

ICSI-NIRC

NEWSLETTER

Insight

Recent Amendments In Corporate Laws



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Motto

सत्यं वद। धर्मं चर।
इष्टं कुरु त्वत्कामैः कुरुते त्वत्कामैः।

Vision

"To be a global leader in promoting
good corporate governance"

Mission

"To develop high calibre professionals
facilitating good corporate governance"

Published by :

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NIRC-ICSI NEWSLETTER

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“Life isn’t about waiting for the storm to pass, its about learning how to dance in the rain.”

- Vivian Greene

Dear Professional Colleagues,

With having witnessed times of trials and turbulence and nearing to the end of year 2020, there is lacking clarity as to what tomorrow holds for us. I believe there is just one thing that should be kept constant and that is our practice of putting more and more efforts in exploring opportunities and make the best of whatever comes our way. Adapting to this new normal is the key!

Notably, the NIRC of ICSI has been a great contributor in serving its stakeholders beyond the challenges and expectations even during these times and never failing to add to the quality of our Company Secretary Profession. Having a team of dedicatedly hard and smart working persons and professionals with whose dedication our educational and career developments programs for students and members; health development initiatives like association with hospitals and research labs, our upcoming Fit India Fit ICSI - Fitness Drive (Cycling) initiative for members, students and their families; online Oral Tuition Classes for students; online campus placements program; issuance of Newsletters have been possible.

It is exceptionally jovial for us to have come this far in our NIRC’s Newsletter journey that has conquered many professionals to the core thereby getting us more motivated every time to make each newsletter an integral part of the month. I feel a deep sense of gratitude towards our readers because of whom we get so induced and habituated to craft better that till the time the newsletter does not get released, there is a feeling of incompleteness. Further, I would also like to take on record my appreciation for the incredible write-ups that we receive from professionals for our newsletters.

This time, your NIRC presents the October, 2020 Newsletter on the theme of “Recent Amendments in Corporate Laws”. With the changing community values, awareness and expectations, our corporate laws are expected to take a more active role to ensure that they remain relevant and reflect such beliefs and expectations.

Over the years since its passage, the Companies Act, 2013 has been amended several times through Companies Amendment Acts in 2015, 2017 and 2019. Apart from this, there are also separate legislative amendments that govern the name of companies,



corporate social responsibility and other requirements under Company Law. To be more purposeful in improving compliance perspective of Indian Companies, one such big change witnessed by us that our Company Law has come up with is the Companies (Amendment) Act, 2020 carried out after a comprehensive understanding of the report made by the Company Law Committee that received Presidential Assent on September 28, 2020 with the main motives like decriminalizing different form of offences which do not have the substance of fraud, receipt of more remuneration by Independent Directors due to the number of responsibilities they undertake, new provision dealing with producer companies.

These amendments would also make consequential changes to the Foreign Exchange Management Rules, the rules related to the Income Tax Act, Indian Stamp Act and all such other existing laws that are inconsistent with the Companies Amendment Act provisions.

So to conclude, it can be said that the Amendment Act has upheld the ease of doing business for Indian companies and opened new gates of opportunities for the Company Secretaries because of increased promotion of companies’ incorporation and easy compliances for existing ones due to offence decriminalization, CSR relaxations, securities listing opportunities and many more...

With the weather getting pleasant and mild, I hope a cup of tea with the Newsletter makes a better read this time...

Best wishes for future of all members and students.

CS Suresh Pandey

Chairman-NIRC of ICSI

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INAUGURATION FUNCTION- 2ND ONLINE MSOP (306TH BATCH)



Screen View: CS Nagendra D Rao, Vice-President, ICSI, CS Suresh Pandey, Chairman, NIRC-ICSI, CS Manish Gupta, Council Member, ICSI, CS Vimal Gupta, Vice-Chairman, NIRC-ICSI, CS Devender Suhag, Treasurer, NIRC-ICSI, CS Himanshu Harbola, Regional Council Member, NIRC-ICSI addressing during Inauguration.

VALEDICTORY FUNCTION - 2ND ONLINE MSOP (306TH BATCH)



Screen View: CS Suresh Pandey, CS Devender Suhag and CS Himanshu Harbola addressing during Valedictory Session.



Screen View of Participants of 2nd Online MSOP (306th Batch).

INAUGURATION FUNCTION - 3RD ONLINE MSOP (307TH BATCH)



Screen View: CS Isha Khosla, IAS, Principal Resident Commissioner, Goa Sadan, New Delhi, CS Suresh Pandey and CS Himanshu Harbola addressing during Inauguration.



Screen View of Inauguration Function of 3rd Online MSOP (307th Batch).

ONLINE CONFERENCE FOR DISTRIBUTION OF PRIZES AND CERTIFICATES TO TOP 25 ARTICLES OF RESEARCH PAPER WRITING COMPETITION - 2020



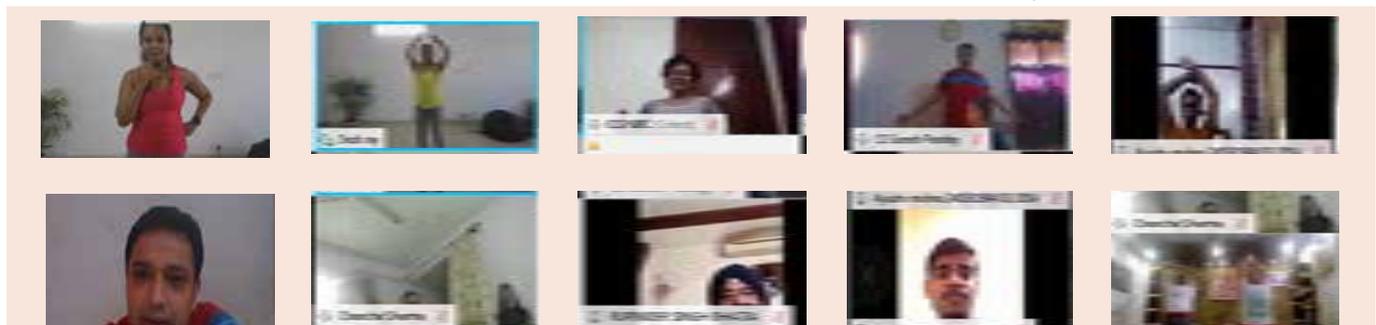
Members of Screening Committees: CS Jatin Garg, IRS, Deputy Commissioner (Income Tax), Delhi, CA Anil Sharma, Former Director, UCO Bank, CS Deepak Sharma, Practicing Company Secretary and CS RK Khurana, Advocate. Also Seen CS Suresh Pandey

WEBINAR ON SPRAWLING GOVERNANCE IN GRASSROOTS ON 2ND OCTOBER, 2020



CS Sanjeev K Singh, General Manager Legal, Cadila Pharmaceuticals Limited, CS Suresh Pandey, CS Vimal Gupta, Vice-Chairman, NIRC-ICSI and CS GS Sarin, Immediate Past Chairman, NIRC-ICSI addressing the Participants.

WEBINAR ON FIT INDIA - FIT ICSI: ZUMBATHON ON 3RD OCTOBER, 2020



Ms. Sruti, Zumba Trainer, CS Suresh Pandey along-with Participants.

