the company.

**The e-Voting process to be followed by the security holders to cast their votes is as given below:**

- During the voting period, the security holders can vote on the resolutions of the company by selecting the relevant EVSN/Company available for voting on the e-Voting website [www.evotingindia.com](http://www.evotingindia.com).
- The security holders can login to the e-Voting system using their user-id (i.e. demat account number/ folio number), PAN and password.
- After logging in, demat security holder(s) will have to confirm their personal details and compulsorily enter their password. This password can be used by demat security holders for all future voting on resolutions of companies in which they are eligible to vote.
- Security holders can view the detailed resolution description before casting their vote on the resolutions available for voting. Once the security holder has voted on any or all the resolutions, the system will not allow modification of the same.
- Security holders can login on [www.evotingindia.com](http://www.evotingindia.com) any number of times, during the voting period, till they have voted on all the resolutions.

For further details, please contact Anand Tirodkar / Prajakta Ghugal on 022-22728153/8634 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or visit us at [www.evotingindia.com](http://www.evotingindia.com)



**CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED**

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From the Government

# Corporate Laws



## 01 Quality Review Board under the Company Secretaries Act, 1980

Issued by the Ministry of Corporate Affairs, vide Notification No. GSR 68(E) dated 6.02.2012. Published in the Gazette of India, Extraordinary, Part II Section 3(i) dated 6.2.2012.

- In exercise of the powers conferred by Section 29A of the Company Secretaries Act, 1980 (56 of 1980), the Central Government, with effect from the date of publication in the Official Gazette, hereby makes the following amendments in the notification of the Government of India Ministry of Corporate Affairs, published in the Gazette of India vide G.S.R. 490(E) dated the 13th July, 2007, namely:-
- In the said notification under the opening paragraph, against the item numbers (1), (2), (3), (4) and (5), for the existing entries, the following entries shall be substituted, namely:-  
 "(1) Shri U.C. Nahta, -Chairperson  
 DII,  
 Ministry of Corporate Affairs,  
 New Delhi-110001.

- (2) Shri Anil Kumar Bhardwaj, -Member  
 Director,  
 Ministry of Corporate Affairs,  
 New Delhi-110001.
- (3) Shri John K. Sellate, -Member  
 Pr. Director of Commercial Audit and  
 Ex-officio Member,  
 Audit Board-IV, New Delhi.  
 8-9 Floor, CAG Building (Annexe),  
 10, Bahadur Shah Zafar Marg,  
 New Delhi - 11 0002.
- (4) Shri Harish K. Vaid, -Member  
 Senior President (Corporate Affairs)  
 and Company Secretary  
 Jaiprakash Associates Limited,  
 Sector 128, NOIDA - 201304
- (5) Shri Sanjay Grover, -Member"  
 Sanjay Grover and Associates,  
 Company Secretary,  
 B-88, 1<sup>st</sup> Floor, Defence Colony,  
 New Delhi-110024.

Manoj Kumar  
 Jt. Secy.

## 02 Filing of conflicting returns by contesting parties – clarification regarding

Issued by the Government of India, Ministry of Corporate Affairs, vide Circular No. 1/2012. Dated 10.02.2012]

- I am directed to invite a reference to Ministry's circular No. 19 and 20 of 2011 issued on 02.05.2011 laying down certain procedure to regulate cases wherein filing of conflicting returns with regard to appointment of Directors or change of Director/Directors was laid down. In the light of some specific cases wherein it appears that either there was lack of consent of the removed/changed director or due process of Law were not followed, it has been decided to supercede the circulars.
- In order to avoid such eventualities wherever there is management dispute, the company is required to mandatorily file the attachment relating to cause of cessation alongwith Form 32 with the ROC concerned irrespective of the ground of cessation, viz (a) retirement; (b) disqualification; (c) death; (d) resignation; (e) vacation of office u/s 283 or 313 or 260; (f) removal u/s 284; (g) withdrawal of nomination by appointing authority or (h) absence of re-appointment.
- In case, any Director is aggrieved with his cessation in the company, he may file complaint in the Investor Complaint Form. On receipt of complaint, the ROC concerned will examine the complaint and mark the





company as having 'management dispute'. Also, the ROC will issue a letter to the company and the parties to settle the matter amicably or get an order/interim order from a Court or Tribunal of competent jurisdiction. Till such dispute is settled, the documents filed by the company and by the contesting groups of Directors will not be approved/registered/recorded and will thus not be available in the registry for public viewing.

**Monika Gupta**  
Assistant Director

## Standardized lot size for SME Exchange / Platform

03

Issued by the Securities and Exchange Board of India vide Circular No. CIR/MRD/DSA/06/2012. Dated 21.02.2012]

- SEBI vide circular dated May 18, 2010 prescribed the framework for setting up of a stock exchange/trading platform by a recognized stock exchange having nationwide trading terminals for Small and Medium Enterprises (SMEs).
- In this regard it has been decided to standardize the lot size for Initial Public Offer proposing to list on SME exchange/platform and for the secondary market trading on such exchange/platform, as given under:

Price Band (in Rs)	Lot Size (No of shares)
Upto 14	10000
more than 14 upto 18	8000
more than 18 upto 25	6000
more than 25 upto 35	4000
more than 35 upto 50	3000
more than 50 upto 70	2000
more than 70 upto 90	1600
more than 90 upto 120	1200
more than 120 upto 150	1000
more than 150 upto 180	800
more than 180 upto 250	600
more than 250 upto 350	400
more than 350 upto 500	300
more than 500 upto 600	240
more than 600 upto 750	200
More than 750 upto 1000	160
above 1000	100

- At the Initial Public Offer stage the Registrar to Issue in consultation with Merchant Banker/s, Issuer and the Stock Exchange shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the IPO Lot Size at the application/allotment stage, facilitating secondary market trading.

- At the Initial Public Offering stage if the price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into. For example: if the proposed price band is at 24-28 than the Lot size shall be 4000 shares.
- The lot size shall not be reduced by the exchange to below the initial lot size if the trading price is below the IPO issue price.
- The Stock Exchanges can review the lot size once in every 6 months / wherever warranted, by giving an advance notice of at least one month to the market. However, as far as possible the stock exchange shall ensure that odd lots are not created.
- Further, the stock exchanges shall ensure that the lot size shall be the same for a securities traded across the Exchanges.
- In case of oversubscription, if the option to retain ten percent of the net offer to public for the purpose of making allotment in minimum lots is exercised, then it shall be ensured by the Issuer/Stock Exchanges/Merchant Bankers that the post issue paid up capital of the issuer does not go beyond Rs.25 crore.
- All the Stock Exchanges are advised to :
  - make necessary amendments, if any, to the relevant bye laws, rules and regulations for the implementation of the above decision;
  - disseminate the same on their website for easy access to the issuers and other market participants;
  - communicate to SEBI, the status of implementation of the provisions of this circular in the Monthly Development Report.
- This Circular is issued in exercise of the powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, read with Section 10 of the Securities Contracts (Regulation) Act, 1956 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market and shall come into effect immediately.
- This Circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in).

**Rajesh Kumar D**  
Deputy General Manager

## 04 Allocation of Corporate debt long term category to FIIs.

Issued by the Securities and Exchange Board of India vide Circular No. CIR/IMD/FIIC/5/2012. Dated 17.02.2012]

- Based on the assessment of the utilization of the limits to FIIs



# From the Government

for investments in corporate debt long term infra category (with one year lock in and one year residual maturity clause), it has been decided to allocate the unutilized limits. The bidding of this limit shall be done on the NSE from 15:30 hrs to 17:30 hrs, on February 29, 2012, in terms of SEBI circular IMD/FII&C/37/2009 dated February 06, 2009, subject to the modifications stated below:-

- a) In partial amendment to clause 3 (h) of the aforesaid circular IMD/FII & C/37/2009, no single entity shall be allocated more than INR 1000 crore of the investment limit. Where a single entity bids on behalf of multiple entities, in terms of para 7 of SEBI circular CIR/IMD/FIIC/18 /2010 dated November 26, 2010, then such bid would be limited to INR 1000 crore for every such single entity.
- b) In partial amendment to clause 3 (c) and 3(d) of the aforesaid circular IMD/FII & C/ 37/2009, the minimum amount which can be bid for shall be INR 1 crore.

2. The fees for the bidding process shall be remitted to SEBI by the respective custodians of the entities within 3 working days after the bidding process.

This circular is issued in exercise of the powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act 1992, read with Section 10 of the Securities Contracts (Regulation) Act, 1956 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](http://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

## 05 Investor Grievance Redressal Mechanism at Stock Exchanges

Issued by the Securities and Exchange Board of India vide Circular No. CIR/MIRSD/2/2012. Dated 15.02. 2012]

1. Please refer to SEBI circular no. CIR/MRD/DSA/03/2012 dated January 20, 2012 and SEBI circular no. SMD/Policy/Cir-32/1997 regarding the investor service centres. At present, the stock exchanges having nationwide terminals, such as National Stock Exchange of India Ltd.(NSE) and Bombay Stock Exchange Ltd.(BSE) operating in equity as well as equity derivative segments are providing investor grievance redressal mechanism and arbitration facility (arbitration as well as appellate arbitration) at four regional centres (Delhi, Mumbai, Kolkata and Chennai).

2. With a view to increase investor confidence in the securities market and in order to make it more convenient to the investors to file their grievances and arbitration cases near to their places, SEBI has initiated steps to set-up this facility by stock exchanges at more centres after examining the data on complaints and arbitrations filed by investors from various regions. In consultation with all the major stock exchanges, it has been decided that initially:
  - i. NSE and BSE shall set up Investor grievance redressal mechanism at Ahmedabad and Hyderabad by March 31, 2012 and at Kanpur and Indore by September 30, 2012.
  - ii. NSE and BSE shall provide arbitration facility (arbitration as well as appellate arbitration) at all the above mentioned four new centers by September 30, 2012. They shall abide by all the applicable circulars issued by SEBI in this regard.
  - iii. NSE and BSE shall have adequate infrastructure and manpower, as considered appropriate, at these new centres to handle investor grievance redressal mechanism and arbitration facility effectively.
3. The Stock Exchanges are directed to:
  - a. bring the provisions of this circular to the notice of the Stock Brokers and also disseminate the same on their websites.
  - b. make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision in co-ordination with one another to achieve uniformity in approach.
  - c. communicate to SEBI, the status of the implementation of the provisions of this circular in the Monthly Development Report of the following month;
4. 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.

**A. S. Mithwani**  
Deputy General Manager

## 06 Guidelines in respect of the disclosures to be made in the Letter of offer in respect of Buy-back of securities in terms of SEBI (Buy-back of Securities) Regulations, 1998 and Format of Standard letter of offer.

Issued by the Securities and Exchange Board of India vide Circular No. CIR/CFD/DCR/ 2 /2012. Dated 09.02. 2012]

1. SEBI (Buyback of Securities) Regulations, 1998 ("the



- Regulations”) were amended vide notification dated February 07, 2012 with an objective of aligning the regulatory provisions with the principle of equitable treatment to all shareholders and enhancing the efficiency in the Buyback process.
- The amendments to the regulation necessitate certain changes in the format of standard letter of offer issued vide SEBI circular (MIRSD/DPS-2/MB/Cir-02/8859/04) dated May 07, 2004. The revised format of standard letter of offer is given at Annexure-A.
  - This circular shall come into force with immediate effect.
  - This circular is in supersession of the previous circular no. MIRSD/DPS-2/MB/Cir- 02/8859/04 dated May 07, 2004 issued to Merchant Bankers registered with SEBI.
  - This circular is issued in exercise of the powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 read with regulation 26 of the SEBI (Buy-Back of Securities) Regulations, 1998 as amended.
  - All Merchant Bankers are advised to ensure compliance with this circular.
  - This circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) under the category “Legal Framework”.

**Anindya K Das**  
Deputy General Manager

## **Annexure-A**

### **SECURITIES AND EXCHANGE BOARD OF INDIA**

### **STANDARD LETTER OF OFFER FOR BUY BACK OF SECURITIES IN TERMS OF THE SEBI (BUY BACK OF SECURITIES) REGULATIONS, 1998**

#### **General Instructions / Guidelines:**

- The purpose of this standard letter of offer for Buy Back of equity in accordance with Chapter III of the SEBI (Buy Back of Securities) Regulations, 1998 (hereinafter referred to as “the Regulations”) is to provide the requisite information about the company so as to enable the shareholders to make an informed decision of either remaining the shareholders of the company or to exit from the company.
- Care shall be taken by the Merchant Banker to ensure that the Letter of Offer may not be technical in legal or financial jargons and it shall be presented in simple, clear, concise and easily understandable language.
- This standard Letter of Offer enumerates the minimum disclosure requirements to be contained in the Letter of Offer for the Buy Back of equity. The Merchant Banker/ the company is free to add any other disclosure(s) which in his / its opinion is material for the shareholders.

- The merchant banker shall ensure that the disclosures made in the letter of offer are not presented in an incomplete, inaccurate or misleading manner and are made in accordance with the Regulations.
- The standard Letter of Offer prescribes only the nature of the disclosures that should be contained under various heads in the Letter of Offer and is not intended to describe the language to be contained therein.
- All the financial data shall be in terms of Rupees Lacs unless required otherwise (e.g. EPS). When financial data pertains to an overseas entity, the rupee equivalent shall be disclosed in terms of Rs. Lacs and the basis of conversion shall also be disclosed. (If so desired, such data may also be disclosed in terms of the monetary unit applicable for that overseas entity).
- Unless otherwise specified
  - Information contained in Letter of Offer shall be as on the date of the Public Announcement (PA).
  - The “Regulations” shall mean SEBI (Buy Back of Securities) Regulations, 1998 and subsequent amendments thereof.
- The source from which data / information is obtained should be mentioned in the relevant pages of Letter of Offer.
- Merchant Banker shall ensure the following:
  - The letter of offer along with the tender form shall be dispatched to the security holders who are eligible to participate in the buyback offer, not later than five working days from the receipt of communication of comments from the Board.
  - The date of the opening of the offer shall be not later than five working days from the date of dispatch of letter of offer.
  - The offer for buy back shall remain open for a period of ten working days.
- Merchant Banker shall submit the Due Diligence Certificate in terms of Regulation 20(f) of the Regulations to Board along with the draft Letter of Offer as per the standardized format.
- The merchant banker to give registration number of the Chartered Accountant who has given the report in terms of clause (xi) of Schedule II, part A of the Regulations.

#### **Format of the Standard Letter of Offer**

The sequence of presentation in Letter of Offer shall be as under:

- Cover page
- Table of Contents
- Schedule of activities
- Definition of key terms
- Disclaimer clause
- Text of the Resolution passed at the Board meeting





# From the Government

- 7) Details of Public Announcement
- 8) Details of the Buy Back
- 9) Authority for the Buy Back
- 10) Necessity of the Buy Back
- 11) Management Discussion and analysis of the likely impact of Buy Back on the Company.
- 12) Basis of calculating Buy Back Price
- 13) Sources of fund for the Buy Back
- 14) Details of the Escrow Account and the amount to be deposited therein
- 15) Capital Structure & Shareholding pattern
- 16) Brief information of the Company
- 17) Financial Information about the Company
- 18) Stock Market Data
- 19) Details of the Statutory approvals
- 20) Details of the Registrar to the Buy Back and collection centres
- 21) Process and methodology for the Buy Back
  - ◆ Procedure to be followed by the shareholders holding shares in the demat form
  - ◆ Procedure to be followed by the shareholders holding shares in the physical form
  - ◆ For non-resident shareholders
- 22) Procedure for tender/ offer and settlement
- 23) Note on Taxation
- 24) Declaration by the Board of Directors
- 25) Auditors Certificate
- 26) Documents for inspection
- 27) Details of the Compliance Officer
- 28) Details of the Remedies available to the Shareholders/ Beneficial Owners
- 29) Details of Investor Service Centres
- 30) Details of the Manager to the Buy Back
- 31) Declaration by the Directors regarding authenticity of the information in the offer document
- 32) Offer Form

## 1) COVER PAGE

Cover pages shall be white with no patterns or pictures printed on it except emblems/ logo, if any, of the Company / Merchant Banker / Registrar, if any.

- A) Front outer cover page shall contain the following details:
- i) On Top  
 "This Document is important and requires your immediate attention."  
 This Letter of offer is sent to you as registered equity shareholder(s) of the (name of the Company) as on record date in accordance with SEBI (Buy Back of Securities) Regulations, 1998, as amended. If you require any clarifications about the action to be taken,

you may consult your stock broker or investment consultant or Manager/ Registrar to the Buy Back (the latter only if appointed)."

- ii) In middle in a box  
 Name and registered office address of the Company, Correspondence address of the Company, Name and Designation of Contact Person, Telephone Number of company and the contact person Fax Number of company and the contact person E-mail Address of company and the contact person, Number of shares offered for Buyback, Face value of shares, Shares offered for buy back as percentage of Total No. of shares issued, Subscribed and paid up, Maximum price offered per share, Total amount to be used for buy back as %age of net worth, Methodology adopted for the Buy Back, Record date, Offer price per share in terms of rupees, Disclose the mode of payment, A statement that the offer is pursuant to SEBI (Buy Back of Securities) Regulations, 1998 and subsequent amendments thereof. A statement that a copy of public announcement and Letter Of Offer (including form of acceptance cum acknowledgment) is also available on SEBI's web-site ([www.sebi.gov.in](http://www.sebi.gov.in)), Information regarding the enclosures along with the Letter of offer, Relevant applicable provisions/ regulations of Companies Act and SEBI.

- iii) At the bottom  
 Closing date and day of Buy Back, Opening date and day of Buy Back, The following details of the Manager to the offer
  - Name of the Manager to the offer
  - Name of Contact Person
  - Address
  - Telephone Number of manager and contact person
  - Fax Number of manager and contact person
  - E-mail Address of manager and contact person
  - SEBI Registration Number
  - Validity Period

The following details of the Registrar to the offer

- Name of the Registrar
- Name of Contact Person
- Address
- Telephone Number of registrar and contact person
- Fax Number of registrar and contact person
- E-mail Address of registrar and contact person
- SEBI Registration Number
- Validity Period

Last date of receipt of complete application form.

Relevant applicable provisions/ regulations of Companies Act and SEBI.

- B) Front inside cover page shall contain the following Table of Contents as follows:



Sr.No.	Subject	Page No.
1)	Schedule of activities	
2)	Definition of key terms	
3)	Disclaimer clause	
4)	Text of the Resolution passed at the Board meeting	
5)	Details of Public Announcement	
6)	Details of the Buy Back	
7)	Authority for the Buy Back	
8)	Necessity of the Buy Back	
9)	Management Discussion and analysis of the likely impact of Buy Back on the Company.	
10)	Basis of calculating Buy Back Price	
11)	Sources of fund for the Buy Back	
12)	Details of the Escrow Account and the amount to be deposited therein	
13)	Capital Structure & Shareholding pattern	
14)	Brief information of the Company.	
15)	Financial Information about the Company	
16)	Stock Market Data	
17)	Details of the Statutory approvals	
18)	Details of the Registrar to the Buy Back and collection centres	
19)	Process and methodology for the Buy Back	
20)	Procedure for tender/ offer and settlement	
21)	Note on Taxation	
22)	Declaration by the Board of Directors	
23)	Auditors Certificate	
24)	Documents for inspection	
25)	Details of the Compliance Officer	
26)	Details of the Remedies available to the Shareholders/ Beneficial Owners	
27)	Details of Investor Service Centres	
28)	Details of the Manager to the Buy Back	
29)	Declaration by the Directors regarding authenticity of the information in the offer document	
30)	Offer Form	

## 1) Schedule of activities

- ◆ Date of Board meeting approving Buy Back
- ◆ Date of Public Announcement for Buy Back
- ◆ Record Date
- ◆ Buy Back Opening date
- ◆ Buy Back Closing date
- ◆ Last date of Verification
- ◆ Last date of intimation regarding acceptance/ non-acceptance
- ◆ Last date of dispatch of consideration/ share certificate/ demat instructions
- ◆ Last date of extinguishment of shares

## 2) Definition of key terms

Definitions of the specialized terms used in the Letter of Offer for easy understanding by the shareholders.

## 3) Disclaimer clause

As required, a copy of this letter of Offer has been submitted to Securities and Exchange Board of India (SEBI). It is to be distinctly understood that submission of letter of offer to SEBI should not, in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI, does not take any responsibility either for the financial soundness of the company to meet the buyback commitments or for the correctness of the statements made or opinions expressed in the offer document. The Manager to the Issue, M/s. ....has certified that the disclosures made in the offer document are generally adequate and are in conformity with the provisions of Companies Act, 1956 and SEBI (Buy Back of Securities) Regulations, 1998. This requirement is to facilitate investors to take an informed decision for tendering their shares in the buy back. It should also be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the offer document, the Manager to the Issue is expected to exercise Due Diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose, the Manager to the Issue,.....has furnished to SEBI a Due Diligence Certificate dated .....in accordance with SEBI (Buyback of Securities) Regulations 1998 which reads as follows :

We have examined various documents and materials contained in the annexure to this letter, as part of the due-diligence carried out by us in connection with the finalization of the public announcement and the letter of offer. On the basis of such examination and the discussions with the Company, we hereby state that:

- The public announcement and the letter of offer are in conformity with the documents, materials and papers relevant to the buyback offer;
- all the legal requirements connected with the said offer including SEBI (Buyback of Securities) Regulations, 1998, have been duly complied with.
- the disclosures in the public announcement and the letter of offer are, to the best of our knowledge, true, fair and adequate in all material respects for the shareholders of the company to make a well *informed decision* in respect of the captioned buyback offer.
- Funds used for buy back shall be as per the provisions of the Companies Act.

The *filing of offer document with SEBI*, does not, however, absolve the company from any liabilities under the Provisions of the Companies Act, 1956 or from the requirement of obtaining such statutory or other



clearances as may be required for the purpose of the proposed buy back.

Promoters / Directors declare and confirm that no information / material likely to have a bearing on the decision of investors has been suppressed / withheld and / or incorporated in the manner that would amount to mis-statement / misrepresentation and in the event of it transpiring at any point of time that any information / material has been suppressed / withheld and / or amounts to a mis-statement / mis-representation, the promoters / directors and the company shall be liable for penalty in terms of the provisions of the companies Act, 1956 and the SEBI (Buy Back of Securities) Regulations, 1998.

Promoters / Directors also declare and confirm that funds borrowed from Banks and Financial Institutions will not be used for the buy-back.

#### 4) Text of the Resolution passed at the Board meeting

Give the detailed text of the resolution passed at the meeting of the Board approving Buy Back.

#### 5) Details of Public Announcement

The information regarding the Publication of Public Announcement in the Newspaper, the language in which it appeared and the date of publication.

#### 6) Details of the Buy Back

- ◆ Mention the name of the company
- ◆ Maximum number of shares proposed to be bought back
- ◆ Number of shares to be bought back as %age of existing paid up capital of the company
- ◆ The price at which the shares are to be bought back
- ◆ The Regulation of SEBI/ provisions of the Companies Act in accordance with which the offer is made
- ◆ The methodology to be adopted for the buy back
- ◆ The maximum amount to be expensed towards buy back and its %age w.r.t the net worth of the Company
- ◆ The details of the shareholding of the promoters and its %age w.r.t the total paid up equity of the company
- ◆ Intention of the promoters to participate in the offer
- ◆ Promoters shareholding after the buy back.
- ◆ Statement that the Post buyback non-promoter holding shall not fall below the minimum level required as per listing conditions/ agreement.

#### 7) Authority for the Buy Back

- ◆ Mention the article number of the Article of Association of the Company allowing the buy back
- ◆ Relevant provisions of the Companies Act

- ◆ Date of meeting of the Board of Directors approving the Buy Back
- ◆ Date of passing of special resolution by the shareholders.

#### 8) Necessity of the Buy Back

The reasons and the need compelling the company to purchase the shares back and reduce its equity

#### 9) Management Discussion and analysis of the likely impact of Buy Back on the Company.

- ◆ Impact of the Buy Back on the profitability of the Company.
- ◆ Intention of the Promoters to offer shares held by them under the Buy-back.
- ◆ The holding of the Promoters before and after the Buy-back.
- ◆ The holding of public as %age of the total paid up equity share capital before and after the Buy Back.
- ◆ Change in control in the management structure pursuant to the Buy-back.
- ◆ The change in percentage holding of the nonresident shareholders, Indian financial institutions, banks and other shareholders.
- ◆ Post Buy-back debt equity ratio. Assuming full subscription of the Offer, should not be less than 2:1 as prescribed under section 77 A of the Companies Act, 1956.
- ◆ Effect of Buy Back on the growth opportunities of the Company.
- ◆ Salient Financial parameter consequent to the Buy Back based on the Latest audited results as under:

Parameter (based on audited results for year ended )	Pre Buy-back	Post Buy-back
Networth* (Rs. Lakhs)		
Return on Networth*		
Earnings per Share (Rs.)		
Book Value per Share (Rs.)*		
P/E as per the latest audited financial results		
Total Debt / Equity Ratio*		

\* Excluding revaluation reserves and miscellaneous expenditure to the extent not written off

#### 10) Basis of calculating Buy Back Price

The basis on which the buy back Price has been arrived at must be disclosed. Justification of the offer price taking into account the following may be disclosed;

- ◆ Trends in the market price of the equity shares of the Company.
- ◆ The closing market price of the equity shares as on the date of intimation of the date of the Board Meeting for considering the Buy-back to the Stock Exchanges





- ◆ Book Value
- ◆ EPS
- ◆ Return on net worth etc.

## 11) Sources of fund for the Buy Back

- ◆ The source from where the Company proposes to finance the buy back may be disclosed.
- ◆ Declaration that the Company proposes to meet the funds requirement for the Buy-back through internal accruals.

## 12) Details of the Escrow Account and the amount to be deposited therein

- ◆ Disclosure that the Company has opened/ will open an escrow account in terms of Regulation 10 of the Regulations.
- ◆ In case, the escrow account, if already opened, consists of cash deposit, disclose the name and address of the bank, where cash amount as required under Regulation 10 has been deposited. Also ensure and disclose that the Merchant Banker has been empowered to operate the escrow account in accordance with the Regulations.
- ◆ In case the escrow account, if already opened, consists of a Bank guarantee, disclose the name and address of the bank. Also disclose that bank guarantee is valid at least for a period commencing from the date of PA until 30 days after the closure of the offer. Also ensure that bank guarantee is sought from a bank who is not associate of or group of the Company.
- ◆ In case, the escrow account, if already opened, consists of a deposit of securities in terms of Regulation 10 (6), give details like name, quantity, face value, paid up value, market price on the date of creation of escrow account, the margin etc.
- ◆ Disclose that Merchant Banker has been empowered by Company to realise the value of such escrow account, if already opened, by sale or otherwise. Also disclose that if there is any deficit on realisation of value of the securities, the Merchant Banker shall make good any such deficit in accordance with Regulation 10(6).
- ◆ In case the escrow account, if already opened, consists of a Bank guarantee or deposit of approved securities, disclose the name and address of bank where cash deposit of at least 1% of the total consideration payable, is made in accordance with Regulation 10 (8).
- ◆ Ensure and disclose that the Company has adequate and firm financial resources to fulfil the obligations under the Buy Back.
- ◆ Disclose the date of certificate, name, complete address (including telephone, Fax number) and membership number of the Chartered Accountant certifying the adequacy of financial resources of

Company for fulfilling all the obligations under the offer.

- ◆ Ensure and disclose that Merchant Banker has satisfied himself about the ability of the Company to implement the offer in accordance with the Regulations.

## 13) Capital Structure & Shareholding pattern

- ◆ The present authorized capital of the Company.
- ◆ The present issued, subscribed and paid-up equity share capital of the Company.
- ◆ Details of the buyback programme in the last three years, opening and closing date.
- ◆ Details of partly paid shares.
- ◆ Details of calls in arrears.
- ◆ Details of all other outstanding convertible securities. Price to be paid for the convertible securities.
- ◆ The shareholding pattern of the Company before and after the Buy-back Offer (assuming full subscription of the Buy-back Offer) shall be given as below:

Particulars	Pre Buy-back		Post Buy-back	
	No. of Equity Shares	% to the existing equity share capital	No. of Equity Shares	% to post Buy-back equity share Capital
Promoters and persons acting in concert, (collectively "the Promoters")				
Foreign Investors (including Non Resident Indians FII's and Foreign Mutual Funds)				
Financial Institutions / Banks & Mutual Funds promoted by Banks / Institutions				
Others (Public, Public Bodies Corporate etc.)				
Total				

- ◆ Assuming 100% response to the Buy-back Offer, the issued, subscribed and paid-up equity share capital of the Company after the completion of the Buy-back Offer.
- ◆ Details of the Promoters holding (post Buy-back).

## 14) Brief information about the Company.

- ◆ Date of incorporation of the Company
- ◆ Original name, if name changed.
- ◆ Registered office address of the company.
- ◆ Product of the company and details of its infrastructural set up.
- ◆ Growth of the business of the company over the period of time.



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- ◆ Details of the capital structure of the company and the changes over the period of time.
- ◆ Details of listing of the shares of the company on various stock exchanges.
- ◆ Details of the Board of Directors as under;

Name, Qualification, Occupation and Age	Designation	Date of Appointment/ Reappointment	Other Directorships

- ◆ Details of the Changes in the Board of Directors in the last 3 years as under;

Name	Appointment/ Resignation	Effective Date	Reasons

- ◆ Any expected benefit to directors/promoters/people in control of the company/group companies should be brought out clearly.

## 15) Financial Information about the Company

- ◆ The salient financial information of the Company as extracted from the audited results for the last three years shall be given as below:

(in Rs. Lakhs unless stated otherwise)

Particulars	Year ended ... (audited)
Total Income	
Total Expenses	
Interest	
Depreciation	
Profit before tax	
Provision for tax (including Deferred Tax)	
Profit /(Loss) after tax	
Equity share capital	
Reserves & Surplus*	
Networth*	
Total debt(Excluding working capital loans)	

\* Excluding revaluation reserves and miscellaneous expenditure to the extent not written off

- ◆ Financial Ratios for the last three years shall be given as under;

Particulars	Year
Earnings Per Share (Rs.)	
Debt Equity Ratio	
Book Value (Rs. per share)	
Return on Networth (%)	
Total Debt / Networth	

- ◆ Declaration that the Company will comply with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 1997, if applicable
- ◆ Declaration that the Company has complied with Section 77A (2) (c), (d), 77B (1) and 77B (2) of the Companies Act, 1956.

