14th National Conference of Practising Company Secretaries (Hosted by ICSI - EIRC) on 19th & 20th July, 2013 at The Vedic Village Spa Resort, Kolkata

(L to R) : CS Deepak Kr Khaitan, Chairman - EIRC of ICSI, Shri M. Damodaran - IAS (Retd.) & Former Chairman - SEBI, CS Ashok Pareek Council Member - ICSI, Chief Guest : Shri Somnath Chatterjee, Former Speaker - Lok Sabha, CS S. N. Ananthasubramanian, President - ICSI, CS R. Sridharan, Council Member - ICSI, CS Aril Murarka, Past President - ICSI and CS Sutana Sinha, CE - ICSI
I am greatly impressed by the acknowledgement made by the Institute of the important role of the Government, Corporate and Non-governmental organisations in holding and managing the vast resources of the Country as the trustees for and behalf of 1.27 billion Indians and all stakeholders. I hope this realisation will motivate the different sets of economic forces to play their due role in the sphere of national development.

Shri Somnath Chatterjee  
Former Speaker - Lok Sabha  
19th July, 2013
## FORTHCOMING PROGRAMMES OF ICSI-EIRC *

<table>
<thead>
<tr>
<th>Date</th>
<th>Name of the Programme</th>
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<tbody>
<tr>
<td>07.09.2013</td>
<td>Full Day Seminar on &quot;The Companies Act, 2013&quot;</td>
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<tr>
<td>14.09.2013</td>
<td>Full Day Seminar on &quot;LLP, Profession Tax &amp; Valuation&quot;</td>
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<tr>
<td>21.09.2013</td>
<td>Full Day Seminar on &quot;The Companies Act, 2013&quot;</td>
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<tr>
<td>27.09.2013</td>
<td>Full Day Workshop on &quot;Appearance Before Company Law Board&quot;</td>
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<tr>
<td>25.11.2013 - 26.11.2013</td>
<td>Induction Programme for Practicing Company Secretaries</td>
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<tr>
<td>December, 2013</td>
<td>ICSI National Awards for Excellence in Corporate Governance at Kolkata</td>
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<tr>
<td>December, 2013 to January, 2014</td>
<td>Company Law Classrooms</td>
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<tr>
<td>December, 2013</td>
<td>Certificate Course on Valuation</td>
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<tr>
<td>January, 2014</td>
<td>24th Regional Conference of Company Secretaries</td>
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### Student Programmes

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<tr>
<th>Date</th>
<th>Name of the Programme</th>
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<tr>
<td>10.09.2013 to 17.09.2013</td>
<td>66th Student Induction Programme (SIP) at ICSI-EIRC Building</td>
</tr>
<tr>
<td>23.09.2013 to 10.10.2013</td>
<td>80th Management Skills Orientation Programme (MSOP) at ICSI-EIRC Building</td>
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<tr>
<td>18.10.2013 to 01.11.2013</td>
<td>81st Management Skills Orientation Programme (MSOP) at Bhubaneswar Chapter</td>
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<td>10.09.2013 to 17.09.2013</td>
<td>67th Student Induction Programme (SIP) at ICSI-EIRC Building</td>
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<tr>
<td>23.09.2013 to 30.09.2013</td>
<td>68th Student Induction Programme (SIP) at ICSI-EIRC Building</td>
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<tr>
<td>23.10.2013 to 30.10.2013</td>
<td>69th Student Induction Programme (SIP) at ICSI-EIRC Building</td>
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<td>23.10.2013 to 31.10.2013</td>
<td>35th Executive Development Programme (EDP) at ICSI-EIRC Building</td>
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<tr>
<td>06.11.2013 to 23.11.2013</td>
<td>82nd Management Skills Orientation Programme (MSOP) at ICSI-EIRC Building</td>
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<tr>
<td>20.11.2013 to 28.11.2013</td>
<td>36th Executive Development Programme (EDP) at ICSI-EIRC Building</td>
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<td>November, 2013</td>
<td>HR Conclave at Kolkata</td>
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<td>December, 2013</td>
<td>Campus Placement for Members at Kolkata</td>
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<tr>
<td>December, 2013</td>
<td>Campus Placement for Students (Management Trainee) at Kolkata</td>
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<tr>
<td>03.12.2013 to 19.12.2013</td>
<td>83rd Management Skills Orientation Programme (MSOP) at Kolkata</td>
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<tr>
<td>01.01.2014 to 09.01.2014</td>
<td>70th Student Induction Programme (SIP) at ICSI-EIRC Building</td>
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<tr>
<td>01.01.2014 to 09.01.2014</td>
<td>71st Student Induction Programme (SIP) at ICSI-EIRC Building</td>
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<td>01.01.2014 to 09.01.2014</td>
<td>72nd Student Induction Programme (SIP) at ICSI-EIRC Building</td>
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<td>02.01.2014 to 18.01.2014</td>
<td>84th Management Skills Orientation Programme (MSOP) at ICSI-EIRC Building</td>
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<tr>
<td>10.01.2014 to 17.01.2014</td>
<td>73rd Student Induction Programme (SIP) at ICSI-EIRC Building</td>
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<tr>
<td>10.01.2014 to 17.01.2014</td>
<td>74th Student Induction Programme (SIP) at ICSI-EIRC Building</td>
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<tr>
<td>10.01.2014 to 18.01.2014</td>
<td>37th Executive Development Programme (EDP) at ICSI-EIRC Building</td>
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<tr>
<td>20.09.2013</td>
<td>11th All India Moot Court Competition (Regional Round - EIRC) at ICSI-EIRC Building</td>
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<tr>
<td>28.09.2013</td>
<td>11th All India Moot Court Competition (Final Round) at ICSI-EIRC Building</td>
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<tr>
<td>05.01.2014 to 08.01.2014</td>
<td>26th Regional Conference of Student Company Secretaries</td>
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* Tentative. For confirmed details please check website.
Dear Members & Students of ICSI-EIRC Parivar,

Hope you enjoyed reading the last edition of ICSI-EIRC Newsletter. Last few months have witnessed series of events and moments full of pride and joy. Future is standing before us with open arms and inviting us to write the history for the years ahead. Our preparedness shall be our strength. I can clearly see tremendous opportunity, enormous responsibility and effective sustainability in the days ahead. At this juncture, it is a pleasure to present this third note of little steps taken by ICSI-EIRC during this year:-

Initiated the process of mutation of your ICSI-EIRC Building and I feel happy to inform that finally the mutation has been granted in favour of ICSI. Mutation of ICSI-EIRC Building was pending since long and now that it is done, we are planning to obtain further approvals for creating more facilities at the Institute's premises like self-sustainable canteen, uninterrupted power supply etc.

Capacity Building Programmes on Companies Act, 2013 (Company Law Classroom), National Company Law Tribunal, Valuation, Induction Programme for Practising Company Secretaries are on the way. I recommend that you attend as many as possible.

Space utilization at your ICSI-EIRC Building is now wonderful and satisfactory. Much of the unused space has now been re-done and the new usage plan allows us to create multiple washrooms at each floor, ample car parking space within the premises, a full kitchen area, a clear and complete passage around the building, a well done small terrace at the first floor for events and of course a large roof top above the second floor. Please do visit to feel the change.

Infrastructure at your ICSI-EIRC Building has been upgraded. All the floors are now air-conditioned. We have tea/coffee vending machines. A new sound system integrating the entire building is being worked on. A unique reading lounge and library is under process. I am happy that we have been able to build upon the valuable property which our seniors had acquired years ago for the next generation of students and members.

Experience the joy of attending events at your own ICSI-EIRC Building at low costs. We now have one classroom and four large halls to run multiple events simultaneously. I am delighted to note that the footfall is continuously increasing and I am happy that members and students can attend Study Circle Meetings, Workshops and Seminars at their own ICSI-EIRC Building at much lesser cost.

Integrating Growth, Governance and Challenges Beyond - that was the theme of the 14th National Conference of Practising Company Secretaries which was hosted by ICSI-EIRC on 19th & 20th July, 2013. It was nothing less than a mini convention and I am glad that ICSI-EIRC could make it a grand success. On that very day i.e. 19th July 2013, Bhubaneswar Chapter of ICSI-EIRC hosted Investor Protection and Awareness Programme with Shri Sachin Pilot, Hon’ble Minister of State for Corporate Affairs (I/C) as Chief Guest. It was matter of great pride and joy for all of us to host two national events on same date at two different locations and both the events were grand success. Another National Event i.e. 11th All India Moot Court Competition will be held this month at Kolkata and I am sure ICSI-EIRC will once again put up a great show.

Reaching out to the Chapters has enthused everybody with lots of energy. 79th MSOP of ICSI-EIRC has started yesterday at Guwahati and 81st MSOP of ICSI-EIRC will be held at Bhubaneswar in the month of October. I take this opportunity to thank the North Eastern (Guwahati) Chapter and the Bhubaneswar Chapter for coming forward and sharing this responsibility.

Companies Bill, 2012 has received the assent of the Hon’ble President of India on 29th August, 2013 and it is time for all of us to unlearn and relearn. A new era is knocking on our door. We shall endeavor to conduct sufficient professional development programmes to empower each one of us with all possible skill sets and knowledge.

I pray to the Almighty God to bless us with lots of passion and dedication so that we can make the necessary sacrifices to uphold the cause of our profession.

I hope you have made your own humble contribution to help our brothers and sisters who have suffered badly due to the natural calamity at Uttarakhand. Our prayers for peace and life once again!

For and on behalf of Team ICSI-EIRC

Guwahati
3rd September, 2013

( CS Deepak Kumar Khaitan)

By CS Timir Baran Chatterjee
Sr. Executive Vice President (Corporate Affairs & Legal) & Company Secretary
DIC India Limited
tb.chatterjee@dic.co.in

The Annual Supplement 2013-14 of Foreign Trade Policy 2009-14 was announced by Mr Anand Sharma, Minister for Commerce, Industry and Textiles, Government of India on 18th April, 2013. The Indian government has announced a slew of measures to boost the foreign trade activities of the country as under:

1. Measures to revive investors' interest in SEZs

1.1 A package of measures has been formulated to revive investors' interest in SEZs and to boost exports. The salient features of the package are:-

(i) In view of the acute difficulties in aggregating large tracts of uncultivable land for setting up SEZs, while ensuring vacancy and contiguity, the Government has decided to reduce the Minimum Land Area Requirement by half. For Multi-product SEZ from 1000 hectares to 500 hectares and for Sector-specific SEZ from existing 100 hectares to 50 hectares.

(ii) To provide greater flexibility in utilizing land tracts falling between 50-450 hectares, it has been decided to introduce a Graded Scale for Minimum Land Criteria which would permit a SEZ an additional sector for each contiguous 50 hectare parcel of land. This will also bring about more efficient use of the infrastructure facilities created in such an SEZ.

(iii) Further flexibility to set up additional units in a sector specific SEZ is being provided by introducing Sectoral broad-banding to encompass similar / related areas under the same sector.

(iv) On the issues relating to Vacancy of Land, while the existing policy allows for parcels of land with pre-existing structures not in commercial use to be considered as vacant land for the purpose of notifying an SEZ, it has now been decided that additions to such pre-existing structures and activities being undertaken after notification would be eligible for duty benefits similar to any other activity in the SEZ.