GLIMPSES

MOU FOR ACADEMIC COLLABORATION WITH UNIVERSITY OF TECHNOLOGY, JAIPUR



CS Suresh Pandey, Chairman, NIRC-ICSI, Dr. Ankit Gandhi, Dean, Research, University of Technology, Jaipur, CS Nitin G. Hotchandani, Chairperson, Jaipur Chapter of NIRC-ICSI, CS Navneet Agiwal, Vice-Chairman, Jaipur Chapter of NIRC-ICSI, CS Kamit Jain, Co-ordinator, Alwar Chapter of NIRC-ICSI and other dignitaries.

MOU SIGNING CEREMONY FOR ACADEMIC COLLABORATION BETWEEN ICSI & GNA UNIVERSITY



Screen View of Webinar by Ludhiana Chapter: CS Ashish Garg, President, ICSI, CS Nagendra D. Rao, CS Suresh Pandey, CS Bhupesh Gupta, Regional Council Member, NIRC-ICSI, CS Hardeep Singh Nijher, Chairperson, Ludhiana Chapter of NIRC-ICSI, CS Vishal Soni, Chairperson, Jalandhar Chapter of NIRC-ICSI, CS Shivali Gupta, Secretary, Ludhiana Chapter of NIRC-ICSI, Dr. S.K. Jena, Director, ICSI along-with other Dignitaries.



Screen View of Webinar by Karnal Chapter: CS Ranjeet Pandey, Immediate Past President & Council Member, ICSI and CS Suresh Pandey addressing the Participants.

WEBINAR



Screen View of Webinar by Panipat Chapter: Dr. Raj Singh, Regional Director, Northern Region, Ministry of Corporate Affairs, Sh. Santosh Kumar, Hon'ble Registrar of Companies, NCLT of Delhi & Haryana, CS Suresh Pandey, CS Deepak Kukreja, Past Chairman, NIRC-ICSI and CS Sumit Grover, Chairperson, Panipat Chapter of NIRC-ICSI addressing the Participants.



Screen View of Webinar by Kanpur Chapter: CS Vineet Chaudhary, Council Member, ICSI, CS Suresh Pandey, CS Monika Kohli, Regional Council Member, NIRC-ICSI, CS Vinay Shukla, Regional Council Member, NIRC-ICSI, Mr. Ajai Hindustani, Yoga Trainer, CS Manoj Kumar yadav, Chairperson Kanpur Chapter, NIRC-ICSI, CS Maneesh Kumar Shukla, Vice-Chairman, Kanpur Chapter, NIRC-ICSI , CS Rakesh Kumar Srivastava, Past Chairman, Kanpur Chapter, NIRC-ICSI along-with other Dignitaries.

RECENT INITIATIVES TAKEN BY NIRC

Dear Friends,

I am pleased to enlist the recent initiatives for your kind information and ready reference:-

MOU FOR ACADEMIC COLLABORATION WITH UNIVERSITY OF TECHNOLOGY, JAIPUR AND GNA UNIVERSITY, PHAGWARA, PUNJAB

Keeping view to make maximum Academic Collaboration with Universities and Institutes at Northern Region. ICSI signed MOU with University of Technology, Jaipur on 1st October, 2020. The MOU was signed by CS Suresh Pandey and Dr. Anshu Surana, President, University of Technology, Jaipur. ICSI also signed MOU with GNA University, Punjab on 19th October, 2020.

MEETING OF REGIONAL COUNCIL OF NIRC-ICSI

The 248th meeting of the Regional Council of NIRC-ICSI held on 7th October, 2020 at 2.00 pm through online mode using video conferencing. The Regional Council discussed on financial, administrative and issues relating to Professional Development of members.

UPGRADATION OF INFRASTRUCTURE AT NIRC

The NIRC with the support of the Headquarters is in the process of installation of Solar Panels and Rainwater Harvesting equipments. NIRC have received pre bids for Rainwater Harvesting. The completion of both the projects will prove milestone in conservation and utilization of resources at NIRC-ICSI.

ONLINE CONFERENCE FOR DISTRIBUTION OF PRIZES AND CERTIFICATES TO TOP 25 SELECTED ARTICLES OF RESEARCH PAPER WRITING COMPETITION - 2020

NIRC-ICSI organized Research Paper Writing Competition for the members on the topic "Sustainability of Indian Economy Post LockDown (Corona Pandemic)". NIRC received more than 400 Research Papers from the members and shortlisted the top 25 and 5 Best Research Papers through Independent Screening Committees. An online conference was organized on 25th September, 2020 for appreciating the efforts of the winners of the Research Paper Competition. A Publication having top 25 Articles was also released during the Conference

WEBINAR ON THE THEME "SPRAWLING GOVERNANCE IN GRASSROOTS (MODEL GOVERNANCE CODE FOR MEETINGS OF GRAM PANCHAYATS)"

With a view to commemorate the 52nd Foundation Day of ICSI on the 4th of October, 2020 the NIRC organized Webinar on the theme "Sprawling Governance in Grassroots (Model Governance Code For Meetings Of Gram Panchayats)" on Friday, the 2nd October, 2020. CS Sanjeev K Singh, General Manager Legal, Cadila Pharmaceuticals Limited was the Guest Speaker.

WEBINAR ON FIT INDIA - FIT ICSI: ZUMBATHON

With a view to commemorate the 52nd Foundation Day of ICSI on the 4th of October, 2020 the NIRC organized Webinar on FIT INDIA - FIT ICSI: ZUMBATHON on Saturday, the 3rd October, 2020. Ms. Sruti was the Guest Zumba Trainer.

FIT INDIA - FIT ICSI: CYCLING

To develop good health and fitness, NIRC is organizing weekly Fitness Drive for members and students of Northern Region of ICSI on every weekend for 4 (four) Sundays by organizing Cycling. The details of the same are mentioned elsewhere in the Newsletter.

SECOND & THIRD BATCH (306TH BATCH & 307TH BATCH OF NIRC) OF ONLINE MANAGEMENT SKILL ORIENTATION PROGRAMME (MSOP)

NIRC-ICSI organized 2nd Online Management Skill Orientation Programme (MSOP) (306th Batch of NIRC). The Inaugural Session held on 28th September, 2020. CS Nagendra D Rao, Vice-President, ICSI was the Chief Guest during the Inauguration. There were Real time online lectures in which participants directly interacted with the faculties throughout the 15 days of the MSOP. The Valedictory Session of 2nd Online Batch held on 15th October, 2020.

The 3rd batch of Online MSOP was inaugurated on 16th October, 2020. CS Isha Khosla, IAS, Principal Resident Commissioner, Goa Sadan, New Delhi was the Chief Guest during the Inauguration.

1st REGION TO CONDUCT ONLINE 15 DAYS ACADEMIC PROGRAM FOR STUDENTS

NIRC-ICSI organized 1st Regional Online 15 Days Academic Program for Students including 2 Days Induction Program, 3 Days e-Governance Program and 5 Days Skill Development Program for students. The students get the benefit of learning without moving out of their home and at the same time the sessions were live. This gives them liberty to clear their doubts and respond to the query raised by the faculties. Further, NIRC is in process to organize the 5 Days Entrepreneurship Development Program.