## 16) Stock Market Data

- ◆ Information regarding the stock exchanges where the Shares of the Company are listed
- ◆ Information regarding High, low and average market prices for the last three years and monthly high, low and average market prices for six months preceding the Public announcement and their corresponding volumes on the stock exchange where the Company's shares are most frequently traded shall be given as under:

Period	High (Rs.)	Date of High and Number of Shares traded on that date	Low (Rs.)	Date of Low and Number of shares traded on that date	Average Price (Rs.)	Total volume traded in period

- ◆ The Source of the information given above shall be provided.
- ◆ Information regarding the Closing market price of the shares of the Company on the stock exchange on the working day previous to the day the Board of Directors of the Company approved the proposal for the Buy-Back shall be given.

## 17) Details of the Statutory approvals

State that the Offer is subject to approvals, if any required, under the provisions of the Act, the Regulations and / or such other Acts in force for the time being. Buy-back of shares from nonresident shareholders will be subject to approval, if any, of the appropriate authorities including Reserve Bank of India, as applicable.

## 18)Details of the collection centres

- ◆ Place
- ◆ Address
- ◆ Contact Person



- ◆ Telephone/ Mobile Number
- ◆ E-mail address of contact person
- ◆ Fax No.
- ◆ Days & Timing of acceptance
- ◆ Mode of Delivery
- ◆ Instruction, regarding submission, for shareholders residing at places other than collection centres mentioned above

## 19) Process and methodology for the Buy Back

- ◆ Maximum number of shares to be bought back
- ◆ Shares to be bought back as %age of the existing paid-up capital of the Company
- ◆ Maximum price offered per share
- ◆ Mode of payment of consideration
- ◆ Relevant clause of Companies Act
- ◆ Route to be followed for the Buy-back
- ◆ The total amount to be expended towards Buy-back
- ◆ Amount to be spent as %age of the paid-up share capital and free reserves of the Company.
- ◆ Holding of the promoters as %age of the paid-up equity share capital of the Company.
- ◆ Intention of the Promoters to tender their shares in the proposed Buy-back Offer.
- ◆ Holding of the promoters in number and as %age of the paid-up equity share capital of the Company assuming 100% response to the Offer and if all the shares tendered in response to the Offer are accepted in full.

## 20) PROCEDURE FOR TENDER / OFFER AND SETTLEMENT

- ◆ That the Offer is open to all shareholders of the Company as on record date.
- ◆ That the Letter of Offer and Tender / Offer Form will be mailed to all the shareholders of the Company whose names appear on the Register of Members of the Company and who are beneficial owner/s of shares as per the records made available to the Company by depositories as on Record Date.
- ◆ That the Company will not accept any shares for Buy-back, in case of court restraints on transfer / sale of shares.
- ◆ That the Company shall comply with Regulation 19(5) of the regulations.
- ◆ The company shall accept shares or other specified securities from the security holders on the basis of their entitlement as on record date.
- ◆ The shares proposed to be bought back shall be divided in to two categories; (a) reserved category for small shareholders and (b) the general category for other shareholders, and the entitlement of a shareholder in each category shall be calculated accordingly.

- ◆ After accepting the shares or other specified securities tendered on the basis of entitlement, shares or other specified securities left to be bought back, if any in one category shall first be accepted, in proportion to the shares or other specified securities tendered over and above their entitlement in the offer by security holders in that category and thereafter from security holders who have tendered over and above their entitlement in other category.

## \* For shareholders holding shares in dematerialised form

- ◆ That the Shareholders to whom the Offer is made are free to tender / offer shares to the extent of their entitlement in whole or in part or in excess of their entitlement.
- ◆ Details of the account opened with Depository participant (DP) as given below in to which shares tendered are to be transferred :

DP ID	
DP Name	
Beneficiary Client ID	
Client Account Name	

- ◆ That the Shareholders of the Company who wish to tender / offer their shares in response to this Buy-back Offer should deliver the following documents:
  - a The relevant Tender / Offer Form duly signed (by all shareholders in case the shares are in joint names) in the same order in which they hold the shares.
  - b Copy of the delivery instruction issued by shareholders to their DP for transferring the shares tendered for Buy-back to the Company's DP account. Copy of the delivery instruction should be duly acknowledged by the DP of shareholder, to whom the original Delivery Instruction should be handed over.
- ◆ That in the delivery instruction use the "For Off-Market Trades (Receiver Details)" in the relevant box and fill in the name of the DP, ID of DP & Client ID at the relevant places. The date of execution entered in the delivery instruction should be after the date of opening of the Offer and on or before the last date of submission of the Tender / Offer Form to the Collection Centres or on or before the date of mailing of the Tender / Offer Form to the Registrar to the Offer, as the case may be, but not in any case later than the date of Closure of the Offer.





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- ◆ That the Shareholders should also provide all relevant documents in addition to the above documents. Such may include (but not limited to):
  - a Duly attested Power of Attorney, if any person other than the shareholder has signed the relevant Tender / Offer Form.
  - b Duly attested death certificate and succession certificate/ legal heirship certificate in case any shareholder has expired.
  - c Necessary corporate authorizations, such as Board Resolutions, etc., in case of companies.
- ◆ That the documents should be submitted to the Collection Centres so as to reach before the close of business hours of the respective Collection Centres on or before the closing date. Shareholders residing at locations where there are no collection centres are requested to tender their response to the Registrar to the Offer. The shareholders should ensure the receipt of the credit in the escrow depository account on or before the last date of the offer
- ◆ Statements regarding Consideration
  - a It is mandatory for shareholders to indicate the bank account details to which the consideration would be payable at the appropriate place in the Tender / Offer Form.
  - b Mode of payment of Consideration
  - c Tentative date of dispatch of consideration. The payment shall be made by default to the sole/ first shareholder in the bank account, the details of which are recorded with the company/ depository, where such facility is available. The cheques for shareholders residing at places where the facility of transfer of payment is not available should be made payable at par at all the centres where the Company is accepting applications and in mandatory ECS centres.
  - d Tentative date by which the balance shares not accepted by way of off-market transfer are to be transferred back to the concerned DP of shareholder under intimation to the first named beneficial owner by Registered Post.
- ◆ That the non receipt of this Letter of Offer by, or accidental omission to despatch the Letter of Offer to any person who is eligible to receive this Offer, shall not invalidate the Offer in any way. In case of non-receipt of the Letter of Offer, shareholders holding shares as on record date may send their application in plain paper in writing signed by all shareholders, stating name, address, number of shares held, Client Id number, DP name, DP Id number, bank account details, number of shares tendered for Buy-back

together with a copy of the delivery instruction issued to the DP (duly endorsed by the DP) and other relevant documents (as mentioned earlier) to the Registrar to the Offer.

- ◆ That all documents sent by shareholders will be at their own risk. Shareholders of the Company are advised to safeguard adequately their interests in this regard.

### ✿ For shareholders holding shares in physical form

- ◆ That the Shareholders to whom the Offer is made are free to tender / offer shares to the extent of their entitlement in whole or in part or in excess of their entitlement.
- ◆ That the Shareholders of the Company who wish to tender / offer their shares in response to this Buy-back Offer should deliver the following documents:
  - a The relevant Tender / Offer Form duly signed (by all shareholders in case the shares are in joint names) in the same order in which they hold the shares.
  - b Original share certificates.
- ◆ That the Shareholders should also provide all relevant documents in addition to the above documents. Such may include (but not limited to):
  - a Duly attested Power of Attorney if any person other than the shareholder has signed the relevant Tender / Offer Form.
  - b Duly attested death certificate and succession certificate/ legal heirship certificate in case any shareholder has expired.
  - c Necessary corporate authorisations, such as Board Resolutions, etc., in case of companies.
- ◆ That the documents should be submitted to the Collection Centres so as to reach before the close of business hours of the respective Collection Centres on the closing date.
- ◆ That the shareholders residing at locations where there are no Collection Centers are requested to tender their response to the Registrar to the Offer.
- ◆ Information regarding the mode of payment to the shareholders whose offer has been accepted by the Company.
- ◆ Tentative date of dispatch of intimation regarding acceptance or non-acceptance of the shares and the corresponding payment for the accepted shares and / or share certificates for the rejected shares.
- ◆ The payment shall be made by default to the sole/ first shareholder in the bank account, the details of which are recorded with the company, where such facility is available. The cheques for shareholders residing at places where the facility of transfer of payment is not available should be made payable at par at all the centres where the Company is accepting applications and at mandatory ECS centres.
- ◆ That it is mandatory for shareholders to indicate the bank account details to which the consideration would



be payable at the appropriate place in the Tender / Offer Form.

- ◆ That the non receipt of this Letter of Offer by, or accidental omission to despatch the Letter of Offer to any person who is eligible to receive this Offer, shall not invalidate the Offer in any way.
- ◆ That in case of non-receipt of this Letter of Offer, shareholders holding shares as on record date may send their application in plain paper signed by all shareholders, stating folio number, name, address, number of shares held, share certificate number, distinctive numbers, number of shares tendered for Buy-back, bank account details together with the original share certificates and other relevant documents (as mentioned earlier) to the Registrar to the Buy-back Offer.
- ◆ That all documents sent by shareholders will be at their own risk. Shareholders of the Company are advised to adequately safeguard their interests in this regard.

## ❁ For Non resident shareholders

- ◆ Statement that the Non resident shareholders (excluding FIIs) should also enclose a copy of the permission received by them from RBI to acquire the shares held by them in the Company. In case the shares are held on repatriation basis, the non resident shareholder should obtain and enclose a letter from its authorised dealer / bank confirming that at the time of acquiring the said shares, payment for the same was made by the non resident shareholder from the appropriate account (e.g. NRE a/c) as specified by RBI in its approval. In case the non resident holder is not in a position to produce the said certificate, the shares would be deemed to have been acquired on non-repatriation basis and in that case the holder shall submit a consent letter addressed to the Company, allowing the Company to make the payment on a non-repatriation basis in respect of the valid shares accepted under the Offer. If any of the above stated documents (as applicable) are not enclosed along with the Tender/ Offer Form, the shares tendered under the Buy-back Offer are liable to be rejected.

## 21) Note on Taxation

## ❁ In respect of Shareholder, non resident shareholders and the Company

The extract of all applicable sections of Income Tax Act 1961 as amended by Finance Act 1999, relating to treatment in case of buyback of shares shall be given

## 22) Declaration by the Board of Directors

Declaration as required under clause (ix) and (x) of

Schedule II, Part A to the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, as under:

- i The Board of Directors confirm that there are no defaults subsisting in repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks.
- ii The Board of Directors confirm that based on a full enquiry conducted into the affairs and prospects of the Company and taking into account all the liabilities including prospective and contingent liabilities payable as if the Company were being wound up under the Companies Act, 1956, the Board of Directors have formed an opinion that
  - a Immediately following the date of the Letter of Offer, there are no grounds on which the Company could be found unable to pay its debts.
  - b As regards its prospects for the year immediately following the date of the Letter of Offer that, having regard to their intentions with respect to the management of the Company's business during the said year and to the amount and character of the financial resources which will be available to the Company during the said year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date.

This declaration is made and issued under the authority of the Board in terms of the resolution passed at the meeting held on .....

For and on behalf of the Board of Directors of Company

DIRECTOR

DIRECTOR

## 23) Auditors Certificate

Text of the Report dated .....received from ....., Chartered Accountants the Statutory Auditors of the Company addressed to the Board of Directors as given below:

The Board of Directors  
The company

Dear Sirs,

### **Proposed Buy-back of Equity Shares**

We have been informed that the Board of Directors in their meeting held on.....have decided to Buy-back Company's shares as allowed under Section 77A of the



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Companies Act, 1956 at a price of Rs..... per share. In terms of the requirements of Clause (xi) of Schedule II, Part A of the Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998, we confirm as under:

- i) We have inquired into the state of affairs of the Company in relation to its audited accounts for the year ended....., unaudited published results for the nine months ended .....and projections for the year ..... as approved by the Board of Directors.
- ii) The amount of permissible capital payment towards buy-back of equity shares (including premium) in question as ascertained below in our view has been properly determined in accordance with Section 77 A (2) (b) of the Companies Act, 1956:

Rs. in lacs

Paid up Share Capital as on .....  
 Free reserves as on .....  
 Total  
 Maximum amount permitted for Buy-back  
 i.e. 10% of the total paid up capital and free reserves

Based on the representations made by the Company and other information and explanations given to us, which to the best of our knowledge and belief were necessary for this purpose, we report that we are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration as approved by the Board of Directors in their meeting held on..... is unreasonable in all the circumstances in the present context.

Yours faithfully  
 Chartered Accountants  
 Registration Number:

Place:  
 Date:

## 24) Documents for inspection

The following material documents may be kept for inspection by Public. Disclose the addresses of the places and timings for inspection.

- ◆ Certificate of incorporation
- ◆ Memorandum and Articles of Association of the Company.
- ◆ Annual Reports for the years last three years.
- ◆ Resolution approving proposal for Buy-back passed at the meeting of the Board.
- ◆ Auditors' Certificate as prescribed in clause (xi) of Schedule I, Part A.

- ◆ Copy of the Public Announcement
- ◆ Declaration of Solvency and an affidavit verifying the same as per Form 4A of the Companies (Central Government's) General Rules and Forms, 1956.

## 25) Details of the Compliance Officer

- ◆ Name
- ◆ Designation
- ◆ Name of the company
- ◆ Address
- ◆ Telephone number
- ◆ Fax No.
- ◆ E-mail address
- ◆ Days & time when he can be contacted

## 26) Details of the Remedies available to the Shareholders/ Beneficial Owners

- ◆ Statement that in case of any grievance relating to the buy back (e.g.: non-receipt of buy back consideration, share certificate, demat credit, etc.) the investor can approach the Compliance Officer of the Manager for redressal.
- ◆ That if the Company makes any default in complying with the provisions of Section 77 A of the Act or any rules made thereunder, or any regulation made under clause (f) of sub-section (2) of Section 77A, the Company or any officer of the Company who is in default shall be punishable with imprisonment for a term and its limit or with a fine and its limit or both.
- ◆ The address of the concerned office of the Registrar of Companies

## 27) Details of Investor Service Centres

- ◆ Name
- ◆ Address
- ◆ Telephone
- ◆ Fax:
- ◆ E-mail:
- ◆ Days & time when it can be contacted

## 28) Declaration by the Directors regarding authenticity of the information in the offer document

Declaration that as per Regulation 19(1)(a) of the Regulations, the Directors of the Company accept full responsibility for the information contained in the Letter of Offer. This Letter of Offer is issued under the authority of the Board and in terms of the resolution passed by the Board on .....





### For and on behalf of the Board of Directors of Company

DIRECTOR

DIRECTOR

#### 29) Offer Form

### **TENDER / OFFER FORM** (FOR SHAREHOLDERS HOLDING SHARES IN DEMATERIALISED FORM)

To  
The Board of Directors  
Name of the company  
Phone No.: Fax No. :

For Collection Centre use			
Centre Code	Inward No.	Date	Stamp

Date.....

Dear Sirs

**Ref: Letter of Offer dated.....to buy back  
shares of (Name of the Company)**

1. I / We (having read and understood the Letter of Offer dated.....hereby tender / offer my/our shares in response to the Buy-back Offer on the terms and conditions set out below and in the Letter of Offer.
2. I / We authorise the Company to buy back the shares offered (as mentioned below) and to issue instruction to (Name of RTI) to extinguish the shares through an off market transfer.
3. I / We hereby warrant that the shares comprised in this tender / offer are offered for Buy-back by me / us free from all liens, equitable interest, charges and encumbrance.
4. I / We declare that there are no restraints / injunctions or other order of any nature which limits / restricts in any manner my / our right to tender shares for Buy-back and that I / we am / are legally entitled to tender the shares for Buy-back.
5. I / we agree that the Company will pay the Offer Price only after due verification of the validity of the documents and that the consideration may be paid to the first named shareholder.
6. I / We undertake to return to the Company any Buy-back consideration that may be wrongfully received by me/us.
7. I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buy-back in accordance with the Act and the Regulations.

#### 8. Details of shares held and offered for Buy-back:

	In Figures	In Words
Number of Shares held		
Number of Shares Entitled		
Number of shares offered for Buy-Back		

#### 9. Details of account with Depository Participant

Name of the Depository (tick whichever is applicable)	NSDL	CDSL
Name of the Depository Participant		
DP ID		
Client ID with the DP		

10. I / We hereby declare that we have instructed the above-mentioned DP, with whom, I / we hold an account to transfer the number of shares as mentioned under serial number 8 above to (Name of the company) Shares Buy-back Account (Client Id No.....) held with (Name of the DP) (DP ID. No.....). **A copy of delivery instruction issued to the DP, duly endorsed by the DP is enclosed.**

#### 11. Details of Other Documents (please tick appropriately), if any, enclosed:

- ◆ Corporate Authorisations
- ◆ Death Certificate
- ◆ Succession Certificate
- ◆ Power of Attorney
- ◆ Any Other, please specify.....

#### 12. Details of Bank Account of the Sole / First Shareholder to be incorporated in the consideration warrant. (to be mandatorily filled)

Name of the Bank	Branch and City	Account Number (Indicate type of Account)



## 13. Shareholder(s) details:

	Sole / First Shareholder	Second holder (if any)	Third holder (if any)
Name in Full			
Signature			
Address of the Sole / First Shareholder			
Telephone No./ E mail id			

## (Name of the Company)

### BUY-BACK OFFER-ACKNOWLEDGEMENT

(to be filled by the shareholder)

Received from	DP Id. No.		
Mr/Ms.....	Client Id. No.		
.....	No of shares offered for Buy-back	In Figures	In words
.....	Collection Centre Stamp & date		
.....			
.....			
.....			
.....			
.....			

Please quote Client Id. no. & DP Id. no. for future correspondence

## INSTRUCTIONS

1. This Offer will open on ..... and close on .....
2. This Tender / Offer Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer.
3. For the purpose of Buy-back, the Company has opened an account with a Depository Participant (DP) as detailed below:

DP Id. Number	
DP Name	
Client Id. Number	
Client Account Name	

4. Shareholders of the Company who wish to tender / offer their shares in response to this Buy-back Offer should deliver the following documents so as to reach before the close of business hours at the respective Collection Centers (as mentioned in the Letter of Offer) on or

before.....by.....Shareholders residing at locations where there are no collection centres should send their response to the Registrar to the Offer,(Name of the RTI).

- The relevant Tender / Offer Form duly signed (by all shareholders in case the shares are in joint names) in the same order in which they hold the shares.
  - Copy of delivery instruction issued by shareholders to their DP for transferring the shares tendered for Buy-back, to the Company's DP account with (Name of the DP). **Copy of the delivery instruction should be duly endorsed by the DP of shareholder**, to whom the original delivery instruction should be handed over.
5. In the delivery instruction please use the "For Off-Market Trades (Receiver Details)" box. Fill in "(Name of DP)" against DP Name, "ID of DP" against the DP ID and "ID of Client" against Client ID. The date of execution entered in the delivery instruction should be after the date of opening of the offer and on or before the last date of submission of the Tender / Offer Form to the Collection Centres or on or before the date of mailing of the Tender / Offer Form to the Registrar to the Offer, as the case may be, but not in any case later than the date of Closure of the Offer.
  6. In case of non-receipt of this Letter of Offer, shareholders may send their application in plain paper in writing signed by all shareholders, stating, name, address, number of shares held, client Id number, DP name, DP Id number, number of shares tendered for Buy-back, bank account details together with a copy of the delivery instruction issued to the DP (duly endorsed by the DP) and other relevant documents to the Registrar to the Buy-back Offer (Name of the RTI).
  7. Shareholders should also provide all relevant documents in addition to the above documents. Such may include (but not limited to):
    - Duly attested Power of Attorney, if any person other than the shareholder has signed the relevant Tender / Offer Form.
    - Duly attested death certificate / succession certificate in case any shareholder has expired.
    - Necessary corporate authorizations, such as Board Resolutions, etc., in case of companies.
  8. Shareholders to whom the Offer is made are free to tender / offer shares to the extent of their entitlement in whole or in part or in excess of their entitlement.
  9. It is mandatory for shareholders to indicate the bank account details to which the consideration would be payable at the appropriate place in the Tender / Offer Form.
  10. All documents sent by shareholders will be at their own risk. Shareholders of the Company are advised to safeguard adequately their interests in this regard.
  11. **Note: Any shareholder should tender only one form, irrespective of the number of folios he holds. Multiple applications tendered by any shareholder shall be**



**liable to be rejected. Also, multiple tenders from the same depository account or same registered folio shall also be liable to be rejected**

ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUY-BACK OFFER SHOULD BE ADDRESSED TO THE REGISTRAR TO THE BUY-BACK OFFER, (Name of the RTI) QUOTING YOUR CLIENT ID & DP ID.

### **TENDER / OFFER FORM (FOR SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM)**

**DATE:.....**

To  
The Board of Directors  
Name of the company  
Address  
Phone No.:  
Fax No. :

For Collection Centre use			
Centre Code	Inward No.	Date	Stamp

Dear Sirs,

**Ref: Letter of Offer dated.....to buy back shares of (Name of the Company)**

1. I / We (having read and understood the Letter of Offer dated.....) hereby tender / offer my/our shares in response to the Buy-back Offer on the terms and conditions set out below and in the Letter of Offer.
2. I / We authorise the Company to buy back the shares offered and as a consequence to extinguish the share certificates.
3. I / We hereby warrant that the shares comprised in this tender / offer are offered for Buy-back by me / us free from all liens, equitable interest, charges and encumbrance.
4. I / We declare that there are no restraints / injunctions or other order of any nature which limits / restricts in any manner my / our right to tender shares for Buy-back and that I / we am / are legally entitled to tender the shares for Buy-back.
5. I / We agree that the Company is not obliged to accept any shares offered for Buyback where loss of share certificates has been notified to the Company.
6. I / We agree that the Company will pay the Offer Price only after due verification of the validity of the documents and signatures and that the consideration may be paid to the first named shareholder.
7. I / We undertake to return to the Company any Buy-back consideration that may be wrongfully received by me/us.
8. I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the

Company to effect the Buy-back in accordance with the Act and the Regulations.

9. I/ We authorize the company to split the share certificate and issue new consolidated certificate for the unaccepted shares in case the shares accepted by the company are less than the shares tendered in the buy back due to oversubscription.

#### 10. Details of shares held and offered for Buy-back:

	In Figures	In Words
<b>Number of Shares held</b>		
<b>Number of Shares Entitled</b>		
<b>Number of shares offered for Buy-Back</b>		

#### 11. Details of Share Certificate(s) enclosed:

**Total No. of Certificates Submitted**

Sl. No.	Folio No.	Share Certificate No.	Distinctive No(s)		No. of Shares
			From	To	
1					
2					
3					
4					
5					
Total					

In case the number of folios and share certificates enclosed exceed 5 nos., please attach a separate sheet giving details in the same format as above.

#### 12. Details of Other Documents (please tick appropriately), if any, enclosed:

- Corporate Authorisations
- Death Certificate
- Succession Certificate
- Power of Attorney
- Any Other, please specify.....





# From the Government

13. Details of Bank Account of the Sole / First Shareholder to be incorporated in the consideration warrant (to be mandatorily filled)

Name of the Bank	Branch and City	Account Number (Indicate type of account)

14. Shareholder(s) details (Signature(s) as per specimen recorded with the Company):

	Sole / First Shareholder	Second holder (if any)	Third holder (if any)
Name in Full			
Signature			
Address of the Sole / First Shareholder			
Telephone No./ E mail id			

## (Name of the Company)

### BUY-BACK OFFER-ACKNOWLEDGEMENT

(to be filled by the shareholder)

Received from  
Mr/Ms.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....

Folio No..		
No of shares tendered	In Figures	In words
Number of share certificates submitted		
Collection Centre Stamp & date		

Please quote folio no. for future correspondence

## INSTRUCTIONS

- This Offer will open on .....and close on.....
- This Tender / Offer Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender / Offer Form.
- Shareholders who wish to tender / offer their shares in response to this Buy-back Offer should deliver the

following documents so as to reach before the close of business hours of the respective Collection Centres (as mentioned in the Letter of Offer) on or before .....by ..... Shareholders residing at locations where there are no collection centres should send their response to the Registrar to the Buy-back Offer (Name of the RTI).

- The relevant Tender / Offer Form duly signed (by all shareholders in case shares are in joint names) in the same order in which they hold the shares.
- Original share certificates

4. Shareholders should also provide all relevant documents in addition to the above documents. Such may include (but not limited to):

- Duly attested Power of Attorney if any person other than the shareholder has signed the relevant Tender / Offer Form.
- Duly attested death certificate / succession certificate in case any shareholder has expired.
- Necessary corporate authorisations, such as Board Resolutions, etc., in case of companies.

5. Shareholders to whom the Offer is made are free to tender / offer shares to the extent of their entitlement in whole or in part or in excess of their entitlement.

6. In case of non-receipt of this Letter of Offer, shareholders may send their application in plain paper in writing signed by all shareholders, stating folio number, name, address, number of shares held, share certificate number, distinctive numbers, number of shares tendered for Buy-back, bank account details together with the original share certificates and other relevant documents to the Registrar to the Buy-back Offer.

7. It is mandatory for shareholders to indicate the bank account details to which the consideration would be payable at the appropriate place in the Tender / Offer Form.

8. All documents sent by shareholders will be at their own risk. Shareholders of the Company are advised to safeguard adequately their interests in this regard.

- 9. Note: Any shareholder should tender only one form, irrespective of the number of folios he holds. Multiple applications tendered by any shareholder shall be liable to be rejected. Also, multiple tenders from the same depository account or same registered folio shall also be liable to be rejected**

ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUY-BACK OFFER SHOULD BE ADDRESSED TO THE REGISTRAR TO THE BUY-BACK OFFER (Name of the RTI) QUOTING YOUR FOLIO NUMBER.



## 07 Amendments to the Equity Listing Agreement

Issued by the Securities and Exchange Board of India vide Circular No. CIR/CFD/DIL/1/2012. Dated 08.02.2012]

1. As part of SEBI's endeavour to review the listing conditions, certain amendments are hereby carried out to the Equity Listing Agreement. The full texts of amendments to be effected in the Listing Agreements are given at **Annexure-1**. The gist of the amendments are as under:-

### a. Amendment to Clause 40A

In addition to the existing methods which listed company can adopt to achieve minimum public shareholding, the listed company may also achieve the minimum level of public shareholding through Institutional Placement Programme (IPP) in terms of Chapter VIII-A of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended. Further, sale of shares by promoters through stock exchanges shall be now carried out in terms of SEBI circular CIR/MRD/DP/05/2012 dated February 1, 2012.

### b. Amendment to Clause 43 & 43A

In order to enhance disclosure requirements, listed entities have been mandated to disclose utilization of funds raised upon conversion/ exercise of warrants issued along with public or rights issue of specified securities.

2. This circular shall be applicable with immediate effect.
3. The above listing conditions are specified in exercise of the powers conferred under Section 11 read with Section 11A of the Securities and Exchange Board of India Act, 1992. The said listing conditions should form part of the existing Listing Agreement of the stock exchange.
4. All stock exchanges are advised to ensure compliance with this circular and carry out the amendments in their Listing Agreement as per the Annexure to this circular.
5. This circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) under the categories "Legal Framework" and "Issues and Listing".

Sanjay Purao

Deputy General Manager

## Annexure-1

### Amendments to Listing Agreement

1. Sub-clause (ii)(c) of Clause 40A, shall be substituted by "(c) sale of shares held by promoters through the secondary market in terms of SEBI circular CIR/MRD/DP/05/2012 dated February 1, 2012; or"
2. After sub-clause (ii)(c) of Clause 40A, the following sub-clause shall be inserted:  
"(d) Institutional Placement Programme (IPP) in terms of Chapter VIIIA of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended."
3. 'The proviso' and 'Explanation to sub-clause (ii)(c) of Clause 40A, shall be omitted.

4. In Clause 43, a new sub-clause (d) shall be inserted:  
"(d) The statement referred to in clause (a) shall also be given for warrants issued along with public or rights issue of specified securities".
5. In Clause 43A, a new sub-clause (5) shall be inserted:  
"(5) The statement referred to in clause (1) shall also be given for warrants issued along with public or rights issue of specified securities".

## 08 Offer For Sale of Shares by Promoters through the Stock Exchange Mechanism

Issued by the Securities and Exchange Board of India vide Circular No. CIR/MRD/DP/ 05/2012. Dated 01.02.2012]

In order to facilitate promoters to dilute/offload their holding in listed companies in a transparent manner with wider participation, it has been decided to allow the offer for sale of shares by promoters of such companies through a separate window provided by the stock exchange(s). The guidelines for the same are as under:

### 1. Eligibility

#### (a) Exchanges

To begin with, the facility of offer for sale of shares shall be available on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

#### (b) Sellers

- (i) All promoter(s)/ promoter group entities of such companies that are eligible for trading and are required to increase public shareholding to meet the minimum public shareholding requirements in terms Rule 19(2)(b) and 19A of Securities Contracts (Regulation) Rules, 1957 (SCRR), read with clause 40A (ii) (c) of Listing Agreement.
- (ii) All promoter(s)/ promoter group entities of top 100 companies based on average market capitalization of the last completed quarter.

For (i) and (ii) above, the promoter/promoter group entities should not have purchased and/or sold the shares of the company in the 12 weeks period prior to the offer and they should undertake not to purchase and/or sell shares of the company in the 12 weeks period after the offer.

#### (c) Buyers

All investors registered with the brokers of the aforementioned stock exchanges other than the promoter(s)/ promoter group entities.



## 2. Definitions

- (a) "Single Clearing Price" is the price at which the shares are allocated to the successful bidders in a proportionate basis methodology.
- (b) "Multiple Clearing Prices" are the prices at which the shares are allocated to the successful bidders in a price priority methodology.
- (c) "Indicative Price" is the price at which the quantity offered is exhausted.
- (d) "Floor Price" is the minimum price at which the seller intends to sell the shares.

## 3. Size of Offer for sale of shares

The size of the offer shall be atleast 1% of the paid-up capital of the company, subject to a minimum of Rs 25 crores. However, in respect of companies, where 1% of the paid-up capital at closing price on the specified date is less than Rs 25 crores, dilution would be atleast 10% of the paid-up capital or such lesser percentage so as to achieve minimum public shareholding in a single tranche.

