FROM THE CHAIRMAN

Dear Professional Colleagues,

I feel honoured and privileged to assume the Office of the Chairman of the ICSI-SIRC for the year 2014. I accept this honour with a great sense of responsibility and humility. At the outset, I express my heartfelt gratitude to all of you for having elected me to the ICSI-SIRC and to my esteemed colleagues in the Regional Council for having reposed their trust and confidence in me. I am equally laid down by the tremendous sense of responsibility to meet the highest expectations of the Members. I have imprints in my mind on the valuable contributions made by my illustrious predecessors for the development and growth of the Institute and the profession of Company Secretaries. It shall be my endeavor to bring laurels to this high office and to further enhance the prestige of the Institute. Members are aware that this is the block year for acquiring the compulsory programme credit hours. With this in mind we have drawn up the calendar of programmes for the months of February and March 2014 which is appearing elsewhere in this newsletter under the forthcoming events. I request you to block your dates and make the best use of this opportunity, so that the Members who are falling short of mandatory programme credit hours are able to gain PCH.

Please give your valuable suggestions on the programmes being drawn up for February & March 2014. A new initiative of the ICSI-SIRC for equipping the members on the Companies Act, 2013 is the Group Reading of the Act, the details are appearing under the Forthcoming Events of this eNewsletter.

The Corporate Membership of the SIRC of The ICSI for the year 2014-2015 will become due from April 2014. I request all the Members to enroll for the same and take the maximum advantage of the programmes.

A very large number of Company Secretaries are yet to become the Members of the Company Secretaries Benevolent Fund, I appeal to Members who have not enrolled to kindly pay Rs.7500/-, a one - time payment towards the CSBF and become life members and extend the benevolence to your brothers in times of sorrow.

With warm regards

Yours Sincerely

CS Dr. Baiju Ramachandran
Chairman.sirc@icsi.edu
baijuramachandran@gmail.com
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<td>11</td>
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* It is only tentative; separate email will be sent before each programme.
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<tr>
<th>Event No.</th>
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<th>Type</th>
<th>Start Time</th>
<th>Event Details</th>
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<td>01.03.2014</td>
<td>Free</td>
<td>5.45 pm</td>
<td>Study Circle Meeting, Compliance &amp; Issues under Legal Metrology Act</td>
<td>CS Nirmala Prabha K Company Secretary ROCA Bathroom Products Pvt. Limited, Chennai.</td>
<td>The ICSI-SIRC Chennai</td>
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<td>13</td>
<td>3, 4 &amp; 5 March 2014</td>
<td>Paid</td>
<td>5.30pm to 7.30 pm</td>
<td>Group Reading of the Companies Act, 2013, Chapter No.IX Accounts of Companies; &amp; Chapter No.X Audit &amp; Auditors.</td>
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<td>The ICSI-SIRC Chennai</td>
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<td>14</td>
<td>07.03.2014</td>
<td>Free</td>
<td>5.30 pm</td>
<td>Meet the Regulator Programme, Interaction with SEBI Southern Regional Head on Recent Developments in Secondary Market</td>
<td>Mr. Suresh Menon Regional Manager Securities Exchange Board of India, Chennai.</td>
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<td>08.03.2014</td>
<td>Paid</td>
<td>10 am</td>
<td>Woman’s Day Celebrations, Half Day Seminar on: Compliance under the Sexual Harassment of Women at Workplace (Prevention, Prohibition &amp;Redressal) Act, 2013 and Women Director under the Companies Act, 2013</td>
<td>Chief Guest under finalisation CS Venkatakrishnan VP-Legal &amp; Secretarial ESAB India Ltd Ms Subha Srikant Director, Hauers Lines, Chennai.</td>
<td>The ICSI-SIRC Chennai</td>
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<td>10, 11 &amp; 12 March 2014</td>
<td>Free</td>
<td>5.30pm to 7.30 pm</td>
<td>Group Reading of the Com. Act, Chapter No.IV Share capital and Debentures</td>
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<td>The ICSI-SIRC Chennai</td>
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<td>17</td>
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<td>Free</td>
<td>5.30 pm</td>
<td>Joint Programme with US Consulate Chennai, Doing Business and Profession in USA; &amp; VISA formalities for Indian Professionals</td>
<td>Ms Jennifer A. McIntyre Consulate General, American Consulate, Chennai Mr. James Goisen, Principal Commercial Officer, US Commercial Services, American Consulate, Chennai, etc.</td>
<td>The ICSI-SIRC Chennai</td>
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<td>18</td>
<td>17, 18 &amp; 19 March 2014</td>
<td>Free</td>
<td>5.30pm to 7.30 pm</td>
<td>Group Reading of the Companies Act, 2013, Chapter No.II Incorporation of Companies</td>
<td>--</td>
<td>The ICSI-SIRC Chennai</td>
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<td>19</td>
<td>21, 22 &amp; 23 March 2014</td>
<td>Paid</td>
<td>10am to 5pm</td>
<td>Three Day Workshop on the Companies Act, 2013, Enhanced Disclosures and Compliances; Governance through Board Processes; Accounts, Audit, Auditors and Auditing Standards Corporate Structures permissible under the Act; Corporate Restructuring and Fund Raising; &amp; Corporate Governance and Corporate Social Responsibility</td>
<td>Under Finalisation</td>
<td>The ICSI-SIRC Chennai</td>
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<td>20</td>
<td>29 &amp; 30 March 2014</td>
<td>Paid</td>
<td>10 am</td>
<td>Residential Seminar jointly with Mysore Chapter, Emerging Laws: Aspirations, Opportunities &amp; Challenges...</td>
<td>Under Finalisation</td>
<td>Mysore</td>
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*It is only tentative; separate email will be sent before each programme.
Half Day Seminar on 'Drafting of Joint Venture Agreements and Case Studies in Structuring of LLP’s – 04th January 2014

CS Dwarakanath C, Chairman, ICSI – SIRC welcomed the members and introduced the speakers to the members. Shri K Ramesh, Advocate was the speaker for the first session. Shri Ramesh explained in detail, the important factors in drafting joint venture and foreign collaboration agreements. Shri Ramesh threw light on international arbitration clauses and the exit option pertaining to drafting the agreements. The speaker also highlighted on the legal and financial aspects of technology transfer agreements.

Shri Eshwar S, PCS explained about structuring of Limited Liability Partnerships [LLPs] with case studies. While speaking on the LLP agreement, the speaker opined that it is similar to that of Articles of Association of a Company. Shri Eshwar explained the members on Chapter V of the LLP Act under sections 26 to 30. Shri Eshwar also elaborated the members on the liability of the partners in the LLP.

The members actively interacted with both the speakers and the seminar concluded with the formal vote of thanks by CS Soy Joseph, PCS.

Inaugural session of the 18th Management Skills Orientation Programme [MSOP] – 22nd January 2014

The 18th MSOP of the ICSI – SIRC was inaugurated by Dr. M Manuneethi Cholan, Registrar of Companies, Tamilnadu, Chennai.

Ms. Sarah Arokiaswamy, Joint Director, ICSI – SIRO welcomed the dignitaries and participants. She explained the participants on the guidelines of the programme and advised them to be interactive with the faculty members.

CS Dr. Baiju Ramachandran, Chairman, ICSI – SIRC expressed his happiness that his first official address after assuming as Chairman, is the inauguration of the 18th MSOP. The Chairman highlighted to the participants that their learning process is actually going to start only on getting the membership. To be a successful professional, updated knowledge is required, he added. He observed that there has been a paradigm shift in the role of Company Secretary from being a mere compliance professional to a multi-faceted personality. Dr. Baiju advised the participants to excel in whatever areas of employment chosen and as custodians of good governance, company secretaries should follow the ethics and be bold enough to explain the board in case of any violations of rules in the company. He concluded by quoting that the corporates are in requirement of the right people rather than the good people.