ONLINE ORAL TUITION CLASSES (OTC) FOR THE STUDENTS OF CS EXECUTIVE PROGRAM

Keeping in view of the present Pandemic situation, there is no stoppage in arranging the OTC Classes for the students registered for coaching at NIRC. NIRC started with fresh batches Online Classes for the registered students of OTC at NIRC for Executive Programme.

OTHER PROGRAMS FOR THE STUDENTS

NIRC is organizing various students program through online mode including Executive Development Program (EDP), Professional Development Program (PDP) and Mock Test etc.. NIRC is also organizing Career Awareness Programs for students of Schools/Colleges.

FORTHCOMING PROGRAMMES

NIRC is committed towards Capacity Building of its members and students. Keeping the same in mind, we are coming up with below mentioned programmes and look forward to your active participation:

- 1) Moot Court Competition for Northern Region.
- 2) Debate Competition for Members of Northern Region
- 3) All India Debate Competition for Students

Friends, your feedback and participation is always welcome.

I am just a phone call away!

Yours own,

CS Suresh Pandey
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ARTICLES ON THEME
**RECENT AMENDMENTS
IN CORPORATE LAWS**

The Companies (Amendment) Act, 2020 – Analysis of key amendments!



CS Deepanshu Gawdi, FCS
dgawdi@yahoo.com

Background

The Companies Act, 2013 (“2013 Act”) as introduced and implemented by the Government of India on April 01, 2014 is the third consolidating and amending law relating to companies in the last 100 years, the first being the Companies Act, 1913 followed by the Companies Act, 1956 (“1956 Act”).

Ever since its enactment, the 2013 Act, which contains the substantive law for regulating companies in India, has been frequently amended over these past years. On an average, the 2013 Act has been amended once every two years via Parliament route.

The then much needed Companies Act, 2017 introduced several amendments to the 2013 Act, thereby realigning provisions to improve corporate governance and ease of doing business in India. However, the Government in its move to address few issues relating to the corporate, decided to further amend the 2013 Act.

Last year, a Company Law Committee (“CLC 2019”) was constituted on September 18, 2019, to decriminalise some more provisions of the 2013 Act, based on their gravity and to take other concomitant measures to provide further ease of living for corporates in the country. After careful analysis, the CLC 2019 submitted its report on November 14, 2019.

Based on such recommendations, a Companies (Amendment) Bill, 2020 (“Amendment Bill”) was drafted and was placed before Lok Sabha in the Budget session on March 17, 2020. However, due to rising threats of COVID-19 Pandemic, the bill could not be taken up then.

The Government in furtherance to its objective i.e., to promote the Ease of Doing Business in India has proposed certain amendments to the 2013 Act, thereby further amending the substantive law to provide relaxations under the 2013 Act, wherever required in order to improve the corporate

compliance framework for stakeholders at large.

Scheme of the Companies (Amendment) Act, 2020

The amendments recommended by the CLC 2019 have been divided in two categories. Accordingly, we have captured all the changes/ amendments/ alterations/ omissions etc. brought in the substantive law and the same have been dealt here as Part -1. These changes aim to promote ease of doing business and improve ease of living in India.

The second category deals with the offences which have been reviewed in the 2013 Act. The same have been analyzed and presented as Part-2.

Jurisprudence on the Companies (Amendment) Act, 2020

The Amendment Bill was laid before the Lok Sabha by the none other the Minister for Corporate Affairs, Smt. Nirmala Sitharaman on March 17, 2020. The same was approved on September 19, 2020.

Thereafter, the said Amendment Bill was placed before the Rajya Sabha and the same was approved on September 22, 2020.

Finally, the President gave the assent to the said Amendment Bill on September 28, 2020 and the same marked the enactment of the Companies (Amendment) Act, 2020 (“Amendment Act”).

Amendments to substantive provisions of Companies Act, 2013 (Part - 1) – Key Highlights & Analysis

The Amendment Act seeks to amend the substantive provisions of the 2013 Act and to decriminalise certain offences, and to further provide for a new Chapter XXIA relating to Producer Companies. Further, the Amendment Act seeks to rationalise penalties in respect of 46 compoundable offences in five different ways. A brief yet comprehensive

* The views expressed are personal views of the author and it should not be taken as views of the NIRC-ICSI

analysis of the same is hereby presented below for better understanding of the newly introduced amendments.

Listed Company – An amended definition

The Amendment Act seeks to introduce a new proviso to the definition of Listed Company u/s 2(52). The said amendment now empowers the Central Government (“CG”) to exclude certain class of companies, which have listed or intend to list such class of securities, as may be prescribed in consultation with SEBI.

The thought of amending the definition of a Listed company was recognized for the first time by the Company Law Committee of 2016. For instance, stricter obligations on private companies that are falling within the definition of ‘listed companies’ makes compliance requirements for such companies disproportionately burdensome. However, the said changes were not inserted in the Companies (Amendment) Act, 2017.

But this time the CLC 2019 with a clear objective has decided not to classify a private limited company as a ‘listed company’ merely based on listing of certain debt securities offered on a private placement basis.

In line with the Government’s steps to promote ease of doing business, it has now been made clear that it would be more appropriate to exclude such private companies from the definition of a ‘listed company’.

Company to change name in case of resemblance with a registered Trade Mark – Timeline reduced to three months u/s 16(1)(b)

The extant law provided that upon an application made to CG (powers delegated to Regional Director) by a registered proprietor of a trade mark, alleging that the name of the company is identical with or too nearly resembles to a registered trade mark of such proprietor, then CG, if thought fit, had the power direct the company to change its name within 6 months from such direction. The Amendment Act now seeks to reduce the above timeline from 6 months to 3 months.

Also, a very interesting provision has been proposed by the Amendment Act, wherein a new sub-section (3) shall be placed and the same provides that in case of failure of company to comply with the directions of the CG, there shall not be imposed any fine/ penalty on the company. Instead, the CG shall itself allot a new name to the said company.

The company shall be bound to use such name, until it changes its name through due process as per the provisions of the 2013 Act. Also, timelines provided in Section 16(1)(a) and (b) now seem to be harmonised with this time limit.

Therefore, the amendments to Section 16 clearly indicate the Government’s intention to facilitate ease of living.

Government grants permission to Public companies to list securities outside India - Insertion of new sub-section 3 and 4 to Section 23

Section 23 allows for issuance of securities through different modes for public and private companies, respectively.

The Amendment Act seeks to insert a new sub-section 3, whereby few public companies shall now be allowed to list certain class of securities on foreign stock exchanges of permissible jurisdictions. However, such few public companies shall be notified by the Ministry in the form of rules.

Also, a new sub-section 4 has been inserted to Section 23, which provides the CG may by notification, exempt such public companies as referred in sub-section 3 from complying with the provisions of Chapter – III (Prospectus and Allotment of Securities), Chapter – IV (Share Capital and Debentures), Section 89 (Declaration of beneficial ownership), Section 90 (Investigation of Significant Beneficial ownership) or Section 127 (Punishment for failure to distribute dividend) of the 2013 Act.

Reduction of time in case of offer of shares through Right issue – Amendment to Section 62(1)(a)

The existing provisions relating to right issue provided that the offer shall be kept open for a minimum time of 15 days and a maximum of 30 days. Also, if the offer is not accepted by the existing shareholders within this timeline, then the said offer shall be considered as lapse.