*Note: Specified date shall be the last trading day of the last completed quarter*

## 4. Advertisement and offer expenses

- (a) Advertisements about the offer for sale of shares through stock exchange(s) shall be made after the announcement/ notice of the offer for sale of shares has been made to the stock exchanges in accordance with para 5 (b) below;
- (b) All expenses relating to offer for sale of shares through stock exchange(s) shall be borne by the seller(s).

## 5. Operational Requirements

### (a) Appointment of Broker

The Seller(s) would have to appoint Seller's broker(s) for this purpose. The Seller's broker(s) may also undertake transactions on behalf of eligible buyers.

### (b) Announcement/ Notice of the Offer for sale of shares

Seller(s) shall announce the intention of sale of shares at least one clear trading day prior to the opening of offer, along with the following information:

- (i) Name of the seller(s) (promoter/ promoter group) and the name of the company whose shares are proposed to be sold.
- (ii) Name of the Exchange(s) where the orders shall be placed. In case orders are to be placed on both BSE and NSE, one of them shall be declared as the Designated Stock Exchange ("DSE").

- (iii) Date and time of the opening and closing of the offer.
- (iv) Allocation methodology i.e. either on a price priority (multiple clearing prices) basis or on a proportionate basis at a single clearing price.
- (v) Number of shares being offered for sale.
- (vi) The name of the broker(s) on behalf of the seller(s).
- (vii) Floor price, if the seller(s) chooses to announce it to the market or a declaration to the effect that the floor price will be submitted to the stock exchange(s) in a sealed envelope which shall be declared post closure of the offer.
- (viii) Conditions, if any, for withdrawal or cancellation of the offer.

### (c) Floor price

- (i) Seller(s) may declare a floor price in the announcement/ notice
- (ii) In case the seller(s) chooses not to publicly disclose the floor price, the seller(s) shall give the floor price in a sealed envelope to DSE before the opening of the offer.
- (iii) The floor price if not declared to the market, shall not be disclosed to anybody, including the selling broker(s).
- (iv) Sealed envelope shall be opened by the DSE after the closure of the offer for sale and the floor price suitably disseminated to the market.

### (d) Timelines

- (i) The duration of the offer for sale shall not exceed one trading day.
- (ii) The placing of orders by trading members shall take place during trading hours.

### (e) Order Placement

- (i) A separate window for the purpose of offer for sale of shares shall be created by stock exchanges. Modification/ Cancellation of orders/ bids will be allowed during the period of the offer. However, modification/ cancellation of orders/ bids shall not be allowed during the last 30 minutes of the duration of the offer..
- (ii) Indicative Price and Cumulative orders/ bid quantity information shall be made available online by the exchanges at specific time intervals.
- (iii) No price bands shall be applicable for the orders/ bids placed in the offer for sale. Stock specific tick size as per the extant practice in normal trading session shall be made applicable for this window.
- (iv) In case of shares under offer for sale, the trading in the normal market shall also continue. However, in case of market closure due to the incidence of breach of „Market wide index based circuit filter., the offer for sale shall be halted.
- (v) Only limit orders/ bids shall be permitted.





- (vi) Multiple orders from a single buyer shall be permitted.
- (vii) In case floor price is disclosed, orders/ bids below floor price shall not be accepted.

## 6. Risk Management

- (a) Stock Exchange shall collect 100% of the order value in cash, at the order level for every buy order/ bid. Such funds shall neither be utilized against any other obligation of the trading member nor co-mingled with other segments. Such upfront collection shall also be applicable for all institutional orders.
- (b) In case of order/bid modification/cancellation, such funds shall be released/collected on a real time basis by the stock exchange.
- (c) The seller(s) shall deposit the entire quantity of shares offered for sale as payin with the clearing corporation/clearing house or DSE prior to the commencement of the offer. No other margin shall be charged on the seller(s).

## 7. Allocation

- (a) Minimum of 25% of the shares offered shall be reserved for mutual funds and insurance companies, subject to allocation methodology. Any unsubscribed portion thereof shall be available to the other bidders.
- (b) The orders shall be cumulated by the DSE immediately on close of the offer. Based on the methodology for allocation to be followed as disclosed in the notice, the DSE shall draw up the allocation. i.e. either on a price priority (multiple prices) basis or on a proportionate basis at a single clearing price.
- (c) No allocation will be made in case of order/ bid is below floor price.
- (d) No single bidder other than mutual funds and insurance companies shall be allocated more than 25% of the size of offer for sale.

## 8. Settlement

- (a) The settlement shall take place similar to trade for trade basis and shall be completed latest by T + 2 day (where T is the date of the closure of the offer). The allocation and the obligations resulting thereof shall be intimated to the brokers not later than T+1 day.
- (b) There shall be no netting of settlement at broker's end.
- (c) The clearing house of DSE shall transfer the shares received as payin to the clearing corporation/clearing house of the other stock exchange, to the extent of their obligations.
- (d) Funds collected from the bidders who have not been allocated shares shall be released after the download of the obligation.
- (e) The direct credit of shares shall be given to the demat account of the successful bidder provided it is indicated by the broker/bidder.

## 9. Issuance of Contract Notes

The brokers shall be required to issue contract note to the client based on the allotment price and quantity in terms of conditions specified by the exchange.

## 10. Withdrawal of offer

The offer for sale may be withdrawn prior to its proposed opening. In such a case there will be a cooling off period of 10 trading days from the date of withdrawal before an offer is made once again. The stock exchange(s) shall suitably disseminate details of such withdrawal.

## 11. Cancellation of offer

Cancellation of offer shall not be permitted during the bidding period. If the seller(s) fails to get sufficient demand at or above the floor price, he may choose to either conclude the offer or cancel it in full.

## 12. Stock Exchanges are advised to:

- a. take necessary steps and put in place necessary systems for implementation of the above.
- b. make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision.
- c. bring the provisions of this circular to the notice of the member brokers of the stock exchange and also to disseminate the same on the website.
- d. communicate to SEBI, the status of implementation of the provisions of this circular in the Monthly Development Report.

13. 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.

Harini Balaji  
Deputy General Manager

## 09 Securities and Exchange Board of India (Portfolio Managers) (Amendment) Regulations, 2012.

Issued by the Securities and Exchange Board of India and published in the Gazette of India Extraordinary, Part - III, Section-4 vide No. LAD-NRO/GN/2011-12/37/3689. Dated 10.02.2012]

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



further amend the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993, namely:-

1. These Regulations may be called the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2012.
2. They shall come into force on the date of their publication in the Official Gazette.
3. In the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993: -
  - (i) in regulation 15(1A),-
    - (a) for the words "five lacs" the words "twenty five lacs" shall be substituted;
    - (b) the following provisos shall be inserted, namely:-  
"Provided that the minimum investment amount per client shall be applicable for new clients and fresh investments by existing clients:  
Provided further that existing investments of clients, as on date of notification of Securities and Exchange Board of India (Portfolio Managers) (Amendment) Regulations, 2012, may continue as such till maturity of the investment".
  - (ii) in regulation 16(8),-
    - (a) after the words "listed securities", the words "or unlisted securities" shall be inserted;
    - (b) in second proviso, for the full stop, a colon shall be substituted;
    - (c) after the second proviso, the following shall be inserted, namely:-  
"Provided further that the portfolio manager shall segregate each client's holding in unlisted securities in separate accounts in respect of investment by new clients and fresh investments by existing clients:  
Provided further that existing investments in unlisted securities of clients, as on date of notification of Securities and Exchange Board of India (Portfolio Managers) (Amendment) Regulations, 2012 may continue as such till maturity of investment".
  - (iii) in Schedule V, under the heading "MODEL DISCLOSURE DOCUMENT FOR PORTFOLIO MANAGEMENT", in item III after clause 13(ii), for the words "Name and signature of all the Directors of Portfolio Manager" the words "Name and signature of at least two Directors of Portfolio Manger" shall be substituted.

**U. K. SINHA**  
Chairman

## 10 Securities and Exchange Board of India (Buy-Back of Securities) (Amendment) Regulations, 2012.

Issued by the Securities and Exchange Board of India and published in the Gazette of India Extraordinary, Part - III, Section-4 vide No. LAD-NRO/GN/2011-12/36/3187. Dated 07.02.2012]

In exercise of powers conferred by sub-section (1) of section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992) read with clause (f) of sub-section (2) of Section 77A of the Companies Act, 1956 (1 of 1956) the Board hereby makes the following regulations to amend the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998, namely:-

1. These regulations shall be called the. Securities and Exchange Board of India (Buy-Back of Securities) (Amendment) Regulations, 2012.
2. They shall come into force on the date of their publication in the Official Gazette.
3. In the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998-
  - (i) in regulation 2, in sub-regulation (1),
    - (a) after clause (l), the following new clause shall be inserted, namely:-  
"(la), 'small shareholder' means a shareholder of a listed company, who holds shares or other specified securities whose market value, on the basis of closing price of shares or other specified securities, on the recognised stock exchange in which highest trading volume in respect of such security, as on record date is not more than two lakh rupee;"
    - (b) after clause (o), the following new clause shall be inserted, namely:-  
"(p), 'working day' means any working day of the Board."
  - (ii) in regulation 5, in sub-regulation (1) words and figures "Schedule I" shall be substituted with the words and figures "Schedule II, Part A".
  - (iii) regulation 5A shall be substituted with the following, namely:-

### "Board resolution

5A. A company, authorized by a resolution passed by the Board of Directors at its meeting to buy back its shares or other specified securities under first proviso to clause (b) of sub-section (2) of section 77A of the Companies Act, 1956, as inserted by the Companies (Amendment) Act, 2001, shall file a copy of the resolution, with the Board and the stock exchanges, where the shares or other specified securities of the company are



listed, within two working days of the date of the passing of the resolution."

- (iv) in regulation 6,-
  - (a) for the full stop, the figure ":" shall be substituted.
  - (b) the following shall be inserted, namely:-  
 "Provided that fifteen percent of the number of securities which the company proposes to buy back or number of securities entitled as per their shareholding, whichever is higher, shall be reserved for small shareholders."
- (v) in regulation 7, in the opening sentence the words and figures "or the public notice under sub-regulation (1) of regulation 5A" and "or regulation 5A" shall be omitted.
- (vi) in regulation 8,-
  - (a) sub-regulation (1), shall be substituted with the following namely:-  
 "(1) The company which has been authorised by a special resolution or a resolution passed by the Board of Directors at its meeting shall make a public announcement within two working days from the date of resolution in at least one English National Daily, one Hindi National Daily and a Regional language daily all with wide circulation at the place where the Registered office of the company is situated and shall contain all the material information as specified in Schedule II, Part A."
  - (b) after sub-regulation (1), the following new sub-regulation shall be inserted, namely:-  
 "(1A) A copy of the public announcement along with the soft copy, shall also be submitted to the Board simultaneously through a merchant banker."
  - (c) sub-regulation (2) and sub-regulation (3), shall be omitted.
  - (d) in sub-regulation (4),
    - (1) the words "seven working days" shall be substituted with the words "five working days"
    - (2) after the words "a draft letter of offer" and before words "containing disclosures", the sign and words ", along with soft copy," shall be inserted.
  - (e) sub-regulation (6), shall be substituted with the following, namely:-

"(6) The Board may give its comments on the draft letter of offer not later than seven working days of the receipt of the draft letter of offer:

Provided that in the event the Board has sought clarifications or additional information from the merchant banker to the buyback offer, the period of issuance of comments shall be extended to the seventh working day from the date of receipt of satisfactory reply to the clarification or additional information sought:

Provided further that in the event the Board specifies any changes, the merchant banker to the buyback offer and the company shall carryout such changes in the letter of offer before it is dispatched to the shareholders."

- (vii) regulation 9, shall be substituted with the following, namely:-  
 "(1) A company making a buyback offer shall announce a record date for the purpose of determining the entitlement and the names of the security holders, who are eligible to participate in the proposed buyback offer.
- (2) The letter of offer along with the tender form shall be dispatched to the security holders who are eligible to participate in the buyback offer, not later than five working days from the receipt of communication of comments from the Board.
- (3) The date of the opening of the offer shall be not later than five working days from the date of dispatch of letter of offer.
- (4) The offer for buy back shall remain open for a period of ten working days.
- (5) The company shall accept shares or other specified securities from the security holders on the basis of their entitlement as on record date.
- (6) The shares proposed to be bought back shall be divided in to two categories; (a) reserved category for small shareholders and (b) the general category for other shareholders, and the entitlement of a shareholder in each category shall be calculated accordingly.
- (7) After accepting the shares or other specified securities tendered on the basis of entitlement, shares or other specified securities left to be bought back, if any in one category shall first be accepted, in proportion to the shares or other specified securities tendered over and above their entitlement in the offer by security holders in that category and thereafter from security holders who have tendered over and above their entitlement in other category."
- (viii) in regulation 11, sub-regulation (2), shall be substituted with the following, namely:-  
 "(2) The company shall complete the verifications of offers received and make payment of consideration to those security holders whose offer has been accepted or return the shares or other specified securities to the security holders within seven working days of the closure of the offer."





- (ix) In regulation 15, clause (d) after the words "commencement of buyback" the words and figures "and shall contain disclosures as specified in Schedule II, Part B" shall be inserted.
- (x) In regulation 17, in sub-regulation (2) words and figures "sub-regulation (5) of regulation 9" shall be substituted with the words and figures "sub-regulation (2) of regulation 11".
- (xi) in regulation 19, in sub-regulation (1), in clause (a) the words and figures "or public notice referred to in clause (a) of sub-regulation (1) of regulation 5A" shall be omitted.
- (xii) Schedule I shall be omitted.
- (xiii) Schedule II shall be substituted with the following, namely:-

## "SCHEDULE II

### CONTENTS OF THE PUBLIC ANNOUNCEMENT

1. The Public announcement shall be dated and signed on behalf of the Board of Directors of the company by its manager or secretary, if any, and by not less than two directors of the company one of whom shall be a managing director where there is one.
2. A full and complete disclosure of all material facts including the following shall be made:

#### Part A: Disclosures under Regulation 5(1) and 8 (1)

- i. Date of the Board meeting at which the proposal for buy back was approved by the Board of Directors of the company;
- ii. Necessity for the buy back;
- iii. Maximum amount required under the buy back and its percentage of the total paid up capital and free reserves;
- iv. Maximum price at which the shares or other specified securities are proposed be bought back and the basis of arriving at the buyback price;
- v. Maximum number of securities that the company proposes to buy back;
- vi. Method to be adopted for buyback as referred in sub-regulation(1) of regulation 4;
- vii. (a) the aggregate shareholding of the promoter and of the directors of the promoters, where the promoter is a company and of persons who are in control of the company as on the date of the notice convening the General Meeting or the Meeting of the Board of Directors;

- (b) aggregate number of shares or other specified securities purchased or sold by persons including persons mentioned in (a) above from a period of six months preceding the date of the Board Meeting at which the buyback was approved till the date of notice convening the general meeting;
- (c) the maximum and minimum price at which purchases and sales referred to in (b) a b o v e were made along with the relevant dates;
- viii. Intention of the promoters and persons in control of the company to tender shares or other specified securities for buy-back indicating the number of shares or other specified securities ,details of acquisition with dates and price;
- ix. A confirmation that there are no defaults subsisting in repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks;
- x. A confirmation that the Board of Directors has made a full enquiry into the affairs and prospects of the company and that they have formed the opinion-
  - (a) that immediately following the date on which the General Meeting or the meeting of the Board of Directors is convened there will be no grounds on which the company could be found unable to pay its debts;
  - (b) as regards its prospects for the year immediately following that date that, having regard to their intentions with respect to the management of the company.s business during that year and to the amount and character of the financial resources which will in their view be available to the company during that year, the company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date; and
  - (c) in forming their opinion for the above purposes, the directors shall take into account the liabilities as if the company were being wound up under the provisions of the Companies Act, 1956 (including prospective and contingent liabilities);
- xi. A report addressed to the Board of Directors by the company.s auditors stating that-
  - (i) they have inquired into the company's state of affairs;
  - (ii) the amount of the permissible capital payment for the securities in question is in their view properly determined; and
  - (iii) the Board of Directors have formed the opinion as specified in clause (x) on reasonable grounds and that the company will not, having regard to its state of affairs, will not be rendered insolvent within a period of one year from that date.



## Part B: Disclosures under Regulation 15 (d)

In addition to the disclosures in Part A, the following disclosures shall be made:

- i. Date of shareholders approval for buy back, if applicable;
- ii. Minimum and maximum number of securities that the company proposes to buy back, sources of funds from which the buyback would be made and the cost of financing the buy back;
- iii. Proposed time table from opening of offer till the extinguishment of the certificates;
- iv. Process and methodology to be adopted for the buyback;
- v. Brief information about the company;
- vi. Audited Financial information for the last 3 years and the lead manager shall ensure that the particulars (audited statement and un-audited statement) contained therein shall not be more than 6 months old from the date of the public announcement together with financial ratios as may be specified by the Board;
- vii. Details of escrow account opened and the amount deposited therein;
- viii. Listing details and stock market data:
  - (a) high, Low and average market prices of the securities of the company proposed to be bought back, during the preceding three years;
  - (b) monthly high and low prices for the six months preceding the date of the public announcement;
  - (c) the number of securities traded on the days when the high and low prices were recorded on the relevant stock exchanges during the period stated at (a) and (b) above;
  - (d) the stock market data referred to above shall be shown separately for periods marked by a change in capital structure, with such period commencing from the date the concerned stock exchange recognises the change in the capital structure.(e.g. when the securities have become ex-rights or ex-bonus) ;
  - (e) the market price immediately after the date of the resolution of the Board of directors approving the buy back; and
  - (f) the volume of securities traded in each month during the six months preceding the date of the public announcement along with high, low and average prices of securities of the company, details relating to volume of business transacted should also be stated for respective periods.
- ix. Present capital structure (including the number of fully paid and partly paid securities) and shareholding pattern;
- x. The capital structure including details of outstanding convertible instruments, if any post buyback;
- xi. Aggregate shareholding of the promoter group and of the directors of the promoters, where the promoter is a company and of persons who are in control of the company;
- xii. Aggregate number of shares or other specified securities purchased or sold by persons mentioned in clause xi above during a period of twelve months preceding the date of the public announcement; the maximum and minimum price at which purchases and sales referred to above were made along with the relevant dates;
- xiii. Management discussion and analysis on the likely impact of buy back on the company.s earnings, public holdings, holdings of NRIs/FIIs etc., promoters holdings and any change in management structure;
- xiv. Details of statutory approvals obtained;
- xv. Collection and bidding centres;
- xvi. Name of compliance officer and details of investors service centres;
- xvii. Such other disclosures as may be specified by the Board from time to time by way of guidelines.”

(xiv) Schedule III shall be substituted with the following, namely:-

### “SCHEDULE III

[see regulation 8(4) ]

### DISCLOSURES TO BE MADE IN THE LETTER OF OFFER

The letter of offer shall be dated and signed on behalf of the Board of Directors of the company by its manager or secretary, if any, and by not less than two directors of the company one of whom shall be a managing director where there is one.

The letter of offer shall, *inter-alia*, contain the following;

- i. Disclosures in Schedule II;
- ii. Disclaimer Clause as may be specified by the Board;
- iii. Record date and ratio of buyback as per the entitlement in each category.”

**U. K. SINHA**  
Chairman



## 11 Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Second Amendment) Regulations, 2012.

Issued by the Securities and Exchange Board of India and published in the Gazette of India Extraordinary, Part - III, Section-4 vide No. LAD-NRO/GN/2011-12/35/3186. Dated 07.02.2012]

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 further amend the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, namely:-

1. These Regulations may be called the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Second Amendment) Regulations, 2012.
2. They shall come into force on the date of their publication in the Official Gazette.
3. In the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 –

(i) in regulation 53,

(1) in sub-regulation (1)-

- (I) the words and symbol “if it has outstanding fully or partly convertible debt instruments at the time of making rights issue,” shall be omitted;
- (II) the word “such” shall be omitted;
- (III) after the words “the holders of outstanding” and before the words “convertible debt instruments”, the word “compulsorily” shall be inserted;
- (IV) after the words “convertible debt instruments” and before the words “in proportion to the” “the symbols and words”, “if any,” shall be inserted;

(2) in sub-regulation (2)-

- (I) after the words “The equity shares” and before the words “reserved for the holders”, the word “so” shall be inserted;
- (II) after the words “fully or partially” and before the words “convertible debt instruments”, the word “compulsorily” shall be inserted;
- (III) the word “on” appearing after the words “on the same terms” and before the words “which the equity shares offered”, shall be substituted with the word “at”;

(ii) in regulation 70, after sub-regulation (3) a new sub-regulation (4) shall be inserted, namely:-

“(4) The provisions of sub-regulation (2) of regulation 72 and subregulation (6) of regulation 78 shall not apply to a preferential issue of specified securities where the proposed allottee is a Mutual Fund registered with the Board or Insurance Company registered with Insurance Regulatory and Development Authority.”

(iii) in regulation 93,

(1) in sub-regulation (1)-

- (I) the words and symbol “if it has outstanding fully or partly convertible debt instruments at the time of making the bonus issue,” shall be omitted;
- (II) the word “such” shall be omitted;
- (III) after the words “the holders of outstanding” and before the words “convertible debt instruments”, the word “compulsorily” shall be inserted;
- (IV) after the words “convertible debt instruments” and before the words “in proportion to the” the symbols and words “, if any,” shall be inserted;

(2) in sub-regulation (2)-

- (I) after the words “The equity shares” and before the words “reserved for the holders”, the word “so” shall be inserted;
- (II) after the words “fully or partly” and before the words “convertible debt instruments”, the word “compulsorily” shall be inserted;
- (III) the word “on” appearing after the words “or same proportion” and before the words “which the bonus shares”, shall be substituted with the word “at”;

U. K. SINHA  
Chairman

## 12 Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2012.

Issued by the Securities and Exchange Board of India and published In the Gazette of India Extraordinary, Part - III, Section-4 vide No. LAD-NRO/GN/2011-12/34/2499. Dated 30.01.2012]

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 further amend the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, namely:-





1. These Regulations may be called the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2012.
2. They shall come into force on the date of their publication in the Official Gazette.
3. In the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 -
  - (i) in regulation 4, after sub-regulation (2), a new sub-regulation (3) shall be inserted, namely:-  
“(3) Warrants may be issued along with public issue or rights issue of specified securities subject to the following:
    - (a) the tenure of such warrants shall not exceed twelve months from their date of allotment in the public/rights issue;
    - (b) not more than one warrant shall be attached to one specified security.”
  - (ii) in regulation 8, in sub-regulation (1), clause (a) shall be substituted with the following, namely:-  
“(a) a certificate, confirming that an agreement has been entered into between the issuer and the lead merchant bankers as per the format specified in Schedule II”.
  - (iii) in regulation 8, in sub-regulation (1), clause (b) shall be omitted;
  - (iv) in regulation 13, sub-regulation (6) shall be omitted;
  - (v) in regulation 58, in proviso to sub-regulation (5), the word “issue” shall be substituted with the word “issuer”;
  - (vi) in regulation 71, the following Explanation shall be inserted, namely:-  
“**Explanation:** Where the relevant date falls on a Weekend/Holiday, the day preceding the Weekend/Holiday will be reckoned to be the relevant date.”
  - (vii) in regulation 76, the words “six months” wherever appearing shall be substituted with the words “twenty six weeks”;
  - (viii) in regulation 84, sub-regulation (5) shall be omitted;
  - (ix) after Chapter VIII, the following new Chapter VIII-A shall be inserted, namely:-

## **“CHAPTER VIII-A INSTITUTIONAL PLACEMENT PROGRAMME**

### **Applicability.**

- 91A.**(1) The provisions of this Chapter shall apply to issuance of fresh shares and or offer for sale of shares in a listed issuer for the purpose of achieving minimum public shareholding in terms of Rule 19(2)(b) and 19A of the Securities Contracts (Regulation) Rules, 1957.
- (2) Unless otherwise specified, no provisions of these regulations shall be applicable to the institutional placement programme except for the following:-
- (a) regulations 2, 5, 12, 18, 19, 47, 48, 51, 59, 60, 61, 64,

65, 66 and 68;

- (b) clauses (a) and (b) of sub-regulation (2) of regulation 4;
- (c) clause (b) of regulation 7.

### **Definitions.**

**91B.** For the purpose of this Chapter:

- (a) “eligible securities” shall mean equity shares of same class listed and traded in the stock exchange(s);
- (b) “eligible seller” include listed issuer, promoter/ promoter group of listed issuer;
- (c) “institutional placement programme” means a further public offer of eligible securities by an eligible seller, in which the offer, allocation and allotment of such securities is made only to qualified institutional buyers in terms of this Chapter.

### **Conditions for institutional placement programme.**

- 91C.**(1) An institutional placement programme may be made only after a special resolution approving the institutional placement programme has been passed by the shareholders of the issuer in terms of section 81(1A) of the Companies Act, 1956.
- (2) No partly paid-up securities shall be offered.
  - (3) The issuer shall obtain an in-principle approval from the stock exchange(s).

### **Appointment of merchant banker.**

- 91D.** An institutional placement programme shall be managed by merchant banker(s) registered with the Board who shall exercise due diligence.

### **Offer Document.**

- 91E.**(1) The institutional placement programme shall be made on the basis of the offer document which shall contain all material information, including those specified in **Schedule XVIII**.
- (2) The issuer shall, simultaneously while registering the offer document with the Registrar of Companies, file a copy thereof with the Board and with the stock exchange(s) through the lead merchant banker.
  - (3) The issuer shall file the soft copy of the offer document with the Board as specified in **Schedule V**, along with the fee as specified in **Schedule IV**.
  - (4) The offer document shall also be placed on the website of the concerned stock exchange and of the issuer clearly stating that it is in connection with institutional placement programme and that the offer is being made only to the qualified institutional buyers.
  - (5) The merchant banker shall submit to the Board a due diligence certificate as per Form A of **Schedule VI**,



stating that the eligible securities are being issued under institutional placement programme and that the issuer complies with requirements of this Chapter.

## Pricing and allocation/allotment.

- 91F.**(1) The eligible seller shall announce a floor price or price band at least one day prior to the opening of institutional placement programme.
- (2) The eligible seller shall have the option to make allocation/allotment as per any of the following methods;
- proportionate basis;
  - price priority basis; or
  - criteria as mentioned in the offer document.
- (3) The method chosen shall be disclosed in the offer document.
- (4) Allocation/allotment shall be overseen by stock exchange before final allotment.

## Restrictions.

- 91G.**(1) The promoter or promoter group who are offering their eligible securities should not have purchased and/ or sold the eligible securities of the company in the twelve weeks period prior to the offer and they should undertake not to purchase and / or sell eligible securities of the company in the twelve weeks period after the offer.
- (2) Allocation/allotment under the institutional placement programme shall be made subject to the following conditions:
- Minimum of twenty five per cent. of eligible securities shall be allotted to mutual funds and insurance companies:  
Provided that if the mutual funds and insurance companies do not subscribe to said minimum percentage or any part thereof, such minimum portion or part thereof may be allotted to other qualified institutional buyers;
  - No allocation/allotment shall be made, either directly or indirectly, to any qualified institutional buyer who is a promoter or any person related to promoters of the issuer:  
Provided that a qualified institutional buyer who does not hold any shares in the issuer and who has acquired the rights in the capacity of a lender shall not be deemed to be a person related to promoters.
- (3) The issuer shall accept bids using ASBA facility only.
- (4) The bids made by the applicants in institutional placement programme shall not be revised downwards or withdrawn.

**Explanation:** For the purpose of clause (b) of sub-regulation (2), a qualified institutional buyer who has any of the following rights shall be deemed to be a person related to the promoters of the issuer:-

- rights under a shareholders' agreement or voting agreement entered into with promoters or persons related to the promoters;
- veto rights; or
- right to appoint any nominee director on the board of the issuer.

## Minimum number of allottees.

- 91H.**(1) The minimum number of allottees for each offer of eligible securities made under institutional placement programme shall not be less than ten:  
Provided that no single allottee shall be allotted more than twenty five per cent. of the offer size.
- (2) The qualified institutional buyers belonging to the same group or who are under same control shall be deemed to be a single allottee.

**Explanation:** For the purpose of sub-regulation (2), the expression "qualified institutional buyers belonging to the same group" shall have the same meaning as derived from sub-section (11) of section 372 of the Companies Act, 1956;

## Restrictions on size of the offer.

- 91I.**(1) The aggregate of all the tranches of institutional placement programme made by the eligible seller shall not result in increase in public shareholding by more than ten per cent. or such lesser per cent. as is required to reach minimum public shareholding.
- (2) Where the issue has been oversubscribed, an allotment of not more than ten per cent. of the offer size shall be made by the eligible seller.

## Period of Subscription and display of demand.

- 91J.** (1) The issue shall be kept open for a minimum of one day or maximum of two days.
- (2) The aggregate demand schedule shall be displayed by stock exchange(s) without disclosing the price.

## Withdrawal of offer.

- 91K.** The eligible seller shall have the right to withdraw the offer in case it is not fully subscribed.

## Transferability of eligible securities.

- 91L.** The eligible securities allotted under institutional placement programme shall not be sold by the allottee for a period of one year from the date of allocation/allotment, except on a recognised stock exchange."

(x) In Chapter XB, the following heading shall be inserted, namely:-



## “ISSUE OF SPECIFIED SECURITIES BY SMALL AND MEDIUM ENTERPRISES”

(xi) in Schedule IV, in the reference title, the word, numbers and symbol “and 11(4)” shall be substituted with the symbols, numbers and word, “11(4) and 91E(3)”;

(xii) in Schedule V, in the reference title, the word, number and symbol “and 101(4)” shall be substituted with the symbol, word and number, “101(4) and 91E(3)”;

(xiii) in Schedule VI, in Form A, in the reference title, the word, number and symbol “and 106O(2)” shall be substituted with the symbol, word and number, “106O(2) and 91E(5)”;

(xiv) in Schedule VIII,

(1) in Part A, in para 2-

(I) in item VII, in sub-item A, after clause (5), the following new clause (6) shall be inserted, namely:-

“(6) Full disclosures in the draft offer document or offer document as the case may be, shall be made for warrants issued along with public issue or rights issue, regarding the objects towards which the funds from conversions of warrants are proposed to be used. In such cases, the provisions of this Part dealing with Objects of the Issue shall apply, mutatis mutandis.”