CS Dr. B Ravi, Member, ICSI – SIRC introduced the ROC to the participants and also addressed them. He advised the participants to use the MSOP as a platform to transform the theoretical knowledge acquired from the books to practical knowledge. Shri Ravi emphasized the participants to create a good network among them and share their knowledge and ideas.

In his scintillating address, Dr. M Manuneethi Cholan, ROC, Tamilnadu, Chennai observed that India is a fast developing country, competing with China. In any country, corporates play a vital role in developing the economy and it is the professionals like CS, who develop the corporates, the ROC added. The ROC explained the participants about the expanding role of CS after the Companies Act 2013 has come into force. The ROC advised the participants not to confine themselves to the Companies Act, but also should acquire on all the applicable laws. Since the CS has to satisfy his employers and regulators, he has to follow good ethics.

CS Ramasubramaniam C, Secretary, ICSI – SIRC urged the participants to be more attentive during the MSOP and make it a pleasant learning experience. He proposed the vote of thanks.
Southern India Regional Conference of Students, Chennai – 11th January 2014
Inaugural Session

The ICSI – SIRC organized the Southern India Regional Conference of Students at Hotel Deccan Plaza, Chennai. It was attended by around 325 students from all over South India. The conference was inaugurated by Padmashri T N Manoharan, Past President, ICAI.

Earlier, CS Dr. B Ravi, Member, ICSI – SIRC and Chairman, Oral Coaching and Students Facilities Committee, ICSI – SIRC welcomed the dignitaries, faculty members and the students. Shri Ravi introduced the theme and various sessions of the conference and urged the students to use it as a platform to exhibit their knowledge and communication skills. The faculty members of oral coaching programmes were felicitated by the Chief Guest.

CS Dr. Baiju Ramachandran, Vice Chairman, ICSI – SIRC introduced the Chief Guest. Dr. Baiju congratulated the students for having chosen the CS course as their profession and urged them to participate in various programmes so as to gain knowledge.

The chief guest, Padmashri T N Manoharan delivered a thought provoking and motivational speech to the students. He started his speech by asserting that the future of India is in safer hands on seeing the enthusiastic participants. He complemented the participants for having chosen the right profession of future. Shri Manoharan observed that the students have more IQ nowadays and the new technologies enables the students to learn and explore more, but both the IQ and new technologies should be used in a right way.

Shri Manoharan highlighted that we all should be proud of being an Indian. He indicated that majority of the Indian population is young and urged the participants to use all their skills to empower India. Shri Manoharan explained the three important I’s to success, viz, Interest, Intelligence and Involvement of the students and advised them that Intelligence + Hard work = Success. He also explained that there are three P’s to success, viz, Planning, Preparation and Practice. Shri Manoharan advised the participants to eliminate the inferiority complex and shed their negative attitudes. Shri Manoharan concluded by quoting that, 'Not only India waits for you, the whole world waits for young professionals to excel and find what is within you and excel'.

CS Shri S Srikanth, spoke on behalf of all the faculty members of ICSI – SIRC. He thanked the ICSI – SIRC for felicitating them which will surely motivate them to contribute more to teach the students of CS. The inaugural session concluded with the formal vote of thanks by CS Dr. B Ravi, Member, ICSI – SIRC and Chairman, Oral Coaching and Students Facilities Committee, ICSI – SIRC.
Other Sessions
The conference had four sessions. The first session was paper presentation by the students on the topic, 'Role of CS in Corporate Governance'. The session was chaired by CS Dr. V Gopalan, Director, Janhar Management Consultancy Private Limited, Chennai. Four students presented their paper in this session.

In the second session, three students spoke on three views, viz, 'CS as Key Managerial Personnel', 'CS as Arbitrator' and 'CS as Valuer'. CS Eshwar S, Company Secretary in Practice, Chennai chaired the session.

The third session was on, 'To be a successful professional, the key attribute is compliance of law in letter and spirit [or] meeting the client requirements [or] providing a comprehensive solution'. In this session, another three students presented their views. CS K Ramesh, Advocate, Chennai moderated the session.

The fourth session was the quiz competition. The participants of the competition were drawn from the students. CS A Mohan Kumar, Assistant General Manager, Legal and Company Secretary, Allsec Technologies Limited, Chennai was the quiz master for the programmes.

All the participants and winners were given the mementoes and certificates. The students actively participated in all the sessions and expressed their thanks to the ICSI – SIRC for conducting the conference. The conference concluded with the vote of thanks by N Rohith, Professional Programme Student.


The Indian Institute of Corporate Affairs and Corporate Knowledge Foundation jointly organized the National Conference on 'Companies Act, 2013 – Governance through Corporate Social Responsibility, Independent Directors and Auditors' at Chennai. The ICSI – SIRC was the knowledge partner for this conference.

In the first session, Shri G P Madaan, Founder, Corporate Knowledge Foundation & Co – Chairman, Assocham National Council for M&A spoke on overview of the concept of Independent Directors Selection, Appointment, Reappointment and Removal of Independent Directors. Dr. S Kumar, Formerly Principal Director, The ICSI & Corporate Lawyer, New Delhi elaborated on role of independent directors in audit committee and CSR & Corporate Governance Committee.

CS Dr. B Ravi, Company Secretary in Practice and Member, ICSI – SIRC explained the civil and criminal liabilities of independent directors and means of mitigating and immunity available to independent directors under the Companies Act 2013.

Shri LVV Iyer, Corporate Lawyer spoke on 'Audit Committee – Is it really independent of the management'. Dr. Bhaskar Chatterjee, Director General & CEO, Indian Institute of Corporate Affairs spoke on 'Governance through CSR' in the third session. CA Gopal Krishna Raju, Chartered Accountant, Chennai and CA S Srikanth, Management Consultant, Chennai spoke on 'Governance through Auditors' in the fourth session. In all the sessions, the delegates actively interacted with the speakers.

The conference concluded with the formal vote of thanks by Ms. Sarah Arokiaswamy, Joint Director, ICSI – SIRO.
65th Republic Day Celebrations – 26th January 2014

The ICSI – SIRC celebrated the Nation's 65th Republic Day at its ICSI – SIRC House. Hon'ble Justice Dr. P Jyothimani, Judicial Member, National Green Tribunal, Principal Bench, New Delhi hoisted the National Flag. CS Dr. Baiju Ramachandran, Chairman, ICSI – SIRC hoisted the ICSI flag.

The Chairman, ICSI – SIRC welcomed the Chief Guest, dignitaries, members and students. In his address, Chairman remembered the leaders who fought for our Nation's freedom and observed that it is because of their noble sacrifices, the citizens of India are now leading a comfortable life. The Chairman also narrated the students, the reason for celebrating the Republic Day and invited the students to contribute to the development of the nation.

CS Dr. B Ravi, Member, ICSI – SIRC introduced the Chief Guest to the members and students.

In his speech, Justice Dr. P Jyothimani opined that it is the duty of all the citizens of India to contribute to the development of the nation. Justice Jyothimani traced the history of struggle of independence to the nation. He observed that there is a conflict between the industrial development and the welfare of the people and more problems of future are in the form of natural disasters. He narrated the example of floods in Chattisgarh and emphasized the importance of protecting the environment.