1.2 IT Exports constitute a very significant part of India's exports and IT SEZs have a major contribution in it. Exports from IT SEZs during financial year 2012-13 have exceeded Rs. 1.40 lakh crore registering a growth of over 70% over the previous year’s exports. The Government have specifically addressed issues to boost growth of this very important sector and also to give a fillip to employment and growth in Tier-II and Tier-III cities.

(i) The present requirement of 10 hectares of minimum land area has been done away with. Now there would be no minimum land requirement for setting up an IT/ITES SEZ. Only the minimum built up area criteria would be required to be met by the SEZ developers.

(ii) The minimum built up area requirement has also been considerably relaxed with the requirement of one lakh square meters to be applicable for the 7 major cities viz: Mumbai, Delhi (NCR), Chennai, Hyderabad, Bangalore, Pune and Kolkata. For the other Category B cities 50,000 square meters and for remaining cities only 25,000 square meters built up area norm will be applicable.

2. Zero Duty Export Promotion Capital Goods (EPCG) Scheme

2.1 Foreign Trade Policy has two variants under this scheme, namely, Zero Duty EPCG for few sectors and 3% Duty EPCG for all sectors. During the last announcement on 5th June, 2012, a new Post Export EPCG Scheme was also announced which was notified on 18 February, 2013 by the CBEC. Based on the request of all stakeholders, the Government has decided to harmonize Zero Duty EPCG and 3% EPCG Scheme into one scheme which will be a Zero Duty EPCG Scheme covering all sectors.

2.2 Following are the salient features of the Zero Duty EPCG Scheme:

(i) Authorization holders will have export obligation of 6 times the duty saved amount. The export obligation has to be completed in a period of 6 years.

(ii) The period for import under the Scheme would be 18 months.
(iii) Export obligation discharge by export of alternate products as well as the accounting of exports of group companies will not be allowed.

(iv) The exporters who have availed benefits under Technology Upgradation Fund Scheme (TUFS) administered by Ministry of Textiles, can also avail the benefit of Zero duty EPCG Scheme.

(v) The import of motor cars, SUVs, all purpose vehicles for hotels, travel agents, or tour transport operators and companies owning/operating golf resorts will not be allowed under the new Zero Duty EPCG Scheme.

2.3 Reduced EO for Domestic Sourcing of Capital Goods

The quantum of specific Export Obligation (EO) in the case of domestic sourcing of capital goods under EPCG authorizations has been reduced by 10%. This would promote domestic manufacturing of capital goods.

2.4 Reduced EO for units in the State of Jammu & Kashmir

In order to encourage manufacturing activity in the State of Jammu & Kashmir, it has been decided to reduce the specific EO to 25% of the normal export obligation. Earlier, this benefit was announced on 5th June, 2012 in respect of units located in North Eastern Region and Sikkim. This provision is now being extended to J&K.

3. Widening of Interest Subvention Scheme

3.1 At present, 2% interest subvention scheme is available to certain specific sectors like Handicrafts, Handlooms, Carpets, Readymade Garments, Processed Agricultural Products, Sports Goods and Toys. The scheme had been further widened to include 134 sub-sectors of engineering sector. The Government had also announced that the benefit of this scheme of 2% interest subvention could be available up to 31.03.2014.

3.2 The Government has now decided to further widen the scheme to include items covered under Chapter 63 of ITC (HS) (other made up textile articles, sets, rags) and additional specified tariff lines of engineering sector items under the scheme. These sectors would be able to avail benefit under this scheme during the period from 01.05.2013 to 31.03.2014.

4. Widening the Scope of Utilization of Duty Credit Scrip

4.1 Duty Credit Scrips issued under Focus Market Schemes, Focus Product Scheme and Vishesh Krishi Gramin Udyog Yojana (VKGYU) can be used for payment of service tax on procurement of services within the legal framework of service tax exemption notifications under the Finance Act, 1994.

Holder of the scrip shall be entitled to avail drawback or CENVAT credit of the service tax debited in the scrips as per Department of Revenue rules.

4.2 All duty credit scrips issued under Chapter 3 can be utilized for payment of application fee to DGFT for obtaining any authorization under Foreign Trade Policy. This benefit shall be available only to the original duty credit scrip holders. Duty credit scrip can also be paid for payment of composition fee and for payment of value shortfalls in EO under para 4.28 (b) of Hand Book of Procedure Vol. 1.

5. Market and Product Diversification

5.1 Norway has been added under Focus Market Scheme and Venezuela has been added under Special Focus Market Scheme. The total number of countries under Focus Market Scheme and Special Focus Market Scheme becomes 125 and 50, respectively.

5.2 Approximately, 126 new products have been added under Focus Product Scheme. These products include items from engineering, electronics, chemicals, pharmaceuticals and textiles sector.

5.3 About 47 new products have been added under Market Linked Focus Product Scheme (MLFPS). These products are from engineering, auto components and textiles sector. 2 new countries i.e., Brunei and Yemen have been added as new markets under MLFPS.

5.4 MLFPS is being extended from 01.04.2013 to 31.03.2014 for exports to USA and EU in respect of items falling in Chapter 61 and Chapter 62 of ITC(HS).

5.5 Exports of High Tech products would be incentivised and it would be separately notified by 30th June, 2013.

5.6 The towns of Morbi (Gujarat) and Gurgaon (Haryana) have been added to the existing list of towns of export excellence for ceramic tiles and apparel exports respectively. These towns shall be eligible to get benefit under ASIDE Scheme.

6. Incremental Exports Incentivisation Scheme

6.1 The Government has announced Incremental Export Incentivisation Scheme on 26.12.12 for the exports made during January 2013 to March 2013. This scheme is available for exports made to USA, EU and Asia. It has been agreed to extend this scheme for the year 2013-14. The calculation of the benefit shall be on annual basis under the extended scheme.

6.2 The Government has also agreed to include additional countries under Incremental Exports Incentivisation Scheme. 53 countries of Latin America and Africa have been added with the objective to increase India’s share in these markets. The present exports to each of these markets is less than US $ 100 million.

7. Facility to close cases of default in Export Obligation

7.1 It has been decided to allow a facility to close cases where there is default in export obligations after payment of required duty, along with applicable interest. The duty + interest have to be paid within a limited period of six months from the date
of notification of this scheme. The total payment shall not exceed two times the duty saved amount on default in Export Obligation.

8. Served from India Scheme (SFIS)
   8.1 Service providers are entitled to duty credit scrips under Served from India Scheme at the rate of 10% of free foreign exchange earned during a financial year. The entitlement shall now be calculated on the basis of net free foreign exchange earned (i.e. after deducting foreign exchange spent from the total foreign exchange earned during the financial year).

8.2 Limited transferability of SFIS scrips shall be allowed by the Regional Authority within group company of the status holder provided the group company is manufacturer.

8.3 Service exporters who are also engaged in manufacturing activity are permitted to use SFIS duty credit scrip for importing/domestically procuring capital goods as defined in para 9.12 of FTP including spares related to manufacturing sector business of the service provider.

8.4 Hotels, travel agents, tour operators or tour transport operators and companies owning/operating golf resorts having SFIS scrip can import or domestically procure motor cars, SUVs and all purpose vehicles using SFIS scrips for payment of duties. Such vehicles need to be registered for "tourist purpose" only.

9. VKGUY Scheme
   9.1 There is a limiting provision which restricts benefit of VKGUY to a reduced rate of 3% when a particular item avails drawback at more than 1% rate. It has been decided to delete para 3.13.3 of FTP.

9.2 Limited transferability of the Agri Infrastructure Incentive Scheme (AIIS) scrip from status holder to the supporting manufacturer (of the status holder exporter) who is neither a status holder nor has a unit in a Food Park (and is not a developer) shall be allowed. Such transfer from the status holder would be endorsed by the Regional Authority.

10. Status Holder Incentive Scheme (SHIS)
    SHIS was extended for the year 2012-13. The scheme will not be available for the year 2013-14. Regional Authority shall allow limited transferability of SHIS scrip within group company of the status holder provided the group company is a manufacturer.

11. Recredit of 4% SAD
    11.1 Utilization of recredited 4% SAD scrips shall be allowed upto30.09.13 as a trade facilitation measure. No further extension shall be considered by Government.

12. Duty Free Import Authorization Scheme (DFIA)
    12.1 Anti Dumping Duty and Safeguard Duty was exempted under DFIA Scheme. Exemption from payment of Anti Dumping Duty and Safeguard Duty shall henceforth not be available after endorsement of transferability of such authorizations.

13. Import of Cars
    13.1 Import of cars/vehicles is permitted through designated ports only. Now import of cars/vehicles would also be allowed at ICD Faridabad and Ennore Port (TN).

14. Second Task Force on Transaction Cost in International Trade
    14.1 The report on Transaction Cost was released in Feb 2011. Implementation of its recommendation resulted into estimated reduction of transaction cost of approximately Rs. 2495 Crores. Second Task Force on Transaction Costs has been constituted. The Committee would submit its report in six months.

15. Ease of Documentation and procedural simplification
    15.1 Submission of physical copies of IEC and Registration-cum-Membership Certificate (RCMC) with individual application has been dispensed with.

    15.2 It has been decided to dispense with submission of hard copy of EP copy of shipping bills in case of (a) advance authorization, (b) duty free import authorization for grant of Export Obligation Discharge Certificate if exports are made through EDI ports.

    15.3 Application fee can be paid either in cash or through demand draft or through EFT. Now exporters/importers would be allowed to utilize their credit card for payment of such application fee.

    15.4 Existing procedures contained in para2.20A of Handbook of Procedures related to execution of bank guarantee / legal undertaking stand deleted.

    15.5 In order to facilitate IT exports, the Government have extended the facility of 'work from home' to STPI / EOUs / BTPs / EHTPs.
Annual General Meeting:
Finalization of Key Documents & Compliances

CS Narendra Singh  
B.Sc, FCS, LL.B, LL.M  
Company Secretary  
Essel Mining & Industries Limited  
narendra.singh@adityabirla.com

CS Arpita Banerjee  
B.A. LL.B (Hons), ACS  
Assistant Manager  
Essel Mining & Industries Limited  
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STATUTORY REQUIREMENT
In accordance with the provisions of Section 166 of the Companies Act, 1956 (‘the Act’), every company must hold an Annual General Meeting (‘AGM’) once a year and not more than 15 months shall elapse between two AGMs. Further, Section 166(1) mandates that the first AGM of a company must be held within 18 months from the date of its incorporation. However, in case there is any difficulty in holding AGM, except the first AGM, the Registrar of Companies (‘RoC’) may, for any special reasons shown, grant an extension of time for holding the meeting by a period not exceeding 3 months provided the application for the purpose is made before the due date of AGM.

FINALIZATION OF KEY DOCUMENTS/ STATEMENTS
To convene the AGM, the following key documents/ statements are required to be finalized for placing before the Board of Directors for approval and onward dispatch to the shareholders :-

Notice of AGM
Notice convening AGM alongwith the explanatory statement(s) for all special business has to be sent to the shareholders atleast 21 days before the meeting. Notice should contain the date, time and venue of AGM, ordinary businesses e.g. adoption of accounts, declaration of dividend, if any, appointment of directors retiring by rotation, appointment of auditors; and special businesses to be transacted, notice of members’, right to appoint a proxy, etc.