(II) in item VIII, in sub-item F, after clause (2), the following new clause (2A) shall be inserted, namely:-

“(2A) Where the shares for lock-in towards minimum promoters contribution is offered by principal shareholders such as Venture Capital Funds or Foreign Venture Capital Investors registered with SEBI:

- (a) Details of Fund Manager;
- (b) Generic details of the Fund which is the investor in the issuer company;
- (c) Details such as total number of investors in the Fund, distribution of investors category - wise (institutional, corporate, individual etc.) and percentage stake held by each investor category;
- (d) Details of companies funded by the Funds, namely:-
  - (i) Total number of companies funded;
  - (ii) Distribution of such companies- country wise, holding period wise, sector wise;
  - (iii) Number of companies under the control of the Fund, directly or indirectly;
  - (iv) In respect of companies where such Funds have

offered their shares for lock-in as part of minimum promoter's contribution:-

- ◆ Name of the company
- ◆ Date of listing on each stock exchange
- ◆ Fund's shareholding in the company as on the date of listing
- ◆ Fund's shareholding in the company as on the date of filing of the DRHP of the company that now seeks to get listed

(e) Average holding period of the Fund's investments;

(f) Sector focus/core specialization of the Fund, if applicable.”

(2) in Part E, after para 6, the following new para (7) shall be inserted, namely:-

“(7) Full disclosures in the draft letter of offer or letter of offer as the case may be shall be made for warrants issued along with rights issues, regarding the objects towards which the funds from conversions of warrants are proposed to be used. In such cases, the provisions of this Part dealing with Objects of the Issue shall apply, mutatis mutandis.”

(xv) in Schedule XI, in Part A, in para (10), clause (b) shall be substituted with the following, namely:-

“(b) Allocation to Anchor Investors shall be on a discretionary basis and subject to the following:-

- (i) Maximum of 2 such investors shall be permitted for allocation upto Rs. 10 crore;
- (ii) Minimum of 2 and maximum of 15 such investors shall be permitted for allocation above Rs. 10 crore and upto Rs. 250 crore, subject to minimum allotment of Rs. 5 crore per such investor;
- (iii) Minimum of 5 and maximum of 25 such investors shall be permitted for allocation above Rs. 250 crore, subject to minimum allotment of Rs. 5 crore per such investor.”

(xvi) in Schedule XVIII, in reference title, the word, number and symbol “regulation 84(1)” shall be substituted with the word, number and symbol “regulations 84(1) and 91E(1)”.

**U. K. SINHA**  
Chairman





# Institute News



## MEMBERS ADMITTED

Sl. No.	Name	Membership No.	Region
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### FELLOWS\*

1	Sh. Rajesh Bhura	FCS - 6676	WIRC
2	Sh. Ashish Jain	FCS - 6677	NIRC
3	Sh. Tanay Kumar Kasera	FCS - 6678	WIRC
4	Sh. Manish Kumar Jain	FCS - 6679	NIRC
5	Sh. Thirupal Gorige	FCS - 6680	SIRC
6	Sh. Toli Mahadev Tirunagari	FCS - 6681	SIRC
7	Sh Manish Gadia	FCS - 6682	EIRC
8	Sh. V Chandrasekharan	FCS - 6683	SIRC
9	Sh. Rohit Aggarwal	FCS - 6684	NIRC
10	Ms. V Parimala	FCS - 6685	WIRC
11	Mrs. Anju Mundhra	FCS - 6686	EIRC
12	Sh. Ashish Kumar Gaggar	FCS - 6687	SIRC
13	Ms. Reena Aneja	FCS - 6688	NIRC
14	Sh. S K Dasgupta	FCS - 6689	EIRC
15	Ms. Seema Thapar	FCS - 6690	NIRC
16	Sh Jagdish Jaising Shirke	FCS - 6691	WIRC
17	Sh. Dinesh Laxmanbhai Patel	FCS - 6692	WIRC

\* Admitted on 20<sup>th</sup> January, 31<sup>st</sup> January, 2012 and 10<sup>th</sup> February, 2012

## Phone-in programme on AIR FM Rainbow on Career as a Company Secretary

On 6.2.2012 an hour long

### LIVE PHONE-IN-PROGRAMME

on Career as a Company Secretary was Broadcast between 4.00 and 5.00 P.M. on 102.6 FM Rainbow Channel of All India Radio. Amid telephonic and sms queries from listeners, information about the CS Course was aired by way of an exclusive interview with ShriNesar Ahmad, President, the ICSI, during the programme:

**"DIAL- A- CAREER"**

18	Sh Anang Kumar Shandilya	FCS - 6693	NIRC
19	Sh. Rajesh Agarwal	FCS - 6694	NIRC
20	Sh Naveen Chandra Kushwaha	FCS - 6695	NIRC
21	Sh. Gaurang Chinubhai Shah	FCS - 6696	WIRC
22	Sh Prasad Hanamant Joshi	FCS - 6697	WIRC
23	Sh Manoj Kumar	FCS - 6698	NIRC
24	Sh. Vasudevan Gopu	FCS - 6699	SIRC
25	Ms. Meetu	FCS - 6700	NIRC

### ASSOCIATES\*

1	Ms. Lalana Kini	ACS - 29478	SIRC
2	Sh. Anil Kumar Jain	ACS - 29479	WIRC
3	Ms. Suman Agarwal	ACS - 29480	EIRC
4	Mrs. Puja Guin	ACS - 29481	EIRC
5	Ms. Shweta Agarwal	ACS - 29482	EIRC
6	Ms. Kushmanjali Sharma	ACS - 29483	NIRC
7	Ms. Pratibha Sabharwal	ACS - 29484	NIRC
8	Sh. Deepak Nautiyal	ACS - 29485	WIRC
9	Ms. Kavita	ACS - 29486	NIRC
10	Ms. Swati Singhal	ACS - 29487	NIRC
11	Ms. Mansi Sachdeva	ACS - 29488	NIRC
12	Mr. Shubham Kandhway	ACS - 29489	NIRC
13	Ms. Kalpna Singhal	ACS - 29490	NIRC
14	Ms. Shikha Sukhija	ACS - 29491	NIRC
15	Ms. Nikita Surana	ACS - 29492	NIRC
16	Ms. Bhawna Rustagi	ACS - 29493	NIRC
17	Ms. Neelam Beniwal	ACS - 29494	NIRC
18	Ms. Priti Kanshal	ACS - 29495	NIRC
19	Ms. Shweta Chanduru	ACS - 29496	SIRC
20	Mr. Vinoth Sukkuraraj	ACS - 29497	SIRC
21	Ms. Vatsala P M	ACS - 29498	SIRC
22	Mr. Ankit Jain	ACS - 29499	WIRC
23	Mr. Prateek Mahesh Savla	ACS - 29500	WIRC
24	Ms. Shreya Vinodchandra Jani	ACS - 29501	WIRC
25	Ms. Bharti Ashok Jani	ACS - 29502	WIRC
26	Sh. Chandra Nath Datta	ACS - 29503	EIRC
27	Ms. Bhagwati Sharma	ACS - 29504	EIRC

\* Admitted on 20<sup>th</sup> January, 31<sup>st</sup> January, 2012 and 10<sup>th</sup> February, 2012



28	Ms. Megha Trivedi	ACS - 29505	WIRC	82	Ms. Anitaben Jariwala	ACS - 29559	WIRC
29	Ms. Priyanka Shastri	ACS - 29506	WIRC	83	Ms. Deepa Methwani	ACS - 29560	WIRC
30	Mr. Sonu Gupta	ACS - 29507	NIRC	84	Sh. Ankit Agrawal	ACS - 29561	WIRC
31	Mr. Kapil	ACS - 29508	NIRC	85	Mr. R. Mohan Kumar	ACS - 29562	SIRC
32	Ms. Anusha H	ACS - 29509	SIRC	86	Mr. Ashok Madhava Prasad Jathliya	ACS - 29563	NIRC
33	Mr. Aditya Kumar Jain	ACS - 29510	SIRC	87	Sh. Shailesh Kumar	ACS - 29564	EIRC
34	Mr. Aalap Kiri	ACS - 29511	WIRC	88	Mr. Tejas Sham More	ACS - 29565	WIRC
35	Ms. Shweta Krishnappa Suvarna	ACS - 29512	WIRC	89	Mr. Dinesh Lohia	ACS - 29566	EIRC
36	Ms. Kanika Sahni	ACS - 29513	NIRC	90	Mr. Mahesh Narayanan	ACS - 29567	SIRC
37	Ms. Kimmi Jassal	ACS - 29514	NIRC	91	Mr. Hemendra Kumar Gupta	ACS - 29568	NIRC
38	Ms. Ashima Arora	ACS - 29515	NIRC	92	Mr. Kovid Mukherjee	ACS - 29569	EIRC
39	Ms. Sneha Gupta	ACS - 29516	EIRC	93	Mr. Sagar Agarwal	ACS - 29570	NIRC
40	Ms. Khushboo Mehta	ACS - 29517	NIRC	94	Ms. Juhi Kaushik	ACS - 29571	EIRC
41	Ms. Himangini Nandkumar Doshi	ACS - 29518	WIRC	95	Ms. Sangeeta Sonalia	ACS - 29572	WIRC
42	Ms. Sarita Agarwal	ACS - 29519	EIRC	96	Ms. Ragini Soni	ACS - 29573	NIRC
43	Sh. Rachit Kukreja	ACS - 29520	NIRC	97	Mr. Rohit Banthia	ACS - 29574	NIRC
44	Mr. Om Prakash Tripathy	ACS - 29521	EIRC	98	Sh. Rajeev Chawla	ACS - 29575	NIRC
45	Ms. Tanvi Arora	ACS - 29522	EIRC	99	Mrs. Anusha Goyal	ACS - 29576	NIRC
46	Ms. Shilpi Kulshrestha	ACS - 29523	NIRC	100	Ms. Sonali Tendulkar	ACS - 29577	EIRC
47	Mr. Lokesh Mundra	ACS - 29524	NIRC	101	Ms. Rasika Sudhir Wagh	ACS - 29578	EIRC
48	Ms. Akarshika Goel	ACS - 29525	NIRC	102	Ms. Sandhya Sethia	ACS - 29579	NIRC
49	Mr. Mohit Totuka	ACS - 29526	NIRC	103	Sh. Ritesh Naita	ACS - 29580	EIRC
50	Ms. Poonam Jain	ACS - 29527	NIRC	104	Ms. Sweta Sethia	ACS - 29581	EIRC
51	Ms. Julli Bhuskute	ACS - 29528	EIRC	105	Mr. Deepak Yeshawant Bhat	ACS - 29582	WIRC
52	Sh. K Ganesan	ACS - 29529	EIRC	106	Sh. S Hari Krishnan	ACS - 29583	SIRC
53	Ms. Rashmi Goyal	ACS - 29530	NIRC	107	Ms. Pooja Bharat Shinde	ACS - 29584	WIRC
54	Sh. Ayan Sengupta	ACS - 29531	EIRC	108	Sh. Suraj	ACS - 29585	NIRC
55	Sh. Nikhilesh Kumar Jain	ACS - 29532	EIRC	109	Sh. Shrikant Shashikant Malani	ACS - 29586	WIRC
56	Sh. Premkumar Ramesh Jumanani	ACS - 29533	EIRC	110	Ms. Priyanka Aggarwal	ACS - 29587	NIRC
57	Ms. Kiran Rana	ACS - 29534	EIRC	111	Ms. Shital Ashok Gambhir	ACS - 29588	WIRC
58	Ms. Kavita	ACS - 29535	NIRC	112	Mr. Sayak Chatterjee	ACS - 29589	EIRC
59	Mr. Giriraj Parwal	ACS - 29536	NIRC	113	Sh. Vinod Kumar Shreegopal Asawa	ACS - 29590	WIRC
60	Ms. Surbhi Singhvi	ACS - 29537	NIRC	114	Mr. Dibyendu Dey	ACS - 29591	WIRC
61	Ms. Neha Gupta	ACS - 29538	NIRC	115	Ms. Shubham Sharma	ACS - 29592	EIRC
62	Ms. Shabnam	ACS - 29539	NIRC	116	Ms. Pritha Sinha	ACS - 29593	EIRC
63	Ms. Neha Dubey	ACS - 29540	NIRC	117	Mr. Kaushal Kumar	ACS - 29594	NIRC
64	Ms. Preeti Jain	ACS - 29541	EIRC	118	Ms. Richa Aggarwal	ACS - 29595	NIRC
65	Mr. Varun Kapoor	ACS - 29542	NIRC	119	Ms. Pampa Sengupta	ACS - 29596	NIRC
66	Sh. Vivek Gupta	ACS - 29543	NIRC	120	Ms. Nilakshi Sharma	ACS - 29597	EIRC
67	Ms. Pritika Nagi	ACS - 29544	NIRC	121	Ms. Nidhi Chandhok	ACS - 29598	NIRC
68	Ms. Supreet Rekhi	ACS - 29545	NIRC	122	Mr. Rahul Singhal	ACS - 29599	NIRC
69	Ms. Nupur Gupta	ACS - 29546	NIRC	123	Ms. Richa Sharma	ACS - 29600	NIRC
70	Ms. Sneha Dinkar Shanbhag	ACS - 29547	EIRC	124	Ms. Ekta Khandelwal	ACS - 29601	NIRC
71	Ms. Arunima	ACS - 29548	SIRC	125	Ms. Pooja Gupta	ACS - 29602	NIRC
72	Ms. Jyothi Bung	ACS - 29549	SIRC	126	Mr. Nikhil Dua	ACS - 29603	NIRC
73	Ms. Kruti Shah	ACS - 29550	WIRC	127	Ms. Aakriti Tambi	ACS - 29604	WIRC
74	Ms. Jayata Dashottar	ACS - 29551	WIRC	128	Ms. Anjana Manseta	ACS - 29605	WIRC
75	Sh. Bhupendra Pratap Chouhan	ACS - 29552	EIRC	129	Ms. Dilshad Rohintan Shaw	ACS - 29606	WIRC
76	Ms. Avani Jayant Jani	ACS - 29553	WIRC	130	Ms. Raghunath Vasudha	ACS - 29607	SIRC
77	Ms. Apexa Sudhir Desai	ACS - 29554	WIRC	131	Ms. Tejaswi Anil Zope	ACS - 29608	WIRC
78	Ms. Nikita Pradeep Hule	ACS - 29555	WIRC	132	Ms. Sejal Narendra Shah	ACS - 29609	WIRC
79	Ms. Dipti Nirmal Mehra	ACS - 29556	WIRC				
80	Ms. Akshata Anand Khanolkar	ACS - 29557	WIRC				
81	Ms. Surbhi Goyal	ACS - 29558	WIRC				



# News from the Institute

133	Ms. Sugandha Vaidya	ACS - 29610	NIRC	20.	Sh. Pankaj Virmani	ACS - 18823	NIRC
134	Ms. Pooja Khemka	ACS - 29611	WIRC	21.	Sh. K Viswanathan	ACS - 16452	SIRC
135	Ms. Sneha Yogesh Kumar Shah	ACS - 29612	WIRC	22.	Sh. G.K. Prema Kumar	FCS - 5246	WIRC
136	Ms. Vaishali Bhatt	ACS - 29613	WIRC	23.	Sh. V S Prabhakara Gupta	FCS - 1439	SIRC
137	Mr. Pankaj Goyal	ACS - 29614	WIRC	24.	Sh. S K Gupta	ACS - 7545	NIRC
138	Ms. Ambreen Khan	ACS - 29615	WIRC	25.	Ms Shruti Ajmera	ACS - 20298	NIRC
139	Mr. Kapil Naval Kumar Painguinkar	ACS - 29616	WIRC	26.	Ms. Swati Oberoi	ACS - 18945	NIRC
140	Sh. Deepak Kakkar	ACS - 29617	NIRC	27.	Sh. Harjit Singh Takkar	ACS - 13487	NIRC
141	Sh. Aswini Kumar Mohanty	ACS - 29618	EIRC	28.	Sh Dinesh Vijay	ACS - 21425	NIRC
142	Ms. Jayashree Kisan Jadhav	ACS - 29619	WIRC	29.	Sh. Arun Kumar Gupta	FCS - 5206	NIRC
143	Ms. Priyanka Mukherjee	ACS - 29620	EIRC	30.	Sh. Bipin Kumar Popatlal Kanani	ACS - 14670	WIRC
144	Ms. Manisha Agarwal	ACS - 29621	EIRC	31.	Ms. Deepti Verma	ACS - 17510	NIRC
145	Sh. Aashu Kumar Mangla	ACS - 29622	NIRC	32.	Sh. Raj Kumar Gupta	FCS - 6267	NIRC
146	Ms. Priyanka Gupta	ACS - 29623	NIRC	33.	Sh. Ashok Kataruka	ACS - 9394	EIRC
147	Ms. Yogita Vyas	ACS - 29624	WIRC	34.	Sh. Gautam Jamnadas Thakker	ACS - 22563	WIRC
148	Ms. Alpa Mahendrakumar Ganatra	ACS - 29625	WIRC	35.	Sh. G S Singhvi	ACS - 3124	NIRC
149	Ms. Sheetal Tukaram Mahamuni	ACS - 29626	WIRC	36.	Ms. Seema Rani Nagpal	FCS - 4855	NIRC
150	Ms. Shubhra Singh	ACS - 29627	WIRC	37.	Ms. Suvira Agarwal	ACS - 16041	WIRC
151	Mr. Vipul Has Mukhbhai Barot	ACS - 29628	WIRC	38.	Ms. Yavanika Singh	ACS - 24864	NIRC
152	Ms. Rachana Kalyan Kabra	ACS - 29629	WIRC	39.	Sh. T Ravi Prakash	ACS - 9730	SIRC
153	Ms. Ankita Jain	ACS - 29630	NIRC	40.	Ms. Shashi Bindu S	ACS - 22214	SIRC
154	Mrs. Divya Jalla	ACS - 29631	SIRC	41.	Ms. Manjula Easwaran	ACS - 13858	WIRC
155	Ms. Saraswathi Subrahmanian V	ACS - 29632	SIRC	42.	Sh. Bharat Bhushan Batra	ACS - 6964	NIRC
156	Ms. Preeti Singh	ACS - 29633	NIRC	43.	Ms. Purni Kathpalia	ACS - 22395	NIRC
157	Sh. Shyam Shenoy	ACS - 29634	SIRC	44.	Sh. Arun Kumar Bhuyan	ACS - 9755	EIRC
158	Mr. Sayan Mukherjee	ACS - 29635	EIRC	45.	Sh. Neeraj Krishna kumar Verma	ACS - 15378	WIRC
159	Ms. Kajal M Saiya	ACS - 29636	SIRC	46.	Sh. K S Venkataraman	ACS - 15680	SIRC
160	Mr. Rajesh Kumar Dokania	ACS - 29637	EIRC	47.	Sh. Vijay Mishra	ACS - 18198	WIRC
161	Ms. S Priyamvatha	ACS - 29638	SIRC	48.	Sh. Ranganathan Ganesh	FCS - 2325	WIRC
<b>RESTORED*</b>				49.	Sh. Pawan Kumar Dalmia	FCS - 2384	NIRC
1.	Sh. Lokesh Rajpal	ACS - 14141	NIRC	50.	Sh. Viraj Shambhu Kulkarni	FCS - 4219	WIRC
2.	Ms. Sweta Gaja	ACS - 23466	WIRC	51.	Sh. Dharmendra Kumar V Parmar	ACS - 12621	WIRC
3.	Ms. Minakshi Agarwal	ACS - 20662	EIRC	52.	Ms Prashanthidevi Kotamraju	ACS - 21376	SIRC
4.	Sh. Prashant Gupta	ACS - 12432	NIRC	53.	Sh. Daljeet Singh Sando	ACS - 14950	WIRC
5.	Ms. A.G. Nandini	ACS - 15850	SIRC	54.	Sh. Jasmohan Singh Mankoo	ACS - 14186	NIRC
6.	Sh. N Madhusudhana Reddy	ACS - 17142	SIRC	55.	Sh. V S Prabhakara Gupta	FCS - 1439	SIRC
7.	Sh. Amit Sarawgi	ACS - 23835	EIRC	56.	Sh. Ashwani Kumar Sood	ACS - 3694	NIRC
8.	Ms. V Sreelatha	ACS - 10317	NIRC	57.	Ms. K R Seethalakshmi	ACS - 11822	SIRC
9.	Ms. Rachana Bhupendra Fafadia	ACS - 21159	WIRC	58.	Sh. Vinod Sitaram Annarkar	ACS - 27158	WIRC
10.	Ms. Madhuri Vagesna	ACS - 15870	SIRC	59.	Ms. Manisha Wadhwa	ACS - 16307	NIRC
11.	Sh. Aniruddha Mangesh Joshi	ACS - 19681	WIRC	60.	Ms. Renu Kalsi	ACS - 18264	NIRC
12.	Mrs. Shinanji Mamtani	ACS - 20755	WIRC	61.	Sh. Mohanlal Agarwal	FCS - 5775	EIRC
13.	Sh. Baddigam Adireddy	ACS - 13709	SIRC	62.	Sh. G Narayan Rao	FCS - 6187	NIRC
14.	Ms. K Renu	ACS - 19758	NIRC	63.	Ms. Sarbari Bandyopadhyay	ACS - 12962	EIRC
15.	Sh. Sanjay Narasimhan	ACS - 12694	SIRC	64.	Sh. Rakesh Singhi	ACS - 11660	EIRC
16.	Sh Jayant Kumar	ACS - 20483	NIRC	65.	Sh. Rahul Saini	ACS - 16716	NIRC
17.	Ms. Vinita Sahitya	ACS - 22054	NIRC	66.	Sh. Dinesh Kumar	ACS - 13611	NIRC
18.	Sh. Himanshu Chhabra	ACS - 14947	NIRC	67.	Ms. Deepshikha Sharma	ACS - 27046	SIRC
19.	Sh. Goutam Bandyopadhyay	FCS - 4518	WIRC	68.	Ms Leena Pagaria	ACS - 20098	NIRC
				69.	Sh. Veenit Pal	ACS - 25565	NIRC
				70.	Sh. T Durga Prasad	FCS - 6316	SIRC
				71.	Sh. K S Venkataraman	ACS - 15680	SIRC
				72.	Sh. Anoj Kumar Agarwal	ACS - 11629	EIRC
				73.	Sh. Rahul Dubey	ACS - 14213	WIRC

\* Restored from 21<sup>st</sup> January 2012 to 18<sup>th</sup> February, 2012





74.	Sh. S K Baid	ACS - 9075	WIRC	9	Mr. Ashish Misra	ACS - 29368	10568	EIRC
75.	Ms. S Geetha	FCS - 5050	SIRC	10	Sh. Ravendra Pratap Singh	ACS - 25261	10569	NIRC
76.	Mr. V Rajkumar	ACS - 26416	SIRC	11	Ms. Rakhi Aggarwal	ACS - 29225	10570	NIRC
77.	Sh. G Narayan Rao	FCS - 6187	NIRC	12	Mr. Preet Kanwar Singh	ACS - 29415	10571	NIRC
78.	Mr. Karthik Mahalingam	ACS - 23643	SIRC	13	Mr. Pankaj Aggarwal	ACS - 29337	10572	NIRC
79.	Ms. Varsha Manohar Sawant	ACS - 13608	WIRC	14	Ms. Vanitha Nagulavari	ACS - 26859	10573	SIRC
80.	Ms. Priya Manoj Jaswani	ACS - 12751	SIRC	15	Sh. Rakhesh R.	ACS - 18717	10574	SIRC
81.	Ms. Girija Deepak Palaye	ACS - 23517	WIRC	16	Sh. Bhupal Singh Bisht	ACS - 22327	10575	NIRC
82.	Ms. Sarika Yadav	ACS - 19544	NIRC	17	Mr. Gaurab Kumar	ACS - 29369	10576	EIRC
83.	Ms. Annu Bhogal	ACS - 11989	NIRC	18	Ms Vijayita Chowhan	ACS - 19859	10577	SIRC
84.	Sh. Rakesh Dhody	FCS - 4603	NIRC	19	Ms. Neha Bajoria	ACS - 29267	10578	NIRC
85.	Sh. J N Desai	ACS - 1507	WIRC	20	Mr. Nitin Jaiswal	ACS - 29364	10579	NIRC
86.	Sh. Puneet Goyal	ACS - 19151	NIRC	21	Mr. Shashank Agarwal	ACS - 29043	10580	NIRC
87.	Ms. Bharti Kukreja	ACS - 22586	NIRC	22	Ms. Kamini Gupta	ACS - 29181	10581	NIRC
88.	Sh. B Mallikarjuna Reddy	ACS - 12095	SIRC	23	Ms. Sravanthi Gadiyaram	ACS - 25754	10582	SIRC
89.	Sh. Sunil Kumar Jha	ACS - 17951	WIRC	24	Mr. Jai Kundwani	ACS - 29276	10583	NIRC
90.	Sh Arun Kumar Sachdev	ACS - 21433	NIRC	25	Ms. Preety Verma	ACS - 29188	10584	EIRC
91.	Ms. Vibha Jain	ACS - 19304	SIRC	26	Ms. Heena Arora	ACS - 29350	10585	NIRC
92.	Sh. Mahesh Kumar S. Makhijani	ACS - 8188	WIRC	27	Ms. Tanvi Tejendra Joshi	ACS - 26502	10586	WIRC
93.	Sh. S Ramasamy	ACS - 9932	SIRC	28	Ms. Shanthi			
94.	Ms. Kamakshi Krishnan	ACS - 25552	SIRC		Chandrasekaran	ACS - 8741	10587	SIRC
95.	Ms. Mohua Singh	ACS - 24019	NIRC	29	Sh. K Sridhara Murty	ACS - 24143	10588	WIRC
96.	Sh. Yogesh Kumar Garg	FCS - 4738	NIRC	30	Mrs. Atula Pranav			
97.	Ms. Priyanka Lahoty	ACS - 27350	EIRC		Mehendale	ACS - 26630	10589	WIRC
98.	Sh. Hitesh P Sankalecha	ACS - 14291	WIRC	31	Ms. Rekha Chander	ACS - 26018	10590	NIRC
99.	Sh. Sushil Kumar Khetan	ACS - 10229	EIRC	32	Ms. Rashna G.Nakra	ACS - 7338	10591	WIRC
100.	Sh. Vishal Dua	ACS - 13649	NIRC	33	Ms. Aarti Rohatgi	ACS - 28173	10592	NIRC
101.	Sh. Vishal Ranjan Lala	ACS - 15444	NIRC	34	Sh. Anil Kumar M.	ACS - 24622	10593	SIRC
102.	Sh. A Chand Basha	FCS - 4176	SIRC	35	Ms. Sapna Omer	ACS - 29353	10594	NIRC
				36	Mrs. Mayuri Somani	ACS - 18532	10595	WIRC
				37	Ms. Deepali Srivastava	ACS - 26084	10596	NIRC
				38	Sh. Puneet	ACS - 27208	10597	NIRC
				39	Mr. Pankaj A	ACS - 29407	10598	SIRC
				40	Ms. Ruchi Maheshwari	ACS - 25438	10599	NIRC
				41	Mrs. Sweta Singhania	ACS - 17651	10600	EIRC
				42	Ms. Kamna Sharma	ACS - 27758	10601	NIRC
				43	Ms. Jelpine Angel			
					Irudayaraj Nadar	ACS - 29347	10602	WIRC
				44	Ms. Simul Narendra			
					Bagrecha	ACS - 29255	10603	WIRC
				45	Ms. Adeeba Maniar	ACS - 29229	10604	WIRC
				46	Ms. Minakshi Bajoria	ACS - 29114	10605	EIRC
				47	Mr. Sadanand Kadam	ACS - 29316	10606	WIRC
				48	Ms. Nitu Singh	ACS - 29302	10607	EIRC
				49	Mr. Sumit Kubsad	ACS - 29363	10608	SIRC
				50	Sh. L Subramaniam	FCS - 5183	10609	SIRC
				51	Sh. Sanjay Kumar Lalit	FCS - 2466	10610	WIRC
				52	Mr. Manish Rakesh	ACS - 29424	10611	NIRC
				53	Sh. S Hariprasad	ACS - 12167	10612	SIRC
				54	Sh Sunil P Sankar	ACS - 20171	10613	SIRC
				55	Ms. Nikita Jain	ACS - 25156	10614	NIRC

## CERTIFICATE OF PRACTICE

Sl. No.	Name	ACS/FCS No.	C P No.	Region
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### ISSUED\*

1	Ms. Khushboo Bakul Gopani	ACS - 29194	10560	WIRC
2	Mr. Varun Bhomia	ACS - 28617	10561	WIRC
3	Sh. Nisid Kumar Singh	ACS - 29306	10562	NIRC
4	Sh. Jagdish Ratanlal Ahuja	ACS - 11103	10563	WIRC
5	Sh. J S Paul	ACS - 2415	10564	EIRC
6	Sh. S Ganapthy Subramanian	FCS - 4108	10565	SIRC
7	Sh. Pramod Prasad Agarwal	FCS - 4955	10566	NIRC
8	Ms. Manisha Mali	ACS - 29034	10567	NIRC

\* During the month of January, 2012



# News from the Institute

56	Ms. Shelly Bansal	ACS - 27284	10615	NIRC
57	Sh. Anil Kumar Jain	ACS - 29479	10616	WIRC
58	Ms. Rashmi Kumari	ACS - 28768	10617	NIRC
59	Sh. Saurabh Sanjay Agarwal	ACS - 29410	10618	WIRC
60	Ms. Ritika Maheshwari	ACS - 27743	10619	NIRC
61	Ms. Perila Bhupendra Sheth	ACS - 29468	10620	WIRC
62	Sh. Prasanna Naganur	ACS - 29472	10621	SIRC
63	Mrs. Pallavi Agarwal	ACS - 23138	10622	NIRC
64	Sh. Gaurav Devdas Shenoy	ACS - 24749	10623	SIRC
65	Mrs. Vidhya Gandhi	ACS - 24714	10624	NIRC

## CANCELLED\*

1.	Sh. Divakar Jangid	ACS - 24755	9996	NIRC
2.	Sh. Pradeep Kumar Jain	FCS - 1929	9959	NIRC
3.	Mr. Uttam Singh Negi	ACS - 28109	10434	NIRC
4.	Sh. Vishvanath Agarwal	ACS - 23915	9123	NIRC
5.	Sh. Nitesh Ashok Mhatre	ACS - 18487	10075	WIRC
6.	Sh. Amit Roy Chowdhury	ACS - 6434	10420	EIRC
7.	Mr. Shashikant Tiwari	ACS - 28994	10470	NIRC
8.	Sh. V Baskaran	FCS - 1841	9355	SIRC
9.	Ms. Rajalakshmi M	ACS - 27784	10368	SIRC
10.	Mr. Nishanth Rana	ACS - 27652	10403	NIRC
11.	Mrs. Jyoti Falor	ACS - 22626	8229	SIRC
12.	Mr. Amit Aggarwal	ACS - 28783	10523	NIRC
13.	Ms. Komal Mohan Deshmukh	ACS - 21142	8102	WIRC
14.	Sh. Ratish Tagde	FCS - 6162	4794	WIRC
15.	Ms. Sanjana Dua	ACS - 25682	9439	NIRC
16.	Ms. Bhawna Srivastava	ACS - 26190	10421	NIRC
17.	Sh. Manoj Kumar Gupta	ACS - 27240	10106	NIRC
18.	Ms. Geetika Anand	ACS - 27004	9759	NIRC

## LICENTIATE ICSI

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

1.	Harsh Golchha	6308	NORTH
2.	Anshul Anil Agrawal	6309	WEST
3.	J. Karthik	6310	SOUTH
4.	A. Ganesh Kumar	6311	SOUTH
5.	Kumar Paramjeet Singh	6312	EAST

\* During the month of January, 2012

\*\* During the period 10<sup>th</sup> January to 31<sup>st</sup> January 2012

## PAYMENT OF ANNUAL MEMBERSHIP AND CERTIFICATE OF PRACTICE FEE FOR THE YEAR 2012-13

The annual membership fee and certificate of practice fee for the year 2012-13 will **become due for payment w.e.f. 1<sup>st</sup> April, 2012. The last date for payment of fee is 30<sup>th</sup> June 2012.**

The membership and Certificate of Practice fee is as follows:-

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

*\* 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](http://www.icsi.edu).*

### Mode of Remittance of Fee

The fee can be remitted by way of :

- On-Line (through payment Gateway of the Institute's web-site ([www.icsi.in](http://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- 45341062/63 or Mobile No.9868128682 / through e-mail ids: [annualfee@icsi.edu](mailto:annualfee@icsi.edu), [cp@icsi.edu](mailto:cp@icsi.edu)

# Online Services available to Members



## Attention Members !

Members of the Institute are informed that online services are already available to members for making applications/requests for Membership and other related issues. The process of ACS/FCS admissions/Issue of Certificate of Practice have since been made online and the members can generate their letter of admission of ACS/FCS/issue of certificate of practice on their own through Institute's portal [www.icsi.in](http://www.icsi.in). The details of the same are given below:

### A) Facility for making Online applications/requests on the following through Institute's portal [www.icsi.in](http://www.icsi.in):

- ◆ Admission as an ACS/FCS
- ◆ Issue of Certificate of Practice
- ◆ Change of Address
- ◆ Duplicate I-Card for Members
- ◆ Request of Issue of Chartered Secretary
- ◆ Restoration/Cancellation of Membership
- ◆ Renewal/Restoration/Cancellation of Certificate of Practice
- ◆ Approval of Proprietorship Concern/Partnership Firm Name of Company Secretaries in Practice
- ◆ Enrolment as Life Member of CSBF
- ◆ Issue of Transcripts

### B) Facility for acceptance of payment online from the Members is available through Institute's portal [www.icsi.in](http://www.icsi.in)

- ◆ Annual Membership fee
- ◆ Certificate of Practice fee
- ◆ Restoration fee and Entrance Fee
- ◆ CSBF subscription.