Last year, SEBI had issued its discussion paper to review the process of right issue. The paper highlighted the need to reduce the timelines in both the pre issue opening phase and after issue closure to better serve the interests of both the issuers and investors. In line with this, it was observed that as per market practice, the issuance of an offer completely closes within 2-3 days and allotment is completed within 5-7 days.

Therefore, Amendment Act in furtherance to

accelerate the procedure of issue of shares on right basis has now empowered the CG to make rules and provide for a period lesser than 15 days for deeming the decline of the offer.

Powers delegated to CG to exempt certain persons from providing Declaration of beneficial interest in the shares of company – Amendment to Section 89

The current Section 89 mandates registered owner and a beneficial owner of shares of a company to make disclosures as per the prescribed forms i.e., MGT-4 and MGT-5. Upon receiving the same, the company is required to make a note of such declaration in the concerned register and make proper entries therein.

Under Section 90 of the 2013 Act, the CG has been empowered to exempt certain class or classes of persons from declaring significant beneficial ownership. However, such similar exemption was not provided u/s 89. Therefore, it was felt that in so far that if exempting power is provided for declaration of significant beneficial ownership, it should also be provided for declaration of beneficial ownership.

Thus, Amendment Act seeks to insert a new sub-section (11) in order to enable CG to notify a class or classes of persons who shall be unconditionally or subject to such conditions, as may be specified in such notification, be exempted from complying with such requirement.

Housing Finance Companies and NBFCs exempted from filing MGT-14 – Amendment to Section 117

Section 117 (3) (g) mandates the companies to file copy of resolutions passed by them in pursuance of Section 179 (3). This means that in case a company a passed a resolution u/s 179 (3) to grant loans or to provide guarantee or security in relation to loans, then a copy of such resolution has to be filed to Registrar in Form MGT-14 within 30 days of passing such resolution.

It is pertinent to note here that the Companies (Amendment) Act, 2017 had granted exemptions to Banking Companies in respect of a resolution passed to grant loans, or give guarantee or provide security in respect of loans under clause (f) of sub-section (3) of Section 179 in the ordinary course of its business.

It appears that such aforesaid exemption should have also been given to Housing Finance companies and NBFCs (providing loans, guarantee or security in ordinary course of business) at that time only when it

was given to Banking companies.

The Government has noted this discrepancy and this time the exemption has been given to these two types of companies.

Preparation of periodical financial statements and Audit thereof - Insertion of new Section 129A

Section 129 of the 2013 Act provides for the mechanism of preparation and consolidation of financial statement by the companies.

The Amendment Act seeks to insert a new Section 129A, thereby empowering CG to make rules for certain class or classes of unlisted companies to prepare periodical financial results, including audit or limited review thereof and their filing with Registrar within thirty days from the end of that period as specified in the rules.

Corporate Social Responsibility – Amendments to Section 135

The extant provisions relating to Corporate Social Responsibility (“CSR”) provide for constitution of CSR Committee and spending an amount equivalent to minimum 2% of Average Net Profits in the last three financial years towards the objectives specified in the CSR Policy of the company.

Now, the Amendment Act seeks to insert a new proviso to Section 135 (5), thereby allowing companies which have spent an amount in excess of the requirement provided under the law, to set off such excess amount out of their obligation in the succeeding financial years in such manner as may be provided by rules.

Further, a new sub-section (9) has been introduced in the 2013 Act, whereby the Government as a measure of relief has provided that the requirement of constitution of CSR Committee shall not be applicable, in case the amount required to be spent under CSR does not exceed fifty lakh rupees.

Remuneration to Non-Executive Directors including Independent Director in case of no profits or inadequate profits – Amendment to Section 149 & 197

Section 197(3) provides that if a company has no profits or its profits are inadequate, then the company shall not pay any remuneration (other than sitting fee) to its directors, including managing director, whole-time director, or manager, except as provided under Schedule V.

Also, Section 149 (9) which relates to payment of remuneration to Independent Directors (“IDs”)

provides that an ID shall not be entitled to any stock option and may receive remuneration by way of sitting fee for attending meetings of the Board or Committee thereof, reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be approved by the members.

The CLC 2019 in its report highlighted the point that non-executive directors including IDs should be appropriately compensated even in case the company has no profits or inadequate profits. IDs play a crucial role in terms of bringing objectivity into the functioning of the Board and improving its effectiveness. Therefore, there should not be any inconsistency in payment of remuneration in case of inadequacy of profits or losses to executive directors vis-à-vis non-executive directors.

In view of the above, the Amendment Act now seeks to insert a new proviso to Section 149 (9), which allows the IDs to receive remuneration, if the company has no profits or inadequate profits in accordance with the provisions of Schedule V of the 2013 Act.

Exclusion of certain companies from the applicability of Chapter XXII – Insertion of new Section 393A

The provisions of Chapter XXII of the 2013 Act are applicable on companies incorporate outside India but having a place of business in India. In lines of the extant provision, it may be inferred that Chapter XXII will also be applicable to such companies which have been incorporated outside but engaged in the business as International Financial Services Centre (since IFSCs are deemed to be foreign jurisdictions).

This point was thoroughly debated by the CLC 2019 and therefore, in order to attract business in India, the Amendment Act seeks to empower CG to exempt any class of foreign companies or companies incorporated or to be incorporated outside India, from any of the provisions of Chapter XXII of the 2013 Act by issuing suitable notification in this regard.

Relaxation from payment of higher additional fees in case of default in filing on two or more occasions- Amendment to Section 403(1)

As per third proviso to Section 403 (1), in case there has been a default in filing on two or more occasions, then the company would be liable to pay a higher additional fee which shall not be less than

twice the additional fee provided under first or second provision of the said section.

Now, considering the amount of fee which is paid by the companies on account of normal or additional fee, it looks that the extant additional fee as provided under third proviso could be disproportionately burdensome.

Therefore, basis the representations received, it has been provided that from now onwards, third proviso would be applicable only in respect of certain defaults which may be prescribed by way of rules/ notification. This would save the companies from paying high fee in respect of minor non-compliances.

Insertion of new Chapter XXIA relating to Producer Companies

Even after the commencement of the 2013 Act, there were no provisions regulating the Producer Companies. The same were being governed by Part IXA of the 1956 Act. Considering that the 1956 Act has been repealed, it is not feasible to amend any of the provisions of Part IXA of the 1956 Act, even though these continue to remain in force.

While Section 465 of the 2013 Act envisages a separate statute for governing producer companies, such statute has not yet been enacted. Moreover, in a bit to promote formation of Producer companies, CLC 2019 recommended to insert Part IXA of the 1956 Act into the 2013 Act and thereby incorporate suitable changes to Section 465.

According a new Chapter XXIA on Producer companies has been inserted to the 2013 Act by incorporating a fresh Section 378A.

Power given to CG to set up new Benches of National Company Law Appellate Tribunal (“NCLAT”) – Amendment to Section 410 & 418

The 2013 Act via Section 408 read with Section 410 provides for constitution of benches of National Company Law Tribunal (“NCLT”) by the CG by way of a notification. However, the same power to constitute other benches of NCLAT has not been given to CG yet.