Financial Statements (Standalone & Consolidated)
The financial statements of the company consisting of Balance Sheet, Statement of Profit & Loss, Cash Flow Statement, etc. need to be prepared as per the requirements of the revised Schedule VI of the Companies Act, 1956 and Accounting Standards. Listed companies are required to mandatorily publish the consolidated financial statements in addition to standalone financial statements. Annual audited financials results are required to be approved by the directors of the listed companies within a period of 60 days from the end of the financial year.

Directors’ Report
As per Section 217 of the Act, Directors Reports should contain details of operations, financials, dividend, share/ debenture capital, material changes & commitments, particulars of employees drawing remuneration exceeding certain specified limits, particulars of subsidiary(ies), appointment/re-appointments of directors/ auditors (statutory/ cost), composition of the Audit Committee, funds raised, stock options, directors’ responsibility statement and the conservation of energy, technology absorption, foreign exchange earnings & outgo etc.

The Board is also required to provide explanation in their Report to the shareholders, on every reservation, qualification or adverse remark, if any, contained in the Auditors’ report.

Corporate Governance Report (‘CGR’)
As per Clause 49 of the Listing Agreement, listed companies are required to ensure that there is a separate section on Corporate Governance (i.e. Report on Corporate Governance) in the Annual Report of the Company. The report should contain company’s philosophy on code of governance, the Board of directors and its compositions, composition & terms of reference of the loans committees, general body meetings, disclosures, means of communication with the investors and general shareholders information etc.

should also contain non-compliances of any mandatory requirement of Clause 49 if any, and extent to which non-mandatory requirements have been adopted should also be highlighted.

Management Discussion and Analysis Report (‘MD&A’)
Listed companies are required to prepare MD&A which shall form part of the Annual Report. MD&A should contain overview & development of industry in which it operates, opportunity & threats, outlook, risk, internal controls, material development in HR/ labour relations and operational & financial performance (segment-wise/ product wise) of the Company. In nutshell, MD&A provides narrative on the operations and financials of the Company.

CEO/CFO certification
CEOs/CFOs of listed companies are required to provide a certificate stating that they have reviewed the financial statements and there are no transactions which are fraudulent, illegal etc. The certificate to this effect should form part of Annual Report.
Code of Conduct

Directors and senior management personnel are required to affirm the compliance to the Code of Conduct of the Company on an annual basis. Based on these affirmations, CEO shall sign a declaration which forms part of Annual Report of the Company.

Statement of employees

Section 217(2A) of the Act states that the Directors’ Report shall include a statement of particulars of employees (i.e. name, age, qualification, remuneration, etc) who are in receipt of remuneration in excess of Rs.5 lakhs per month/ Rs.60 lakhs per annum. However, as per MCA’s Notification dated 24th March 2004, particulars of employees of companies engaged in ‘information technology’ sector, posted and working in a country outside India, not being directors or their relatives, need not be included in said statement; however such particulars shall be furnished to the RoC.

Statement of Subsidiary Companies

As per Section 212 of the Act, read with MCA General Circular No. 2/2011 dated 8th Feb., 2011 the holding company shall prepare a statement containing details of subsidiary(ies) such as extent of interest of holding company in subsidiary, amount of profit of the subsidiary deal/ not dealt in the holding company’s accounts etc. The consolidated financial statements of the companies shall have statement containing details of subsidiaries viz. capital, reserve, assets, liability. provision for taxes, PAT, proposed dividend etc.

Business Responsibility Report (‘BRR’)

As per SEBI’s circular dated 13th August 2012, top 100 listed companies based on market capitalization at BSE on 31st March, 2012 shall submit BRR as part of their Annual Report containing details of general information, financials, products, spending on CSR and performance of the company against each of the nine principles enumerated in the Clause 55 of the listing agreement.

STEPS/ COMPLIANCES INVOLVED IN CONDUCTING AGM

The following steps/compliances are required to be ensured to conduct AGM :-

1. BEFORE APPROVAL OF THE BOARD FOR THE ABOVE ‘KEY DOCUMENTS/ STATEMENTS’
   - Obtain disclosures from the directors in Form 24AA and declaration under section 274(1)(g) of the Act.
   - Ascertain directors retiring by rotation and obtain their willingness, if any, to be re-appointed.
   - As required under Section 224(18), obtain confirmation from auditors about their eligibility and willingness for appointment as statutory auditors of the Company.
   - Check the shareholdings of Financial Institutions to ascertain whether special resolution is required to be passed with regard to appointment of Auditors.

Ensure the notice under section 257 alongwith Rs.500 has been deposited with the company for appointment of directors other than those retiring by rotation.

Finalization of date, time and venue to convene the AGM. Venue of the AGM need to be the Registered Office or some other place within the city, town or village is which registered office is situated.

Conduct Audit Committee meeting to consider audited financial results, appointment/ re-appointment of auditors.

Hold the Board meeting and seek approval for recommendation of dividend, if any, appointment/ re-appointment of directors/ auditors and all the documents listed under the heading ‘Finalization of key documents/ statements’ above.

Additional compliances for listed companies

- Intimate Stock Exchanges ("SEEs") atleast 7 days prior about the date of Board meeting to consider and approve the annual financial statements and declaration of dividend, if any.
- Ensure that all senior management personnel & directors have affirmed the compliance to the Code of Conduct and Certificate to that effect is signed by CEO.
- Obtain CEO/ CFO certificate as required under Clause 49 of the Listing Agreement.
- Obtain compliance certificate from the Auditors or Practicing Company Secretary regarding compliance of conditions of corporate governance.
- Obtain the details of shareholding, membership/ chairmanship of Committee(s) held by the directors.

2. AFTER APPROVAL OF THE BOARD BUT BEFORE AGM

- Send content of Annual Report for printing.
- Ensure sending Annual Report to the shareholders 21 clears days before the meeting.
- Inform auditors about the date of AGM and request them to attend the same.
- Send notice of book closures to the depositaries, RTA and publish the same in newspapers as required under Section 154 of the Act. The Book closure notice to also contain the details of date, time & venue of AGM, dispatch of Annual Report and statement that the shareholders may approach to CS if anyone has not received the Annual Report.
- Open an account with scheduled bank for payment of dividend and arrange to print stationery of dividend warrants.
- RTA to download names and addresses of Beneficial Owners (NSDL and CDSL) for mailing of Annual Report.
Ensure that notice convening AGM and Annual Report is dispatched to shareholders, trustee and the auditors at least 21 days before the AGM. Further, send the soft copy of the Annual Report to the shareholders who have opted to receive the same electronically.

Collate the anticipated questions that may be asked during AGM and their probable answers.

Draft outline of the ‘Proceedings’ of the AGM for the reference of Chairman.

Finalize the content of the Chairman’s speech.

**Additional compliances for listed companies**

- Send audited annual results to SEs within 15 minutes of conclusion of Board Meeting.
- Intimate SEs about recommendation of dividend per share, if any, by the Board of Directors and the date of payment of the same.
- Upload the audited results in the website of the Company.
- Within 48 hours of the conclusion of the Board meeting, publish audited financial results in the newspapers (English & vernacular).
- Send six copies of Annual Report along with Notice of AGM & Form A / Form B, as applicable, to the SEs where the shares of the companies are listed and one copy each to all the recognized SEs in India.
- Send notice of book closures to SEs atleast 7 days prior to commencement of book closures.
- Upload the Annual Report of the Company and its subsidiaries on its website.

3. **DURING THE AGM**

- At the time fixed for AGM, CS to request to all the shareholders and proxies, to take seat and request the directors to come on the dais.
- Ensure that Chairman of the Audit Committee is present at the AGM [Section 292A].
- Confirmation of the presence of the quorum by CS as required under Section 174 of the Act.
- The Register of Directors’ Shareholding, Memorandum, Articles of Association, details of proxies and other document related to the items of business of AGM are kept open for inspection by members.
- Chairman to welcome the gathering and briefly introduce the persons sitting on dais.
- All the items of notice are taken for approval of shareholders in seriatim as mentioned in the notice convening AGM.
- Every resolution (Ordinary/ Special) should be first put to the vote by show of hands and accordingly whether the resolution has been passed unanimously or with requisite majority should be declared.
- A poll may be demanded by shareholder/ proxies holding not less than 1/10th equity shares or shares worth Rs.50,000 on or before the declaration of the result (Section 179).
- If a poll is validly demanded, the Chairman should appoint two persons as scrutineers as required by Section 184 of the Act and announce their names at the meeting. At least one of the Scrutineers shall be a member (present at the meeting), not being an employee of the Company.
- The Chairman should announce the date/ time of poll and announcement of results of poll.
- If Chairman is interested in any item of business, he/she should handover the Chair for that item to other person.
- Adequate time should be allocated to respond shareholders’ queries on each item of business.

4. **AFTER THE AGM**

- Inform the directors about shareholders’ approval of their appointment/ re-appointment.
- Return Rs.500 to the shareholders if the shareholder/ director have approved the appointment of director(s).
- Within 5 days of AGM, deposit the requisite amount of dividend in the bank account opened for the purpose.
- Ensure that tax on dividend has been deposited within 14 days from the date of AGM.
- Within 7 days from the date of AGM, intimate statutory auditors about their appointment.
- Draft the minutes of the AGM and send the same for approval of the
Chairman of the meeting. Ensure that the minutes are signed by the Chairman within 30 days of AGM.

- File copies of Balance Sheet and other relevant documents to be filed with the RoC within 30 days from the date of AGM.
- File all special resolution(s) and resolutions pertaining to appointment/ re-appointment/ variation in terms of appointment of MD, section 293(1)(a)/(d)/(e) of the Act, passed at AGM with RoC within 30 days of AGM.
- Pursuant to the provisions of Investor Education Protection Fund (Uploading of information regarding unpaid and unclaimed amounts owing with companies) Rules, 2012, the Company has to upload the details of unpaid and unclaimed amounts owing with the Company as on the date of AGM in the IEPF portal of the MCA as well as that on the website of the company.
- Transfer unclaimed dividend to ‘Unpaid Dividend Account’ after expiry of 30 days from the date of declaration of dividend.
- File Annual Return with the Registrar of Companies (within 60 days).

**Additional compliances for listed companies**

- Immediately after AGM, send brief of the resolutions passed at the AGM and Chairman speech, if any, to the SEs.
- Within 30 days of AGM, send copies of the minutes to the SEs.

**SOME OF THE BEST PRACTICES**

Some of the best practices which company secretaries should strive to attain are detailed below:

**PRESENCE OF DIRECTORS**

As per Section 292A of the Act, the Chairman of the Audit Committee should be present at the AGM to provide clarification on audit and accounts of the Company. With increasing requirement of Committees of the Board (viz. Remuneration Committee, Nomination Committee, Investors’ Grievance Committee etc.), it would be ideal if the Chairman of these Committees are also available to respond to the queries relating to functioning of their respective Committees. Apart from this, directors who are being appointed/ re-appointed at AGM should be available at AGM.