### C) Online change of address by the members on their own through Institute's portal [www.icsi.in](http://www.icsi.in)

The members can change their professional/residential address/contact details through Institute's portal [www.icsi.in](http://www.icsi.in) by following the steps given below:

- i. Login to portal [www.icsi.in](http://www.icsi.in)
- ii. Login to self profile by entering the membership number and password
- iii. Once logged in, the member has to click on the Link 'Change of Address'
- iv. A window will be displayed with the buttons 'Professional' and 'Residential'
- v. Click on the relevant Button i.e. Professional or Residential and change the details and click on 'go' button
- vi. A screen will be displayed with the options 'Existing details as per records' and 'Enter change details'
- vii. Change the details as required and press on 'submit' button
- viii. The details will be automatically updated once authenticated by Membership Section

### D) Automation of ACS/ FCS Admission letters and Issue of Certificate of Practice letters

The newly admitted ACS/FCS members and Certificate of Practice Holders can generate their letter of admission confirming their ACS/FCS number and date of admission and letter confirming their Certificate of Practice number and date of issue by creating/resetting their password at Institute's portal [www.icsi.in](http://www.icsi.in) by following the steps given below:

- i. Login to portal [www.icsi.in](http://www.icsi.in)
- ii. Login to your profile by entering the membership number and password
- iii. Once logged in, the member has to click on the Link 'Letters'
- iv. A window will be displayed with the dropdown list 'ACS/FCS Letter/Issue of Certificate of Practice Letter'
- v. Click on the relevant option i.e. 'ACS/FCS Letter/Issue of Certificate of Practice Letter' and press on 'Submit' button
- vi. Letter in PDF format will be displayed (Make sure that pop up blocker is not on in Internet Explorer Browser)

Members are requested to utilize the aforesaid online services available on Institute's portal [www.icsi.in](http://www.icsi.in) for availing realtime services and provide their feedback on the same to Mrs. Meenakshi Gupta, Joint Director at email id [meenakshi.gupta@icsi.edu](mailto:meenakshi.gupta@icsi.edu) or Mr. Santosh kumar Jha, Programmer at email id [santosh.jha@icsi.edu](mailto:santosh.jha@icsi.edu). In case of any difficulty in availing the online services, please contact the said officials on telephone numbers 011-45341048/62/24636467.





# News from the Institute



## List of Companies Registered for Imparting Training During the Month of January 2012

Region	Training Period	Stipend (Rs.)
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### Eastern

<b>Uniworth Textiles Ltd.</b> Uniworth Centre 70A, Shakespeare Sarani Kolkata - 700017 <i>E-mail : ppc@cal.uniworth.com</i>	15 & 3 Months Training	Suitable
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<b>Tribute Trading &amp; Finance Ltd.</b> 3, Bentinck Street 2 <sup>nd</sup> Floor, Kolkata-700001 <i>E-mail : tftf@td@gmail.com</i>	15 & 3 Months Training	Suitable
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### Northern

<b>Dynamic Orbits Advisory Pvt. Ltd.</b> 1G, Vandana Building 11, Tolstoy Marg, New Delhi - 110001	15 Months Training	Suitable
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<b>Asian Hotels (West) Ltd.</b> E-5, Clarion Collection The Qutab Hotel Shaheed Jeet Singh Marg New Delhi - 110016	15 Months Training	Suitable
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<b>The State Trading Corporation of India Ltd.</b> Jawahar Vyapar Bhawan Tolstoy Marg, New Delhi - 110001 <i>E-mail : co@stc.gov.in</i>	3 Months Training	Suitable
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<b>Mega Cabs Ltd.</b> NSIC Complex Maa Anandmayee Marg, Okhla Industrial Estate Phase III New Delhi- 110020	15 Months Training	5000
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<b>Ralson (India) Ltd.</b> J-38, Udyog Nagar, Rohtak Road, Delhi <i>E-Mail : info@ralson.com</i>	15 Months Training	Suitable
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<b>Hero Motors Ltd.</b> 603 International Trade Tower, Nehru Place, New Delhi - 110019 <i>E-mail : common@heromotors.com</i>	15 Months Training	Suitable
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<b>Al Nafees Proteins Private Ltd.</b> 6, Central Lane, Bengali Market New Delhi -110001 <i>E-mail : alnafees@ndb.vsnl.net.in</i>	15 Months Training	Suitable
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<b>Lawreshwar Polymers Ltd.</b> A 243,(A), Road No-6, V.K.I. Area, Jaipur - 302013, Rajasthan <i>E-mail : info@leharfootwear.com</i>	15 Months Training	2000
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<b>Rotomac Global Pvt. Ltd.</b> 201, City Centre, 63/2 The Mall, Kanpur - 208004 <i>E-mail : info@rotomac.com</i>	15 months Training	Suitable
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<b>Great Values Industries Ltd.</b> 6 <sup>th</sup> Floor, Block no 02, Plot No 2 B, Sector 126 Expressway, Noida - 201301 <i>E-mail : gvil2011@gmail.com</i>	15 Months Training	Suitable
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<b>BMW India Financial Services Pvt. Ltd.</b> DLF Cyber City, Phase II, Building No 10, Tower C, 14 <sup>th</sup> Floor Gurgaon - 122002	15 Months Training	12000
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<b>Actis Global Services Pvt.Ltd.</b> The Mira Corporate Suites, Block D Ground Floor 1 & 2 Ishwar Nagar, New Delhi - 110025	15 Months Training	Suitable
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### Southern

<b>Repco Home Finance Ltd.</b> 2 <sup>nd</sup> Floor, North Wing, Karumuttu Centre New No 634, Anna Salai, Mamdama, Chennai - 6000035	15 Months Training	Suitable
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<b>RegenPowerTech Pvt. Ltd.</b> New No 28, College Road, Chennai - 600006 <i>E-mail: ravichandaran.s@regenpowertech.com</i>	15 Months Training	Suitable
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<b>MRO-TEK Ltd.</b> Bellary Road, Hebbal, Bangalore - 560024	15 Months Training	Suitable
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### Western

<b>Ameya Dyechem Pvt. Ltd.</b> Ameya Towers , Plot No 10, Radhakrishna cross Road, Next to FF Office Akota, Vadodara - 390020 <i>E-Mail : info@ameya.com</i>	15 Months Training	3500
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<b>Gujarat State Electricity Corporation Ltd.</b> Vidyut Bhavan, Race Course Vadodara - 390007, <i>E-Mail : cs.gsecl@gebbmail.com</i>	15 Months Training	5000
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<b>Deutsche Bank AG</b> Nirlon Knowledge Park B-1, 3 <sup>rd</sup> Floor, Off Western Express Highway Goregaon (E), Mumbai - 4000633	15 & 3 Months Training	Suitable	<b>MGB Advisors Pvt. Ltd.</b> Jolly Bhavan 2, 1 <sup>st</sup> Floor 7 New Marine Lines Churchgate, Mumbai - 400020 <i>E-Mail : mgbadvisors@mgbadvisors.com</i>	3 Months Training	Suitable
<b>DJS Stock &amp; Shares Ltd.</b> 12 B, 1 <sup>st</sup> Floor, Khattau Bldg., Alkesh Dinesh Modi Marg, Near BSE Tower, Fort, Mumbai-400001 <i>E-Mail : info@djsstock.in</i>	15 Months Training	Suitable	<b>Setco Automotive Ltd.</b> 2/A Ground Floor, Film Centre Building 68, Tardeo Road, Tardeo, Mumbai - 400034 <i>E-Mail : mmehta@setcoauto.com</i>	15 Months Training	Suitable
<b>Istitutional Investor Advisory Services India Ltd.</b> 107, Maker Chambers III Nariman Point, Mumbai <i>E-mail : amit.tandon@iias.in</i>	15 & 3 months Training	Suitable			
<b>ZIM Laboratories Ltd.</b> 315, Ashirwad Commercial Complex, Ramdaspath, Nagpur- 440010 <i>E-mail : calhem_ngp@sancharnet.in</i>	15 Months Training	7500			
<b>Ranjit Securities Ltd.</b> 316-318 Transport Nagar Scheme No 44, Indore - 452014 <i>E-mail : info@kaybouviet.com</i>	15 Months Training	Suitable			
<b>ISS Facilities Services (India) Pvt. Ltd.</b> Godrej Industries Ltd. Complex, Road No. 4, Pirojshahnagar Eastern Express Highway Vikhroli (East), Mumbai - 400079 <i>E-mail : info@iss.in</i>	15 months Training	Suitable			
<b>Shalby Limited</b> Opp. Karnavati Club S.G. Highway, Ahmedabad - 380015 <i>E-Mail : info@shalby.org</i>	15 Months Training	Suitable			
<b>ZF Steering Gear (India) Ltd.</b> 601-602, A Wing 6 <sup>th</sup> Floor, MCCIA Trade Tower International Convention Center 403 A Senapati Bapat Road, Pune - 411016	15 Months Training	7000			
<b>Angel Broking Limited</b> G1 Akuriti Trade Center, Road no 7, MIDC Marol, Andheri (E) Mumbai - 400093 <i>E-mail : feedback@angelbroking.com</i>	15 Months Training	Suitable			
<b>Mercator Ltd.</b> 31, Mittal Tower B, Nariman Point, Mumbai - 400021 <i>E-Mail : Mercator@mercator.in</i>	15 Months Training	Suitable			
<b>Bharat Petro resources Ltd.</b> Msaker Towers, E Wing, 9 <sup>th</sup> Floor Cuffe Parade, Mumbai - 400005	15 Months Training	Suitable			
<b>Summit Securities Ltd.</b> RPG House-463, Dr. Annie Besant Road, Worli Mumbai - 400030	15 Months Training	Suitable			
			<b>MR./MS. SAPNA PASARI</b> COMPANY SECRETARY IN PRACTICE 7E, MOTIJHEEL AVENUE, KOLKATA - 700 074		PCSA -2828
			<b>MR./MS. MANORMA ARYA</b> COMPANY SECRETARY IN PRACTICE HOUSE NO.1674 A/NIT JAWAHAR- COLONY, FARIDABAD-121 001		PCSA -2829
			<b>MR./MS. VANDANA KHATYWALA</b> COMPANY SECRETARY IN PRACTICE 1-B, D' MELLO APARTMENT, BEHIND VIJAY SALES, S.V ROAD, GOREGAON (WEAST) MUMBAI-400 062		PCSA -2830
			<b>MR./MS. BHAVIN LALIT KUMAR CHANDRANA</b> COMPANY SECRETARY IN PRACTICE S-9 , IIND, HEM RATNA CHAMBERS , NEXT TO ORIENTAL BANK OF COMMERCE, NEAR TRAJPAR CHAR RASTA, 8-A, NATIONAL HIGWAY, MORBI-363 642		PCSA -2831
			<b>MR./MS. NIMISH PADIA</b> COMPANY SECRETARY IN PRACTICE A/501, V RAJDHAM RAM BAUGLA OFF SV ROAD BORIVALI (W) MUMBAI-400 092		PCSA -2832
			<b>MR./MS. KAUSHAL AMETA</b> COMPANY SECRETARY IN PRACTICE 404, NAVNEET PLAZA 5/2 OLD PALASIYA INDORE-452 001		PCSA -2833

## List of Practising Members Registered for the Purpose of Imparting Training During the Month of January 2012





# News from the Institute

<b>MR./MS. KINJAL S. SHAH</b> COMPANY SECRETARY IN PRACTICE 11, RAJ PLACE, 11 <sup>TH</sup> ROAD, KHAR-WEST, MUMBAI-400 052	PCSA -2834	<b>MR./MS. TEJAL TARAL SHAH</b> COMPANY SECRETARY IN PRACTICE E/69, AYOJAN NAGAR SOCIETY PALDI, AHMEDABAD -380 007	PCSA -2845
<b>MR./MS. SRI KANTH SOMEPALI</b> COMPANY SECRETARY IN PRACTICE FLAT NO: 5A PARAMESWARA APPTS BESIDES STATE BANK OF HYDERABAD ANANDNAGAR, KHAIRATABAD,S HYDERABAD - 500 004	PCSA -2835	<b>MR./MS. KALPESH K. DAGLI</b> COMPANY SECRETARY IN PRACTICE H-11, SATELLITEPARK NEAR JODHPUR, SATELLITE ROAD AHMEDABAD - 380 015	PCSA -2846
<b>MR./MS. ANSHIKA GUPTA</b> COMPANY SECRETARY IN PRACTICE 0-11, IIND FLOOR, AMBERTOWER S.C. ROAD, JAIPUR -302 001	PCSA -2836	<b>MR./MS. MEENAKSHI DEVAGEKAR</b> COMPANY SECRETARY IN PRACTICE 1309, SHUKRAWAR PETH, KASHINATH APPTS. SATHE COLONY, NEAR BSNL BLDG BAJIRAO ROAD PUNE - 411 002	PCSA -2847
<b>MR./MS. UNNI KRISHNAN VENUGOPALAN</b> COMPANY SECRETARY IN PRACTICE # 3, SREE LAKSHMI BUILDING OPPOSITE MURUGA NAGAR POOKUNNAM, THRISSUR KERALA - 680 002	PCSA -2837	<b>MR./MS. ASHUTOSH A. MUGLIKAR</b> COMPANY SECRETARY IN PRACTICE FLAT NO. -1 S.NO. 120, PLOT NO-19/8 SHIVARATNA SOCIETY, MODERN COLONY PAUD ROAD, KOTHRUD PUNE - 411 038	PCSA -2848
<b>MR./MS. ARUN GOYAL</b> COMPANY SECRETARY IN PRACTICE 29, FRIENDS ENCLAVE SULTAN PURI ROAD, EAST BLOCK, NANGLOI NEW DELHI- 110 086	PCSA -2838	<b>MR./MS. ARJUN A. AMANCHI</b> COMPANY SECRETARY IN PRACTICE 349, 1 <sup>ST</sup> FLOOR, LAKDA MARKET KALYAN ROAD BHIWANDI -421 302	PCSA -2849
<b>MR./MS. SURABHI CHORDIA</b> COMPANY SECRETARY IN PRACTICE 126, JAI JAWAN COLONY II TONK ROAD JAIPUR	PCSA -2839	<b>MR./MS. RAJIV KUMAR</b> COMPANY SECRETARY IN PRACTICE 2 <sup>ND</sup> FLOOR, VYAPAR BHAWAN LALJI HIRJI ROAD RANCHI - 834 001	PCSA -2850
<b>MR./MS. VINAY S. TERSE</b> COMPANY SECRETARY IN PRACTICE ROOM NO. -26, 2ND FLOOR 59 NEW HAJI KASAM BLDG CURREY ROAD MUMBAI -400 012	PCSA -2840	<b>MR./MS. BABBAN DEEP KAUR</b> COMPANY SECRETARY IN PRACTICE 191/1, POCKET D-6, SECTOR - 6 ROHINI, DELHI - 110 085	PCSA -2851
<b>MR./MS. PRASAD S. TAKALKAR</b> COMPANY SECRETARY IN PRACTICE 73, HIG, MHADA COLONY BANSILAL NAGAR, OPP. PATWARDHAN HOSPITAL STATION ROAD, AURANGABAD - 431 001	PCSA -2841	<b>MR./MS. KASHINATH SAHU</b> COMPANY SECRETARY IN PRACTICE FLAT NO. 101, G.K. ARUNODHAYA ENCLAVE MALLAPUR HYDERABAD - 500 076	PCSA -2852
<b>MR./MS. BHAVI ANKIT PARIKH</b> COMPANY SECRETARY IN PRACTICE A-44, NILDEEP APPTS, NR. SANDESH PRESS BODAKDEV, AHMEDABAD - 380 054	PCSA -2842	<b>MR./MS. CHANDAN KR. VERMA</b> COMPANY SECRETARY IN PRACTICE 341, PLOT NO-5, SECTOR - 9, DWARKA, NEW DELHI - 110 075	PCSA -2853
<b>MR./MS. DHRUBA CHARAN SAHOO</b> COMPANY SECRETARY IN PRACTICE 63/42/1, RAJA RAM MOHAN ROY ROAD, METROPARK KOLKATA - 700 082	PCSA -2843	<b>MR./MS. VAARANASI VK CHALAM</b> COMPANY SECRETARY IN PRACTICE 12-13-205, STREET NO-2 TARNAKA, SECUNDERABAD - 500 017	PCSA -2854
<b>MR./MS. DEEPAK C. TANNA</b> COMPANY SECRETARY IN PRACTICE 15, SPCTRUM, 14 <sup>TH</sup> ROAD, KHAR (WEST) MUMBAI- 400 054	PCSA -2844	<b>MR./MS. M.P. JAIN</b> COMPANY SECRETARY IN PRACTICE NO. 104, B-2, GOVINDAPPA NAICKEN STREET GOLDEN TOUCH COMPLEX CHENNAI -600 001	PCSA -2855
		<b>MR./MS. SIMRAN JEET SINGH</b> COMPANY SECRETARY IN PRACTICE 2207, RAJA PARK NR. RANI BAGH DELHI - 110 034	PCSA -2856





**MR./MS. RASHMI SAHNI**  
COMPANY SECRETARY IN PRACTICE  
B-85, 1<sup>ST</sup> FLOOR,  
JHILMIL COLONY  
SHAHNDR - 110 095

PCSA -2857

**MR./MS. SHEETAL SONI**  
COMPANY SECRETARY IN PRACTICE  
B-111, SHASTRI NAGAR  
BHILWARA- 311 001

PCSA -2858

**MR./MS. KIRTI SINGHAL**  
COMPANY SECRETARY IN PRACTICE  
211/2B, 3<sup>RD</sup> FLOOR, GALI NO. -6  
PADAM NAGAR,  
NEW DELHI - 110 007

PCSA -2859

**MR./MS. ROY JACOB**  
COMPANY SECRETARY IN PRACTICE  
ROOM NO. - 6, 4<sup>TH</sup> FLOOR  
SANE BUILDING,  
NANABHAI LANE FORT  
MUMBAI - 400 001

PCSA -2860

**MR./MS. AJAY KUMAR**  
COMPANY SECRETARY IN PRACTICE  
C-111, 1<sup>ST</sup> FLOOR,  
PRASHANT VIHAR  
NEW DELHI - 110 085

PCSA -2861

**MR./MS. VIDHYA BAID**  
COMPANY SECRETARY IN PRACTICE  
2/1 SYNAGOGUE STREET  
KOLKATA - 700 001

PCSA -2862

**MR./MS. KHYATI SHAH**  
COMPANY SECRETARY IN PRACTICE  
23, CHANDANBALA,  
M.G. ROAD  
VILE., PARLE (E)  
MUMBAI - 400 057

PCSA -2863

**MR./MS. ALOK RAVI KHEMUKA**  
COMPANY SECRETARY IN PRACTICE  
PLOT NO. 173,  
VRINDAVAN APARTMENT  
OPP. SONALI NURSING HOME BUILD.,  
NO.- B-2, FLATE NO-11/12,  
CIVIL LINESNAGPUR - 440 001

PCSA -2864

**MR./MS. SUNITA**  
COMPANY SECRETARY IN PRACTICE  
A-1/107, F.F. HOSPITAL ROAD  
UTTAM NAGAR  
NEW DELHI -110 059

PCSA -2865

**MR./MS. HEMA KUMARI**  
COMPANY SECRETARY IN PRACTICE  
RZG -1/29, MANDIR MARG  
MAHAVIR ENCLAVE (NEAR JYOTI BAKERY)  
NEW DELHI -110 045

PCSA -2866

**MR./MS. ANKIT GUPTA**  
COMPANY SECRETARY IN PRACTICE  
258, 2<sup>ND</sup> FLOOR, PLOT NO. -11  
VARDHMAN MARKET PLAZA  
PITAMPURA,  
DELHI -110 034

PCSA -2867

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of the total capital.

I, N. K. Jain hereby declare that the particulars given  
above are true to the best of my knowledge and belief.

Sd/-

**N. K. Jain**

Signature of the  
Publisher

Date : 1<sup>st</sup> March, 2012

# An Appeal

For contribution towards ICSI-WIRC Building Fund

## AN APPEAL

The Western India Regional Council of the Institute of Company Secretaries of India provide service to about 9000 members and 80000 students from its existing office at Jolly Maker Chambers II, Nariman Point, Mumbai.

We are pleased to inform you that we had acquired additional office premises (2206 sq.ft) for our Western India Regional Council at Mumbai at the existing premises. The objective of the acquisition was to meet a long standing need for additional space in Mumbai, the business capital of the country and a premier Regional Headquarters of the Institute. The acquisition made at a total cost of Rs.8 crores (approx.) was funded by internal accruals of ICSI-Head Office and ICSI-WIRC.

With a view to enable ICSI-WIRC to part-finance its obligations connected with the acquisition and renovation of its premises and to generate substantial corpus for future use, a Fund Raising Committee has been constituted. The Fund Raising Committee has resolved that it would be appropriate to create ICSI-WIRC BUILDING FUND for the purpose.

It is in this context that we appeal to your good self to consider and recommend a befitting contribution towards ICSI-WIRC BUILDING FUND which are exempt under Section 80G of the Income-Tax Act, 1961. We are sure you would appreciate that any such acquisition involving enormous capital outlay necessitates participation of one and all not excluding the corporate sector where our members have been rendering a stellar role in its affairs.

**ICSI-WIRC is organizing a melodious musical evening by "Klub Nostalgia" on Friday 23rd March 2012 from 7pm to 10pm at Sri Shanmukhananda Chandrasekarendra Saraswathi Auditorium, Sion, Mumbai. The Donors' Passes for the grant event can be obtained from ICSI-WIRC. We request you to join us for the musical evening with family and friends and have a great time.**

We are confident that you would be kind enough to support this important and solemn initiative and help us in our Endeavour.

Thanking you,

Yours faithfully,  
Prakash Pandya  
Chairman, Fund Raising Committee

## FOR SOUVENIR ADVERTISEMENT

Souvenir Size: 25 x 20 cm (10.5" x 8")  
Printing Space : Full Page 20 x 15 cm (8" x 6")  
Back Cover: ₹ 25,000/-  
Inside Cover: ₹ 18,000/-  
Full Page: ₹ 20,000/-

**Display Normal Banner:** (10 banners only) ₹ 7,500/-

**Business Promotion Stalls:** (7 stall) ₹ 25,000/-

## DONORS' PASS

Ground floor - A to N rows (A is nearest to stage): ₹ 500/- per pass  
Ground floor - O to EE rows: ₹ 350/- per pass  
First floor balcony: ₹ 250/- per pass  
Second floor balcony: ₹ 150/- per pass

### Please register for the following:

1. Insert enclosed advertisement in the souvenir.
2. Display enclosed advertisement banner at the Conference venue.
3. Book a business promotion stall at the Conference venue.
4. Donation  
Name of the Company / Institution,  
Address for communication ,  
Contact Persons / Name and Address, Tel. No. & Email ID  
Donation amount

### Particulars of payment:

Demand draft / Local cheque No.....dated.....for Rs.....favouring "WIRC of ICSI" payable at Mumbai drawn on Bank.....Branch.....is enclosed / will be sent after receipt of your bill and souvenir copy.

Yours faithfully,

Place:.....

Date:.....

Signature of the authority

CS Mahavir Lunawat Chairman ICSI-WIRC	CS Ragini Chokshi (Ms.) Secretary ICSI-WIRC	CS Prakash K. Pandya Chairman Fund Raising Committee of ICSI-WIRC
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## Company Secretaries Benevolent Fund

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



Reg. No.	LM No.	Name	Mem No.	City
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### EIRC

1	8602	Ms. Charulata Kabra	ACS - 23182	Kolkata
2	8615	Sh. Saibal Chandra Pal	FCS - 1789	Kolkata
3	8623	Ms. Pushpa Singh	ACS - 15584	Kolkata

### NIRC

4	8582	Sh. Prabhat Singh	ACS - 25961	New Delhi
5	8583	Ms. Shivani Kakkar	ACS - 25097	Faridabad
6	8584	Ms. Rekha Anil Gupta	ACS - 24804	Kanpur
7	8592	Sh. Pranav Kumar	FCS - 5013	Ghaziabad
8	8593	Sh. Maninder Kanwar	ACS - 18771	Panchkula
9	8600	Sh. Raju Aggarwal	ACS - 27287	Delhi
10	8603	Sh. Gulshan Thapar	FCS - 5133	Ghaziabad
11	8604	Sh. Ashutosh Kumar Pandey	ACS - 20108	Noida
12	8605	Ms. Payal Gupta	ACS - 24779	New Delhi
13	8608	Mr. Ashok Madhava Prasad Jathliya	ACS - 29563	Bhilwara
14	8610	Sh. Bharat Bhushan	FCS - 5236	Faridabad
15	8611	Sh. Ranjit Kumar Tripathi	ACS - 19413	Delhi
16	8612	Sh. Rajesh Khandelwal	ACS - 7861	Panchkula
17	8613	Mr. Hemendra Kumar Gupta	ACS - 29568	Delhi
18	8617	Ms. Gurpreet Kaur	ACS - 27845	Delhi
19	8618	Ms. Prerna Jain	ACS - 27203	Delhi
20	8624	Ms. Shweta Gupta	ACS - 22548	New Delhi
21	8626	Sh. Rakesh Roshan	ACS - 23551	New Delhi
22	8627	Sh. Manoj Kumar	FCS - 6698	New Delhi
23	8630	Sh. Sanjiv Nigam	ACS - 23593	Delhi
24	8633	Sh. Arun Gupta	FCS - 5249	Delhi

### SIRC

25	8580	Ms. Lalana Kini	ACS - 29478	Hyderabad
26	8585	Sh. Madhu Balla	ACS - 19763	Hyderabad
27	8586	Sh. M Siva Satyanarayana Reddy	ACS - 14553	East Godavari Distt
28	8587	Sh. Srinivasasitharam Appikatla	ACS - 21173	Hyderabad
29	8588	Mr. Clement Dante	ACS - 29295	Chennai
30	8589	Sh. P Suresh Babu	ACS - 15196	Hyderabad
31	8590	Sh. N Chandrasekharan Nair	FCS - 750	Thiruvananthapuram
32	8595	Sh. N.S. Sriram	ACS - 18333	Chennai
33	8596	Ms. S Kalyani	FCS - 5854	Chennai
34	8599	Ms. S Chella	ACS - 28818	Chennai
35	8614	Ms. Jyothi Bung	ACS - 29549	Hyderabad
36	8621	Mr. Susanta Kumar Dehury	ACS - 22415	Chennai
37	8622	Mr. Ravada Ananda Rao	ACS - 28459	Vishakhapatnam
38	8625	Mr. K Ramesh	ACS - 22101	Chennai
39	8628	Sh. Raja Karthik S	ACS - 23559	Bangalore
40	8629	Sh. Nagendra Reddy Reddem	ACS - 20525	Bangalore
41	8631	Mr. K V Sekar	ACS - 29257	Chennai
42	8632	Ms. S P Himabindu	ACS - 19812	Secunderabad
43	8634	Mrs. Divya Jalla	ACS - 29631	Hyderabad

### WIRC

44	8579	Sh. Anil Kumar Jain	ACS - 29479	Bhopal
45	8581	Mr. Aalap Kiri	ACS - 29511	Ahmedabad
46	8591	Sh. Nitin Vinayak Upadhye	ACS - 29325	Thane
47	8594	Sh. Darshil Mayank Lakhia	ACS - 20217	Ahmedabad
48	8597	Sh. Natesh Ramamoorthy Iyer	ACS - 13816	Mumbai
49	8598	Ms. Chitra Natesh Iyer	ACS - 20713	Mumbai
50	8601	Sh. Nandlal Pohumal Rohra	ACS - 5703	Mumbai
51	8606	Sh. Arvind Dhoot	ACS - 15062	Mumbai
52	8607	Ms. Ketaki Vilas Sawant	ACS - 28476	Navi Mumbai
53	8609	Ms. Shweta Siddharth Mande	ACS - 17047	Pune
54	8616	Sh. Amitabh Kumar Dubey	ACS - 24619	Panchmahal
55	8619	Sh. Dhiraj Balasaheb Dhamane	ACS - 21172	Pune
56	8620	Sh. Vijay Mishra	ACS - 18198	Mumbai

\* During the Period 22/01/2012 to 17/02/2012.