Justice Jyothimani also observed that role of CS is going to be more when compared to other professionals with the introduction of the Companies Act 2013. The statutory responsibility of the CS is equally going to be more, he added further. He concluded by saying the professionals' contribution to the economic and environmental development has to be more.

The Republic Day celebrations concluded with the formal vote of thanks by CS Ramasubramaniam C, Secretary, ICSI – SIRC.

Meet the Regulator Programme on 'Opportunities for Professionals in Trademarks' – 28th January 2014

As a novel initiative to facilitate the members to have interaction with the regulators, the ICSI – SIRC organized a 'Meet the Regulator Programme' on 'Opportunities for professionals in trademarks'. Shri V Natarajan, Deputy Registrar of Trademarks, Trademarks Registry, Chennai addressed and interacted with the members.

CS Dr. Baiju Ramachandran, Chairman, ICSI – SIRC welcomed the Chief Guest and members. CS Dr. B Ravi, Member, ICSI – SIRC introduced the Chief Guest.

In his address, Shri V Natarajan explained the members on the history of trademarks in India and the high opportunities available to the professionals like CS in the trademarks related matters. Shri Natarajan also narrated the differences between the Geographical Indication and Trademarks and the remedies for trademark infringement. Shri Natarajan also threw light on the trademark laws of various other countries.

The programme concluded with the formal vote of thanks by CS Ramasubramaniam C, Secretary, ICSI – SIRC.
**Investor Awareness Programmes organized during January 2014**

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<th>Resource Person addressed at the IAP</th>
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<td>1.</td>
<td>Vels Institute of Business Administration [VIBA], Vels University, Chennai</td>
<td>29&lt;sup&gt;th&lt;/sup&gt; January 2014</td>
<td>Shri S Venkatesan Treasurer Tamilnadu Investors’ Association Chennai</td>
<td>Dr. V Balaji, AEO, ICSI – SIRO</td>
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<td>2.</td>
<td>School of Social Sciences &amp; Languages, VIT University, Vellore</td>
<td>30&lt;sup&gt;th&lt;/sup&gt; January 2014</td>
<td>Shri A R Vasudevan Regional Manager Central Depository Services Limited, Chennai</td>
<td>Dr. V Balaji, AEO, ICSI – SIRO</td>
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**Career Awareness Programmes organized by the ICSI-SIRC during the month of January 2014**

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<th>List of the official / members, conducted the Career Awareness Programme</th>
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<td>Dr.V.Balaji AEO, ICSI – SIRO</td>
<td>24&lt;sup&gt;th&lt;/sup&gt; January 2014</td>
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<td>Department of Commerce &amp;Corporate Secretaryship Shri Muthukumaran College of Arts &amp; Science Chennai</td>
<td>Dr.V.Balaji AEO, ICSI – SIRO</td>
<td>27&lt;sup&gt;th&lt;/sup&gt; January 2014</td>
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<td>4.</td>
<td>Department of Commerce Queen Mary’s College Chennai</td>
<td>Dr.V.Balaji AEO, ICSI – SIRO</td>
<td>28&lt;sup&gt;th&lt;/sup&gt; January 2014</td>
</tr>
<tr>
<td>5.</td>
<td>Department of Commerce Shri Krishnaswamy College of Arts &amp; Science Chennai</td>
<td>Dr.V.Balaji AEO, ICSI – SIRO</td>
<td>31&lt;sup&gt;st&lt;/sup&gt; January 2014</td>
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51st STUDENT INDUCTION PROGRAMME (SIP) HELD FROM 20TH TO 28TH JANUARY 2014 AT THE INSTITUTE OF AGRICULTURAL TECHNOLOGIST

The Bangalore Chapter of the ICSI organised the 51st Student Induction Programme (SIP) on 20th January 2014 at the IAT and was concluded on 28th January 2014. Ms. Nithya Krishnan, Associate Manager, Corporate Secretarial Department, GMR Group Bangalore was the chief Guest for the inaugural Session.

CS Hari Babu Thota, Secretary, Bangalore Chapter of The ICSI delivered the welcome address and introduced the Chief Guest.

The Chief Guest inaugurated the event by lighting of lamp.

Ms. Nithya Krishnan in her inaugural address congratulated all the 89 participants present for having chosen CS as their professional pursuit and emphasized on importance of course. She advised all the participants to hone their Communication and Presentation skills to uplift their competencies.

The 7 days programme was concluded with a valedictory session on 28th January 2014.

INAUGRATION OF THE ORAL COACHING CLASSES FOR 37th BATCH OF FOUNDATION and 55th BATCH OF EXECUTIVE PROGRAMME HELD ON 20th JANUARY, 2014 AT 5.30 PM AT RAJAJINAGAR PARENTS EDUCATION SOCIETY, RAJAJINAGAR, BANGALORE

The Bangalore Chapter of the ICSI organised the inaugural function of the oral coaching classes for 37th batch of Foundation and 55th batch of Executive programme held on 20th January 2014 at 5.30 pm at Rajajinagar Parents Eductaions Society Bangalore.

CS S.C Sharada, Chairman Bangalore Chapter of the ICSI delivered the welcome address and introduced the Chief Guest Mr. Arjun Raj Urs, Director, Assuredstate Management Services Private Limited, Bangalore.

Mr. Arjun Raj Urs, inaugurated the Oral Coaching Classes by lighting the lamp. The Programme was very well attended by 130 students.

Mr. Arjun Raj Urs, in his address emphasised on importance of Leadership and basic understanding of “Why am i doing, what am i doing”. He advised student to speak out to gain recognition and stressed upon the significance of 4Ls of Life – To live, To Love, To learn and to lead. He then motivated the students to cultivate an attitude of CAN I – Continuous and never ending improvement.

He advised the students to indulge in building career and not in just doing the job. Apart from doing job, he insisted to invest at least 2 hours a day in improving oneself which leads to knowledge upliftment and career building ultimately. He lastly summoned on AAA – To always carry the Attitude and Aptitude to Adopt the changes for a rewarding career and success in both professional and personal endeavours.

The inaugural session concluded with a vote of thanks from CS S.C Sharada, Chairman Bangalore Chapter of the ICSI.

PARTICIPATION BY BANGALORE CHAPTER IN "EDUCATION & CAREER EXPO - 2014" HELD AT HUBLI ON JANUARY 17th – 19th, 2014 AT LAMINGTON SCHOOL PREMISES, HUBLI FROM 10.00 AM TO 8.00 PM

The Bangalore Chapter of SIRC of ICSI participated in "Education & Career Expo - 2014" Held At Hubli On January 17 – 19, 2014 At Lamington School Premises, Hubli From 10.00 Am To 8.00 Pm. It was an immense opportunity to disseminate the information about the profession of company secretary.

The Bangalore Chapter had set up the stall on all the three days of the fair and ICSI Banner, Mounted Posters, Brochures & Pamphlets about the course, prospectus of CS Foundation and Executive Programmes were displayed at the stall. CS Madhuri Kulkarni, Practicing Company Secretary and Dr. D.G Shetty, President, Dr. D.G Shetty Educational Society along with other Student Volunteers represented and managed the stall on all the three days.
Around 5000 aspiring students from various schools and colleges visited the said Education Fair along with their parents and Teachers. The visitors to the stall were guided about the potential and tremendous opportunities of the CS profession present and also shared their corporate experience motivating them to join the CS course.

The ICSI stall was highlighted professionally and the pamphlets of the CS course were distributed to the students. About CS course, admission procedures, cut-off dates, important role of Company Secretary in the changing economic scenario, exposure in the CS career, attractive salary Packages in the industry and opportunities in employment and in practice were explained to the students and also stressed that the company secretaries course is one of the most economical and job oriented course. The new syllabus and new examination pattern for CS Foundation Programme were highlighted during the programme.