In view of the above, it would be good corporate governance practice if all the directors of the Company are present at the AGM.

**VENUE OF AGM**

Venue of the AGM should be a place which is centrally located in the city/ town in which registered office is situated. This would enable larger participation by the shareholders at the AGM. There would be minimal participation by the shareholders if the venue of the AGM is not easily locatable or where public transportation is poor. Ensure that route map of the AGM venue is sent to the shareholders alongwith the AGM notice.

**VIDEO CONFERENCING**

With the advancement of technology, the Ministry of Corporate Affairs vide its circular dated 20th May 2011 has allowed a shareholder to attend the AGM through electronic mode i.e. video-conferencing (‘VC’). Therefore, it would be ideal for companies to arrange VC facilities in all major cities so that maximum numbers of shareholders are able to attend the AGM. This will also lead to larger participation of the shareholders at the AGM.

**ADEQUATE TIME**

Adequate time should be allocated to conduct the AGM so that most of the queries of shareholders are responded to the best of their satisfaction. A request should also be made to the shareholders in the notice of AGM to submit their queries on financials, operations and items of business at least 2 days before the AGM so that the questions are categorized and responded to the satisfaction of shareholders at AGM.

**PAYMENT OF DIVIDEND - A DAY AFTER DECLARATION**

Companies should ensure closure of register of members and share transfer books at least a week before the date of AGM. This would help in ascertaining the list of shareholders and amount payable to each shareholder well before the declaration of dividend at AGM. Ensure that proper tie-up is made with the dividend payment bank(s) to transfer the dividend to the shareholders electronically (who have opted to receive electronically) immediately on the very next day of declaration.

Further, ensure commencement of printing of dividend warrant after AGM so that the same can be distributed/ despatched to the shareholders (who have not opted to receive dividend electronically) on the very day of declaration.

**CONCLUSION**

AGM is one of the important events which requires meticulous planning, finalisation of documents/ statements and various compliances to ensure the smooth conduct of the same. It would be advisable if the companies prepare detailed checklist for convening the AGM with clear time lines to ensure timely finalisation of each and every activity. Companies should adhere to certain best practices and plan their AGM keeping the good governance practices in mind which will ensure smooth conduct of AGM.

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**ANNUAL MEMBERSHIP SCHEME OF ICSI-EIRC**

Enroll for Annual Membership Scheme 2013 (AMS 2013) & get maximum benefits!
Concept of Unanimous Resolution:
Members' consent without meeting

CS Nivedita Shankar
Vinod Kothari & Company
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The Companies Act, 1956 ("Act") requires every company to hold a meeting of its shareholders annually thereby making shareholders an active part of decision-making in a company. In case of meetings, the majority rule works as per Section 189 of the Act. The basic premise of any meeting is to take consensus of the shareholders in the affairs of a company. However, consider a case of a closely held company. In such a case, having a physical meeting may not be the most practical way of holding meetings. Although, the law prescribes holding of a physical meeting of its shareholders, yet it cannot preclude a scenario where consent of shareholders can be taken without holding a physical meeting.

Again, consent of shareholders need not necessarily be taken by a written resolution. The world of business having kept up with the strides made by technology, written resolutions are no longer a requirement. Further, meetings also need not be held physically and video conferencing facilities can be availed of.

Herein lies the concept of "unanimous resolution". Although the Act does not specifically define this, yet Section 192(4)(e) hints at such a possibility.

We discuss briefly the various cases that have dealt with this concept.

**CASE LAW**

The guiding case law: Re Duomatic Ltd

Re Duomatic Ltd is the leading case in this matter whereby Buckley J held that:

"where it can be shown that all shareholders who have a right to attend and vote at a general meeting of the company assent to some matter which a general meeting of the company could carry into effect, that assent is as binding as a resolution in general meeting would be."

This case served as a sort of precedent whereby it was held that as long as the shareholders of a company agree to a certain matter, the procedures laid down by law or in the articles of the company or any clause in the members' agreement did not matter. Thus, as long as the members had previously reached an agreement, the Court was unable to purport that they were not bound by a particular matter simply because the formal procedure for assenting to it was not followed.

Taking cue from this case, the case of Wright v. Atlas Wright (Europe) Ltd was decided wherein the managing director of a company had negotiated with the managing director of its wholly owned subsidiary the terms of a consultancy. This was taken to amount to informal unanimous consent on the part of the parent. This case is important in that it lays down that even informal consent of the shareholders can be binding provided it is given by all members entitled to vote.

The case of Cane & Jones pertained to signing of a shareholders' agreement wherein no written resolution was recorded. However, the shareholders' agreement represented a meeting of all the shareholders' minds and since a meeting of the shareholders' minds was the essence of a general meeting and the passing of a resolution, the agreement was effective to override the Articles in regard to the casting vote of the chairman and accordingly restricted the use of the chairman's vote. Thus, unanimous assent without meeting has been accepted as effective in circumstances where the Acts say that there should be a special resolution. However, the question remains as to whether this principle can be upheld in cases where additional procedures of law have been prescribed. Consequent to this decision, amendment were made in the Companies Act, 2006 and Section 29(1)(c) of the stated Act prescribes such resolutions to be filed with the registrar.

The case of Re Duomatic principle was also referred to in Re Barry Artist Ltd, whereby the Court held that it was reluctant to allow a written resolution to replace a special resolution in the case of reduction of capital and cancellation of share premium account. The Court stated that it was undesirable to disturb a settled practice of years to allow reduction of capital only by a special resolution. The Court reluctantly allowed the reduction of share capital when adequate submissions were made that the same was in the interests of the company. However, in the same breath the court also held that this was only a one of case of assent by it and it would not be ready to do the same anytime in future in any other case.

Coming to Indian scenario, the concept of unanimous resolution was discussed in the case of Mazda Theatres Pvt. Ltd. And Anr. vs New Bank of India Ltd. And Ors. One of the issues in the cases pertained to the contention that in a scheme of arrangement u/s 391 of the Act, no proper meeting between the subsidiary company and its members was held. The Delhi High Court referred to Table A of the English Companies Act, 1948 which applies to the management of a private limited company and is on the same lines as Section 194(4)(e) of the Act. In fact, the Hon'ble Court also referred to lifting of the corporate veil of the company in question and looked at the reality of the action of the members of the company to hold that the consent of the overwhelming majority of the shareholders outside a meeting is sufficient to show that the resolution was supported virtually by all the members of the company. Referring to some other cases, the Hon'ble Court also stated that when transaction was not illegal.
it was not necessary that the shareholders should meet in a meeting summoned for that purpose if the transaction is an honest bona fide one entered into for the benefit of the company. Also the doctrine of acquiescence was referred to whereby it was stated that if all the shareholders acquiesce in a certain arrangement, the question of a meeting having been called does not arise at all.

Section 291 of the Act places a restriction on the board of a company from exercising any power or do any act or thing which can be done by the company only in a general meeting. Thus, the meeting of the board is different from that of shareholders. However, where all the directors of a company are also the members of the company, the meeting of such directors can be taken to be a de facto members’ meeting. This was applied to in the case of P.V. Damodara Reddi And Anr. vs Indian National Agencies7, whereby five of the six directors had consented to allotment of shares. The allotment was challenged on the ground that the allotment was done without a properly convened general meeting. The Madras High Court held that since these five directors were also the shareholders in the company, they could have agreed to amongst themselves to resolve into a shareholders’ meeting and unanimously pass a resolution without having to follow the procedure of law.

Also, in the case of companies where all the members are companies, a meeting of directors of these companies, who have been appointed as representatives has been taken to be de facto members’ meeting. This view has been taken in Bobbie Pins Ltd v Robertson8, whereby it was also decided that a company is bound by an intra vires and honest transaction that has the subsequent assent of all the corporators (unit owners/body corporate in this context) even if it was irregular at the time it was entered into.

The Act as such does not identify the concept of unanimous resolution as another way of passing a resolution except as ordinary or special. If this had been the intent, the same would have been made explicit in any section. However, a reading of Section 192(4)(b) makes it clear that in case any resolution is passed by the members unanimously without any meeting, the same would constitute a valid meeting and require registration with the registrar.

Throughout, the discussion has been on the unanimous consent i.e. consent of all the members of a company. However, in cases where the quorum falls below the minimum, it was held in the case of East v. Bennett Brothers Ltd9, that where the decision was taken by a member who held all preference shares, the same can be taken to be as effective as a decision taken by a meeting of the preference shareholders. Thus, even if a company has only one member, the consent of that one member can be taken as unanimous assent.

What is clear from the discussion above is that, any unanimous assent by shareholders does not require compliance with administrative requirements like holding a general meeting. As long as the assent is explicit, even written resolutions need not be recorded. However, this concept has a very narrow scope in terms of applicability. In any public company or widely held company, such a situation cannot be apprehended. However, looking at the precedents set down by case laws and Section 192 of the Act, such a concept is surely practicable as long as the same is done keeping with other requirements laid down by law.

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1 See (1969) 1 All ER 161
2 See (1999) 2 BCLC 301 (CA).
4 See [1985] 1 WLR 1305
5 See entire text of ruling at http://indiankanoon.org/doc/1107717/
6 See Re. Express Engineering Works Ltd
7 See entire text of ruling at http://www.indiankanoon.org/doc/1881530/
8 See [1950] NZLR 301

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Annual General Meeting:
Certain Issues

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Introduction
The substantive law as to holding of the Annual General Meeting of a corporate is set out essentially in Section 166 read with Section 210 of the Companies Act, 1956 (the Act). Section 167 and 168 are also relevant.

Section 166 enjoins upon a company to hold in each year an Annual General Meeting (AGM). Section 210 of the Act further provides for placing before the AGM held under Section 166, the Audited Accounts and Balance Sheet. A combined reading of the two sections reveals that the AGM must be held at the earliest of the following dates:
- 15 months from the date of the last AGM
- The last day of the calendar year
- 6 months from the close of the concerned financial year

In case a company experiences difficulty in holding the meeting within 6 months of the close of the financial year as mandated under Section 210, the Registrar has the authority under the proviso to Section 166 to grant extension by a period not exceeding 3 months. The proviso enables the company to hold its AGM beyond the period of 6 months prescribed under Section 210, but within 9 months of the close of the financial year. Thus, the Registrar may grant extension of time by 3 months only from the earliest of the dates when the company is required to hold the AGM.

Power of the Central Government to call AGM
Section 167(1) of the Act empowers the Central Government - on application by a member -- to call or direct the calling of an AGM if default is made in holding an AGM in accordance with the provisions of section 166. This authority of the Central Government is notwithstanding anything contained in the Act or the Articles of Association of the company.

Penalty for not holding AGM within the stipulated time-limits
Section 168 is the punitive section. Section 168 provides that if any default is made in holding the AGM as provided under Sections 166 or 167(1), the company and every officer of the company in-default shall be punishable with fine which may extend to Rs. 50,000 and in case of continuing default, with a further fine which may extend to Rs. 2,500 for every day during which the default continues.

Keeping to the fore the above framework, we propose to analyse certain issues of relevance in the ambit of AGM and Dividend payment.

Legal validity of an AGM held beyond statutory timeline
Let us assume a company obtains extension of time for 3 months from the Registrar of Companies but holds the AGM beyond the extended timeline.