## News From the Regions

### EASTERN INDIA REGIONAL COUNCIL

#### Half-Day Workshop on Self Development

On 28.1.2012 EIRC organised a Half-Day Workshop on "Self Development" commemorating the 150th birth anniversary of Swami Vivekananda. CS Ranjeet Kr Kanodia, Chairman, ICSI EIRC introduced the theme of the programme and the speakers to the delegates. The speakers were CA Rajesh Jain, Management Consultant & Trainer, who spoke on self-development through self-governance and Sister B.K. Asmita, Prajapati Bramhakumaris Iswariya Viswavidyalaya who spoke on Easy ways to implement spirituality at work.

Rajesh Jain in his presentation spoke about self help techniques like Meditation, Visualization, using own vision, to include greater details and to use positive words. Sister B.K. Asmita in her presentation said that Spirituality in the workplace also promotes the expression of talent, brilliance and genius - talent in the sense of our Divine gifts; brilliance in terms of our intellect and the intensity of the light we have to shine; and genius not as a scarce commodity, but as something that everyone has. Our true job is to connect with that genius. Moreover, spirituality in the workplace also leads to increased self-fulfillment, contentment and a deep sense of belonging.

#### Half-Day Workshop on Recent Changes in Corporate Laws and Revised Schedule - VI

On 11.2.2012 the ICSI EIRC conducted a Half-Day Workshop on Recent Changes in Corporate Laws and Revised Schedule - VI at Kolkata.

CS Ranjeet Kr Kanodia, Chairman ICSI EIRC in his welcome address said that revised Schedule VI introduced many new concepts and disclosure requirements and does away with several statutory disclosure of the previous schedule. He also spoke on the new Companies Bill and the changes it would bring in the Indian Corporate sector. The speakers on the occasion were CS Ranjan Mukherjee, Associate Vice President (Legal), Tata Consultancy Services Ltd. and CA Debasish Mitra (Past Chairman, EIRC of ICAI), Practising Chartered Accountant.

CS Ranjan Mukherjee, dealt with "Recent Changes in

Corporate Laws" with focus on the recent Companies Bill and emphasized that India has witnessed some major corporate scams and the new rules propose to bring in a paradigm shift by providing for stringent norms and increased penalty. He also discussed about the recent circulars on DIN 4 and shareholders' participation through e-mode.

CA Debasish Mitra, spoke that revised Schedule VI is applicable for the accounts to be prepared for the year ended 2012 and it's applicable to all types of companies. He emphasized that every member should have knowledge and information about the recent changes in accounting standards. He also talked about Director's responsibility, Accounting Standards, Format of New Balance Sheet - Notes on Accounts, Reconciliation Statement, E-TDS return etc.

#### Republic Day Celebration

On 26.1.2012 the EIRC of The ICSI, celebrated the "Republic Day" at ICSI-EIRC Building, Kolkata. CS Ranjeet Kanodia, Chairman, ICSI EIRC hoisted the National Flag followed by rendition of National Anthem. The programme ended after cultural function. CS Ranjeet Kanodia, Chairman, ICSI EIRC and CS Arun Khandelia, Vice Chairman, ICSI-EIRC in their address reminded the sacrifice of the leaders for freedom of the country and to bring in democracy, human rights & justice. They wished all present to carry such wisdom & strength for a nobler cause. The programme ended after singing of Vande Mataram in chorus.

### PATNA CHAPTER

#### 35<sup>th</sup> Foundation Day

Patna Chapter of ICSI celebrated its 35th Foundation Day at Hotel Maurya, Patna. The programme was inaugurated by Janardan Singh Sigrwal, Hon'ble Minister, Labour Resources Department, Government of Bihar. The Chief Guest in his address congratulated Patna Chapter for completing 34 successful years and appreciated the role of Company Secretaries.

Managing Committee Members and Guest Members from diversified fields were present to grace the occasion. The occasion was followed by a quiz contest and cultural programme. Prizes were distributed to the winners of quiz contest. Around 200 participants were present on the occasion.

### BHUBANESWAR CHAPTER

#### Participation in 12 Days Book Fair at Bhubaneswar

From 1.12.2011 to 12.12.2011, the Chapter participated in 12-days book fair at exhibition ground, Bhubaneswar. The ICSI



stall was displayed with banners highlighting 'Choose CS as your Career', Role of a Company Secretary. Employment Prospects, various informative materials of the ICSI. Journals, study materials and Institute publications were displayed during the programme. School/College students and their parents visited the stall every day. Faculties of various schools/colleges during their visit enquired about the course, its fee structure, examination and employment and other facilities. Publishers from Bhubaneswar, Cuttack, Kolkata, Mumbai, Chennai & New Delhi participated in the fair. Members of the Managing Committee visited the stall and explained the queries of the students and visitors to the stall. Some student volunteers also clarified the queries of the visitors. The Chapter officials managed the stall all days and provided support to the members to make awareness about the CS course.

## Career Awareness Programme

The Chapter conducted a number of Career Awareness programmes in Dunguripali College, Dunguripali, Dist. Subarnapur; Babaji Sahoo College; Daita College, Dist. Bargarh; Melchhamunda College, Melchhamunda, Bargarh; Bindhyabasini College, Paikmal. Dist. Bargarh; Panchayatsaminti College, Jharbandh, Dist. Bargarh; P.N. Autonomous College, Com. Deptt., Khurdha; Shree Jagannath Mahavidyalaya, Dist. Khurdha; Jatni Mahavidyalaya, Jatni, Dist. Khurdha; Kamakshya Nagar Mahavidyalaya, Dist. Dhenkanal; and at Shrusti Academy of Management, Bhubaneswar.

In addition meeting with the Principal, HODs of Arts, Science and Commerce of the respective Institutions were also organized. While CS J.B. Das, Chairman, CS Debadatta Mohapatra, Secretary & CS Priyadarshi Nayak, Treasurer of the Chapter addressed at Khurdha district, CS Susanta Pradhan and CS Ardhendu Sekhar Rout, Associate Members of the Institute addressed at Khurdha and Dhenkanal districts respectively. The speakers explained the students and the HODs/faculty of the Institutions about the CS, career prospects of the profession, placement services, course contents, fee structure and other facilities being provided to the students. ICSI informative brochures about the course were distributed at the gathering. ICSI Teacher Kits were also provided to the Institutions.

## Press/Media Interaction

On 31.12.2011, Bhubaneswar Chapter provided all support to CS Ardhendu Sekhar Rout, Practising Member of the Institute, Bhubaneswar during an interactive session with the press at Kamakshya Nagar under Dhenkanal district of Odisha. During the session he explained about the CS profession, employment/ practice opportunities. He also said that the CS

course is highly prestigious and remunerative even for the freshers. The press interaction was arranged during the Investor Awareness Programme at the same venue.

## Image building - Meeting with heads of State PSUS & State Bureaucrats, Odisha & Presentation of ICSI Diary / Calendar

A delegation of the Bhubaneswar Chapter comprising CS J.B. Das, Chairman & CS A. Acharya, Vice Chairman visited several Central & State PSUs and met the Chairman, Managing Director & CEO of the organizations and also met Bureaucrats of various Departments of Govt. of Odisha. On 11. 01. 2012, the delegation met Sourav Garg, IAS, Commissioner-cum- Secretary to Govt. Department of Public Enterprise & Rural Development; Jugul Kishore Mohapatra, IAS, Principal Secretary to Govt., Finance Department; Pradeep Jena, IAS, Commissioner-cum-Secretary, IT & Panchayat Raj who is also Chairman of OCAC & IDCO, Bhubaneswar; T. Ramachandru, IAS, Principal Secretary, Department of Industries, Govt. of Odisha.

Further, on 12.1.2012, the delegation met B.L. Bagra, Chairman-cum-Managing Director, National Aluminium Company Limited, Bhubaneswar; Saswat Mishra, IAS, Managing Director, Odisha Mining Corporation Limited, Bhubaneswar; Hemanta Sharma, IAS, Chairman-cum-Managing Director, Odisha Power Transmission Corporation Limited & GRID Corporation of Odisha Limited, Bhubaneswar; Sahadev Khatua, Managing Director, Odisha Hydro Power Corporation Limited, Bhubaneswar; Venkat Chalam K., Managing Director, Odisha Power Generation Corporation Limited, Bhubaneswar and C.J. Venugopal, IAS, Chairman-cum-Managing Director, Industrial Promotion & Investment Corporation of Odisha Ltd, Bhubaneswar.

The delegation presented them the ICSI Diary & Calendar and also apprised them about the Mission & Vision of the ICSI, Career Prospects of Company Secretaries, Role of Company Secretaries both in employment and in practice, Corporate Governance and various Programmes being conducted by the ICSI and the Bhubaneswar Chapter. They also apprised them about the Institute and also about the role of the Bhubaneswar Chapter. During the meeting all the dignitaries were invited to visit the Bhubaneswar Chapter Office and address the members and students at their convenient time. The meeting was very fruitful and interactive and the bureaucrats & CEOs of



# News from the Institute & Regions

the PSUs were happy to know about the ICSI and its various activities. This has enhanced the visibility of the Institute.

## Investor Awareness Programme by the Chapter

Bhubaneswar Chapter organized 6-Investor Awareness Programme covering 2 districts located in small towns and cities of Odisha. All the programmes were sponsored under Investor Education & Protection Fund, Ministry of Corporate Affairs, Government of India. The programmes conducted during December, 2011 & January, 2012 were as under: On 23.12. 2011 the programme was held at P N Autonomous College, Shree Jagannath Mahavidyalaya, Kaipadar, Khurda, on 24.12.2011 at Jatni College, Khurda; on 26.12.2011 at Chhendipada, under Dhenkanal District of Odisha and at Dhenkanal Town, Dist. Dhenkanal; on 7.1.2012 at Shruti Academy of management, Bhubaneswar. The programmes were well attended by a large number of housewives, students, lecturers of schools/colleges, retired persons, general investors etc. A beginner's guide and Investor related information/literatures both in English and regional language were distributed amongst the participants. Feedback about the programmes were also collected from each of the programmes. Before conclusion of each programme a question hour session was kept in each programme wherein several queries on the capital markets, investor related grievances raised by the participants were clarified by the dignitaries present. In all the aforesaid programmes the participants expressed their happiness for organization of such type of programmes by the Ministry of Corporate Affairs, Government of India and also praised the efforts of the ICSI for its awareness campaign in the remote towns and villages of Odisha. They also requested for organizing once again similar types of programmes in their locality so that more and more people can get benefit from the programmes. CS J.B. Das, Chairman, CS Arabinda Acharya, Vice Chairman, CS Debadatta Mohapatra, Secretary, CS Priyadarshi Nayak, Treasurer of the Bhubaneswar Chapter addressed in the Investor Awareness Programmes, Further Dr. M.K. Mohanty, Principal, Dr. Ch. P.K. Das, HOD Commerce and faculty of various departments of PN Autonomous College, Khurda, D.K. Mansingh, Principal, S.J. College, Kaipadar, Khurda, Dr. H.P. Pattanaik, Principal, Jatni College, Jatni and Prof. G.K. Sahu, Principal, Shruti Academy of Management, Bhubaneswar contributed a lot for success of the above programmes and contribution was also received from the local dignitaries.

## Investor Awareness Programme under resource person

On 31.12.2011 the Chapter arranged Investor Awareness Programmes under Resource Person at Kamakshaya Nagar under Dhenkanal District of Odisha. The programmes were conducted by CS Ardhendu Sekhar Rout, PCS, Bhubaneswar as a resource person. The publication A Guide to the Investors and related information were distributed to the dignitaries and investors present.

## Annual Members Meet & Family Get-Together of Members

On 30.12.2011, Bhubaneswar Chapter organized a meeting for the members at its premises wherein a lot of interaction was made between the members in employment and in practice. Further, various proposed developmental activities of the Chapter were also discussed in the meeting.

On 08.01.2012, the Chapter arranged its annual family get-together of members at Jayadev Vatika a picnic spot, near Khandagiri Cave of Bhubaneswar city. Around 60 members including their families were present. In the get-together game, quiz and songs amongst the participants were arranged.

## Seminar on Current Status of Indian Economy & Prospects

On 27.01.2012, Bhubaneswar Chapter organized a seminar on the topic 'Current Status of Indian Economy & Prospects' on 27.01.2012 in the Chapter Office premises wherein Sh. B.L. Bagra, Chairman-cum-Managing Director, M/s. National Aluminium Company Limited, Bhubaneswar who highlighted about the emerging economic scenario across the globe and the role of all of us in contributing to the social good.

In his address CS J.B. Das, Chairman of the Chapter apprised the delegate about organizing such type of seminars/workshop for the members & students and also highlighted about the various developmental activities of the Chapter and requested all to support the Chapter for strengthening further. While CS A. Acharya, Vice Chairman of the Chapter proposed a vote of thanks and sought support from NALCO in future programmes of the Chapter, CS Debadatta Mohapatra, Secretary, Bhubaneswar Chapter introduced the guest and the theme of the seminar. A good number of members and students of the Chapter participated in the programme.

During the seminar contribution collected on behalf of Late CS Jayanta Mahapatra were handed over to his father by B. L Bagra, CMD, NALCO in the presence of members and students of the Chapter. The dignitaries present thanked all those who contributed for the noble cause.





## Half Day Workshop for Directors of State PSUs, Odisha

On 18.2.2012 the Chapter with active support from the Department of Public Enterprises, Govt. of Odisha organized a half day workshop for the Directors of State PSUs at its Conference Hall. Jugal Kishore Mohapatra, IAS, Principal Secretary to Govt., Department of Finance, Odisha was the Chief Guest on the occasion and Sourav Garg, IAS, Commissioner-cum-Secretary to Govt., Department of P.E., Odisha was the Guest of Honour. During inauguration of the seminar, J.K. Mohapatra, applauded the efforts of the ICSI, Bhubaneswar Chapter for its tremendous effort for organizing such type of programme which is first of its kind in Odisha and hoped that this workshop will provide impetus to the Directors of all PSUs in Odisha while discharging various responsibilities in the Companies/Corporations. He also thanked the ICSI for constructing such a big premises which will provide maximum help and support to the students of Odisha pursuing the CS course. He assured that the Govt. of Odisha will provide support to the ICSI as and when required. Sourav Garg, impressed with the ICSI for its effort and suggestion to the State Govt. in organizing such a workshop for the directors hoped that after the workshop the Directors may have learnt enough on various enactments and laws/sections of the Companies Act and implications of violating such laws. He wished this workshop a grand success. Further he proposed to ICSI for making an agreement with the Govt. of Odisha for organising similar types of programmes to the directors in future. He assured possible support from the P.E. Deptt. in this regard.

During the two Technical Sessions CA P.R Ramesh, Senior Partner, Delloite, Mumbai, CS (Dr.) PVS Jagan Mohan Rao, past President, the ICSI, CS J.B. Das, Chairman & CS A. Acharya, Vice Chairman of the Chapter addressed the gathering on various provisions of the Companies Act, Satyam Fiasco, Effective Board Process, Secretarial Standards on meetings of the Board of Directors, effective Corporate Governance, transparency, prosecution of directors and the officers in default if found any irregularities while discharging their duties etc.

Chairman, Managing Directors, other Directors of 17 State PSUs and Senior Officers of P.E. & Finance Department, Govt. of Odisha and other Sectors attended the workshop.

## Talk on Private Equity, ECB & Due Diligence and Bhagavad Gita, Ramayana

On 18.02.2012 the Chapter organized an evening talk on (1) Private Equity, External Commercial Borrowings & Due Diligence and (2) Leadership and Governance - Bhagavad Gita, Ramayana and Vivekananda at its premises wherein CS

(Dr) PVS Jagan Mohan Rao, past President, the ICSI addressed the members and students of the Chapter. He spoke about the Private equity, ECB and Due diligence procedure and also talked about ethics, transparency, purity in life and self-trust. CS K.N. Ravindra, Company Secretary, NALCO, Bhubaneswar also spoke on the occasion.

## NORTH EASTERN CHAPTER Sports Week

On 11 and 12.2.2012 the NE Chapter of EIRC of the ICSI organized sports week at its newly owned Chapter premises. The events were Chess, Carrom and Badminton. There were 32 participants registered for the game of chess. Pranjal Saikia was the winner of the First held chess event at NE Chapter of ICSI. The next event was Carrom for which 53 participants registered themselves. The winners were Male: CS Narayan Sharma and Female: Punita Agarwal. Runners up were: Male: Plaban Roy and Female: CS Jyoti Jain. The third event was Badminton Tournament for which 52 participants registered themselves. The winners were Male: Surajit Sharma; Female: Sheetal Agarwal Runners up were: Male: Gokul Haloi and Female: Swati Sureka. After the completion of the events formal announcement of the winners was made in the presence of honorable Chief Guest, Gulab Chand yadav, Registrar of Companies, Shillong. Fun games between Members and Students were also organized at the end which made the sports week more exciting and memorable one.

## Study Circle Meeting on Impact of Intellectual Property Rights Laws on an Increasingly Globalised and Liberalised India

On 9.2.2012 the Chapter organized a study circle meeting on the above topic at Guwahati. Around 60 members and students attended the programme. Guest speaker Dr. Monoranjan Bezbaruah, Member, Supreme Court of USA in his address explained Intellectual Property Rights in detail, the impact of IPRs in India and also apprised the gathering about the procedure and fast results of cases in USA. During the Question-Answers session the guest speaker replied the queries raised by the participants to their satisfaction.

## Visit of ICSI Dignitaries to Guwahati, Bhumi Pujan and Meeting

On 12.1.2012 CS Anil Murarka, then President of ICSI, CS Nesar Ahmad, then Vice President ICSI, CS Ashok Pareek,



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Central Council member, the ICSI and CS N.K. Jain, Secretary & CEO of the ICSI visited Guwahati for Bhumi Pujan and Foundation Stone laying ceremony at the own premises of NE Chapter.

On 13.1.2012 Foundation stone for the own building of the NE Chapter of ICSI was laid down and Bhumi Pujan was conducted at LKR Barua Path, Nabin Nagar, Opp. AIDC Guwahati. CS Anil Murarka along with CS Raj Kumar Sharma, then Chairman NE Chapter of EIRC of ICSI performed Bhumi Pujan. CS Anil Murarka along with CS Nesar Ahmad laid the foundation stone. CS Ashok Pareek, CS N.K. Jain and CS Anjan Kr. Roy, then Chairman, EIRC of the ICSI also graced the occasion. Various CS Members from Guwahati; Faculty Members of NE Chapter of EIRC of ICSI; dignitaries from other Institute of Guwahati and many students of ICSI were also present on the occasion. After Bhumi Pujan a meet was held with the students, Members Faculties of NE Chapter; dignitaries from other Institute and representatives from Press. A separate meeting with the dignitaries from other Institute and Faculty Members of NE Chapter was also held with the dignitaries from ICSI from New Delhi and Kolkata. CS Ashok Pareek, Central Council Member, ICSI donated Rs.5 lakh for the development of NE Chapter premises. ■

Avtaar Singh, Manish Gupta, Ashu Gupta, Dhananjay Shukla, Shyam Agarwal, Regional Council Members, NIRC-ICSI, S K Agrawal, R K Aggarwal, G P Madaan, Yogesh Gupta, Satwinder Singh, Hitender Mehta, Past Chairmen, NIRC-ICSI, Ranjeet Kumar Kanodia, Chairman, EIRC-ICSI, S S Marthi, Chairman, SIRC-ICSI, Mukesh Bansal, Chairman, Jodhpur Chapter, NIRC-ICSI, Dr. S P Narang, Past Secretary, the ICSI and around 200 members & students were present in the programme. Ranjeet Pandey anchored the programme.

Rajiv Bajaj in his welcome address said that we have to rise up to the expectations of our stakeholders. He mentioned about various challenges being faced by the profession viz. Placement, Competition, Smaller size of PCS firms, Technological advancement, new players in the field of education and over dependence in the legal field. He briefly unfolded his agenda for the whole year.

R Krishnan, mentioned that ICSI is the youngest institute and during the short span it was not visualised that it will reach to such heights. He mentioned that all this is because of the untiring efforts of the Past Presidents, Chairmen of the Regional Councils, Chapters and many more people involved in the Institute. He touched upon the entire history of the profession of Company Secretaries. He informed how the transformation in the profession of Company Secretaries took place and now the Company Secretaries are recognised as Key Managerial Personnel and also touched upon the various provisions of the new Companies Bill and said that we have to rise up to the expectations of the various stakeholders. He also mentioned about various challenges being faced by our profession.

Dr. G B Rao welcomed the new team under the leadership of Nesar Ahmad and offered his best wishes to them. While speaking on the topic he said that organising multi speciality programmes, continuous updation of the syllabus, training modules etc. is very important. He also mentioned that brand building is also very important as it has the impact on a small baby also.

O P Dani, stated that deciding on the way forward first we have to identify the objective for creating the Institute and what has been achieved so far. This is very important for the profession as well as corporates.

Pavan Kumar Vijay suggested the members to be active in the profession, as the things are changing very fast. He mentioned that procedural company law work will only help in survival. He gave various suggestions to deliver quality/innovative quality services, follow mega firm concept and consider yourself as guardian of Corporate Governance. He suggested to improve the facility relating to training of the students and said that it is the responsibility of all the professionals. He also mentioned that future belongs to IT only and suggested to do only strategic and planning part and rest of the procedural work should be devoted to IT.

## Northern India Regional Council

### Programme on Profession of CS- Way Forward and an Interaction Programme with newly Elected President and Vice President of the Institute

On 1.2.2012 NIRC-ICSI organised a programme on the above topic at PHD House, New Delhi. Nesar Ahmad, President, ICSI, S N Ananthasubramanian, Vice President, ICSI, Rajiv Bajaj, Chairman, NIRC-ICSI, R Krishnan, Founder President, ICSI, Dr. G B Rao, O P Dani, Pavan Kumar Vijay & Keyoor M Bakshi Past Presidents, The ICSI; Atul Mehta, Central Council Member, ICSI, N K Jain, Secretary & CEO, ICSI, Ranjeet Pandey, Immediate Past Chairman, NIRC-ICSI, NPS Chawla, Treasurer, NIRC-ICSI, Deepak Kukreja, Vineet Chaudhary,



Keyoor M Bakshi mentioned that the number of students and members is growing very fast and the management of the number of Company Secretaries and the students is very important. He also emphasised the training requirement of the students. He suggested the members to be a versatile professional.

## **Interaction Program with newly elected President & Vice President of the Institute**

Ranjeet Pandey anchored the program. Rajiv Bajaj welcomed the dignitaries. He mentioned that the Goals of the NIRC will be in line with goals of the Institute. He informed that this year NIRC has chosen a theme "Capacity Building and Value Creation". He briefly touched his agenda viz. corporate membership scheme, frequency of the webcast, Corporate Mentorship programmes, Infrastructure of the Chapters, training modules for the students using IT tools etc.

N K Jain mentioned that in the year 2008 Council of the Institute thought that what should be the ICSI in the year 2020. He then informed that during the tenure of Keyoor Bakshi a core group was formed consisting of the distinguished members who worked on this and also the Institute conducted a Nation wide survey on vision 2020, interviewed around 5000 people across the Country and after analysing all the things the Institute came out with a document called Vision 2020 of the ICSI and that talks about the way forward of profession. He also mentioned that strategy is clear and other things are very well defined in the document. He informed that the focus area for investment of the ICSI resources is IT, Strengthening of the Regional Councils and the Chapters and also the Training & Development of the people etc. He also mentioned that the Company Secretaries should be seen as the Governance professionals. It is the Governance of the Corporates, which is the future and for that we all have to build our skills. He also informed about the Launch of the New Syllabus for the Foundation Programme. The prospectus of the New Syllabus was also released by the President and Vice President of the Institute.

S N Ananthasubramanian mentioned the things which can reshape the profession. He said that there is 3600 transformation in the regulations. MCA21 was the great e-governance initiative and now we moved to next stage i.e. XBRL. He mentioned that the technology is no longer predictable and with the changes in the regulatory landscape, the responsibility of the Company Secretaries is going to be increased. The Company Secretary has to be more strategic, creative and should provide value added services. He said that direction is more important than distance. He also mentioned that the New Companies Bill is going to be landmark Bill, where role of Company Secretaries is well defined. He suggested that it is very important to uplift ourselves and get noticed and also how do we surpass the expectations of the stakeholders.

Nesar Ahmad in his address mentioned that the Institute has adopted the Vision & Mission. The Vision 2020 is the biggest document and is Bible for all of us. He requested all to kindly go through the vision 2020 document as it requires further deliberations. He mentioned that the current Council of the Institute has set up ten goals for itself which are in line with the Vision of the Institute. He mentioned that first goal of the Council is to create a cadre of the competent professionals. In order to achieve this objective a methodology has been devised. He also mentioned that the Institute is very soon launching the various Certification courses, Joint programmes with other institutions, PMQs etc. He informed that the two PMQ examination one on Competition Law and other on Corporate Restructuring & Insolvency Practices will be starting in the year 2012. He informed that six certification courses are coming up. Insurance and banking sector will also be opening up for Company Secretaries. He also touched upon the infrastructure issues of the Regional Councils and the Chapters. He mentioned about the various associations the Institute is having and also further working on the same. He briefly unfolded his agenda. He also stressed on the various core values viz. integrity, ethics, reliability, ownership and stakeholder satisfaction. He appealed the members to venture into those areas recognised by the Statute like Competition Commission of India. At the end he mentioned that in the year 2012 there will be complete technological transformation in the Institute. He also replied to various queries of the members and the students present on the occasion.

## **Study Circle Meeting on Risk Management of Directors and Key Managerial Personnel**

On 20.1.2012 a Study Circle Meeting on Risk Management of Directors and Key Managerial Personnel was organised and CS Lalit Dhingra was the speaker.

## **EAST Zone Study Group Meeting - Discussion on Private PF Trust**

On 21.1.2012 at the East Zone Study Group Meeting - Discussion on Private PF Trust, Ashish Kumar, Alka Goel and Gagan Singh of Darashah & Company were the speakers.

## **West Zone Study Group Meeting on an Overview with Opportunities of Professionals in Service Tax**

On 21.1.2012 at the West Zone Study Group Meeting on the above topic, CS Bimal Jain was the speaker.





# News from the Institute & Regions

## Republic Day Celebration

On 26.1.2012 at the Republic Day Celebration CS Nesar Ahmad, President, the ICSI was the Chief Guest.

## South Zone Study Group Meeting on an Overview of New RBI Guidelines on FDI in Retail Sector

On 27.01.2012 at the South Zone Study Group Meeting on an Overview of New RBI Guidelines on FDI in Retail Sector, CS Yogesh Gupta, Past Chairman, NIRC was the speaker.

## North Zone Study Group Meeting on GST

On 29.1.2012 at the North Zone Study Group Meeting on GST, CS Gopal Mandal was the speaker.

## Investor Awareness Programmes

On 12.1.2012 the Regional Council organized Investor Awareness Programme on Recent Developments in Capital Market which was held at Dayal Singh College, New Delhi. CS J K Bareja, (Associate Professor, University of Delhi) and CS Yogesh Gupta (Past Chairman, NIRC-ICSI) were the speakers.

Again on 15.1.2012 another Investor Awareness Programme on Understanding the Capital Market was held at Sector 22, Dwarka, New Delhi. CS J K Bareja, and CS Pawan Kumar Bhardwaj, Manager, NSE were the speakers.

Yet again on 22.1.2012 the Investor Awareness Programme on Investment Opportunities in Capital Market was held at Sector 16, Rohini, Delhi. CS J K Bareja, and CS Pawan Kumar Bhardwaj were the speakers.

## Career Awareness Programmes

The Regional Council organised 11 Career Awareness Programmes during the month of January, 2012 in various schools & colleges located in and around Delhi. CS Yogesh Gupta (Past Chairman, NIRC), CS J K Bareja, T R Mehta and Himanshu Sharma addressed in these Career Awareness 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. Pamphlets of Career in Company Secretaryship Course were distributed to the students. Members who are interested in volunteering for the Career Awareness Programmes

conducted by NIRC are requested to forward their names, phone numbers, email id along with their preferred locations to [niro@icsi.edu](mailto:niro@icsi.edu).

## CHANDIGARH CHAPTER

### Full Day Seminar on Economic Reforms

On 11.2.2012 the Chandigarh Chapter of NIRC of the ICSI organized a Full Day Seminar on Economic Reforms at Chandigarh in association with SD College, Chandigarh. The Seminar was inaugurated by Prof. Raj S. Dhankar, Dean, FMS, Delhi University and former Vice Chancellor of M.D.U.Rohtak. Prof. Shyam Vyas, Faculty Western Illinois University, USA and Sh. D.S.Kolamkar, IES, Director General, Labour Bureau, Ministry of Labour and Employment, Government of India were also present. CS Mukesh Sharma, Chapter Chairman and CS Rajiv Bajaj, Chairman, NIRC of the ICSI introduced the topics and speakers of the Seminar on Economic Reforms. The reforms which were covered during the seminar were Fiscal Reforms, Company Law Reforms, Labour Reforms, Legal Reforms and Insurance Reforms. Eminent Speakers from the concerned fields were invited to deliberate on the topics.