The visitors showed keen interest and inclination towards CS course. A large number of students, parents and youth have benefited from this Programme.

HYDERABAD CHAPTER

Inauguration of 30th Student Induction Programme

On 3rd January, 2014 Chapter has organised the 30th Student Induction Programme. Sri S. Vinay Kumar, Chief Executive Officer, Varp Power Pvt. Ltd inaugurated the Programme by lighting the Lamp. CS R. Ramakrishna Gupta, Chairman of the Chapter presided over the function and congratulated the students for choosing the ICSI Course and spoke on why Institute had introduced SIP and the purpose of this training programme and advised the participants to utilize the great opportunity to learn.

CS S.S. Marthi, Member of SIRC addressed the students and congratulated them for choosing SIP at Hyderabad Chapter and advised the students to be open for learning and bring out the best in them.

Sri S. Vinay Kumar, Chief Guest addressed the gathering and spoke on employer expectations from the recruitment of employees like Leadership qualities and soft skills, etc. He also spoke of the context of a Company Secretary in a Company and in Practice. The Chief Guest also spoke on the role of a Company Secretary and mentioned that a Company Secretary is a Chief Compliance officer of various Acts. Company Secretary has to communicate logically and in a soft and impressive tone and he should update himself with the changing time. The Chief Guest also emphasized the need for a Company Secretary to discover new ideas, show interest towards the goal and action and that learning is vital to realise their aim.

CS Vasudeva Rao Devaki, Vice-Chairman complimented the students for choosing the CS course and Hyderabad chapter for SIP and spoke that students should make a proper planning to achieve success in their examinations and also proposed a vote of thanks.

SIP Valedictory session

On 9th January, 2014 Chapter has organised the 30th Student Induction Programme valedictory session at Chapter Premises. CS R. Ramakrishna Gupta, Chairman of the Chapter presided over the function. He explained to the students about the SIP programme and its purpose and advised the participants to utilise the opportunity to learn more and more.

CS S.S. Marthi, Member of SIRC shared his experiences, explained about equipping the self, commitment, importance of self organising and proper planning for examination to the students and informed about the channels available to the corporate sector and advised the students not to compromise on corporate ethics.

Students who attended the programme were given a chance to give their feedback on the 7 days session. Many of them came forward and appreciated the programme and also shared their views. They spoke that the Programme helped them to loose the stage fear, got more confidence and learnt many things.
Republic day celebrations

On 26th January 2014 Chapter has organised the Republic Day Celebrations at Chapter premises. CS Vasudeva Rao Devaki, Chairman of the Chapter welcomed the gathering for the celebration followed by rendering of National Anthem by all the participants. In his address he spoke that students should take initiative and participate in the development programmes of the nation.

CS Issac Raj P.G., Vice-Chairman of the Chapter, CS A.V. Rao, Treasurer of SIRC and CS S. S. Marthi, Member of SIRC, CS J. Krishna Murthy, former Chairman of SIRC and CS Bala Chandra member spoke on the occasion. They emphasized on the students that they should take initiative and make valuable contribution in the development of the nation and spoke that every citizen of India must remember the history and the sacrifices made by the freedom fighters and significance of Republic day. Some students also spoke on the occasion. A good number of Students and Members participated in the republic day celebrations.

CS Kavitha Rani Sakhamuri, Secretary of the Chapter proposed a vote of thanks.

COIMBATORE CHAPTER

Programme on “Scope of Company Secretaries in Companies Act 2013 including Secretarial Audit & Certification of Annual Return” and Interaction with The President, ICSI on 04th January 2013

On 04th January 2014, the Coimbatore Chapter of SIRC of ICSI organized a Programme on “Scope of Company Secretaries in Companies Act 2013 including Secretarial Audit & Certification of Annual Return” at Indian Chamber of Commerce & Industry Hall, Avinashi Road, Coimbatore.

CS R. Sridharan, Central Council Member, ICSI was the Guest Speaker. The programme started from 3.30 pm onwards. CS P. Eswaramoorthy, Chairman, ICSI-Coimbatore Chapter, welcomed and introduced the Speaker.

CS R Sridharan explained in detailed about the scope of Companies Secretaries in Companies Act, 2013 with latest statistical data on Company Secretaries and Corporates covering under the Secretarial Audit & Certification of Annual Return. The session was highly informative, updated & lively and received with applause by strength of many members and students. The session concluded with a vote of thanks by CS R Dhanasekaran, Vice-Chairman of the chapter.

On the same day, the chapter organized an Interaction session with Shri S N Ananthsubramanian, President of ICSI, from 5.30 pm onwards. He interacted with members and students on various initiatives taken by the ICSI during the year 2013 like, E Learning, E Registration, etc. The session concluded with a vote of thanks by CS S Venkatesh, Secretary of the chapter.

Hand Over and Take Over – New Office Bearers at Chapter of SIRC of ICSI on 18.01.2014

The New office bearers took over the charge from the existing Office Bearers on 18th January 2014, evening and the Chapter had invited all the members for the special meeting. The new office bearers took oath and presented to the members their plan of action for the year. The members attended the programme, expressed their expectation from the new office bearers as well as their suggestions for improvement of the brand building of ICSI.

65th Republic Day Celebration on 26th January 2014 at Chapter Premises

Coimbatore Chapter celebrated 65th Republic day Celebration on 26th January 2014 at chapter premises.
MADURAI CHAPTER

Republic Day Celebrations

Madurai chapter arranged for a Flag hoisting ceremony on the 26th of January 2014 to celebrate the Republic day. The Flag hoisting ceremony was attended by around 80 students besides 15 members of the Institute, besides the faculty of chapter. The Chairman Sri.S.Paramasivan hoisted the National flag and delivered the address. Other senior members also have addressed the students on the occasion.

Faculty Meeting

The Faculty meeting was held on 02.01.2014 at Chapter premises. The meeting was well attended by the existing Faculties who voiced their views, and suggestions regarding the classes, infrastructure, sharing of Classes, etc., the meeting was chaired by Mr. S.Kumararajan; the modalities of the Oral coaching Guidelines were briefed on the occasion.

Inauguration of Oral Coaching Classes June 2014 Session

The Oral coaching session was inaugurated from 06.01.2014 at the Madurai chapter. The Foundation week end classes and Executive programme (Regular), Evening and Weekend classes were commenced from 6.1.2014.

MYSORE CHAPTER

Study Circle Meeting

On 12th January 2014 Mysore Chapter of ICSI conducted students Study Circle Meeting in the Company Law topic. CS. Ajay Madaiah B.B., Chairman discuss with the students on various topics in company law and clarified the doubts raised by the students.

UMANG Meeting

The Students Committee meeting for the “UMANG 2014” the students event, was held on 19th January 2014. Students are participated in this meeting and they discuss about the arrangements to be done for the program.

Republic Day Celebrations

The 65th Republic Day was celebrated by the Mysore Chapter of ICSI at its premises. Chief Guest Colonel(Rtd.)GM Devaya hoisting the National Flag and address the Students & Members. CS. Ajay Madaiah, Chairman, CS. Raghavendra, Secretary, Members & Students are also participated in the ceremony.

12th Student Induction Programme

The Twelfth Student Induction Program was conducted by the Mysore Chapter from 20th January 2014 to 26th January 2014 at the chapter Premises. 70 students participated in this 7 Day training program which consisted of 28 Technical Sessions.