The question arises here whether an AGM held beyond the statutory timeline is valid or void in law and whether the business transacted thereat is ultra vires. It is interesting to note the ratio decidendi in Hungerford Investment Trust Limited v. Turner Morrison & Co. Ltd., which stated that an AGM could be held and be valid even after the time fixed for holding it has expired.

Otherwise the position, in law, would become impossible. Sections 166-168 of the Act do not say that an AGM held after the prescribed time-limit is void.

issue came up for hearing before the Hon’ble Calcutta High Court in Sadhan Kumar Ghosh vs. Bengal Brick Field Owners’ Association & Ors., 2011 wherein Their Lordships, in the Division Bench observed that it is NOT the mandate of the Law that in case of default under Section 166 of the Act it is obligatory upon the company or the defaulting Directors to approach the Company Law Board / Central Government even if they propose to rectify the mistake, give the penalty prescribed under Section 168 of the Act and convene the AGM beyond the time prescribed by law. Section 168 does not debar holding of an AGM beyond the prescribed time and it does not take away the right of the Directors to call AGM beyond the date prescribed under Section 166 of the Act. However, as the Division Bench took this view -- which is conflict with the decision of another Division Bench of the Calcutta High Court in another matter-- Their Lordships
referred the matter to the Hon'ble Chief Justice for constituting a larger Bench for deciding the matter conclusively. This writer is unaware of whether the larger Bench sat in judgment over the issue.

Be that as it may, the legal principles have been well articulated. If one considers the entire gamut of related sections in the Act which deals with adoption of audited accounts by the members at the AGM, appointment of auditors thereat, the appointment of directors, declaration of dividend at the general body meeting and the removal of directors, it would seem that the whole business of the company would come to a standstill, if there was default in holding a single general meeting. So if the previous contrary interpretation is adopted, the company would lose its power to convene the general meeting, the Registrar would lose it once the three months extension period elapses and nobody in the company would have the power to convene the AGM. It would indeed be a very undesirable state of affairs, which the legislature could not have possibly intended.

Therefore, a company can convene an AGM even beyond statutory timeline and without taking recourse to the Central Government but penal provisions enshrined in Section 168 would automatically apply. The Meeting as such would be valid and business transacted thereat would not be rendered ultravires.

A. Ramaiya's Guide to the Companies Act concurs with the above interpretation and states: "If there is a delay in holding the annual general meeting beyond the time permitted by a combined reading of sections 166 and 210, including any extension granted by the Registrar of Companies, the company and every officer of the company in default shall be punishable with fine stipulated in section 168. However, this does not affect the validity of the annual general meeting itself. Consequently, all the resolutions passed at the annual general meeting for the approval of accounts and the directors' report, declaration of dividend, appointment of directors and auditors at the meeting are valid."

**Place of Holding the AGM**

The law as it stands is quite clear. The AGM has to be held either at the registered office or at some other place within the city, town or village in which the registered office is situated. Let us delve into the question whether this applies to Government Companies, i.e. companies wherein 51% or more of the paid-up capital is held by the Central Government or a State Government or partly by the Central & partly by one or more State Governments.

The Government of India by a not-to-well-known Notification No. SRO/355 dated 7th January, 1957 substituted the words “some other place within the city, town or village in which the registered office is situate” appearing in Section 166(2) by the words “such other place as the Central Government may approve in this behalf.”

The impact of this provision is that whenever a Government Company is unable to hold its AGM at the registered office or proposes to hold the same at any other place [even within the same city, town or village], it has to obtain the approval of the Central Government through the Ministry of Corporate Affairs. This was the position till end September 2012.

Since many Government Companies are now listed entities there was a need for re-visiting this provision to bring Government Companies at par with other companies on the subject of venue of the AGM. This need has finally been fulfilled with the Ministry of Corporate Affairs issuing Notification No. S.O. 2345 (E) dated 1 October 2012 substituting the expression "such other place as the Central Government may approve in this behalf" appearing in the aforesaid 1957 Notification with the words:

"some other place within the city, town or village in which the registered office of the company is situate or such other place as the Central Government may approve in this behalf". [Italics used for emphasis]

The impact of this recent amendment is that from October 2012, Section 166(2) of the Companies Act, 1956 would read as under for a Government Company by virtue of the amended notification:

"(2) Every annual general meeting shall be called for a time during business hours, on a day that is not a public holiday, and shall be held either at the registered office of the company or at some other place within the city, town or village in which the registered office of the company is situate or such other place as the Central Government may approve in this behalf."

It follows, therefore, that in case a Government Company has a registered office at Kolkata and it proposes to hold its Annual General Meeting at a venue at Howrah, it would require the approval of the Central Government as per the above provision.

**Dividend & Interim Dividend**

The legal pre-requisites of a dividend declaration are two-fold; it has to be —

- **Recommended by the Board** - This recommendation is implicit from Section 217(1)(c) of the Act, which stipulates that in the Report of the Board to the Members the amount of dividend recommended to be paid should be disclosed. [AND]

- **Declared by the Members** - Declaration is implicit from Section 173(1)(a) of the Act, which stipulates that declaration of dividend is one of the items of Ordinary Business to be transacted at an AGM.

Interim dividend is paid between two AGMs of the company. The legal pre-requisite of an interim dividend is simply declaration thereof, which has been delegated by law to the Board of Directors after the amendment made in 2000.

Section 205 envisages that Dividend can be paid out of

- Profits of the year after providing for the current depreciation

- Undistributed Profits of the previous year(s) after providing for depreciation

- Moneys provided by the Central / State Government for the
purpose under a guarantee given by such government.

The Profits must be available after transfer to the reserves of such percentage of profit for the year as are prescribed in the Companies (Transfer of Profits to Reserves) Rules, 1975.

Section 205(1A) mandates that the amount of dividend – that is the quantum of dividend payout – ought to be placed in a separate bank account within 5 days of the declaration, be it a dividend or interim dividend. But when it comes to utilization of the amount so placed, there is a faux pas in the wording of the law vide Section 205(1B), which states as follows:

The amount of dividend including interim dividend so deposited under sub-section (1A) shall be used for payment of interim dividend.

Obviously, this cannot be the legislative intent. The amount of dividend once recommended becomes a debt and cannot be revoked. It is also not expected to be reversed and converted into an interim dividend. So the sub-section really requires a correction sooner than later on the following lines:

The amount of dividend including interim dividend so deposited under sub-section [1A] shall be used for payment of dividend or interim dividend, as the case may be.

Unpaid Dividend

Section 205A was introduced in the Act way back in 1988 to preclude companies from forfeiting dividends not claimed or encashed by the shareholders. Sub-section (1) then enacted provides that if the dividend declared has not been –

- Paid (evidently by the company by not posting the dividend warrant or not transferring the same through National Electronic Clearing Services of the Reserve Bank).

OR

- Claimed (evidently by the shareholder by encashment), within 30 days of opening of the dividend account, then the amount of unclaimed dividend accruing to the shareholder shall be transferred within the next 7 days to an Unpaid Dividend account.

To effectively comply with this requirement what most companies do is that they open the Dividend Bank Account referred to in Section 205(1A) within 5 days of declaration as mandated therein and simultaneously instruct the Dividend Bankers to rename the Account as Unpaid Dividend Account of the Company from the expiry of 37 days from the date of opening the same.

To preclude the company from subsequently forfeiting the unclaimed dividend at any stage, Section 205A(5) contains the safeguard that:

Any money transferred to the unpaid dividend account of a company in pursuance of this section which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the company to the Fund established under sub-section (1) of section 205C.

It transpires from Section 205A(5) that companies would need to count 7 years starting with expiry of 37 days after funding the Dividend bank account and then transfer the balance lying unencashed after 7 years – in the Unpaid Dividend Account – to the Investor Education & Protection Fund of the Central Government established in terms of Section 205C.

But here comes another contradiction in law. The conflict arises from the proviso to Section 205C, which mandates that no such amounts as is referred to in this section shall form part of the Investor Education & Protection Fund unless such amounts have remained unclaimed and unpaid for a period of seven years from the date they became due for payment.

Sections 205A and 205C are, so to say, two sides of the same coin. Hence the computation of the 7-year period under both the sections should have been uniform. The period has to be computed from the date of funding the Unpaid Dividend Account as per legal requirement and not from the date the dividend becomes due for payment. Arguably, a dividend - whether interim or final - becomes due for payment forthwith on declaration. Hence if 7 years is counted from this date, it would be quite contrary to Section 205A, besides being more harsh on the shareholder since it would pre-pone the date from which he loses control over the sum due to him as dividend. This is because once it goes to the Government coffers on expiry of 7 years, there is no further scope for him to claim the amount under existing law. It is needless to mention that this anomaly too requires to be set right at the earliest occasion.

Summary

The most important General Body Meeting for a corporate is the Annual General Meeting. Various ordinary and special businesses are transacted at this Meeting. The existing Law pertaining to AGM and Dividend is quite comprehensive. Nevertheless, there are certain provisions which appear to lack clarity or which contain conflicting implications. It is important for professionals engaged in the discharge of corporate law to take cognizance of these lacunae in the law while discharging their responsibilities. An effort has been made to briefly highlight a few areas in this article for the attention of the readers.
Salient Features of Appointment of Cost Auditor by Companies: Form 23C & Form 23D

CS Sachin Chhaparia
Practising Cost Accountant sachinchhaparia86@rediffmail.com

Ministry of Corporate Affairs (MCA), Cost Audit Branch vide General Circular No: 15/2011 dated 11th April, 2011 has introduced new procedure for Appointment of Cost Auditor by Companies:

1. This Circular is effective from the financial year commencing on or after 1st April, 2011.

2. Cost Auditor has to submit consent letter addressed to the Board of Directors of the company (the appointing authority for Cost Auditor u/s 233B(2) of Companies Act, 1956) as required u/s 224(1-B) of the Companies Act, 1956. The Draft of the Consent letter is given in Appendix A.

3. The Company has to pass a Board Resolution proposing the name of the Cost Auditor after obtaining his consent letter. Appointment of Cost Auditor shall be routed through Audit Committee, if applicable. The draft of the Board Resolution is as per Appendix B.

4. The Company shall e-file Form 23C within 90 days from the commencement of each financial year with –
   (i) Certified copy of the Board Resolution
   (ii) Consent letter, as stated above, from the proposed Cost auditor and
   (iii) Challan for requisite fees.

Vide MCA Notification No. 52/26/CAB/-2010 dt. 30-06-2011, Para 2- companies covered for the first time under the automatic Cost Audit Order (for 16 Industries) & wherein their financial year has already commenced, the period of 90 days for e-filing Form 23C shall be counted form the date of these Orders (i.e. 2-5-2011 or 3-5-2011 or 30-06-2011).

5. Information to be submitted by the Cost Auditor to the Company for e-filing Form 23C –
   (i) Consent letter to be given by Cost Accountant u/s 224 (1-B).
   (ii) Income Tax PAN of Cost Auditor or Cost Auditor Firm.
   (iii) Membership No. of Cost Auditor or in case of appointment of Cost Auditor in the name of partnership firm, registration no. of the firm.
   (iv) Email-ID of Cost Auditor or Cost Auditor Firm.
   (v) Scope of Audit : The company can mention the name of ‘product’, ‘location’ of the Factory & period covered for Cost Audit in this para.
   (vi) Whether the previous Cost Auditor has been informed of the change (Applicable in case of change of Cost Auditor).