In the Fiscal Reforms Rajinder Jain, FCA, FCS pointed out that early burst of reforms has made sweeping changes such as reduction in tariff barriers, removal of barriers of entry in industry, removal of controls in the financial sector, Encouragement to foreign investments and technology etc. The measures also helped India in emerging as resurgent, vibrant and dynamic nation, leading global growth. GDP has surged from 5.7% during 1991 - 00 to 7.7 % during 2001-11.

The second session on Company Law Reforms was handled by Rajiv Bajaj, FCS and Chairman of NIRC of the ICSI. He said that the Govt. of India is now taking steps to ensure systematic submission of Returns with the Ministry of Corporate Affairs besides increasing the scope of the profession of Company Secretaries.

The Third Technical Session was taken by Anupam Malik, Joint Labour Commissioner, Haryana on Labour Reforms. He said that there is a need to amend the Labour Laws so that the Labour working in the factories and other places should not be exploited by their employer. He also said that the utter confusion over the payment of wages and minimum Wages Act should be removed so that the labour and employees working in the organisations must get the wages.

The Fourth Technical Session was taken by Sudershan Goel, Senior Advocate of Punjab & Haryana High Court. He gave a lucid presentation on Civil and Criminal Legal Reforms. In his presentation he said that the number of courts in India is very limited whereas the number of disputes on any nature is



increasing day by day. The Govt. of India has therefore decided to settle the disputes through Lok Adalats which are very good in numbers and this step of Govt. of India has been appreciated by the general public.

The last Technical Session was headed by the Chief Regional Manager, The New India Assurance Company Ltd. Darshan Lal and the key speaker in this session was Capt. Dr. Gulshan Satija. Darshan Lal explained the initiatives taken by The New India Assurance Co. in the Insurance Sector. Capt. Dr. Gulshan Satija pointed that after the introduction of IRDA Act, the professionals like Company Secretaries working in the organisations are given due importance to handle the systematic and timely insurance of assets of the Company. He also stated that the Insurance Sector now-a-days is growing very fast and over a period of time the business of Insurance shall increase by another 25% as this sector covers the risks of the Companies in a big way in case of any mis-happenings. The S.D.College with the team of more than 65 Professors in different fields also highlighted the importance of Economic Reforms. More than 800 Members/Professors/Speakers/Industrialists/Professionals/Students attended the seminar and appreciated the initiatives taken by the Chapter for organizing such seminar.

## Seminar on Companies Bill, 2011

On 27.12.2011 the Chapter organized a seminar on Companies Bill, 2011. R.C. Verma, IAS, Managing Director of Haryana Agro Industries Corporation Ltd. was the Chief Guest of the seminar. CS Ranjeet Pandey, then Chairman, NIRC of ICSI was the Guest Speaker who elaborated various provisions of the Companies Bill, 2011 by way of Power Point Presentation. He also highlighted the role of Company Secretaries in the Bill. More than 60 members attended the seminar.

## JAIPUR CHAPTER

### Career Awareness Programmes

On 28.1.2012 the Jaipur Chapter of NIRC of the ICSI organized Career Awareness Programmes at Bagadia Bal Vidhya Niketan, Laxman Garh & Gulabi Devi Bidawatka Sr. Secondary School, Sikar. Shyam Agarwal, Secretary, NIRC - ICSI elaborated the students in detail about the CS Course and the procedure, its scope, enrolment criteria, examination procedure, future prospects of the profession and other allied issues. Around 2500 students of both the schools participated in the programme with full enthusiasm. Brochures containing brief details of the Company Secretaryship Course were distributed to the students. Frequently asked queries such as how to take admission in Foundation Programme as well Executive Programme, procedure for getting admission to the

oral coaching classes conducted by the Chapter, etc., were very well cleared by Shyam Agarwal, while addressing the students.

## Republic Day Celebration

On 26.1.2012 Jaipur Chapter celebrated the 63rd Republic Day. The Flag hoisting was done by Ashok Pareek, Central Council Member, the ICSI. Ashok Pareek in his address made an appeal to all to join hands to achieve the Vision and Mission of the Institute and also stressed upon the role of company secretaries in the field of corporate world. He further added that apart from their day to day secretarial activities, it is their prime duty to guide the management also on various crucial matters particularly in legal field. Earlier, Girish Goyal, Chapter Secretary in his welcome address elaborated his agenda for members and students. Shyam Agrawal, Secretary, NIRC of the ICSI stressed on the Corporate Governance culture and said that corporate governance is helpful not only in corporate word but also plays an important role in the political field. On this occasion a blood donation camp and plantation of Saplings were organized. A large number of members, students, other Managing Committee members and staff donated blood. The blood camp was organized in association with Rotary Club and planting of saplings was also done at the Chapter premises. ■

# Southern India Regional Council

## Inauguration of the Chennai West Study Circle

On 16.1.2012 the Chennai West Study Circle of the ICSI-SIRC was inaugurated at ICSI-SIRC House, Chennai. Dr. CS Ravi B, then Chairman, ICSI-SIRC, CS R Sridharan, Central Council Member, The ICSI, CS Raju Iyer P, Convener of the Chennai West Study Circle of the ICSI-SIRC and CS Ramasubramaniam C, Member, ICSI-SIRC participated in the inauguration.

## Programme on Necessity for an Effective Dispute Resolution Mechanism

On 16.1.2012 the ICSI-SIRC organized a programme on



# News from the Institute & Regions

Necessity for an effective dispute resolution mechanism at ICSI-SIRC House, Chennai. Inbavijayan Veeraraghavan, Advocate & International Arbitrator, Chennai was the speaker who in his address highlighted the necessity of an effective dispute resolution mechanism. The speaker explained the terms, 'cause', 'conflict / difference', 'dispute', etc. He explained that negotiation, non-binding techniques and processes and binding techniques and processes are the various stages of conflict management and dispute resolution. The speaker further observed that negotiation, mediation and arbitration are the various dispute resolution techniques and explained them in detail. Inbavijayan explained that arbitrator is a private extraordinary judge between parties, chosen by their mutual consent to determine controversies between them, and arbitrators are so called because they have an arbitrary power; for if they observe the submission and keep within due bounds, their sentences are definite from which there lies no appeal. He also explained that arbitration is Final and binding resolution of civil disputes by Arbitrator, chosen by the parties and the decision rendered in Arbitration proceedings is binding in nature as such it differs from mediation and other ADR methods. He concluded by explaining that the arbitration differs from the courts as it is private, based on an agreement/contractual process.

## Republic Day Celebrations

On 26.1.2012 the ICSI-SIRC celebrated the 63rd Republic day at ICSI-SIRC House, Chennai. CS Doraiswamy B.S, Past President, The ICSI hoisted the National Flag. The Institute flag was hoisted by CS Marthi S S, Chairman, ICSI-SIRC. In his address, Marthi urged the members and students to contribute more services to the nation for its growth and equally for the profession. CS Doraiswamy, in his address, cited the growth of the Nation recently in various fields. Doraiswamy urged the members to take the new areas of opportunities available to them in the present economic scenario.

## Programme on Listing Guidelines [an update] & MSE Membership for Professionals

On 26.1.2012 the ICSI-SIRC organized a programme on Listing guidelines [An update] & MSE membership for professionals at ICSI-SIRC House, Chennai. P Sampath Kumar, Manager, Listing, and M V Swaminath, Manager - Market Operations from Madras Stock Exchange Limited, Chennai were the speakers. Earlier, CS Marthi S S, Chairman, ICSI-SIRC gave an overview of the topic.

Sampath Kumar gave a brief outline on the history and functions of the Madras Stock Exchange. He updated members on the listing guidelines. Sampath explained in detail the SEBI [SAST] Regulations, 2011, Letter of Offer [SAST], formats for disclosures, filing of offer document, amendment to clause 35, etc. Swaminath, in his address, presented a bird's eye view on the membership of Madras Stock Exchange, for professionals. The members actively participated in the discussion with the speaker after the conclusion of his presentation.

## 10<sup>th</sup> Management Skills Orientation Programme (MSOP)

On 30.1.2012 the 10th Management Skills Orientation Programme (MSOP) organized by ICSI-SIRC was inaugurated at ICSI-SIRC House, Chennai. V Nagappan, Director, Madras Stock Exchange Limited, Chennai inaugurated the MSOP. Earlier, Sarah Arokiaswamy, Joint Director, ICSI-SIRC welcomed the participants and appraised them about the programme. She also explained the participants about the guidelines of the programme. CS Marthi S S, Chairman, congratulated the participants on completion of the professional programme. Ravi urged the participants to make maximum use of the resource persons of the programme by making the sessions more interactive. He urged them to form a group among themselves and share their knowledge and experience between them in future. Marthi also made an appeal to the participants to help the Council in conducting career awareness programmes in the schools/colleges known to them. The Chairman also advised the participants that communication skills are more important to Company Secretaries and need to be developed. Marthi concluded by requesting the participants to become a member of CSBF. In his inaugural address, Nagappan wished the participants for their completion of the course and explained that they should keep themselves updated in all matters pertaining to their profession. He also advised the participants to follow ethics and take an oath to serve the profession and Nation in a better way. He advised the participants to improve themselves on their presentation skills. Nagappan lauded the ICSI's Journal and study materials as the best. CS Ramasubramaniam C, Member, ICSI-SIRC urged the participants to be more attentive during the session and make the sessions interactive.

## BANGALORE CHAPTER Career Awareness Programme

On 2.1.2012 the Bangalore Chapter of SIRC of the ICSI conducted Career Awareness Programme at BRB College, Raichur. CS. K. Chandra Sekhar, Company Secretary, Ace





Designers Limited, Bangalore explained in detail the course offered by the Institute, eligibility criteria, examination, requirements of training etc, the role of a Company Secretary and importance of the profession of Company Secretary in the changing economic scenario. He then highlighted the opportunities available to those who complete the Company Secretaryship Course. Further he enumerated the emerging areas of practice and the changing role of Company Secretary. He also focused on what would be the mindset and preparation required from a student who wanted to pursue the Company Secretaryship Course. The Programme was attended by 175 students of 2nd and 3rd Year B.Com stream.

## **Half Day Seminar on Advanced Project Financing - Structuring, Bankability and Contractual Aspects**

On 7.1.2012 the Chapter organized a Half Day Seminar on the above topic at Institute of Agricultural Technologists, Bangalore. CA and CS Pratap G. Subramanyam, Director, VSL Capital and Holdings and Senior Advisor, Equidebt Advisors, Bangalore was the Chief Guest. Pratap G Subramanyam in his presentation explained in detail the key elements of Project Structuring under Full - Recourse and Non-Recourse Structure. He then dealt with the parameters and risk analysis under assessment of project bankability. He also explained the relevant contractual matters and issues of Full - Recourse and Non-Recourse Structure. There was a very lively interaction by the 91 Members present.

## **Half Day Seminar in Revised Schedule VI**

On 28.1.2012 the Chapter organized a Half Day Seminar on Revised Schedule VI at the Institute of Agricultural Technologists, Bangalore. CS. K. Chandra Sekhar, Company Secretary, Ace Designers Limited, Bangalore was the Chief Guest. Chandra Sekhar K in his presentation highlighted the relevant provisions under Schedule VI of The Companies Act, 1956 and related circulars, notifications and accounting standards. He also dealt with in detail the format of the Balance Sheet with focus on equity, assets, current liability and noncurrent liability. He also explained in brief the additional disclosures required under the Revised Schedule VI. There was a very lively interaction by the 130 Members present.

## **HYDERABAD CHAPTER**

### **Special Meeting on Message of Swami Vivekananda**

On 12.1.2012 the Chapter organised a Special Meeting on Message of Swami Vivekananda, on the eve of 150th

Birthday of Swami Vivekananda at the Chapter premises. Swami Bhati Harananda from the Vivekananda Institute of Human Excellence, Hyderabad was the Speaker on the occasion. CS P. Chiranjeevulu, Chapter Chairman in his welcome address said that Birth Day of Swami Vivekananda is observed as National Youth Day. Swami Bhati Harananda informed that Indian Government declared Jan 12 as the National Youth Day in 1984. This day marks the birthday of great Indian philosopher, Swami Vivekananda whose teachings are the biggest philosophical asset of the country. The motto of declaring youth day on the birth date of this philosophical guru was motivating and inculcating these pious ideals to the coming generations and further he informed that National Youth Day is observed with great devotion towards Swami Vivekananda at headquarters of Ramakrishna Math and Ramakrishna Mission as well as their branch centers. Further he explained that people have become great by virtue of following ideals not only on secular living but on spiritual lines too. He also stressed the need for spiritual life, which has lot of impact on the present day living and quoted profusely from the speeches of Swami Vivekananda. CS S.S. Marthi, Vice-Chairman, SIRC and Dr. PVS Jagan Mohan Rao, Former President, the ICSI also spoke on the occasion.

## **First Andhra Pradesh State Company Secretaries Conclave - Role of Family Business in Corporate Sector**

On 18.1.2012 the Chapter organised First Andhra Pradesh State Company Secretaries Conclave on Role of Family Business in corporate sector at Secunderabad. CS P. Chiranjeevulu, Chapter Chairman in his welcome address and narrated the importance and objective of the programme and also spoke about challenges, ownership, cultural, environmental effects, loyalty, security, longer hours devoted by owners, encouragement given by Government. He also covered topics related to family business, corporate business, globalisation and Company Secretaries role in family business.

CS S. S. Marthi, Vice Chairman spoke about the new study centre to be opened after approval from Delhi office at Secunderabad.

While delivering the key-note address Dr. P.V.S. Jagan Mohan Rao, Former President, the ICSI spoke about JRD Tata and Swami Vivekananda, and also put light on his new book: "Corporate Governance & Bhagwat Gita", released at Kolkata Chapter.



# News from the Institute & Regions

CS Datla Hanumanta Raju, Former President, the ICSI and Guest of Honour in his address spoke about various practice areas available to the Company Secretaries. He also spoke about the propounding areas for CS, profits, wealth, challenges in changing situations, customer satisfaction, head of family, investor, working as owner or sole proprietor, covered topics related to qualifications required to run family business successfully. He gave example about Dhirubhai Ambani and his two sons' education. He also covered related topics viz., Life Insurance Companies, new opportunities, maintaining balance in professional, business, family and personal life. He also spoke about CSIA (Company Secretaries International Association) 2009.

CS S.S. Marthi, Vice Chairman, SIRC shared his views about records of leadership achieved under the guidance of the Chairman. He appreciated the efforts of K.V. Vishnu Raju, Chief Guest and introduced him to the gathering. Thereafter the session was inaugurated by K.V. Vishnu Raju, Chairman & Managing Director, Anjani Portland Cement. Raju in his address shared his memories about Raasi Cements and Vishnu Cements, spoke about Chanakya's Chant Book, etc.

Thereafter the First Technical session was handled by Devendra Surana, Managing Director, Bhagyanagar India Ltd. He spoke on The Family Business, Issues and Challenges and shared his experience of the manufacturing business, family v. caste system, spoke about individual groups like Tata, Reliance, Infosys and GE. He spoke about globalization and job cost. He concluded with a statement that the success for an organization is to "Make customer lazy". Thereafter Dr A R Aryasri, Director, School of Management Studies, Jawaharlal Nehru Technological University, Hyderabad was the speaker who explained on Leadership Succession at Family Business and also shared his contributions in leadership succession in family business, business continuity in generation, selection of new leadership, financial planning, business valuations, business life, clinching factor, seasoned v. experienced, were the topics he covered. The session was coordinated by CS S.S. Marthi, Vice-Chairman, SIRC.

The Second Technical Session was handled by R. Ravichandran, Vice-Chairman, Vishnu Educational Society on Role of Family Business in emerging economy and also spoke about family owned business, its successive transactions, third generation, value based leadership; spoke about Chinese Company Wahaha, strategies, human capital, multinational takeover, heir succession,

corporate governance, undertaking and road blockers. CS Rajnesh C Popat spoke about importance and hurdles, advantages of family business, characteristics of next generation, best practice by family business, confidentiality, encourage communication, educating about governance issues, legal compliance, promote family meeting, maintain board culture, maintain family constitution, advise CEO/Chairman of structure of board, remuneration, differences in interests. This session was coordinated by CS Shujath Bin Ali, Vice Chairman of the Chapter.

Members interacted and sought clarifications on various issues pertaining to Family Business and raised queries which were satisfactorily replied.

## Study Circle on Role Model Series

On 21.1.2012 the Chapter organised a Study Circle on Role Model Series at its Premises. CS Shujath Bin Ali, Chapter Chairman in his welcome address stated that Life is all about learning. Learning can happen through education, updation. However, learning from experiences and also of successful individuals has been a great source of learning and obtaining knowledge and wisdom. He said these successful individuals inspire and motivate and become role models for others to look up to. Keeping this in mind, ICSI Hyderabad Chapter is bringing the "Role Model Series" showcasing the role models who earned the name and fame by their sincere and dedicated effort being successful in various fields like professional services, consulting, Management, entrepreneurship, civil services etc. He further stated that this is an opportunity for us to learn, interact with role models and also recognize their contributions. He said as a maiden attempt a Tete-a-Tete with D Vijaya Bhaskar, ICLS (Former Official Liquidator of AP) was organized for the first Role Model Series. D. Vijaya Bhaskar shared his experiences. CS Vasudeva Rao Devaki, Chapter Secretary anchored the event and also led the discussion which reviled other side of this eminent personality. While responding to these queries, D. Vijay Bhaskar shared his memories right from his childhood to college days as well as distinguished stint with MCA. He shared the Challenges that he faced during the implementation of MCA-21, as Official Liquidator. Members interacted with D. Vijay Bhaskar.

## Republic Day Celebrations

On 26.1.2012 the Chapter celebrated the 63rd Republic Day at its premises. CS Shujath Bin Ali, Chapter Chairman hoisted the National Flag and addressed the gathering. CS Datla Hanumanta Raju, Former President, ICSI, CS KK Rao, Former Chairman of the Chapter, CS AV Rao, Member, SIRC and Managing Committee Members also graced the occasion. Students also spoke on the occasion. A good number of Members and Students participated in the celebrations.



## Annual Fellowship Meet

On 28.1.2012 the Chapter organized the Annual Fellowship Meet for its members at Yogibear Park which was attended by around 150 members including their families. Various programmes including educational games for children and adults were organized which were thoroughly enjoyed by the members present. Members and their family members actively participated in the games & cultural programmes. Winners of the fun games, cultural programmes and the children present were given gifts. Kamal Kamaraju, Actor, Artist & Architect was the Chief Guest and addressed the gathering.

## MADURAI CHAPTER

### One Day Seminar on XBRL Programme

On 5.11.2011 Madurai Chapter organised a One Day Seminar on XBRL at Madurai for the Benefit of members and corporate officials. The Chief Guest of the Programme S.Jeyabalan, Chairman M/s. Susee group of Companies, Madurai in his address emphasised that the changes due to technology is to be accepted without demur to reap the fruits of modernisation. The Seminar had two technical sessions. The speaker of the First Technical Session was Dr. Mayil Murugan, Asst. Professor, Department of Commerce, Madura College. The first session covered XBRL Concepts, XBRL Terminology, and Overview of XBRL.

The Second Technical Session was addressed by Rajender Kapoor, Company Secretary and Director of Webtel Electrosoft Pvt. Ltd., New Delhi. This session fully covered the practical aspects of XBRL Implementation, how to tag Annual reports, creation of instant Documents and hands on training on laptop to members and participants. The programme was very useful to all especially to corporate participants and members.

### India Corporate & Investor Meet

On 10.02.2012 the Chapter organised Investor Awareness Programme under the aegis of Ministry Corporate Affairs, Government of India at Tamilnadu Chamber of Commerce, MEPCO Mini Hall, Madurai. A detailed Presentation on various issues such as Investment avenues and the appropriate forums available for redressal of grievances, and related issues in the capital market besides the investor responsibility related matters were given by C.Murugesan, Asst. Vice President of Religare Capital Markets, Madurai, invoking the investor awareness. Around 125

participants comprising business community, investing public and the members and students participated in the programme. During the Interactive Session, C.Murugesan, along with the Management Committee Members clarified various queries raised by the participants/investors.

## MYSORE CHAPTER

### National Seminar on the Impact of Economic Recession on Small Scale Industries

On 7.1.2012 the Chapter, jointly with Cauvery College, Gonikoppal organized UGC Sponsored National Seminar on the Impact of Recession on Small Scale Industries. The Programme was inaugurated by Retired Director of Mumbai National Test House - Kolera A Gokula College Managing Trust President, K A Chinnappa, Principal Biddappa and CS Srilatha, Chairperson of Mysore Chapter. CS. Ahalada Rao, Past Chairman of Hyderabad Chapter and Major General Dr. O P Soni from Uttar Pradesh were the Resource Persons for the seminar in addition to the Research Scholars who presented papers during the occasion.

The program was well attended by delegates from different colleges and institutions from Mysore, Coorg, Mangalore, Puttur, Bangalore etc.

### Interactive Meeting on Peer Review

On 8.1.2012 a members' interactive meeting on Peer Review was held at the Chapter premises. CS Ahalada Rao, Past Chairman of Hyderabad Chapter led the discussion on the concept of Peer review and its implications on the practising professionals. The practising company secretaries of Mysore were highly benefited from the interactive session.

### Republic Day Celebrations

On 26.1.2012 the 63rd Republic Day was celebrated by the Chapter at its premises. The programme began by hoisting of National Flag by CS CK Sabareeshan, Past Chairman of Mysore Chapter and was followed by rendition of National Anthem by members and students. As a green initiative, planting of saplings was done at the Chapter premises. ■





## Western India Regional Council

### Seminar on Fund Raising & Valuation

On 13.1.2012 the ICSI- WIRC organized a seminar on Fund Raising & Valuation at Maharashtra Chamber of Commerce, Industry & Agriculture.

Fund Raising is the prime part of any organization. Fund raising is continuous and ongoing process and needs lot of expertise, efforts and innovative approach. There are various fund raising options available in India. Valuation of Business & Securities is important not only for fund raising but also for internal or external restructuring. With a view to get expert knowledge on various fund raising options, approach to fund raising, methods of fund raising, Valuation options & methods, Legal Requirements, Taxation Aspect etc., the seminar was organized by the Regional Council.

Faculty CA Shrirang Tambe, Managing Director, Ourea Capital Advisor Pvt. Ltd. shared his knowledge and experience on the topic. About 50 participants attended the seminar.

### Study Circle Meeting on Recent Updates in Corporate Laws

On 27.1.2012 the ICSI- WIRC organized Study Circle Meeting on Recent Updates in Corporate Laws at its premises. CS Sanjeev Shah, Senior Manager of Deloitte, deliberated on Recent Updates in Corporate Laws. Around 44 members attended the meeting.

### Study Circle Meeting on Prospects of Company Secretary in Employment & In Practice under Changing Scenario & Opportunity & Scope of LLP Among Members of ICSI/ ICAI/ ICWAI

On 29.1.2012 a study circle meeting on the above topic was organized by the Regional Council at Andheri (West). Jayesh

Thakur, Associate Director, Tax & Regulatory Service PWC addressed the delegates on the theme of LLP among members of three professional bodies. Andheri Study Circle also took the opportunity to honour S. Ananthasubramanian, Vice President, the ICSI & Regional Council Members Mahavir Lunawat, Chairman, ICSI- WIRC and Ragini Chokshi, Secretary, ICSI-WIRC. There was a record attendance of 158 members.

### Seminar on Changing Regulatory Landscape: Challenges & Opportunities

On 10.2.2012 a seminar on Changing Regulatory Landscape: Challenges & Opportunities was organized at BSE International Convention Hall, Mumbai. The programme was inaugurated by Special Invitees like Ashish Chauhan, Dy. CEO, BSE, P.K.Malhotra, Member, and acting presiding officer, SAT, Ananta Barua, Executive Director, SEBI. WIRC took the opportunity to honour Nesar Ahmad, President, the ICSI, S.N. Ananthasubramanian, Vice President, the ICSI, N.K. Jain, Secretary & CEO, the ICSI. With an insightful address, Alok Saraf, Executive Director, M&A, PwC dealt with the theme of why and how of M&A in a Changing M&A regulatory Landscape. Susanta Kumar Das, AGM, SEBI and Pavan Kumar Vijay, Past President, the ICSI elaborated the topic of New Takeover code. R. Rajgopalan, General Manager, RBI deliberated on the key changes on FDI, ECB & outbound investments norms. Dr. S.D. Israni, Advocate provided critical changes in the domain of corporate Law was covered. There was an august gathering of nearly 400 delegates. BSE was the principal sponsor of the programme.

### Study Circle Meeting on Investments in Gold

On 12.2.2012 a Study Circle Meeting on Investments in Gold Was held at SE International School Borivali - W, Mumbai. The meeting was inaugurated by Prakash Pandya and Hitesh Kothari, Members, Western India Regional Council of the ICSI. The speaker for the meeting was Balwantraj Jain, CFO & Company Secretary of Apna Paisa Private Limited who enlightened the members on various modes available for investment in Gold and the tax implications for the same. The meeting was attended by 45 members.

### Kandivali Study Circle of ICSI-WIRC Study Circle Meeting on IFRS & Related Matters

On 5.2.2012 Kandivali Study Circle discussed the topic IFRS & Related matters. Ram Mohan Bhawe, Chartered Accountant, Company Secretary and Cost Accountant, made a Power Point Presentation on IFRS and related



matters and addressed the members in detail regarding the various principles, legal aspects and different issues involved in IFRS. Each topic was addressed in detail by Bhav by way of illustrations. Before his presentation, he gave a background of IFRS. There was a lively interaction with members and Bhav responded to the queries raised by the participants.

Thereafter S. N. Ananthasubramanian, Vice President of the ICSI addressed the members about the state of the profession, the initiatives made by ICSI and the way forward. S. N. Ananthasubramanian shared his experience as a member of the Regional and Central Council. He also briefed about his commitments and responsibilities towards the profession in general and ICSI in particular. He also acknowledged the contribution made by Kandivali Study Circle in professional development activities and complimented the Study Circle on its successful completion of fifteen years.

## PUNE CHAPTER

### 8<sup>th</sup> MSOP

From 20.12. 2011 to 5.1.2012 Pune chapter conducted its 8th MSOP for the CS Students. The programme was organized at the Chapter premises and 40 participants attended the same. CS Makarand Lele was invited as a Chief Guest for the Valedictory session and Completion Certificates were distributed by the Chief Guest and by CS Chandrashekhar Kelkar.

### Sports Event 2012

To commemorate the Foundation Day of the Chapter, this year a Sports Event - 2012 was organized. The event was celebrated for the whole week consisting of various games, sports, championship matches for the members and students. A Cricket Match was also arranged on 22.1.2012, at the Katariya High School Ground in Mukund Nagar, Pune. There was fabulous response from the members and students numbering around 130 for the whole week. The winners were honoured at the 39th Foundation day programme held on 28.1.2012.

### 39<sup>th</sup> Foundation Day

On 28.1.2012 the 39th Foundation day Programme of Pune Chapter of WIRC of the ICSI was held at S. M. Joshi Socialist Foundation Hall, Ganjave Chowk, Pune. The programme was inaugurated by the dignitaries present. Those who graced the occasion included Chief Guest Kishor Desai, Chairman & Managing Director of M/s Kishor Pumps Private Limited; Guest of Honour Dr. Anand

Deshpande, Chairman & Managing Director of Persistent Systems Ltd and Special Invitee CS S N Ananthasubramanian, Vice President of the ICSI.

CS Pawan Chandak, Chapter Chairman honoured the Chief Guest, the Guest of Honour and the Vice President of the ICSI. CS Vikas Khare, Central Council Member of ICSI from Pune, CS Makarand Lele, Past Chairman WIRC of ICSI from Pune, CS Vikas Agarwal, Past Chairman of Pune Chapter were also honoured.

CS S N Ananthasubramanian, in his address informed that the ICSI would work for the betterment of students and the profession.

The rank holders from Pune for the exams conducted by the Institute held in December 2010 and June 2011; winners for the Best Articles in "Sanhita" - a monthly magazine of Pune Chapter and the winners of Sports week event, Pune chapter Administration staff and OTC faculties were also honoured on this occasion by the Pune Chapter Chairman, CS Pawan Chandak. Thereafter the Chief Guest and the Guest of Honour shared their thoughts which were truly inspiring and motivating.

## Career Awareness Programmes

4 Career Awareness Programmes were arranged during the period, at Marathwada Mitramandal College of Commerce which were coordinated by CS Amit Atre, Students Committee Chairman of Pune Chapter of WIRC of ICSI and Adwait Kulkarni, Student ICSI. There was a support of Dr. M. D. Lawrence, Principal of Marathwada Mitramandal College of Commerce, and also a Co-opted Member of the Managing Committee of Pune Chapter of WIRC of the ICSI and Prof. (Mrs.) Gaikwad from the said college. Around 200 students attended the programmes.

## RAIPUR CHAPTER

### Shifting of Chapter Office

W.e.f. 1.2.2012 the office of Raipur Chapter of WIRC of the ICSI has been shifted to new address as under:

**Raipur Chapter of WIRC of the ICSI**  
**C/o Global Classes**  
**C-31, Ravi Nagar, EAC Colony**  
**Raipur, Chhattisgarh 492 001**  
**Phone No. 0771-3267753.**





## ICSI-CCGRT

### Programme on Service Tax and VAT

On 20 and 21.1.2012 the ICSI-CCGRT organised a two day programme at its premises at CBD Belapur, Navi Mumbai. The speakers for the programme were Asit Shah, Partner-Indirect Taxes, Mehta & Shah, Chartered Accountant, Mumbai, Rajkamal Shah, Chartered Accountant, Mumbai, Vivek Bhimanwar, Deputy Commissioner of Sales Tax, Mumbai and M P Sharma, Practising Company Secretary, Mumbai.

On 20.1.2012 Asit Shah spoke on Registration and Charge of Service Tax, Taxable Services, Value of Taxable Service, Exemptions from Service Tax, Export and Import of Service, Levy, assessment and collection of Service Tax, Electronic Tax Administration and Automation of Central Excise and Service Tax, CENVAT Credit of Service Tax and Excise Duty, Records to be maintained for Service Tax Compliances, Audit and inspections.