In the Valedictory session on 26th January 2014, Mr. Ameer Jaan and Ms. Ranjitha D were adjudged as Best Participant. CS Ajay Madaiah B.B., Chairman, CS Raghavendra, Secretary & Kavitha Rao D B., Member of Mysore Chapter of ICSI were present during the occasion.
Inaugural Session of Oral Coaching Classes: Batch June 2014

Inaugural session June 2014 of Oral Coaching Classes has been conducted at chapter premises on 11th January 2014 at 04.00 pm for Executive & Foundation programmes.

The programme was presided over by CS Ramachandran TM, Chairman, Thrissur Chapter of ICSI. CS Sudhir Babu C, Member Central Council of ICSI was the speaker of the programme. The programme was attended by Executive & Professional students.

Earlier, CS Vasudevan M Treasurer Thrissur Chapter of ICSI welcomed the guest & participants of the programme. CS Krishna Kumar M Secretary Thrissur Chapter of ICSI was inaugurated the programme.

The speaker interacted with students and briefly explained about the new syllabus of Executive & Professional programmes.

The programme concluded with the formal vote of thanks by CS Ramachandran TM Chairman Thrissur Chapter of ICSI.

Seminar on “Company Secretaries’ Emerging Trends”

Half day seminar on “Company Secretaries’ Emerging Trends” was held at Thrissur Chapter of ICSI on 11th January 2014 at 04:30 pm.

The programme was presided over by CS Vasudevan M, Treasurer, Thrissur Chapter of ICSI. CS Ahalada Rao Vummenthala, Director B5 Corporation Pvt Ltd was the speaker of the programme. The programme was attended by Executive & Professional students.

The speaker in his scintillating speech, explained the emerging trends of Company Secretaries. The programme received an overwhelming response and was well received by the participants.

The programme concluded with the formal vote of thanks by CS Krishna Kumar M, Secretary Thrissur Chapter of ICSI.
INCORPORATION OF COMPANIES

While processing the incorporation documents and other documents including optional attachments filed by the professionals, it is seen that the signatures of Managing Directors or Directors in the optional attachments are not in original and the professionals are resorting to cut and paste method of the signatures in those optional attachments which should be prevented for a healthy and good corporate governance and such scanned signatures are not legally accepted and consequence of such copying and pasting the signatures will affect the image of the professionals and also the promoters of the company who are filing the documents and this office is receiving various complaints from the promoters and directors and it has come to our notice that only a few professionals are indulging such practice which cannot be a healthy professional ethics. Hence, all the professionals are requested to follow good ethical practice while complying with the requirements of provisions of the Companies Act.

Further, Ministry of Corporate Affairs has issued circular no.11/2013 on 29.5.2013 wherein it was clarified that to obtain declaration/affidavits from subscribers / first directors and subsequently when the registered company changes its objects, that the company/directors shall not accept deposits unless compliance with the applicable provisions of the Companies Act, 1956, RBI Act, 1934 and SEBI Act, 1992 and rules/directors/regulations made there under.

Again vide General Circular No.15/2013 dated 13.9.2013, it was clarified that to register the companies as per the definition clause of the “Private Company” under the Companies Act, 1956 till 11.9.2013, and to include section 2(68) of Companies Act, 2013 after 11.9.2013 in the incorporation documents.

Whereas it is seen from the incorporation documents filed by the professionals that instead of using section 2 (68) of the Companies Act, 2013 Section 3(1) (iii) of the Companies Act, 1956 is incorporated in the private company definition. As a result, the incorporation documents are “sent for resubmission”.

Hence, professionals may file the Incorporation documents keeping in mind the circular no.11/2013 and 15/2013 for quick registration of companies.
The concept of Related Party was so far defined only in the Accounting Standard (AS 18).

In order to maintain global standards on accountability and transparency in the transactions that are being carried by the Indian corporates, the new definition of Related Party has been introduced in the Companies Act 2013.

Section 2(76) of the 2013 Act defines related party

Related Party, with reference to a company, means

i) a director or his relative
ii) a key managerial personnel or his relative
iii) a firm, in which a director, manager or his relative is a partner
iv) a private company in which a director or manager is a member or director,
v) a public company in which a director or manager is a director or holds along with his relatives, more than 2% of its paid-up share capital
vi) any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager
vii) any person on whose advice, directions or instructions a director or manager is accustomed to act provided that nothing in sub clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity

viii) any company which is

a) a holding, subsidiary or associate of such company
b) a subsidiary of a holding company to which it is also a subsidiary

ix) such other person as may be prescribed

Such other person as may be prescribed has been defined in the draft rules as below;

The following persons, with reference to a company, shall be deemed to be a related party;

a) a director or key managerial personnel of the holding, subsidiary or associate company of such company or his relative

b) any person appointed in senior management in the company or its holding, subsidiary or associate company

Senior management means members of core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

From the above definition, it is understood that mostly all of them, who have association with the company whether directly or indirectly, are covered under related party definition.

g) underwriting the subscription of any securities or derivatives thereof, of the company
2. However, the above arrangement can be had with related party after obtaining the consent of the Board but subject to the following conditions;

i) The notice of the Board meeting at which the resolution is proposed to be moved shall disclose -
   a) name of the related party and nature of relationship;
   b) nature, duration of the contract and particulars of the contract or arrangement;
   c) material terms of the contract or arrangement including the value, if any;
   d) any advance paid or received for the contract or arrangement, if any; and
   e) any other information relevant or important for the Board to take a decision on the proposed transaction

ii) Director interested in the contract or arrangement with a related party, should not be present at the meeting during the discussions on the subject matter of the resolution relating to such contract or arrangement.

3. Prior approval of the company by way of special resolution is required for entering into a contract or arrangement, in the case of the following;

i) for a company having a paid-up share capital of Rs.1 crore and above; or

ii) where the transactions, individually or taken together with previous transactions during a financial year, exceed 5% of the annual turnover or
   a) 20% of the net worth of the company as per the last audited balance sheet, whichever is higher.

This clause is applicable for the contracts or arrangements as mentioned in clauses (a) to (e) of point 1 hereinabove.

iii) With regard to appointment to any office or place of profit in the company, its subsidiary company or associate company, if the monthly remuneration exceeding One Lakh rupees. This clause is applicable for the contract or arrangement as mentioned in clause (f) of point 1 hereinabove.

iv) With regard to underwriting the subscription of any securities or derivatives thereof of the company, if the remuneration for underwriting the subscription of any securities or derivatives - exceeding Ten Lakh rupees

This clause is applicable for the contract or arrangement as mentioned in clause (g) of point 1 hereinabove.

4. No member of the company shall vote on such special resolution, to approve the contract or arrangement, if such member is a related party.

5. In case the Company is a wholly owned subsidiary company, then the contract or arrangement with the holding company, is hindered.

In order to overcome this situation, the special resolution passed by the holding company shall be sufficient for the purpose of entering into the transactions between wholly owned subsidiary and holding company.

6. If the company proves that the transactions entered into by the company with the related party are on on Arm's Length Basis, then there is no requirement to obtain members approval by way of special resolution or board resolution, as the case may be.
Arm's Length transactions :- It is a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

7. The details of the contract or arrangement entered into by the company, shall be referred to the Board's report along with the justification for the same.

8. If the contract or arrangement is entered into by a director or any other employee, without obtaining the consent of the Board or approval by a special resolution in the general meeting, then within 3 months from the date of contract or arrangement, it should be ratified
   a) by the Board in case of Board's consent is required
   b) by the shareholder at a meeting in case of approval by special resolution is required

9. If it is not ratified by the board / shareholders within 3 months from the date of contract or arrangement, then such contract or arrangement shall be voidable at the option of the Board.