The company should e-mail a copy of Form 23C & its SRN to Cost Auditor. These documents will be required by the Cost Auditor for subsequent e-filing of Form 23D.

6. Appointment is deemed to be approved by the Central Government, unless on the contrary is heard within 30 days from the date of e-filing of Form 23C.

7. Company has to re-submit Form 23C, if any additional information or explanation is asked by the MCA.

8. Appointment is deemed to be approved by the MCA within 30 days from the date of filing fresh Form 23C, with additional information or explanation.

9. The Company shall issue appointment letter on its letterhead to the Cost Auditor after expiry of 30 days from filing of Form 23C as stated above. The draft of the Appointment Letter is as per Appendix C.

10. The Cost Auditor has to file Form 23D online with MCA within 30 days of receiving appointment letter from the company, attaching a copy of the appointment letter with the said Form.

11. Information required by Cost Auditor from company for e-filing of Form 23D -
   (i) A copy of Form 23C e-filed by the company.
   (ii) A copy of SRN of Form 23C.
   (iii) A copy of appointment letter issued by the company to the Cost Auditor, subsequent to receipt of approval from CAB for appointment of Cost Auditor or after expiry of 30 days of e-filing of Form 23C by the company (a copy of this letter shall be attached with Form 23D).
   (iv) Scope of Audit : The Cost Auditor can mention the name of ‘product’, ‘location’ of the Factory & ‘period’ covered for Cost Audit.

It is suggested that a copy of Form 23D may be emailed by the Cost Auditor to the Company, as an acceptance of the Cost Audit assignment.

12. The Company shall disclose full particulars of the Cost Auditor alongwith the due date and actual date of filing of the Cost Audit Report in its Annual Report for each financial year.

It is opined that in case Annual Report is prepared much earlier than the finalization of the Cost Audit Report, the company should comply with this provision in the Annual Report published for the provision in the Annual Report published for the Audit Report. This analogy is based on the requirements of Section 233B(10).
The draft of the "Disclosure about Cost Audit in the Annual Report" of the Company is given below: "As per the requirement of the Central Government and pursuant to Section 233B of the Companies Act, 1956, your Company carries out audit of cost records relating to (Product) every year. Subject to the approval of the Central Government, the Company has appointed M/s & Co., Cost Accountants, as Cost Auditors to audit the cost accounts of the Company for the Financial Year 2011-12. The cost audit report for the Financial year 2009-2010 which was due to be filed with the Ministry of Corporate Affairs on September 27, 2010 was filed on August 12, 2010."


14. FAQ issued by ICWAI on Appointment of Cost Auditor by Companies can also be referred to (published in Management Accountant Journal pp. 537 - 540 of June 2011 issue).

Appendix A
Consent Letter to be given by a Cost Accountants Firm u/s 224(1-B)
(On the letterhead of Cost Accountants Firm)

Date:
The Board of Directors

..................
Mumbai 400 049
Dear Sirs

Re: Appointment of Cost Auditors for the year 2011-2012

We hereby certify that in case of our appointment as Cost Auditors for the audit of Cost Accounts maintained by the company relating to "_______(Product)" for the year ending 31st March, 2012, the same will be in accordance with the limits specified in sub-section (1B) of Section 224, read with sub-section (2) of Section 233B of the Companies Act, 1956.

We hereby declare that -

(i) All our partners are in full time practice as a Cost Accountants within the meaning of the Cost & Works Accountants Act 1959 (23 of 1959) and holding a valid certificate of Practice.

(ii) We are not disqualified under any of the provisions specified u/s 233B(5) read with Section 224 and sub-Section (3) and sub-Section (4) of Section 226 of the Companies Act, 1956.

(iii) We are independent firm of Cost Accountants and are maintaining an arm's length relationship with your company.

Thanking you,
Yours faithfully,
For .............. & Co.

PARTNER
No. M /
PAN No. of Firm:

Appendix B
Draft of Resolution of Board of Directors - For Appointment of Cost Auditors

Extract from Minutes of the Board Meeting of M/s ............
Ltd. held at the office of the Company on .......................

Secretary tabled the MCA Order No. Dt. -.......... ordering the Cost Audit of (Product) for the year .........................

The Chairman informed the Board that M/s............ have given their consent to act as cost auditors and laid on the table the certificate received from them.

It was accordingly...............-

"Resolved that, pursuant to Section 233B of the Companies Act, 1956, and subject to the approval of the Central Government M/s _______ Cost Accountants, be and are hereby appointed as the cost auditors of the Company to conduct audit of ...... (Product) manufactured by the Company at _________(location of factory) for the financial year ending_______ at a remuneration of Rs. _______ plus out-of-pocket expenses.

Further resolved that the Secretary of the Company be and is hereby directed to submit the necessary application in Form 23C to the Central Government and to do all such other acts as may be necessary."

Appendix C
Appointment letter to be issued by the Company for Appointment of Cost Auditors

ON THE LETTERHEAD OF THE COMPANY..............

Ref. No.

Date:
M/s ..............
Cost Accountants

....................(Address)

Sub. : Appointment of Cost Auditors for the year ............

Dear Sirs

We are pleased to inform you that the Board of Directors of the Company at their meeting held on.............. have appointed your firm as the Cost Auditors of the Company to carry out the audit of the cost accounting records maintained by the Company for ......................... (Product) for the financial year ending ...... at a remuneration of Rs. ....................... (Rupees ........................... only) plus reimbursement of out-of-pocket expenses.

Thanking you,
Yours faithfully
For

(....................)
Company Secretary
1. CLB cannot convene Extraordinary General Meeting unless it is impracticable for company to convene it

[Amrita Bazar Pratika (P.) Ltd.]

Held that, where convening of the extraordinary General Meeting in terms of the provisions of section 169 fails or the meeting does not take place for any reasons and/or it is not practicable, only then the provisions of section 186 comes into play, and can be invoked. The Company Law Board only has power to pass an order for convening, conducting and holding general meeting, under section 186.

2. Not only ‘gross negligence’, but ‘due diligence’ is equally relevant and important criterion in measuring and determining ‘professional misconduct’ in case of a Chartered Accountant

[CA Rajesh vs. Disciplinary Committee]

A Chartered Accountant has an obligation, not only statutory but also moral and social, to be absolutely and completely diligent and cautious and careful while preparing, signing and certifying annual accounts and/or audit report. Several Government and private organizations and individuals rely on the report/certificate by Chartered Accountant and once a particular factual aspect or entries etc. are prepared, signed and certified by Chartered Accountant they are ordinarily accepted without further probing or investigation. In such circumstances, the duty and obligation of being absolutely diligent, conscious and careful is multiplied manifold and a Chartered Accountant should not, and cannot take, such obligation or perform his duties lightly or casually.

A mistake by a petty clerk or lower level accountant may be dealt with in different manner but a mistake by a Chartered Accountant cannot be treated with indifference or casually or lightly. A mistake by a clerk or an accountant, which may be considered or allowed or overlooked as inadvertent error, cannot be overlooked lightly or casually if committed by a practicing Chartered Accountant more so when it is committed in annual report duly certified by him as correct and authentic report. It has to be, and should be dealt with seriousness which it should deserve.

In instant case, it is not possible to hold that punishment of removal of petitioner’s name from the register for one year is harsh as compared to the proved charge. The decision as regards quantum of penalty is in the realm of the Disciplinary Authority and once misconduct is proved and accepted as proved by the Court, then Court would not interfere with Disciplinary authority’s decision regarding quantum of penalty unless it is excessively disproportionate which amounts to or appears to be on the verge of victimization.

3. There is no bar to a member or debenture-holder seeking inspection or inspecting documents irrespective of fact as to when he became a member of company

[Rajendra G Patel vs. Sanghai Industries Ltd.]

Held that, there is no bar to a member or debenture-holder seeking inspection or inspecting documents irrespective of fact as to when he became a member of company. The right to inspect the documents of the company is a mandatory provision, and failing to provide the same to a member or debenture-holder, the statute empowers the CLB to compel an immediate inspection of the documents or direct that the extract required shall forthwith be allowed to be taken by the person requiring it.

4. Any agreement entered into amongst the shareholders 'is not binding to the extent repugnant to Articles of Association'.

[World Phone India (P.) Ltd. vs. WPI Group Inc., USA].

In the referred case, the joint venture agreement (JVA) entered into between the parties, the respondent Director had an affirmative vote in matters relating to the company. However, Articles of Association (AoA) was silent on the existence of an affirmative vote.

Held that, the JVA in the present case cannot be said to bind the company as such and any action taken by the company has to be ascertained with reference to the AoA.
5. A company is not bound to publish and circulate resolution in general meeting where the requirement under section 188 is not fulfilled and the notice for moving resolution is sent to abuse process of law and secure needless publicity for a defamatory matter

[Torrent Power Ltd/ vs. Sureshchandra V Prarekh].

In the instant case the respondent shareholders were in the habit of regularly issuing baseless, defamatory and unsubstantiated vexatious notices for inclusion of resolution under section 284, merely seeking to abuse the process of law and to secure needless publicity for a defamatory matter.

Held that, under section 188(5) the petitioner Company is not bound to publish and circulate the resolution for removal of director as the same seeks to abuse the process of law to secure needless publicity for defamatory matter.

6. Creditor cannot seek winding-up of indebted company without issuing statutory notice at its registered address

[SSS Loha Marketing (P) Ltd. vs. Bibby Financial Services India (P) Ltd.].

Held that, since statutory notice under section 434(1)(a) was not issued to company's registered office, creditors cannot seek winding up of company for its inability to pay debts. It is imperative that all conditions of a deeming provision are complied with, if the legal fiction thereunder is sought to be established.

7. There is no directive or mandate empowering SEBI to undertake task of considering and granting compensation to an investor for alleged losses he might have suffered due to certain misleading or fraudulent advertisements by a company

[Mrs. Ramkishori Gupta vs. SEBI].

There is no directive or mandate in any of the 15 or 16 measures empowering SEBI to undertake the task of considering and granting compensation to an investor for the alleged losses he might have suffered due to certain misleading or fraudulent advertisements by a company.

This aspect needs to be looked into by a civil court of competent jurisdiction in a trial and not by SEBI under the SEBI Act, 1992. However, SEBI is duly authorised under the SEBI Act to launch investigation into the alleged misleading and / or fraudulent advertisement.

8. Sole Director of a private company cannot act individually unless authorised by board of directors

[Sreejaya Bhattacharya Godfrey vs. Sreejaya Tea & Industries (P) Ltd.].

If initially the Board is validly constituted with at least the minimum number of directors, as required by the Articles of Association (AoA) or by law, subsequently, in case of a shortfall, the remaining directors may take additional directors to achieve the quorum. However, if the above provision is not covered in the AoA, the sole Director can approach Company law Board to call a general meeting under section 167 or 186 and appoint Directors since a director, unless expressly authorized by the Board cannot act individually to represent the company.