Being the only common appellate authority under three different legislations i.e., the Competition Act, 2002, the Insolvency & Bankruptcy Code, 2016 (“IBC”) and of course the 2013 Act, NCLAT is of national importance and this has forced the Government to empower CG to constitute specialised benches of NCLAT in order to smoothen the process of litigation.

Enhanced and enlarged applicability of Section 446B

Section 446B of the 2013 Act provides that if a one person company (“OPC”) or a small company fails to comply with Sections 92(5), 117(2), or 137(3), such company and its officer in default shall be liable to a penalty which shall not be more than half of the penalty specified in the respective sections.

There was felt a need that in order to encourage entrepreneurship, corporatisation of business and obviously to promote ease of living for these small companies, the applicability of Section 446 shall be extended in a way that the said section shall apply to all provisions in relation to OPCs and small companies, instead of being limited to the provisions mentioned therein.

Further, the CLC 2019 in its report recommended to also include Producer and Start-up Companies within the ambit of Section 446B.

The said suggestions and representations were reviewed by the Government and now the Amendment Act provides for the same.

Amendments relating to decriminalisation of offences under the Companies Act, 2013 (Part – 2) – Key Takeaways

Analysing the Amendment Act further, we shall now focus on the government’s approach to study about certain offences which have been decriminalised and do not involve larger public interest.

To decriminalise the offences under the 2013 Act,

the Amendment Act seeks to divide such offences into 4 different categories.

Category 1: Offences that relate to minor/ less serious compliance issues, involving predominantly objective determinations, have been recommended to be shifted to the Inhouse Adjudication Mechanism (“IAM”) framework instead of being treated as criminal offences.

Category 2: Offences which can be dealt with under laws more appropriately, have been omitted now.

Category 3: Offences which can be dealt with another manner and as such have been provided to be dealt via alternate methods.

Category 4: Offences involving less serious violations shall now be punishable with fine only.

Category 1 - Offences transferred to IAM framework

The Amendment Act seeks to shift offences in 23 provisions to IAM framework. IAM is a framework, whereby civil penalties will be levied through proceedings by Adjudicating Officers (AOs), appointed by CG. The AOs shall announce their orders under IAM which will be appealable before RD. The CLC 2019 in its report noted that offences that involve objective determinations, lack exercise of discretion, or are easily determinable through the MCA21 system and do not affect substantial public interest, may be suitable to be treated as civil wrongs instead of criminal offences.

The final list of offences that have been proposed to be shifted to the IAM framework, has been tabled below along with rationalization in respect of six sections as suggested by CLC 2019.

S. No.	Particulars	Existing Provisions	Amended Provisions
1.	Section 56(6) – Default in case of non-compliance with provisions relating to transfer & transmission of securities.	Company - Fine of Rs. 25,000 to Rs. 5 lakhs. Officer in default – Fine of Rs. 10,000 to Rs. 1,00,000.	Company – Liable to a fixed penalty of Rs. 5 lakhs, for each default. Officer in default – Liable to a fixed penalty of Rs. 50,000, for each default.
2.	Section 86(1) – Non Compliance with the provisions of Chapter VI relating to maintenance of registers of Charges and making entries therein.	Company – Fine of Rs. 1 lakh to Rs. 10 lakhs. Officer in default – Imprisonment up to 6 months or fine of Rs. 25,000 to Rs. 1 lakh or with both.	Company – Liable to a fixed penalty of Rs. 5 lakhs, for each default. Officer in default – Liable to a fixed penalty of Rs. 50,000, for each default.

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3.	Section 88(5) – Default in case of non- maintenance of statutory registers	Company and every officer in default - Fine of Rs. 50,000 to Rs. 3 lakhs and where the failure is a continuing one, with a further fine which may extend to Rs. 1,000 for every day.	Company – Penalty of Rs. 3 lakhs. Officer in default – Penalty of Rs. 50,000.
4.	Section 89(5) – Default in case of making declaration by registered or beneficial owner	Fine up to Rs.50,000 and where the failure is a continuing one, with a further fine which may extend to Rs. 1,000 for every day.	Penalty of Rs. 50,000 and in case of continuing failure, with a further penalty of Rs. 200 for each day, subject to a maximum of Rs. 5 lakhs.
5.	Section 89(7) – Failure on part of company to file return of beneficial ownership u/s 89	Company and officer in default - Fine of Rs. 500 to Rs. 1,000 and where the failure is a continuing one, with a further fine which may extend to Rs. 1,000 for every day.	Company – Penalty of Rs. 1000 for each day, subject to maximum of Rs. 5 lakhs Officer in default - Penalty of Rs. 1000 for each day, subject to maximum Rs. 2 lakhs.
6.	Section 90(10) – Failure on part of beneficial owner for not making declaration	Punishable with an imprisonment up to a period of 1 year or a fine ranging from Rs. 1 lakh to Rs. 10 lakhs or with both.	Liable to a penalty of Rs. 50,000 and where the failure is a continuing one, with a further penalty of Rs. 1,000 for every day subject to a maximum of Rs. 2 lakhs.
7.	Section 90(11) – Failure on part of company to maintain register or file returns relating to significant beneficial owners and their interest etc.	Company and every officer in default - Punishable with fine ranging from Rs. 10 lakhs to Rs. 50 lakhs and where the failure is a continuing one, with a further fine which may extend to Rs. 1,000 for every day.	Company - Liable to a penalty of Rs. 1 lakh and in case of continuing failure, with a further penalty of Rs. 500 for each day, subject to a maximum of Rs. 5 lakhs. Officer in default - Liable to a penalty of Rs. 25,000 and in case of continuing failure, with a further penalty of Rs. 200 for each day, subject to a maximum of Rs. 1 lakh.
8.	Section 92(6) – Default by Practicing Company Secretary for wrong certification of Annual Return	CS in Practice – Punishable with fine ranging from Rs. 50,000 to Rs. 5 lakhs.	CS in Practice - Penalty of Rs. 2 lakhs.
9.	Section 105(5) - Fine for issuing invitation to appoint proxies to any member entitled to attend a meeting in his name.	Every officer of the company who knowingly issues the invitations or wilfully authorises or permits their issue shall be punishable with fine which may extend to Rs. 1 lakh.	Every officer who issues the invitation or authorises or permits their issue, shall be liable to a penalty of Rs. 50,000.