10. Consequent to the contract voidable at the option of the Board, the director who is related, shall indemnify the company against any loss incurred by it.

11. The penal provisions for contravention of provisions relating to related party transactions are;

   Any director or any other employee of a company, who has violated the provisions;

   a) in case of listed company, be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than twenty five thousand rupees but which may extend to five lakh rupees, or with both; and

   b) in case of any other company, be punishable with fine which shall not be less than twenty five thousand rupees but which may extend to five lakh rupees.

Office or Place of Profit

Office or Place of Profit means any office or place -

a) where such office or place is held by a director,

If the director holding it receives from the company anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent free accommodation, or otherwise;

b) where such office or place is held by an individual other than a director, or by any firm, private company or body corporate

If such individual, firm, private company or body corporate holding it receives from the company anything by way of remuneration, salary, fee, commission, perquisites, any rent free accommodation, or otherwise.

Section 188 is the combination of the following sections of the Companies Act 1956

Section 294 - Appointment of sole selling agents to require approval of company in general meeting
Section 294A- Prohibition of payment of compensation to sole selling agents for loss of office in certain cases
Section 297 - Board's sanction to be required for certain contracts in which particular directors are interested
Section 314 - Director, etc., not to hold office or place of profit.
CONVERSION OF PRIVATE LIMITED COMPANIES IN TO LLP

Conversion of Company in to an LLP.

As the time grows closer to the implementation of the New Companies Act 2013 in totality; increasingly it has been observed about the growing affinity of the taxation & auditing professionals towards the much talked about limited liability partnership. Prima Facie there exist an halo—effect about how these professionals would have to be rotated for the purpose of transparency and to avoid a cosy relationship with the clients; indeed true to some extent but needless to say that there would be cartels formed to subvert the said effect. However, in order to find out a better solution to this ongoing conundrum an act which was existing before but did not have the kind of appeal which companies act used to enjoy i.e Limited Liability Partnership is slowly gaining prominence.

It has also been observed that there has been a want of conversion of many of the existing companies towards llp as with the advent of the new legislature; increasing set of onus on the companies to get the shareholders approval even for a private limited company has been observed more particularly w.r.t to section 180 and 185 of the new companies act 2013 which are currently in force.

Sheer comparison of overall numbers witnessed for the formation of the LLP in the past two months in India shows that increasing set of professionals have started advising their clients to form LLP’s. A staggering increase of 46% has been observed just in two months time.

Figure 1: Number of LLP’s Formed in India- Nov-Dec-2013
The Companies Act 2013’s 98 sections were introduced on 12th September 2013 hence it would not be appropriate to use the data up till October (Reason: Updation of professionals towards the pro’s and con’s of the new legislation) as the same would represent skewed data result not capable of an independent conclusive comparison.
Note: On conversion of the company into a LLP all the contracts, deeds, agreements which were subsisting before would continue to apply to the LLP as well. If there is any conviction or any cases going on against the company the same would now be held against the LLP.

**Income Tax Act 1961.**

Understanding the implication of the conversion of Income Tax Act is of pivotal importance in this context hence for this particular purpose it is quintessential to note that how the conversion should shape up to comply with the legislation. The section governing the conversion is section 47 (xiiiib) of Income Tax Act 1961. The said sub-section was introduced in the Finance Act 2010. In order to claim exemptions from capital gains tax the following conditions are to be complied with:

- All the assets and liabilities of the company immediately before the conversion become the assets and liabilities of the limited liability partnership.
- All the shareholders of the company immediately before the conversion become the partners of the limited liability partnership and their capital contribution and profit sharing ratio in the limited liability partnership are in the same proportion as their shareholding in the company on the date of conversion.
- The shareholders of the company do not receive any consideration or benefit, directly or indirectly, in any form or manner, other than by way of share in profit and capital contribution in the limited liability partnership;
- The aggregate of the profit sharing ratio of the shareholders of the company in the limited liability partnership shall not be less than fifty per cent at any time during the period of five years from the date of conversion.
- The total sales, turnover or gross receipts in the business of the company in any of the three previous years preceding the previous year in which the conversion takes place does not exceed sixty lakh rupees; and
- No amount is paid, either directly or indirectly, to any partner out of balance of accumulated profit standing in the accounts of the company on the date of conversion for a period of three years from the date of conversion.
Coming to the part of the conversion; this article would throw light on two aspects that is one on the LLP Act 2008 and second one on the Income Tax Act 1961.

Let us first look at the first part i.e conversion from the LLP Act 2008. The first test to be passed is to find out whether the Company is eligible for the said conversion; to be more precise the following companies are not eligible for the conversion process:

- Section 25 Companies
- Companies not having share capital
- Company should have filed at least one balance sheet and annual return with the Registrar of Companies.

After the aforesaid test is met out and the process takes shape to the next level the conversion procedure part is to be proceeded with.

Technically the conversion would involve the set of process as per figure 3.

**Figure 3: Procedure of Conversion of Company in to Limited Liability Partnership**

The conversion is also subjected to:

- Company obtaining NOC from Income Tax authorities and filing acknowledgement of latest income tax return
- Consent of all the secured creditors.
- Approval from any other body/authority as may be required.

With all above procedures being complied with and on filing of all the forms; the ROC will convert the Private Limited Entity to an LLP and provide the incorporation certificate of LLP. If in case the ROC refuses to register then the applicant company can go ahead and apply to the tribunal within 60 days of such order.
Figure 4: Conditions for conversion for claiming exemption from capital gains tax.

If any of the said conditions are not complied with then as per section 47A (4) of the income tax act 1961; the benefit taken by the converted LLP would be deemed to be its profit in the previous year.

Certain other aspects to be kept in mind for the conversion process are:

- Carry forward and set off of business losses/depreciation shall be allowed in the succeeding LLP for a period of 8 years as per section 72A(6A) of Income Tax Act 1961
- Amortization of expense on VRS shall continue with the vesting LLP.
- The Written Down Values of the block of assets of the company would become the Actual cost of acquisition in the vesting LLP.
- The succeeding LLP will not be allowed to take MAT Credit as per sec 115JAA of Income Tax Act 1961.

There may be few points on conversion which are case specific; however the above shall summarise the concept of conversion of Company in to LLP.

Conclusion

The growing clamour which has been observed for the conversion on account of Companies Act 2013 providing way too many compliances for private limited companies to comply with there by making it lose its sheen. In our quest to constantly update ourselves to the challenge which every day of professional life provides us; it is this need of hour to understand what implications of one new act would have on the working of the business of the smaller companies and how it would lead to the benefit of other legislation.
PRIVATE PLACEMENT UNDER COMPANIES ACT, 2013

Private placement means any offer of securities or invitation to subscribe securities to a select group of persons by a company (other than by way of public offer) through issue of a private placement offer letter and which satisfies the conditions specified in section 42.

If a company, listed or unlisted, makes an offer to allot or invites subscription, or allots, or enters into an agreement to allot, securities to more than the 200 persons, whether the payment for the securities has been received or not or whether the company intends to list its securities or not on any recognized stock exchange in or outside India, the same shall be deemed to be an offer to the public and shall accordingly be governed by the provisions of Part I of Chapter III of the Companies Act, 2013.

CONDITIONS AND PROCEDURE FOR PRIVATE PLACEMENT [SECTION 42]


CONDITIONS FOR PRIVATE PLACEMENT

- A private placement offer cannot be made to more than 200 people in aggregate in a financial year excluding “qualified institutional buyers” and employees of the company being offered securities under a scheme of employee’s stock option as per provisions of clause (b) of sub-section (1) of section 62.