9. Authority not bound to pass rectification order to change company’s name unless resemblance of name is undesirable

[VOV Cosmetics (P.) Ltd. vs. Union of India].

Held that, merely because the name of a company subsequently registered is identical with or too nearly resembles the name of a company which has already been registered, although, through inadvertence or otherwise, it does not follow that an order for rectification is bound to be passed unless resemblance of name is undesirable.

10. Requirement of framing a Code of Conduct for prevention of insider trading by companies is a mandate of law and nobody can be allowed to violate the same

[Sunday Exports Ltd. Vs. Adjudicating Officer, SEBI].

In the instant case, investigation had revealed that the company had not framed the Model Code of Conduct for prevention of Insider Trading and also the company did not submit the approved quarterly report to the Stock Exchange within 15 minutes. The requirement of conveying the board's important decisions to the Stock Exchange within 15 minutes is a crucial provision binding on the company and the same has underlying object which can only be achieved by quick communication of the said decision by the company to the Stock Exchange. The appellant could have very well conveyed the said decision by way of fax or e-mail etc. within 15 minutes so as to avert the possibility of being misused the sensitive information.

Held that, the requirement of framing a Code of Conduct for prevention on insider trading by the companies is a mandate of law and nobody can be allowed to violate the same and the requirement of communicating the decisions of the board of the company to the Stock Exchange promptly is an important check on the unscrupulous persons who may utilize the information for their personal gains in an improper and illegal manner and thereby jeopardizing the interest of bona fide investors.

11. In absence of allegation of fraud or forgery, succession certificate issued by competent court is conclusive evidence for transmission of shares in favour of holder on basis of which register of share is to be rectified

[Rajkumar Devraj vs. Jai Mahal Hotels (P) Ltd.].

Held that, that where there is no involvement of any fraud or forgery and in terms of Section 381 Indian Succession Act, 1965 a succession certificate is issued by competent court, the same will be conclusive evidence for transmission of shares in favour of holders on basis of which register of shares is to be rectified.

The views if any expressed hereinafore are not necessarily the views of the organization. The contributor would like to thank Ms Erina Chakraborty for her assistance in the research work. Facts and judgment has been summarized for sake of brevity - Reading the full case is suggested to gain clear understanding of the Orders cited here in the context of facts of each case.
4TH STUDY CIRCLE MEETING OF 2013

Date 08.06.2013
Venue ICSI-EIRC Building (Hall No.4)
Discussion Leader CS Anjan Kumar Roy, Proprietor, Anjan Kumar Roy & Co. on “Section 314 & Related Provisions of Companies Act, 1956”
Delegates 63

MEETINGS HOSTED BY ICSI-EIRC

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<th>Description</th>
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<td>10.07.2013</td>
<td>Tour &amp; Transport Committee of 14th National PCS Conference</td>
<td>The Vedic Village Spa Resort</td>
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<td>21.07.2013</td>
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HALF-DAY WORKSHOP ON “PRACTICAL ASPECTS OF CONTRACTING”

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<td>CS Siddhartha Murarka, Practising Company Secretary</td>
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<td>Delegates</td>
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</table>
14th National Conference of Practising Company Secretaries
on 19th & 20th July, 2013
at The Vedic Village Spa Resort
(Hosted by ICSI-EIRC)

Chief Guest (Inaugural Session)

Shri Somnath Chatterjee
Former Speaker, Lok Sabha

Key Note Speaker (Inaugural Session)

Shri M. Damodaran, IAS, (Retd.)
Former Chairman, SEBI
First Technical Session on “Enhancing Quality of Service”

**Chairman of the Session**
Shri Nagendra Prasad
Superintendent of Police (I/C), CBI, ACB, Kolkata

**Speakers**
CS Sanjay Kumar Gupta
Practising Company Secretary, on “Code of Conduct”

CS R. Sridharan
Council Member - ICSI on “Peer Review”

Shri Rajesh Walawakar
Researcher at Institute of Human Resource Development, Ahmedabad on “Continuing Professional Education”

Second Technical Session on “Emerging Areas of Practice in Governance”

**Chairman of the Session**
Shri Ardhendu Sen
IAS (Retd.), Former Chief Secretary, Govt. of West Bengal & Govt. Nominee on the Council of ICSI

**Speakers**
Shri G. Srinivasan, CMD, New India Assurance Company Limited on “PSUs & Government”

CS S.N. Ananthasubramanian
President, ICSI on “Corporates”

Shri A. P. Singh, Past International Director, Lions Club International on “NGOs”
Panel Discussion on "Professional Accountability, Responsibility and Regulation"

Moderator: Shri Upal Chatterjee
Former Hon’ble Sherriff of Kolkata

Panelists:
- Shri Anindya Mitra
  Barrister-at-Law, Former Addl. Solicitor General of India & Advocate General for the State of West Bengal
- Prof.(Dr.) Suman K Mukerjee
  Principal-cum-Dean, Bharatiya Vidyasagar Institute of Management Sciences
- Dr. Kunal Sarkar
  Cardiac Surgeon, Sr. Vice Chairman & Head, Medica Super Speciality Hospitals

Valedictory Session

Chief Guest: Shri R. Bandopadhyay, IAS
(Rtd.), Member, Central Administrative Tribunal, Kolkata Branch

Guest of Honour:
- CS (Dr.) Navrang Saini
  Regional Director, ER, Ministry of Corporate Affairs, Govt. of India

PRESS Conference at Taj Bengal on 18th July, 2013


The team behind the success of 14th National Conference of Practising Company Secretaries

All men are frauds. The only difference between them is that some admit it. I myself deny it. – H. L. Mencken.
NATIONAL PROGRAMME ON “INVESTOR PROTECTION AND AWARENESS PROGRAMME” HOSTED BY BHUBANESWAR CHAPTER OF ICSI-EIRC

Inaugural Session (L to R): CS Sunita Mohanty, CS (Dr.) Navrang Saini, Shri Balwinder Singh, Shri Sachin Pilot, Shri Naved Masood and CS S. K. Acharya

Date: 19.07.2013  
Venue: Mayfair Convention Hall, Jaydev Vihar, Bhubaneswar

Chief Guest: Shri Sachin Pilot  
Hon’ble Minister of State for Corporate Affairs (I/C), Government of India

Guests:  
Shri Balwinder Singh  
Advisor, MCA
Shri Nilimesh Baruah  
Director, Serious Fraud Investigation Office
Shri Naved Masood  
Secretary, MCA

Panel Discussion on “Investor Education and Financial Literacy Empowering Investors, Grievance Redressal, Role of Investor Associations, etc.”

Panelists:  
CS M. S. Sahoo  
Secretary, ICSI
Dr. D. V. Ramana  
Prof. of Finance, Xavier Institute of Management
Shri S. V. Krishnamohan  
Regional Manager (ER), SEBI
Shri P. Vijaya Bhaskar  
Executive Director, RBI
CA Prashant Panda  
Member, Professional Development Committee, ICAI

Delegates: 700

The Panel Discussion Session in progress
NATIONAL SEMINAR ON INVESTOR EDUCATION AND PROTECTION FOR INCLUSIVE GROWTH
HOSTED BY BHUBANESWAR CHAPTER OF ICSI-EIRC

Date 27.07.2013
Venue The Crown Bhubaneswar
Chief Guest Shri Naveen Patnaik Hon’ble Chief Minister, Govt. of Odisha
Guest of Honour Shri U. K. Sinha Chairman, SEBI
Delegates 400+

(l to r) Shri Naveen Patnaik, Hon’ble Chief Minister, Govt. of Odisha, CS Deepak Kumar Khaitan, Chairman - ICSI-EIRC and CS Ashok Pareek, Council Member - ICSI

Inaugural Session (l to r) : CS Ashok Pareek (on the podium), Shri Ashish Kr. Chauhan, Shri U.K. Sinha, Shri Bijay Kumar Patnaik, CS S. N. Ananthasubramanian, CS M. S. Sahoo and CS S. K. Acharya

First Technical Session on "Investor Protection"
Facilitator CS Deepak Kumar Khaitan Chairman, ICSI-EIRC
Chairman of the Session Shri Bijay Kumar Patnaik Chairman Odisha Staff Selection Commission (Former Chief Secretary, Govt. of Odisha)
Speakers Shri S. V. Murali Dhar Rao Executive Director Securities and Exchange Board of India
Shri Ashish Kr. Chauhan MD & CEO, BSE Limited
Shri V. Ramachandra Rao Regional Director Reserve Bank of India
Second Technical Session on "Investor Education and Financial Literacy"

Facilitator: CS Sunita Mohanty
Secretary & Treasurer, ICSI-EIRC

Chairman of the Session: Dr. C. S. Mohapatra
Advisor, Ministry of Finance, Govt. of Odisha

Speakers:
Ms. Yegnapriya Bharath
Joint Director, IRDA
Shri S. V. Krishnamohan
Regional Director (ER), SEBI
Shri Debaraj Biswal
CEO or MD, Bhubaneswar Stock Exchange Ltd.

Third Technical Session on "Protection of Financial Consumers"

Facilitator: CS Manoranjan Mishra
Vice-Chairman, Bhubaneswar Chapter of ICSI - EIRC

Chairman of the Session: Dr. K. C. Mishra
Vice-Chancellor, Sri Sri University

Speakers:
Dr. D. V. Ramana
Professor, Xavier Institute of Management
CS M. S. Sahoo
Secretary, ICSI
Shri Somasekhar Sundaresan
Partner, J. Sagar Associates, Advocates & Solicitors

33RD ANNUAL GENERAL MEETING OF ICSI-EIRC

Date: 31.07.2013 | Venue: ICSI-EIRC Building (Hall No. 4) | Participants: 58

ICSI-EIRC at Annual General Meeting

13th ALL INDIA COMPANY LAW QUIZ COMPETITION FOR STUDENTS (REGIONAL ROUND - EASTERN REGION)

Date: 08.07.2013
Venue: ICSI-EIRC Building (Hall No.2)
Quiz Master: CS Dilip Shah
Participants:
Mr. Ashish Sharma
Ms. Manali Mehta
Mr. Satyajit Parida
Mr. Sitakanta Mekap
Mr. Jyotirmaya Panigrahi
Mr. Paras Pincha
Mr. Sunil Kumar Deo
Mr. Debasish Dibyajyoti Deo
Mr. Navratan Chhajer
Mr. Rahul Harsh

Quiz Session in Progress

Mr. Debasish Dibyajyoti Deo and Mr. Sunil Kumar Deo, The Winning Team
ICSI-EIRC FOUNDATION DAY CELEBRATIONS
Date: 31.07.2013  Venue: ICSI-EIRC Building  Participants: 148 +

Leadership Session in Progress: Speaker - Shri Vishal Aktaar

Instant Weight & Height Check-up

Eye Check-up

Blood Pressure Check-up

Instant Blood Sugar & Instant Blood Group Check-up

Dental Check-up

Members & Students waiting for their Health Check-up
78th MSOP Valedictory Session (L to R): Guest of Honour CS Ashok Pareek, Council Member - ICSI, Guest of Honour CS Sutanu Sinha, CE - ICSI, Chief Guest CS Ananthasubramanian, President - ICSI, Guest of Honour CS Umesh H. Ved, Council Member - ICSI and CS Deepak Kumar Khaitan, Chairman, ICSI EIRC.