10.	Section 124(7) – Unpaid dividend account and non-compliance thereof by company	Company - Fine of Rs. 5 lakhs to Rs. 25 lakhs. Officer in default - Fine Rs. 1 lakh to Rs. 5 lakhs.	Company – Liable to a penalty of Rs. 1 lakh and in case of continuing failure, with a further penalty of Rs. 500 for each day, subject to a maximum of Rs. 10 lakhs. Officer in default - Liable to a penalty of Rs. 25,000 and in case of continuing failure, with a further penalty of Rs. 100 for each day, subject to a maximum of Rs. 2 lakhs.
11.	Section 134(8) – Failure to comply with the provisions relating to Board's Report by company	Company - Fine ranging from Rs. 50,000 to Rs. 25 Lakhs. Officer in default - Imprisonment up to 3 years or Fine ranging from Rs. 50,000 to Rs. 5 lakhs or with both.	Company - Liable to a penalty of Rs. 3 lakhs Officer in default - Liable to a penalty of Rs. 50,000.
12.	Section 135(7) – Non-compliance by company regarding unspent CSR amount and its transfer/treatment thereof.	Company - Fine ranging from Rs. 50,000 to Rs. 25 Lakhs. Officer in default - Imprisonment up to 3 years or Fine ranging from Rs. 50,000 to Rs. 5 lakhs or with both.	Company - Liable to a penalty of twice the amount required to be transferred to the prescribed fund(s), or Rs. 1 crore, whichever is less, Officer in default - Liable to a penalty of 1/10th of the amount required to be transferred to prescribed fund(s), or Rs. 2 lakhs, whichever is less.
13.	Section 143(15) – Contravention of provisions by Auditor u/s 143(12) for not reporting fraud to CG	Auditor – Fine ranging from Rs. 1 lakh to Rs. 25 lakhs.	In case of listed company – Auditor to be liable to a penalty of Rs. 5 lakhs. In case of unlisted company – Auditor to be liable to a penalty of Rs. 1 lakh.
14.	Section 172 - Punishment for contravention of any provisions relating to Appointment and Qualifications of directors.	Company and officer in default – Fine ranging from Rs. 50,000 to Rs. 5 lakhs.	Company – Liable to a penalty of Rs. 50,000 and in case of continuing failure, with a further penalty of Rs. 500 for each day, subject to a maximum of Rs. 3 lakhs. Officer in default - Liable to a penalty of Rs. 50,000 and in case of continuing failure, with a further penalty of Rs. 500 for each day, subject to a maximum of Rs. 1 lakh.

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15.	Section 178(8) – Punishment for contravention of provisions of Section 177 and 178 i.e., Audit Committee, Nomination and Remuneration Committee, and Stakeholders Relationship Committee.	Company - Fine of Rs. 1 lakh to Rs. 5 lakhs. Officer in default - Imprisonment up to 1 years or Fine Rs. 25,000 to Rs. 1 lakh or with both.	Company – Liable to a penalty of Rs. 5 lakhs. Officer in default – Liable to a penalty of Rs. 1 lakh.
16.	Section 184(4) – Failure on part of director for either non-disclosure of his interest in other entities or change therein, or non-disclosure of interest in any contract or arrangement.	Director in default – Imprisonment up to 1 year or Fine ranging from Rs. 50,000 to Rs. 1 lakh or with both.	Director in default – Liable to a penalty of Rs. 1 lakh.
17.	Section 187(4) – Punishment for contravention of provisions relating to making investments in their own name.	Company – Fine ranging from Rs. 25,000 to Rs. 25 lakhs. Officer in default – Imprisonment up to 6 months or Fine ranging between Rs. 25,000 to Rs. 1,00,000 or with both.	Company – Liable to a penalty of Rs. 5 lakhs. Officer in default – Liable to a penalty of Rs. 50,000.
18.	Section 188(5) – Punishment for contravention of provisions regarding entering Related Party Transactions.	Listed company (Director/employee in default) – Imprisonment up to 1 year or Fine ranging between Rs. 25,000 to Rs. 5 lakhs or with both. Unlisted company (Director/employee) - Fine ranging between Rs. 25,000 to Rs. 5 lakhs.	Listed company (Director/employee in default) – Liable to a penalty of Rs. 25 lakhs. Unlisted company (Director/employee) – Liable to a penalty of Rs. 5 lakhs.
19.	Section 204(4) – Punishment for contravention of provisions relating to Secretarial Audit.	Company or officer of company or Practicing CS – Fine ranging from Rs. 1 lakh to Rs. 5 lakhs.	Company or officer of company or Practicing CS – Liable to a penalty of Rs. 2 lakhs.

20.	Section 232(8) – Punishment for contravention of provisions relating merger and amalgamation.	Transferor/ transferee company - Fine of Rs. 1 lakh to Rs. 25 lakhs. Officer in default - Imprisonment up to 1 year or fine of Rs. 1 lakh to Rs. 3 lakhs or with both.	Company and officer in default - Liable to a penalty of Rs. 20,000, and where the failure is a continuing one, with a further penalty of Rs. 1000 for each day, subject to a maximum of Rs. 3 lakhs.
21.	Section 247(3) – Punishment for contravention of provisions relating to valuation by a Registered Valuer.	Valuer in default – Fine ranging between Rs. 25,000 to Rs. 1 lakh.	Valuer in default – Liable to a penalty of Rs. 50,000.
22.	Section 405(4) – Punishment for not furnishing records or documents at all to CG or furnishing false information or statistics to CG.	Company – Fine up to Rs. 25,000. Officer in default – Imprisonment up to 6 months or Fine of Rs. 25,000 to Rs. 3 lakhs or with both.	Company and officer in default – Liable to a penalty of Rs. 20,000 and in case of continuing failure, with a further penalty of Rs. 1000 for every day, subject to maximum of Rs. 3 lakhs.
23.	Section 450 – Punishment in case of absence of a specific penalty or punishment for any contravention of the 2013 Act	Company and officer in default – Fine up to Rs.10,000 and Rs. 1000 per day, in case of continuing Default.	Company - Liable to a penalty of Rs. 10,000 and Rs. 1,000 for every day, in case of continuing default, subject to maximum of Rs. 2 lakhs. Officer in default – Liable to a penalty of Rs. 10,000 and Rs. 1000 per day, in case of continuing default, subject to maximum of Rs. 50,000.

Category 2 – Offences omitted by the Amendment Act, 2020

The below mentioned offences have been omitted by the Amendment Act, 2020. The intention behind such a move is that these offences relate to non-compliance with orders of the NCLT and thus can be dealt with through the contempt jurisdiction of the NCLT.

S. No.	Particulars	Existing Provisions	Amended Provisions
1.	Section 48(5) – Default relating to variation of shareholder’s rights	Company – Fine ranging between Rs. 25,000 to Rs. 5 lakhs. Officer in default – Imprisonment up to 6 months or Fine of Rs. 25,000 to Rs. 5 lakhs or with both.	The said offence and its punishment therein stands omitted.

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2.	Section 59(5) – Default relating to non-compliance with order of NCLT regarding rectification of register of members	Company – Fine ranging between Rs. 1 lakh to Rs. 5 lakhs. Officer in default – Imprisonment up to 1 year or Fine of Rs. 1 lakh to Rs. 3 lakhs or with both.	The said offence and its punishment therein stands omitted.
3.	Section 66(11) - Default relating to non-compliance with order of NCLT relating to publication of such order confirming reduction of share capital.	Company – Fine ranging between Rs. 5 lakhs to Rs. 25 lakhs.	The said offence and its punishment therein stands omitted.
4.	Section 71(11) – Default relating to non-compliance with order of NCLT relating to failure to redeem debentures on maturity or payment of interest.	Officer in default – Imprisonment up to 3 years or Fine ranging between Rs. 2 lakhs to Rs. 5 lakhs or with both.	The said offence and its punishment therein stands omitted.
5.	Section 342(6) – Failure on part of Liquidator or any person to give assistance required by sub-section (5) i.e., prosecution proceedings.	Person or Liquidator in default - Fine of Rs. 25,000 to Rs. 1 lakh.	The said offence and its punishment therein stands omitted.
6.	Section 348(6) – Contravention of provisions by Liquidator relating to information as to pending liquidations.	Company Liquidator – Fine of Rs. 5,000 for every day.	The said offence and its punishment therein stands omitted.
7.	Section 348(7) – Wilful default by Liquidator in getting the statements audited from a person who is not qualified to act as an auditor.	Company Liquidator - Imprisonment for a term which may extend to 6 months or with Fine up to Rs. 1 Lakh, or with both.	The said offence and its punishment therein stands omitted.