“Qualified institutional buyer” means the qualified institutional buyer as defined in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time.

- If a company, whether listed or unlisted makes an offer to allot or invites subscription, or allots, or enters into an agreement to allot, securities to more than 200 persons, whether the payment for the securities has been received or not or whether the company intends to list its securities or not on any recognized stock exchange in or outside India, the same shall be deemed to be an offer to the public and shall accordingly be governed by the provisions of Part I of Chapter III.

- No fresh offer or invitation under this section shall be made unless the allotments with respect to any offer or invitation made earlier have been completed or that offer or invitation has been withdrawn or abandoned by the company.

- Any allottee under a private placement offer/invitation shall not transfer his/its securities to more than 20 persons during a quarter and the company shall not register any transfer which is not in conformity with this requirement.

- The number of such offers or invitations shall not exceed 4 in a financial year and not more than once in a calendar quarter with a minimum gap of 60 days between any 2 such offers or invitations.

- The value of such offer or invitation shall be with an investment size of not less than Rs. 50,000/- per person.

- No company offering securities under this section shall release any public advertisements or utilize any media, marketing or distribution channels or agents to inform the public at large about such an offer.

- Any offer or invitation not in compliance with the provisions of this section shall be treated as a public offer and all provisions of this Act, and the Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992 shall be required to be complied with.
FAQ - NON CONVERTIBLE DEBENTURES (NCD’s)

What is meant by Non convertible Debentures?

Debenture is a financial instrument which acknowledges a debt obligation towards the issuer.

Debentures can have a feature of convertibility into shares after a certain point of time at the discretion of the owner (I-e : Person who has invested money in Debentures and holding the Debenture certificate in his name). The debentures which can't be converted into shares or equities are called non-convertible debentures (hereinafter called as NCDs)

Non-convertible debentures are used as tools to raise long-term funds by companies.

What are the benefits of NCD from Investor point of view?

Following are the benefits or reasons why the investors prefer NCD’s:

1. NCD’s as the name suggests cannot be converted into Equity. To compensate for this drawback of non-convertibility, lenders are usually given a higher rate of return compared to convertible debentures. So getting higher interest rate is a benefit from the investor point of view.

2. At times, these NCD’s are also listed in Stock Exchanges and this helps to have liquidity for the Investor. They need not wait till the redemption period is over and he can sell such NCD through Stock Exchanges.

(However, the downside of this is that there is no active market for NCDs on the wholesale debt market segment of the stock exchanges. One might not be able to find a buyer for the NCDs if their trade volumes on bourses are insignificant).

3. NCD’s are pretty safe instruments from the investor perspective since most of them are issued as a Secured loan. In other words Companies give some collateral either in the Form of Property of the Company, its receivables or the personal guarantee by the Promoters or Directors. Hence the money of the investor is safe in the case of NCD’s.

4. NCD’s can be issued by companies which have a good credit rating as specified in the norms laid down by RBI for the issue of NCDs.

In what way NCD is different from Fixed Deposits?

NCDs have some similarities with Fixed Deposits. Both are fixed term financial instruments yielding interest to the Investors. However there are some differences between these two as well, which are listed below:

1. NCD’s are secured & hence safe instruments, while Fixed Deposits are not Secured many a times. Since the NCD's are backed by the assets of the Company, in case of default, investors can get back the money by liquidating the security.
PROCEDURE FOR PRIVATE PLACEMENT

i. **Identify the person(s) to whom the private placement offer/invitation has to be made** - All offers covered under this section shall be made only to such persons whose names are recorded by the company prior to the invitation to subscribe, and that such persons shall receive the offer by name.

ii. **Prepare the private placement offer letter** - A private placement offer letter needs to be prepared as per Form No. 3.4. It shall be accompanied by an application form addressed specifically to the person to whom the offer is made and shall be sent to him.

iii. **Seek member's approval** - The proposed offer of securities or invitation to subscribe securities needs to be approved by the shareholders of the Company, by way of a Special Resolution, for each of the Offers/Invitations.

iv. **Circulate the offer letter** - The offer letter and the application form addressed specifically to the proposed allottee shall be sent to him, either in writing or in electronic mode, within 30 days of recording the names of such persons as specified above. No person other than the person so addressed in the application form shall be allowed to apply through such application form and any application not so received shall be treated as invalid.

v. **Maintain record of private placement offers** - The company shall maintain a complete record of private placement offers and acceptances of such offers in Form No. 3.5.

vi. **File information with ROC** - A copy of the record maintained by the company along with the private placement offer letter in Form No. 3.3 shall be filed with the Registrar with fee and with the Securities and Exchange Board, where the company is listed, within a period of 30 days of circulation of the private placement offer letter.

vii. **Receive acceptances and payment** - All monies payable towards subscription of securities under this section shall be paid through cheque or demand draft or other banking channels but not by cash. Further, the payment to be made on subscription of securities shall be made from the bank account of the person subscribing to such securities. In case of joint holders, it shall be paid from the bank account of the person whose name appears first in the application.

viii. **Open separate bank account for keeping subscription money** - Monies received on application under this section shall be kept in a separate bank account in a scheduled bank and shall not be utilized for any purpose other than—

   (a) for adjustment against allotment of securities; or
   (b) for the repayment of monies where the company is unable to allot securities.

ix. **Make allotment of securities** - A company making an offer or invitation under this section shall allot its securities within 60 days from the date of receipt of the application money for such securities and if the company is not able to allot the securities within that period, it shall repay the application money to the subscribers within 15 days from the date of completion of 60 days and if the company fails to repay the application money within the aforesaid period, it shall be liable to repay that money with interest at the rate of 12% p.a. from the expiry of the sixtieth day.

x. **File return of allotment with Registrar** - A return of allotment of securities under section 42 shall be filed with the Registrar in Form No. 3.3 with necessary fees along with a complete list of all security holders containing-

   (i) full name, address, PAN, and E-mail id of such security holders;
   (ii) class of security held;
   (iii) date of becoming security holder;
   (iv) number of securities held; nominal value and amount paid up on such securities; and particulars of consideration received.

xi. **Issue share certificates and update minutes book and registers.**
2. NCD's generally yield higher interest rates than Fixed Deposits.

3. NCD's may be listed in Stock Exchanges and can be in Demat form. Thus they provide better liquidity compared to Fixed deposits. It is to be noted that Fixed deposits if closed prior to the maturity date will attract a small penalty & deposit holder will get a cut in interest rate since he pre-closes the deposit. But a NCD which is listed can be sold without such penalty at the Stock Exchanges.

4. Listed NCD’s are not subject to Tax deducted as source, while TDS will be applicable in case of Fixed deposits.

5. Fixed deposits are preferred investment option for retail investors (General public); NCD's may or may not be issued to retail public. When NCD's are listed, retail investors also invest in it. However there are Companies who raise NCD's from Banks or Financial Institutions alone without going to Public.

What are the tax provisions as regards NCD's?

Interest earned on NCDs after maturity is taxed as regular income. Any gain from selling NCDs within one year will be taxed as short-term capital gain. Return from NCDs sold after one year but before maturity will be taxed as long-term capital gain.

What is the criteria for a Company to raise NCD's?

As per the Guidelines issued by RBI, any Indian company can raise money through NCDs if it has a tangible net worth of at least Rs 4 crore and has been sanctioned loans by banks or financial institutions which is classified as 'standard asset' and not as bad debt.

Further, as per the guidelines, Companies seeking to raise money through NCDs have to get their issue rated by agencies such as CRISIL, ICRA, CARE and Fitch Ratings.