**78th MANAGEMENT SKILLS ORIENTATION PROGRAMME (78th MSOP)**

**Date:** 02.07.2013 to 18.07.2013  |  **Venue:** ICSI-EIRC Building  |  **Participants:** 59

Participants at 78th MSOP with CS Deepak Kumar Khaitan, Chairman, ICSI-EIRC & Dr. Tapas Kumar Roy, A Ed.O at Inaugural Session.

If the lessons of history teach us anything it is that nobody learns the lessons that history teaches us. – Anon
### 32nd EXECUTIVE DEVELOPMENT PROGRAMME (32nd EDP)

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### 33rd EXECUTIVE DEVELOPMENT PROGRAMME (33rd EDP)

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### 57th STUDENT INDUCTION PROGRAMME (57th SIP)

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## BHUBANESWAR CHAPTER

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<tr>
<td>21.06.2013</td>
<td><strong>Evening Talk</strong> on &quot;Risk Management through Financial Derivatives&quot; at Chapter Office Premises. Chief Guest: Dr. P.K. Swain, Principal, ITER, Bhubaneswar. 55 delegates.</td>
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<tr>
<td>19.07.2013</td>
<td><strong>National Programme on &quot;Investor Protection and Awareness&quot;</strong> at Mayfair Convention Hall, Bhubaneswar. Details inside</td>
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<tr>
<td>27.07.2013</td>
<td><strong>ICSI National Seminar on &quot;Investor Education &amp; Protection for Inclusive Growth&quot;</strong> at The Crown, Bhubaneswar. Details inside</td>
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## HOOGHLY CHAPTER

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<tr>
<td>04.07.2013</td>
<td><strong>Preliminary Round of National Company Law Quiz</strong> at Chapter office premises. Chief Guest: CS Rakesh Ghorawat, Vice Chairman, Hooghly Chapter and CS Jamshed Alam, Secretary, Hooghly Chapter. Coordinator: CS Ravi Varma. 10 participants.</td>
</tr>
<tr>
<td>07.07.2013</td>
<td><strong>Half Day Workshop</strong> on &quot;Important Clauses of Listing Agreement&quot; at Chapter office premises. Speaker: CS Anup Sharma, Vice President, V C Corporate Advisors Pvt. Ltd. 49 delegates.</td>
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## JAMSHEDPUR CHAPTER

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<tr>
<td>27.07.2013</td>
<td><strong>One-Day Workshop on &quot;Nitty Gritty of Company AGM&quot;</strong> at Chapter office premises. Speaker: CS Kaushik Mukherjee, CS, Philips Carbon Black Ltd, Kolkata. 70 delegates.</td>
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## NORTH EASTERN (GUWAHATI) CHAPTER

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<tr>
<td>15.06.2013</td>
<td><strong>Annual General Meeting</strong> of the North Eastern (Guwahati) Chapter at Hotel Prag Continental, Guwahati. 24 participants.</td>
</tr>
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</table>

## ATTENTION MEMBERS / STUDENTS OF THE ICSI

The details of various programmes such as Half-Day Workshops, Full-Day Seminars, Conferences etc. and the details of Student Induction Programme (SIP), Executive Development Programme (EDP) and Management Skills Orientation Programme (MSOP) which are being organized by the ICSI-EIRC from time to time, are regularly updated in the EIRO’s Home Page of Institute’s Website. To get updated information about the activities of the ICSI-EIRC, members and students are requested to visit Website: www.icsi.edu/eiro regularly.

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This is to inform to all that views and information expressed and provided in the Articles of this edition are the views and information of the respective authors. They have no connection with the organisation with which the authors are associated. ICSI-EIRC is not responsible for the authenticity or propriety of the contents of the Articles and ICSI-EIRC cannot be held responsible or liable for any claim or damage arising out any action or belief on the basis of the contents of the aforesaid Articles. ICSI-EIRC is not in any way responsible for the result of any action taken on the basis of the advertisement published in ICSI-EIRC.
Chit fund: Sebi chief bats for info sharing

Ashok Pradhan  |  EWR

Bhubaneswar: Market regulator Securities and Exchange Board of India (Sebi) chairman U.K. Sinha on Saturday expressed concern over rising incidents of fraud by illegal chit fund firms and unauthorized fund raising and said a coordinated approach by various regulators and state governments is needed to check these.

“He said Sebi is in the process of finalizing the new chit fund regulations after reviewing the current laws and in consultation with the Ministry of Finance and the states. The new regulations will be notified soon.

The new regulations will include measures to strengthen the regulatory framework, enhance transparency, and protect the interests of chit fund investors. The Sebi chairman also said that the regulator is working with the government to ensure that the new regulations are implemented effectively.

The Sebi chairman said that there is a need for a coordinated approach by various regulators and state governments to address the issue of illegal chit fund firms and unauthorized fund raising. He said that the regulator is in consultation with the government and the states to finalize the new regulations.

The Sebi chairman also highlighted the importance of investor awareness and education in preventing fraud by illegal chit fund firms. He urged investors to be aware of the risks associated with chit fund investments and to choose reputable chit fund companies.

The Sebi chairman concluded by saying that the regulator is committed to ensuring the safety and protection of the interests of chit fund investors. He assured that the new regulations will be notified soon and that the Sebi is working with the government and the states to implement these regulations effectively.

Media Coverage

The Statesman (28.07.2013)

Chief Minister Naveen Patnaik on Saturday said that the ministry of investors can be protected through strict regulations and proper education.

Speaking at the inaugural session of a national seminar on Investor education & protection for inclusive growth organized by the Institute of Company Secretaries of India (ICSI) he said the recently appointed office of the Secretary and Exchange Board of India (SEBI) is a step in the right direction.

The seminar aims to raise awareness among investors about the importance of protecting their interests and to educate them about the various regulatory mechanisms in place to safeguard their rights.

The seminar brings together experts from the government, regulatory bodies, and the private sector to discuss the challenges and opportunities in the area of investor education and protection.

The seminar also provides a platform for stakeholders to share their experiences and best practices in the field.

The Statesman (28.07.2013)

The Sambaya (28.07.2013)

Sometimes I worry about being a success in a mediocre world. – Lily Tomlin
**KNOW YOUR EIRO**

**SHRI TAMAL KAR**  
DESK OFFICER (SECRETARIAL)

Shri Tamal Kar joined ICSI-EIRO in November 1996. Presently, as Desk Officer (Secretarial) & Asstt. Editor – ICSI-EIRC Newsletter, he has been looking after various responsibilities like Regional Council Affairs, Professional Development Programmes, Newsletter, Annual Membership Scheme, Annual Report, Statistical Data, PCH / PDP and other administrative areas from time to time.

Shri Kar started his career with Gammon India Limited subsequently served with Polar Latex Limited, Khaitan Hostombre Spinels Limited, Godfrey Phillips India Limited and Confederation of Indian Industry.

**SHRI ABHAY KUMAR DAS**  
ASSISTANT

Shri Abhay Kumar Das joined EIRO of ICSI in August, 1977. Presently as Assistant, he is looking after Library and other duties assigned by EIRO from time to time. Earlier he was working with Lakhota Bros. Mr. Das was awarded by ICSI in the year 2012 for dedicated continuous 35 years of service.

**SMT. MAHUA BANERJEE**  
ASSISTANT

Smt. Mahua Banerjee graduated as B.A (Hons. in Philosophy) and BLIS (Bachelor in Library & Information Science) from Jadavpur University. She joined EIRO of ICSI in November, 1990. Presently as Assistant, she is looking after Student Services and ICSI Publications at EIRO. She has keen interest in dance, music & group theatre. She has been member of “Calcutta Ballet Singers”.

**SHRI SUDIPTA DUTTA**  
JUNIOR ASSISTANT

Shri Sudipta Dutta graduated as B.Com, (Hons.) from Raja Peary Mohan College, Uttarpara. He joined EIRO of ICSI in March, 2012. Presently as Junior Assistant, he is looking after Student Services, and ICSI Publications at EIRO.

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**Articles in ICSI-EIRC Newsletter : Guidelines for Authors**

1. Articles on subjects of interest to the profession of Company Secretaries are published in ICSI-EIRC Newsletter.
2. The article must be original contribution of the author.
3. The article must be an exclusive contribution for ICSI-EIRC Newsletter.
4. The article must not have been published elsewhere, and must not have been or must not be sent elsewhere for publication, in the same or substantially the same form.
5. The article should ordinarily have 2500 to 4000 words. A longer article may be considered if the subject so warrants.
6. The article must carry the name(s) of the author(s) on the title page only and nowhere else.
7. The articles go through blind review and are assessed by the Chief Editor on the parameters such as (a) relevance and usefulness of the article (from the point of view of company Secretaries), (b) organization of the article (structuring, sequencing, construction, etc.), (c) depth of the discussion, (d) persuasive strength of the article (idea/argument/articulation), (e) does the article say something new and is it thought provoking, and (f) adequacy of reference, source acknowledgement and bibliography, etc.
8. The copyright of the articles, if published in ICSI-EIRC Newsletter, shall vest with ICSI-EIRC.
9. ICSI-EIRC /the Chief Editor of ICSI-EIRC Newsletter has the sole discretion to accept/ reject an article for publication in the Journal or to publish it with modification and editing, as it considers appropriate.
10. The article shall be accompanied by a summary in 150 words and mailed to tamal.kar@icsi.edu.
11. The article shall be accompanied by a ‘Declaration-cum-Undertaking’ from the author(s) as under:

**Declaration-cum-Undertaking**

1. I, Shri/Ms./Dr./Prof.................................................., declare that I have read and understood the Guidelines for Authors as prescribed for ICSI-EIRC Newsletter.
2. I affirm that :-

   (a) the article titled “..........................................................” is my original contribution and no portion of it has been adopted from any other source;

   (b) the aforesaid article is an exclusive contribution for ICSI-EIRC Newsletter and has not been / nor would be sent elsewhere for publication; and

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3. I undertake that I:

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   (b) shall abide by the decision of Chief Editor, i.e., whether this article will be published and /or will be published with modification/editing.

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Congratulations to ALL

Mutation of ICSI-EIRC Building (all floors) was granted by The Kolkata Municipal Corporation in favour of ICSI in June, 2013

SOLVE THE JUMBLE  [Arrange these LETTERS TO FORM WORDS]

Arrange these LETTERS TO FORM WORDS.

1. TERUSY
2. ACERHB
3. TECEDNED
4. TAPNET
5. MENTSIDOGEGR
6. NLIE

7. Now arrange the circled letters to form a word with meaning "to indicate an item cited has been pulled or drawn from a larger list."

LEGAL TERM

“Arraignment”
The first court appearance of a person accused of a crime. The person is advised of his or her rights by a judge and may respond to the criminal charges by entering a plea.

Compiled by CS Ravi Varma
Asst. Manager (Compliance) Texmaco Rail & Engineering Ltd.

What the world needs is more geniuses with humility, there are so few of us left. – Oscar Levant
FLY TO THE AIRPORT

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- Presently consolidated asset under management: over ₹33,300 crore
- From large corporates to small contractors, Srei has partnered and financed over 20,000 customers

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