Category 3 – Offences to be dealt through Alternate Mechanism

Moving to the next category, CLC 2019 recommended in its report that below mentioned 5 offences shall be dealt through an alternate framework with an intention to achieve the intended aim of such provisions.

S. No.	Particulars	Existing Provisions	Amended Provisions
1.	Section 16(3) – Non-compliance by Company with order of RD, for not changing name in case of resemblance with a registered Trade Mark	Company – Fine of Rs. 1,000 per day. Officer in default – Fine of Rs. 5,000 to Rs. 1 lakh.	In case of failure of company to comply with the directions of the CG, there shall not be imposed any fine/ penalty on the company. Instead, CG shall itself allot a new name to the said company. The company shall be bound to use such name, until it changes its name through due process as per the provisions of the 2013 Act.
2.	Section 284(2) – Punishment for not co-operating with Liquidator during winding up proceedings.	The existing provisions provide that if any person, without reasonable cause, fails to discharge his obligations under sub-section (1), he shall be punishable with imprisonment which may extend to 6 months or with fine which may extend to fifty thousand rupees, or with both.	The said punishment has been dropped by the Amendment Act. Instead, the amended provisions allow Liquidator to apply to NCLT for necessary directions and comply with the same, in case of failure by any person for not co-operating with Liquidator.
3.	Section 302(4) – Failure on part of Liquidator for not filing copy of NCLT's order confirming dissolution of company with Registrar within 30 days.	Company Liquidator – Fine of Rs. 5,000 every day.	Dropping the penal provisions and as an alternate to offence, the Amendment Act now mandates: (i) NCLT to forward a copy of the order of dissolution to the Registrar and (ii) directs the Company Liquidator to forward such order to the Registrar.
4.	Section 356(2) – Failure on part of Company Liquidator for not copy of NCLT's order declaring the earlier dissolution of company void, with Registrar within 30 days.	Company Liquidator or any person – Fine of Rs. 10,000 per day.	Dropping the penal provisions and as an alternate to offence, the Amendment Act now mandates: (i) NCLT to forward a copy of the order to the Registrar and (ii) directs the Company Liquidator or any other person (who filed the application) to forward such order to the Registrar.
5.	Section 441(5) – Punishment on failure on part of officer or employee to comply with the order of CG or NCLT or RD in relation to an application for compounding of an offence.	Officer or employee in default - Imprisonment up to 6 months, or with Fine up to Rs. 1 lakh, or with both.	In case of non-compliance with the order of authorities with respect to an application for compounding of offence, the Amendment Act seeks to impose a maximum fine which will be twice the amount of initial fine in respect of an offence for which the compounding application has been made.

Category 4 – Offences punishable with fine only

Listed below 11 offences will now be restricted to fine only. The rationale behind such amendment is that below mentioned offences till now, were punishable with fine or imprisonment or both, and moreover, violation of these offences call for criminal liability, so imposition of imprisonment is not appropriate.

S. No.	Particulars	Existing Provisions	Amended Provisions
1.	Section 8(11) – Punishment for non-compliance with the provisions relating to Section 8 companies.	Company - Fine of Rs. 10 lakhs to Rs. 1 crore. Officer in default - Imprisonment upto 3 years or Fine of Rs. 25,000 to Rs. 25 lakhs or with both.	Company Fine of Rs. 10 lakhs to Rs. 1 crore. Officer in default - Fine of Rs. 25,000 to Rs. 25 lakhs.
2.	Section 26(9) – Punishment for contravention of provisions relating to matters to be stated in Prospectus.	Company - Fine of Rs. 50,000 to Rs. 3 lakhs. Person who is knowingly a party to the issue of incorrect prospectus - Imprisonment up to 3 years or Fine Rs. 50,000 to Rs. 3 lakhs or with both.	Company - Fine of Rs. 50,000 to Rs. 3 lakhs. Person who is knowingly a party to the issue of incorrect prospectus - Fine Rs. 50,000 to Rs. 3 lakhs.
3.	Section 40(5) – Punishment for contravention of provisions relating to public offer.	Company - Fine between Rs. 5 lakhs to Rs. 50 lakhs. Officer in default - Imprisonment up to 1 year or fine of Rs. 50,000 to Rs. 3 lakhs or with both.	Company - Fine between Rs. 5 lakhs to Rs. 50 lakhs. Officer in default - Fine of Rs. 50,000 to Rs. 3 lakhs.
4.	Section 68(11) – Punishment for contravention of provisions relating to buy-back of securities	Company - Fine of Rs. 1 lakh to Rs. 3 lakhs. Officer in default - Imprisonment up to 3 years or Fine of Rs. 1 lakh to Rs. 3 lakhs or with both.	Company - Fine of Rs. 1 lakh to Rs. 3 lakhs. Officer in default - Fine of Rs. 1 lakh to Rs. 3 lakhs.
5.	Section 128(6) – Punishment for contravention of provisions relating to maintenance of books of accounts.	MD/WTD/CFO or any other person in charge - Imprisonment up to 1 year or Fine of Rs. 50,000 between Rs. 5 lakhs or with both.	MD/WTD/CFO or any other person in charge - Fine of Rs. 50,000 between Rs. 5 lakhs.
6.	Section 147 – Punishment for contravention of provisions relating to Section 139 to 146.	Company - Fine of Rs. 25,000 to Rs. 5 lakhs Officer in default - Imprisonment up to 1 year or Fine of Rs. 10,000 to Rs. 1 lakh or with both.	Company - Fine of Rs. 25,000 to Rs. 5 lakhs Officer in default - Fine of Rs. 10,000 to Rs. 1 lakh.

7.	Section 242(8) – Punishment for contravention of NCLT’s order in a matter of oppression and mismanagement, by altering Memorandum or Articles of Association in a manner inconsistent with the order of NCLT.	Director in default - Imprisonment up to 1 year or Fine between Rs. 1 lakh to Rs. 5 lakhs or with both.	Director in default - Fine between Rs. 1 lakh to Rs. 5 lakhs.
8.	Section 242(8) – Punishment for contravention of NCLT’s order in a matter of oppression and mismanagement, by altering Memorandum or Articles of Association in a manner inconsistent with the order of NCLT.	Company - Fine of Rs. 1 lakh to Rs. 25 lakhs. Officer in default - Imprisonment up to 6 months or Fine of Rs. 25,000 to Rs. 1 lakh or with both.	Company - Fine of Rs. 1 lakh to Rs. 25 lakhs. Officer in default - Fine of Rs. 25,000 to Rs. 1 lakh.
9.	Section 243(2) – Termination or modification of any agreement as an outcome of NCLT’s order in the matter of oppressions and mismanagement.	Officer in default – Imprisonment up to 6 months or Fine up to Rs. 5 lakhs or with both.	Officer in default – Fine up to Rs. 5 lakhs.
10.	Section 347(4) - Default relating to disposal of books and papers of company which has been wound up.	Person in default - Imprisonment up to 6 months or Fine up to Rs. 50,000 or with both.	Person in default - Fine up to Rs. 50,000.
11.	Section 392 – Punishment for contravening provisions of Chapter XXXII relating to Companies incorporated outside India.	Company - Fine of Rs. 1 lakh to Rs. 3 lakhs and where the failure is a continuing one, with a further fine which may extend to Rs. 50,000 for every day. Officer in default - Imprisonment of up to 6 months or Fine of Rs. 25,000 to Rs. 5 lakhs or with both.	Company - Fine of Rs. 1 lakh to Rs. 3 lakhs and where the failure is a continuing one, with a further fine which may extend to Rs. 50,000 for every day. Officer in default - Fine of Rs. 25,000 to Rs. 5 lakhs.