During the Second Technical Session Rajkamal Shah spoke on Refund of CENVAT Credit, Adjudication and appeals, innovations in Service Tax Law - Negative list of services, point of taxation, Service TDS etc.

On 21.1.2012 Bhimanwar discussed various aspects viz. Salient features of Maharashtra VAT including Credit Mechanism or the other aspects of VAT. He elaborated Sales Tax in India and the need for reforms. He also briefed about Kelkar Committee Report 2003. He also threw light on milestones of VAT in India. He then elaborated on Constitutional authority and Indirect tax system of goods in India. Citing various examples he then spoke on current trends in VAT. He then explained GST and its benefits. He also briefed on Taxes and levies not to be subsumed under GST. A question answer session was organised at the end of his session where Bhimanwar responded to various queries raised by the participants. In conclusion M P Sharma spoke on practical issues of Service Tax. The programme was well attended by participants from across the country.

### Programme on Drafting, Advocacy Skills and Opinion Writing

ICSI-CCGRT organised week-end program on Drafting, Advocacy Skills and Opinion Writing on 22 and 29.1.2012 at its premises. K J Paratwar, Presiding Officer, Debt

Recovery Tribunal, Mumbai was the Chief Guest who in his address explained the importance of developing Drafting skills and various methods to inculcate effective Opinion writing. He shared his rich experience on various aspects and motivated the participants with his thoughts. He opined that the young generation should be ambitious to climb heights and they should always learn from mistakes. He cautioned the participants that Drafting cannot be learnt in a single day or through a course work, but it is a lifelong laborious activity.

During the First Technical Session Nitin Podar, Partner, J Sagar Associates, Advocates and Solicitors, Mumbai spoke on Opinion Writing. He said that it is necessary to invest in the profession, which is rarely seen today. A professional should always keep on updating his knowledge. Learning keeps one on their toes, he opined. Learning is very much essential for opinion writing. Before writing an opinion a person should know what the question is and what would be his reply. When a person understands what a question is then half of the job of opinion writing is done. This means that opinion writing is determined on the question on which opinion is required. The opinion given should be as per the updated laws. Giving opinion in this manner helps build credibility.

J Shekhar, Advocate, J Shekhar and Co, Mumbai spoke on Appearing before Quasi Judicial bodies and Drafting of Documents. He explained the concept of advocacy by telling that analytical thinking is essential for advocacy skills. He further said that any person can develop any skill if he practices that skill and hence for any skill development practice, patience is important.

On 29.1.2012 J J Bhatt, Advocate, Bombay High Court spoke on Appearing before Quasi judicial bodies. He explained the concept of pleadings by referring to his own experiences and case laws. This gave the participants good understanding of the concepts. These explanations were concluded by brief lessons or teachings out of his rich experience.

Bakul Pandya Advocate, Bombay High Court spoke on various aspects involved in Drafting of legal documents. He explained the role of contracts. He further said that contract means meeting of the minds of two parties. The best contract is the one that requires less interpretation and which need not required to be taken to the court of law. Contract formation is a process. The steps involved in the contract formation are 1) Contemplating the deal 2) Reaching an agreement 3) Performance and 4) Enforcement.

The next part of his presentation explained the building blocks of the contract. Contracts should first define the





terms used in the contract. While defining the terms used in the contract use of inclusive terms should be done in the definition. Avoid using limiting definitions. He said Covenants are another important part of the contract. It gives details about the terms and conditions of the contract. The performance clause in the contract should be clearly stated. Performance clause must clearly demarcate the rights and responsibilities of the parties regarding performance. Where there is contract there is bound to be disputes arising from it. The contract must provide for remedial measures to resolve these disputes. Remedies may be in the form of termination, indemnification, liquidation or arbitration.

### Programme on Corporate and Company Law Updates

The programme was held on 27 and 28.1.2012. The speakers for the programme were Shailashri Bhaskar, Practising Company Secretary, Mumbai, Shashikala Rao, Practising Company Secretary, Mumbai, Dr. V R Narsimhan, Executive Vice President, Kotak Mahindra Bank Limited, Robert Pavrey, Practising Company Secretary, Mumbai, Henry Richard, former ROC, Mumbai and Jayesh Thakur, Associate Director, PWC, Mumbai.

Bhaskar spoke on the New Takeover Codes and preferential issue of securities. Rao spoke on various aspects of Companies Bill 2011. Dr. Narasimhan spoke on Board Meetings through video conferencing. Henry Richard spoke on Recent Company Law updates and Amendments to Schedule VI was dealt by Thakur. Pavrey spoke on various aspects of Postal Ballot which was followed by practical demonstration of e-voting by CDSL officials.

### Programme on Corporate Governance

One more concurrent programme was held at CCGRT, Navi Mumbai on 28.1.2012. The Programme was inaugurated by Henry Richard and during the inaugural session he spoke about various initiatives of MCA and changing trends of Corporate Governance. The First Technical Session was on Transforming Audit Committee's effectiveness by Huzeifa Unwala, Partner and Head, Risk Advisory Services, BDO Consulting Pvt. Ltd, Mumbai.

A session on Best Practices of Corporate Governance was dealt by Dev Bajpai, Executive Director - Legal and Company Secretary, Hindustan Uniliver Ltd.

Neville K Gandhi, General Manager, SIEMENS spoke on Corporate Social Responsibility and Business

Sustainability while J K Dhar, Director, Indian Maritime University spoke on Business Ethics.

### Week-end Programme on Corporate Restructuring through Mergers, Amalgamations and Takeovers

On 11 and 18.2.2012 the above week end programme was held wherein the speakers Shailashri Bhaskar, Practising Company Secretary, Mumbai spoke on various aspects of Corporate Restructuring and restructuring through takeovers; Bakul Pandya, Advocate, Bombay High Court spoke on Due Diligence for transactions; Shashikala Rao Practising Company Secretary, Mumbai spoke on Restructuring through Mergers and Amalgamations and also covered different aspects of buy-back in the light of the recent developments to the regulations.

While Chandrasekhar Rajagopalan, President, Essel Propack Limited discussed Corporate Restructuring strategies with the help of case studies R Balakrishnan, Company Secretary spoke on various aspects of valuation.

### Investor Awareness Programme

The programme was held on 11.2.2012 at Bedrock Hall at Goregaon (West), Mumbai. Sasi Varma, Secretary, Vivek Education Society delivered the inaugural address. Smitesh Amul Desai, Director, Lex4Biz, Gujarat spoke on various aspects of Investments. The programme was well attended by alumni of Vivek Vidhyalaya, students from various colleges and academicians. ■

### FULL DAY SEMINAR AT SANGLI

Pune Chapter of WIRC of the ICSI jointly with Kolhapur Chapter is organising a Full Day Seminar at Sangli to discuss the following topics:

1. Revised Schedule VI and
2. Cost Audit and Cost Accounting Records Rules

*to be deliberated in two technical sessions each.*

**Venue:** Hotel The Lotus Residency, Azad Chowk, Amrai Road, Opp. Collector Bunglow, Sangli - 416416. **Date:** 10th March, 2012. **Fees:** Members: ₹ 1200; Students: ₹ 750 and Others: ₹ 1300

Members/Students eligible for **Four PCH/ Eight PDP**. For further details contact Pune/ Kolhapur Chapter Office or e-mail at [pune@icsi.edu/cskamat@gmail.com](mailto:pune@icsi.edu/cskamat@gmail.com)



**Announces  
Three Day Workshop on**

**CORPORATE RESTRUCTURING, DEBT RECOVERY & CDR**

<b>Introduction</b>	For the revival of corporates which find themselves in financial difficulties as well as for the safety of money lent by Banks & FIs, timely support through restructuring of genuine cases is called for. Recognising the need for putting in place an institutional mechanism in India for restructuring of corporate debt, a CDR System was evolved and detailed guidelines were issued by RBI in 2011 for implementation by Banks & FIs. The program should equip the participants with the intricacies of corporate restructuring, debt recovery & the CDR mechanism.
<b>Objective</b>	The program is designed to help company secretaries, other professionals, officials in banks and others to learn to identify and respond to understand the process of restructuring and identify potential restructuring opportunities. The participants should obtain an understanding of the methods for Debt Recovery and creating value through restructuring & CDR.
<b>Days, Dates &amp; Timings</b>	Saturday, 24 <sup>th</sup> , Sunday 25 <sup>th</sup> & Saturday 31 <sup>st</sup> March, 2012 10.00 a.m.- 06.00 p.m.
<b>Venue</b>	ICSI-CCGRT, Plot No. 101, Sector 15, Institutional Area, CBD Belapur, Navi Mumbai – 400 614
<b>Speakers</b>	Speakers with practical exposure to the subject will address the participants.
<b>Participant Mix</b>	Company Secretaries, Chartered Accountants, Cost Accountants, officials from banks, other professionals and Consultants.
<b>Fees</b>	Members of ICSI ₹ 4800/- per participant Others ₹ 6000/- per participant Students ₹ 3600 /- per student Annual Members ₹ 4050/- per participant of ICSI-CCGRT to cover the cost of program kit, background material, lunch and other organizational expenses

**A certificate of participation will be given to those attending on all the days**

**Registration :** The Fees may be 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

☎ 022-27577814, 4102 1513, **email:** ccgrt@icsi.edu





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Statutory body under an Act of Parliament

CENTRE FOR  
CORPORATE  
GOVERNANCE,  
RESEARCH &  
TRAINING (CCGRT)

## WORKSHOP ON

## INTEGRITY AT WORK IN FINANCIAL SERVICES

Jointly with



<b>Background</b>	<p>Integrity in life and integrity at work leads to happiness. Yet people undervalue their lives for the sake of convenience. They move away from their authentic self, from their deeper inner values, displaying behaviours that lack integrity.</p> <p>While integrity is not a robe that one can pull on and take off when it's convenient, there is no middle path to integrity. Either you're behaving with integrity, or you're not. Various studies and surveys on day-to-day workplace behaviours suggest that convenience plays spoil sport to integrity.</p>
<b>Objective of Workshop</b>	To focus on some of these aspects, ICSI-Centre for Corporate Governance, Research & Training (CCGRT) is organising a workshop on the above subject for the benefit of the Members and other professionals.
<b>Day &amp; Date</b>	Thursday, March 22, 2012
<b>Time</b>	04.30 p.m. to 07.30 p.m. (followed by High Tea)
<b>Venue</b>	Walchand Hirachand Hall (4th Floor), Indian Merchants' Chamber, IMC Building, IMC Marg, Churchgate, Mumbai – 400 020
<b>Proposed Coverage</b>	<p>Workshop on Integrity of Work</p> <ul style="list-style-type: none"> <li>■ Integrity being seamlessly whole</li> <li>■ Integrity avoidance of deception and expediency</li> <li>■ Adherence to one's convictions</li> <li>■ Maintaining values steadfastly</li> </ul>
<b>Principal Speaker</b>	<b>Kevin Moore</b> , Chartered MCSI, <b>Director</b> Global Business Development, CISI, London
<b>Participant Mix</b>	Company Secretaries, Chartered Accountants, Cost Accountants, officials in banks, and financial intermediaries, other professionals, Consultants.
<b>Fees :</b>	<p>₹ 750/00 per participant for Members of ICSI</p> <p>₹ 1000/00 per participants for Others</p> <p>To cover the cost of backgrounder, kit, High Tea and other organisational expenses.</p>

**For Registration :** The Fees may be drawn by way of D.D / local cheque payable at Mumbai in favour of "ICSI-CCGRT A/c" and sent to The Dean, ICSI-CCGRT , Plot No. 101, Sector -15, Institutional Area, CBD Belapur, Navi Mumbai – 400 614.

☎ 022-2757 7814, 022 – 4102 1513, Fax-022-2757 4384, email: ccgrt@icsi.edu,

### Other forthcoming programs of ICSI-CCGRT

Name of the Programs	Day & Date & Timings	PCH/PDP	Venue
Legal Aspects of Supply Chain Management	Saturday, March 17, 2012	PCH – 4 PDP - 8	ICSI – CCGRT Plot No. 101, Sector 15, Institutional Area, CBD Belapur, Navi Mumbai – 400 614
Corporate Governance – A Way Forward	Wednesday March 21, 2012	PCH – 4 PDP - 8	ICSI – CCGRT, Plot No. 101, Sector 15, Institutional Area, CBD Belapur, Navi Mumbai – 400 614
Compliance Of Listing Agreement	Thursday March 22, 2012 (9.30 am – 2.30pm)	PCH – 4 PDP - 5	Walchand Hirachand Hall (4 <sup>th</sup> Floor), Indian Merchants' Chamber, IMC Building, IMC Marg, Churchgate, Mumbai – 400 020





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*Announces!!!*

## **ANNUAL MEMBERSHIP SCHEME 2012-2013**



**An invitation to attend a variety of  
Professional Development Programs organized by ICSI-CCGRT**

ICSI-CCGRT is continuing with the concept of Annual Membership Scheme for the Professional Development Participative Programs organized by it during the period of 12 months, from **March 01, 2012 to April 31, 2013.**

The Scheme was introduced keeping in view the convenience to make payment / take approvals at one time to attend different professional development programs organized during the year.

The annual fees under the Scheme will be as under:

<b>Individual Members</b>	- ₹ <b>9,000/-</b>
<b>Corporate Members</b>	- ₹ <b>12,000/-</b>

Facilities & benefits:

- To attend all the Professional Development Non Residential programs organized by CCGRT free of charge throughout the period of 12 months from March 01, 2012 to April 31, 2013.
- Corporate Members may depute any person from their organisation to attend the program, who need not be a member.
- Both Categories of Members can attend the Non-Residential Programs Free of Charge. Stay charges apply for Residential Programs.
- Individual Members will not be eligible to depute any other person.
- Both categories of members will be entitled to receive the background material whether they attend the program or not.

The fees may way of D.D / local cheque payable at Mumbai and drawn in favour of "ICSI-CCGRT A/c" may be sent to the undersigned at ICSI – CCGRT, Plot No. 101, Sector 15, Institutional Area, CBD Belapur, Navi Mumbai 400 614.

☎: 022 – 2757 7815/16, 022 – 4102 1505, e-mail: ccgrt@icsi.edu

For any Clarifications please contact Shri K C Kaushik, Assistant Director (☎ : 09769133686) / Shri Ranjith Krishnan, Assistant Education Officer (☎: 022-41021504)

**Gopal Chalam**  
Dean  
ICSI - CCGRT





## Workshop on Research Methodology

### Theme: Governance for Professionals in Higher Education

(Focus on Management, Commerce, Law and Economics Discipline)

<b>Day, Date and Time</b>	Saturday 21 <sup>st</sup> April, 2012 from 09.30 a.m. to 05.30 p.m. with lunch and background material
<b>Venue</b>	ICSI-CCGRT, Training Hall, Plot No. 101, Sector 15, Institutional Area, CBD Belapur, Navi Mumbai – 400 614
<b>Proposed Coverage</b>	<ul style="list-style-type: none"> <li>❖ Governance</li> <li>❖ Role of Regulatory Bodies in Higher Education</li> <li>❖ Role of Professional Institutes in Higher Education</li> <li>❖ Issues involved in Higher Education</li> <li>❖ Affiliating systems in Indian Higher Education</li> <li>❖ External &amp; Internal Governance</li> <li>❖ Private Sector Participation in Higher Education</li> <li>❖ Autonomy &amp; Accountability</li> </ul>
<b>Methodology</b>	The methodology will primarily be by way of presentation of selected papers on the subject by the participants.
<b>Participation Mix</b>	Papers can be presented by Academicians, Research Scholars, Students and Members of ICSI. However professionals and students from other discipline can also participate.
<b>Fees :</b>	₹ 800/- per participant for Students ₹ 1000/- per participant for Others to cover the cost of backgrounder material, consisting of selected papers, program kit, lunch and other organisational expenses.
<b>Way Forward</b>	Participants interested in submitting papers may send the abstracts of their papers, comprehensively covering the sub-theme they intend to cover. The abstract (700-900 words) along with 5-8 key words and details of author (name, designations, organization, email address, contact no.) in MS WORD doc/docx. File (font size of 12, Times New Roman) should be sent to ccgrt@icsi.edu. All abstracts of registered participants will be circulated in the workshop.
<b>Submission Guidelines and Important Dates</b>	<p>Last date for receipt of abstract is 7<sup>th</sup> April, 2012</p> <p>Notification to authors will be given within a week of receipt of abstract</p> <p>Selected authors will be invited for a presentation on 21<sup>st</sup> April, 2012.</p> <p>Full papers not exceeding 4000 words should be submitted by Wednesday April 14, 2012.</p> <p>Best Presenters will be given an opportunity of attending the Foundation Day lecture being organised by ICSI-CCGRT on complimentary basis.</p> <p>Last year <b>Dr. A K Khandelwal</b>, Former CMD, Bank of Baroda delivered the on Foundation Day, lecture on "Transformational Leadership".</p>

**For Registration :** The Fees may be drawn by way of D.D / local cheque payable at Mumbai in favour of "ICSI-CCGRT A/c" and sent to The Dean, ICSI-CCGRT, Plot No. 101, Sector -15 Institutional Area, CBD Belapur, Navi Mumbai – 400 614.

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specially designed to serve professionals with  
India's first online law library.



# Three Day Annual Conference of Corporate Registers Forum

The Corporate Registers Forum, an international body of Registrars of Companies world over organised its 8th Annual Conference on 13-16th February, 2012 at The Ashok Hotel, New Delhi, India. With members from 40 nations, the Conference was attended by over 131 delegates from member jurisdictions besides a host of other invitees. The event was hosted by the Ministry of Corporate Affairs and The Institute of Company Secretaries of India (ICSI) was the knowledge partner for the event.

Representatives from India, Australia, Bangladesh, Botswana, Brazil, Colombia, Germany, Gibraltar, Guernsey, Hong Kong, Jersey, Lesotho, Malaysia, Mauritius, New Zealand, Nigeria, Pakistan, Romania, Samoa, Singapore, South Africa, Spain, Sri Lanka, UAE, UK, Vanuatu, Zambia attended the Conference as member countries of the Forum. The delegates from non-member countries represented China, Azerbaijan, Gambia, Ireland, Kosovo, Namibia, Nepal, Norway, Philippines, South Sudan, Sweden, Turkey and Vietnam.

The Theme of the Conference "Control to Self Regulation - Sharing Knowledge - Sharing Best Practices" was deliberated upon in nine technical session as under:

- (1) Reforming Legislative Environment - A global perspective
- (2) Global Business Scenario and Impact on Corporates
- (3) Corporate Actions and Regulatory Mechanism
- (4) Emerging Challenges for MNCs operating in various jurisdictions
- (5) Corporate Governance and CSR
- (6) Social Networks: Use and impact on Registrars' functions
- (7) Transforming data into knowledge : Leveraging XBRL Tools
- (8) Crystallizing global best practices in Corporate Regulation
- (9) Corporate Financial Actions and Money Laundering

The Conference was inaugurated by Dr. M Veerappa Moily, Hon'ble Minister for Corporate Affairs, who opined that "Regulations can never be a substitute for personal integrity". Mr. Naved Masood, Secretary, Ministry of Corporate Affairs was also present at the session. Mr. Sudhir Mital, Additional Secretary, MCA and President, CRF for the year 2012 while delivering his welcome address said that India is one of the fastest growing emerging economies of the world, its policies are being shaped in a manner that allow India to play more constructive role in the world economy.

The first technical session on "Reforming Legislative Environment - A global perspective" deliberated upon the role of IT in regulation of corporates and business reforms. The speakers stressed on moving from Government Regulation to Self Regulation. The second technical session on, "Global Business Scenario and Impact on Corporates" focused on self regulation. The World Bank

representative spoke of business rankings. While the other speakers focused on the setting of norms and standards which attract the international firms and setting of standard norms that help to improve good governance. There was a special session on MCA-21 - an e-governance project of the Ministry of Corporate Affairs, whereat a live demo of the working of the RoC offices in the country was given. During the session, "Corporate Actions and Regulatory Mechanism", focus was on the regulatory framework of SEBI, MCA, regulatory framework at Malaysia with respect to incorporation process, annual routine functions and filing such as annual return and audit of account, winding up process etc. The session "Emerging Challenges for MNCs operating in various jurisdictions" covered different types of MNC challenges, flexibility in Jersey Laws, etc. The session concluded with a fact that certainty of laws, flexibility of processes, CG issues are important, for MNCs. Further, engagement between regulator and the potential customer is essential. The technical session on "Social Networks: Use and impact on Registrars' functions" focused on the predominant activity on the internet being social media has both positive and negative aspects. The session also covered as to how NZCO uses social media such as Facebook, twitter, google plus, etc. for their social networking in respect of sharing information, receiving public review etc. The session on "Corporate Governance and CSR" focused on development of Corporate Governance, CG Challenges, strategies to address the challenges, emerging trends globally in UK, Singapore, South Africa, India, etc. Corporates around the world generate tons of data in the form of annual filings before various regulators. The technical session on "Transforming Data into Knowledge: Leveraging XBRL Tools" laid emphasis on having inter operability of data and data sharing amongst various regulators. During the session titled, "Crystallizing Global Best Practices in Corporate Regulation", the speakers deliberated on building up standardized processes across the globe. The last technical session of the conference on "Corporate Financial Actions and Money Laundering", provided insight into the warning signals and need for robust mechanism to capture financial irregularities and money laundering attempts through a suitable information exchange mechanism.

Dr. M Veerappa Moily, Hon'ble Minister for Corporate Affairs was the Chief Guest at the Closing session of the Conference. Shri Sudhir Mital, Additional Secretary, MCA expressed his thanks and gratitude to all the delegates, speakers and other invitees for making the Conference a grand success. Shri Avinash Srivastava, Joint Secretary, MCA delivered the Vote of Thanks. The Forum's Conference for the year 2013 would be held in New Zealand.

The Conference provided an excellent opportunity for India to showcase its growth and development story and specially the MCA-21 - an e-governance initiative implemented by the Ministry of Corporate Affairs.

[ MCA Press Release Dated 16.02.2012 ]

## THE STANDING AND OTHER COMMITTEES/BOARDS OF THE COUNCIL FOR THE YEAR 2012-2013

(Continued from February, 2012 Issue)

Name	Designation	Name	Designation
<b>PEER REVIEW BOARD</b>			
S N Ananthasubramanian	<b>Chairman</b>	Gaurav Vallabh (Dr.)	Member
Ashok Kumar Pareek	Member	Subroto Roy	Member
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Mahesh Anant Athavale	Member	T N Pandey	Member
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Savithri Parekh (Ms.)	Member	N C Maheshwari (Dr.)	Member
		R. Bhaskaran (Dr.)	Member
		Pavan Duggal	Member
		S Swaminathan	Member
		A V Muralidharan	Member
<b>SECRETARIAL STANDARDS BOARD</b>			
S V Subramanian	<b>Chairman</b>	<b>ICSI-CCGRT MANAGEMENT COMMITTEE</b>	
B B Chatterjee	Member	Atul Mehta	<b>Chairman</b>
R Sridharan	Member	R Sridharan	Member
Gopalakrishna Hegde	Member	Umesh Ved	Member
S C Vasudeva	Member	N L Bhatia	Member
S H Rajadhyaksha	Member	Dev Bajpai	Member
Keyoor Bakshi	Member	J P Sharma (Prof.)	Member
S Chandrasekaran (Dr.)	Member	Kaushik Mukherjee	Member
K Sethuraman	Member	G V Srinivasamurthy	Member
Representative of NSE	Member	Shailashri Bhaskar	Member
Representative of SEBI	Member		
Representative of ICAI	Member		
Representative of ICWAI	Member		
Representative of RBI	Member		
Representative of MCA	Member		
Representative of ASSOCHAM	Member		
Representative of FICCI	Member		
Representative of CII	Member		
<b>DISCIPLINARY COMMITTEE</b>			
Nesar Ahmad	<b>Chairman</b>	<b>QUALITY REVIEW BOARD</b>	
B Narasimhan	Member	U C Nahta	<b>Chairman</b>
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		Vinod K. Singhanian (Dr.)	Member



## India means Business, By

Kshama V. Kaushik & Kaushik Dutta

“India means Business” by Kshama and Kaushik is an eye opener linking Indian business history and its transformation into the economic powerhouse and the future potential it holds. It outlines and analyses veteran professionals deep insight into such transformation commencing from the licensing Raj, and the inspiration generated for the modern youth.

The arbitrage trading with India, continuing even today has expanded manifold scaling new geographical heights. Authors have very craftily traced the arrival of East India Company in 1602, its penetration in the vast expanse of India, the outster of the Ruler of Bengal Siraju ud daula, thereby gaining ascendancy in the Indian mercantile community. The concept

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**Price** : Rs.695/-

of Agency House readily accepted by the Indian merchants leading to the evolution of the Managing Agency System which got firmly entrenched in the Indian

business system makes interesting in reading.

Though the textile industry was the pioneer in ushering industrial revolution in India, but soon India diversified into jute, sugar, coal, cement, steel, tea and coffee plantations. The setting up of the Tata Steel Plant and the complex exercise in raising funds, choosing location, technology, raw material access, etc has been well portrayed.

The reform era commencing 1990 has made India today the World Powerhouse. Public Enterprises have made a sterling contribution to India's such prowess. The Services Sector

established India's dominance in the world IT Sector. This gave rise to several conglomerates based on limited liability concept.

Growing urbanization, exposure to Western culture and a modern education system has shaken the bedrock of the joint family system and in turn transformed the way Indian business is run, however, technology, innovation, Systems, modernity have been adopted all over.

The corporate social responsibility now being debated practiced by some of the leading Companies in India such as TATA Steel, which today has successfully taken over the European giant CORUS and has emerged as one of the top 5 players in the world is absorbing.

Dealing with people when you cross borders requires a different touch and feel embedded in mutual appreciation and respect is not found in any text book.

Similar illustrations of ITC, ICI transforming themselves and merging with the Indian ethos, and small time wholly Indian Companies like Ranbaxy, Bharat Forge, Amul emerging as world leaders make fascinating food for thought.

Authors painting of sports as an harbinger of prosperity and promoting solidarity with the world community is eloquently portrayed. Truly sports as a business in Indian has to be the next target and corporatisation of the sports industry has already stated.

The way the elephant has its stripes over the years has been exceedingly well conceptualized, and provides stimulating reading material to the policy framers, professionals, industrialists, students and entrepreneurs, and authors have rendered Yeoman's service in bringing about such an enlightening Publication.

**R. Krishnan**

Founder President, The ICSI

## ATTENTION MEMBERS !

### Compulsory Attendance of Professional Development Programmes by the Members

The Council of the Institute at its 200<sup>th</sup> Meeting held on March 18, 2011 at New Delhi amended the Guidelines for Compulsory Attendance of Professional Development Programmes by the Members to provide as under:

1.	Current block of three years	April 01, 2011 to March 31, 2014
2.	Min. number of Programme Credit Hours (PCH) to be acquired by Members in Practice	15 PCH in each year or 50 PCH in a block of three years w.e.f April 01, 2011
3.	Min. number of PCH to be acquired by Members in Employment (i.e. members in whose name Form 32 has been filed to work as Company Secretary under the provisions of Sec. 383A of the Companies Act, 1956)	10 PCH in each year or 35 PCH in a block of three years w.e.f April 01, 2011
4.	Min. number of PCH to be acquired by Members above the age of 60 years	Presently the members of the age of 65 years are not required to obtain PCH. This age limit stands reduced to 60 years and the members above the age of 60 years shall be required to obtain 50% of the PCH required to be obtained by the members below 60 years w.e.f April 01, 2011.





# Our Members

## CONGRATULATIONS

**SHRI VIRENDER GANDA**, FCS, Past President of the Institute of Company Secretaries of India on his being appointed as part-time Non-Official Director on the Board of Housing & Urban Development Corporation Ltd. (HUDCO) for a period of three years w.e.f. 9th February, 2012.

**DR. PANKAJ MISRA**, ACS, GM (F & A) and Company Secretary, Rama Paper Mills Limited, New Delhi on his being conferred the Ph.D. degree in Commerce by the Mahatma Jyotiba Phule Rohilkhand University, Bareilly for his thesis on "A Critical Evaluation of Role of Stock Market Regulators in India".

**DR. CHANDRA BAHADUR THAPA**, FCS, Company Secretary and Chief General Manager Worker, Sahara Prime City Limited, Mumbai, on his being nominated as Co-Chairman of ASSOCHAM National Council on Company Law, Corporate Affairs, Corporate Governance and CSR for the year 2012.

Recognition of Company Secretaryship Qualification as equivalent to Post-Graduate Degree for pursuing Ph.D. in Commerce, Management/Law Disciplines

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## OBITUARY

"Chartered Secretary" deeply regrets to record the sad demise of

**Shri P N SUBRAMANIAN**, FCS (25.01.1934 - 22.05.2011), a Fellow Member of the Institute from Mumbai.

May the Almighty give sufficient fortitude to the bereaved family members to withstand the irreparable loss.

**May the Departed Soul rest in peace.**



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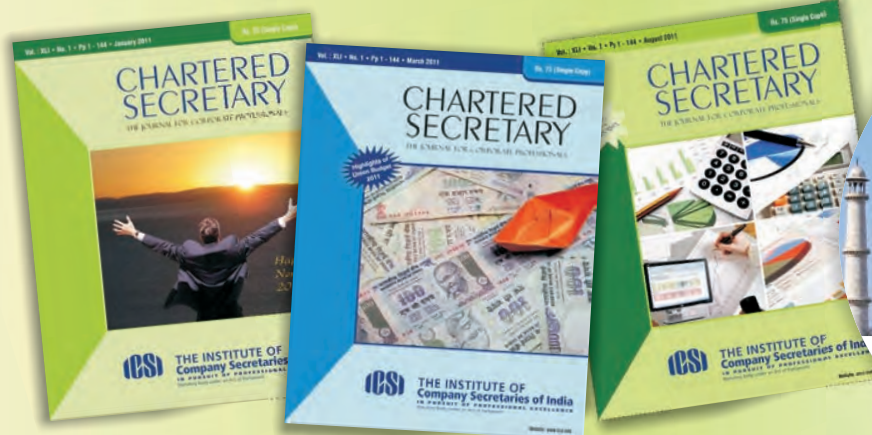
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