What is the duration for which NCD's may be issued and the denomination at which NCD's can be issued?

RBI prescribes that NCD's can be issued for a duration which is less than a year, but it cannot be less than 90 days.

NCDs may be issued in denominations of Rs.5 lakh or multiples thereof. Amount invested by a single investor should not be less than Rs.5 lakh (face value).

What are the conditions that RBI has prescribed in relation to the issue of NCD’s:

Following are some of the conditions prescribed by RBI as regards issue of NCD's:

1. The issuer shall disclose to the prospective investors its financial position as per the standard market practice.
2. The provisions contained in the Companies Act, 1956 and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 shall be followed by the issuers.
3. NCDs shall be issued at face value and will carry a coupon rate as determined by the issuer.
4. Every issuer of NCDs shall appoint a Debenture Trustee for each issuance of the NCDs & only commercial banks that are registered as debenture trustees with the SEBI shall be eligible to act as debenture trustees for issue of the NCDs.
5. NCDs may be issued to:

- Individuals,
- Banking companies,
- Primary Dealers (PDs)
- Other corporate bodies registered or incorporated in India and unincorporated bodies,
- Non-Resident Indians (NRIs) and Foreign Institutional Investors (FIIs).

6. Investment by FIIs shall be within the limits set for their investments by the Securities and Exchange Board of India (SEBI).

7. Though individual investors have an option to invest either in Demat form or in physical form, banks, FIs and PDs are required to make fresh investments in NCDs only in dematerialized form.

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To sum up, NCDs are secured and safe instruments, which provide the investor an opportunity to earn 2-3 percentage points higher return than other fixed-income instruments such as bank fixed deposits.

However it is better to invest in the NCD’s issued by large, well known Corporate having good rating and proven track record. It is better to avoid smaller companies NCD’s, as they are risky and investors may not be able to understand its dynamics better.
Attn Members

COMPANY SECRETARIES BENEVOLENT FUND – IMPORTANCE

"BE BENEVOLENT TO YOUR FAMILY. REGISTER FOR CS BENEVOLENT FUND TODAY"

This is an appeal to all our members who are not members of CSBF to kindly register for the same as this is the only benefit which we can pass it on to our family members. Your membership to the fund will go a long way in strengthening the corpus of the fund, which will result in the Institute being able to provide a higher amount of Financial Assistance to members and their families in time of need.

CSBF Life membership subscription increased from Rs.5,000/- to 7,500/- w.e.f. 1-4-2012.

What you need to do is very simple:

1. Download and take print of the application form for CSBF-www.icsi.edu
2. Fill the required information
3. Draw a cheque or DD for Rs. 7500/- in favour of Institute of Company Secretaries of India, payable at Chennai towards one time membership fee to CSBF.

Alternatively, log into www.icsi.in pay online and join the fund.

Advantages to you:

1. Contribution to the Fund is a noble cause.
2. Members of the ICSI after becoming the member of CSBF get the additional security shield for the life.

The CSBF can provide much needed financial assistance in such cases if the corpus of the Fund increases substantially which is possible if more number of members are enrolled for the fund.

Our object is to make 100% registration by our esteemed members from Southern Region.
I earnestly request all the members to join for this campaign so that we can help our own family as well as the families of our fellow members in times of distress.

The significant importance of becoming a Member in the Company Secretaries Benevolent Fund is to help the members who are in distress and need financial help. Due to low enrolment for the Benevolent Fund, the Institute is not in a position to extend the required benefit to the Members and therefore, it is an opportune time to become Members of the Benevolent Fund and thus extend full support to the Members who are in distress through the Fund. One time fee payable to become a member under the Fund is Rs.7500/- [Rs.7500/- w.e.f. 1.4.2012], which may be sent by way of crossed cheque/demand draft favoring “Company Secretaries Benevolent Fund” payable at New Delhi. For further details please contact ICSI-SIRO, Chennai.

For clarifications/queries contact Ms. Meenakshi Gupta, Joint Director on telephone no.45341047 or Shri J S N Murthy, Desk Officer.

ICSI-SIRC LIBRARY

The library is having a wide range of facilities including internet access. Quite a number of new books have been added. The refurbished library is having separate enclosures for the members and students in order to enable them to pursue their academic pursuits in calm atmosphere.

Yearly Library Subscription: Rs.500/- for Members and Rs.200 for Students per financial year. [April to March]

For further details please contact ICSI-SIRO, Chennai.

SPARING THE FACILITIES AT ICSI-SIRC HOUSE

The ICSI-SIRC House is having two halls – Dr A C Muthiah Conference Hall and LV B Hall. These halls are being let out to conduct in-house meetings of the companies; arbitration meetings; board meetings; EGM and other similar types of programmes. These halls are having adequate facilities like mike facilities, lift, fully backed power supply, ample parking space. The ICSI-SIRC is centrally located. For further details, please contact, ICSI-SIRO.
GRIEVANCE REDRESSAL MODULE FOR STUDENTS AND MEMBERS

The Institute in its endeavor to improve the service delivery system has made available to the Members, Students an online grievance redressal mechanism on the Institute's website www.icsi.edu. The students and members are requested to login to 'Online Services' and select the 'Grievance' option in the 'Home' button for lodging their queries/ requests under appropriate topic/ subject matter. Queries/ requests would be attended by the respective directorates and the same would be checked from time to time under the grievance redressal mechanism.

Steps for Uploading of scanned image of photograph and signatures by the Members on the Website of the Institute

1. Login to portal www.icsi.edu.
2. Click online services on the right top corner and then click 'Login' on page.
3. Fill the User name: Enter your membership number (like A1234) as per the sample given on the page.
4. Password. Fill the password. In case you do not have a password, you may retrieve your password if your email is already registered in the Institute. Alternatively you may send an email request for password with your ACS / FCS membership number to dd.garg@icsi.edu
5. After login, go to 'Members Option' (from top menu) then click on "My Account "
6. Click on Manage Image
7. Then upload your Photo (passport size) and Signature and click on Upload button.
ICSi COMPANY SECRETARIES (CS) COURSE COMPLETE SWITCHOVER TO ONLINE REGISTRATION FROM 01.01.2014

The Institute of Company Secretaries of India (ICSI) is a premier national professional body established under the Company Secretaries Act, 1980 to develop and regulate the profession of Company Secretaries. It has on its roll over 35,000 members, both in Employment and in practice, and over 4 lakh students.

The Institute offers its flagship programme called Company Secretaryship. A person completing this course, both examination and training, is enrolled as a member and becomes eligible to work as a company secretary either in employment or in practice.

A student interacts with the Institute mainly for two purposes. First, he seeks registration to various levels of the course, namely, Foundation, Executive and Professional Programme. Second, he seeks enrollment to examinations for various modules of each of the three levels. With a view to provide efficient and any time service to students, the Institute has been leveraging information technology to provide these two services, namely, registration and enrollment, to students online.

The Institute moved to online enrollment for examination from 1st October 2013. It has decided to move to online registration from 1st January 2014. From these dates, these two services would be available only on online mode.

Animated help to do online registration is also available on www.icsi.edu before student proceeds for online registration.

Detailed Steps for Online Registration Services for students are also mentioned below:

1. Click the “Online Services” button on top of the ICSI website (www.icsi.edu)
2. Go to the Students tab and click on “Student Registration”
3. Click onto the checklist of documents as applicable to students on the basis of their qualification,
4. Now Click on ‘Proceed to Registration’
5. Select the Course type as applicable viz. Foundation, Executive Programme etc.