Concluding Remarks

The Companies (Amendment) Act, 2020 is the outcome of the untiring efforts of all those who have devoted their valued time, especially the members of the CLC 2019.

The Amendment Act seeks to: (i) decriminalise certain offences, (ii) limits certain offences with a maximum cap, (iii) limits certain offences to be punished with fine only, (iv) provides for a smooth alternative framework for few offences and (v) last but not the least, amends substantial provisions of the 2013 Act.

To sum up, we may say that this Amendment Act is a welcome step for the corporates at such distressed times. The amendments will surely ease out the difficulties faced by the corporates, and further will promote ease of doing business in India and attract more investments from abroad. Rationalization of offences will allow a sigh of relief to defaulting companies and their officers too.

Corporate Social Responsibility (CSR) [Post Companies (Amendment) Act, 2020]



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Introduction

'The Companies (Amendment) Act, 2020' received the assent of the Honourable President and published in the Gazette of India of India on 28th September, 2020. This Act has an objective of promotion of ease of doing business and the amendments brought through this Act are largely based on re-categorization of certain criminal compoundable offences into civil wrongs carrying civil liabilities, rationalization of penalties, mechanisms for reducing the overall pendency of disputes and certain other ancillary changes to address emerging issues impacting the working of corporates in the country.

Applicability of The Companies (Amendment) Act, 2020

Section 1(2) provides that it shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint. Further, different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

Concept of Corporate Social Responsibility

The term "Corporate Social Responsibility (CSR)" can be referred as an initiative taken by the Corporates to assess and take responsibility for the company's effects on the environment and impact on social welfare.

The World Business Council for Sustainable Development (WBCSD) in its publication Making Good Business Sense (2000) by Lord Holme and Richard Watts, used the following definition -

"Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large."

Idea behind the CSR Concept

Business cannot operate in isolation and there is today, an increased realization that not only can companies affect society at large, but they are also in a unique position to influence society and make positive impact.



CSR Legal Framework in India



The concept of CSR has been legally enforced in India with effect from 1st April, 2014. Section 135 of the Companies Act, 2013 read with 'The Companies (Corporate Social Responsibility Policy) Rules, 2014' and Schedule VII to the Act provides for the legal framework of CSR in India.

Applicability and its Rationality

Section 135(1) read with Section 135(5) of the Act provides that every Company (whether public or private) having shall have an obligation to spend on CSR activities.

net worth of atleast Rs. 500 Crore, or	during the immediately preceding financial year,
turnover of atleast Rs. 1,000 Crore, or	
a net profit of atleast Rs. 5 Crore	

* The views expressed are personal views of the author and it should not be taken as views of the NIRC-ICSI

Quantum of CSR Spending

The aforesaid Companies shall spend, in every financial year,

at least 2% of the average net profits of the Company made during the three immediately preceding financial years.	Where a Company has not completed the period of three financial years since its incorporation, the average net profits shall be computed during such immediately preceding financial years, completed after its incorporation.
Computation of net profit for section 135 is as per section 198 of the Companies Act, 2013 which primarily is 'Net Profit before tax'.	
Further, Rule 2(1)(f) of the CSR Rules, 2014 provides that the following profits and income earned shall be excluded from the calculation of Net Profits -	
(i). any profit arising from any overseas branch or branches of the Company, whether operated as a separate Company or otherwise; and	
(ii) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act.	

Preference to Local Areas

First Proviso to Section 135(5) read with Rule 4(4) of the CSR Rules, 2014 provides that the Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities. However, CSR projects or programs or activities undertaken in India only shall amount to CSR Expenditure.

List of CSR Activities [Schedule VII]

Activities relating to:—

(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.

(ii) Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and



the differently abled and livelihood enhancement projects.

(iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.

(iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.

(v) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts.

Amendment introduced vide MCA Notification	
(vi) measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows.	The amendment to clause (vi) inserting CAPF and CPMF contributions to CSR Activities was brought vide MCA Notification dated 23rd June, 2020.

vii) Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports.

Amendment introduced vide MCA Notification	
(viii) Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women.	The above amendment inserting contribution to PM CARES FUND has been notified by MCA on 26th May, 2020 and made applicable retrospectively with effect from 28th March, 2020.

(ix)

This Clause has been significantly amended vide MCA Notification dated 24th August 2020

Pre – Amendment Provision	Post – Amendment Provision
Contribution to incubators funded by CG or SG or any agency or PSU of CG or SG, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Biotechnology (DBT)], Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals/	(a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the CG or SG or PSU or any agency of the CG or SG, and (b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defence Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals.

(x) rural development projects.

(xi) Slum area development. Here, the term `slum area' shall mean any area declared as such by the CG or any SG or any other competent authority under any law for the time being in force.

(xii) disaster management, including relief, rehabilitation and reconstruction activities. This clause has been inserted vide MCA Notification dt. 30th May, 2019.

FAQs released vide MCA General Circular No. 21/2014 dated 18th June, 2014

Can the CSR expenditure be made on the activities beyond Schedule VII?

The CSR statutory provisions are to ensure that the activities undertaken in pursuance of the CSR policy must be relatable to Schedule VII of the Companies Act 2013. However, the entries in the said Schedule VII must be interpreted liberally so as to capture the essence of the subjects enumerated in the said Schedule. The items enlisted in the Schedule VII of the Act, are broad-based and are intended to cover a wide range of activities.

The CSR activities should be undertaken by the companies in project/ programme mode. One-off events such as marathons/ awards/ charitable contribution/ advertisement/ sponsorships of TV programmes etc. would not be qualified as part of CSR expenditure.

Whether one-off events qualified as part of CSR expenditure?

Whether expenditure for fulfilment of any legal compliance a CSR expenditure?

Expenses incurred by companies for the fulfilment of any Act/ Statute of regulations (such as Labour Laws, Land Acquisition Act etc.) would not count as CSR expenditure under the Companies Act.

Salaries paid by the companies to regular CSR staff as well as to volunteers of the companies (in proportion to company's time/hours spent specifically on CSR) can be factored into CSR project cost as part of the CSR expenditure.

Whether salaries to staff and volunteers treated as part of CSR Expenditure?

Whether expenditure incurred by Foreign Holding Company a qualified expenditure?

Expenditure incurred by Foreign Holding Company for CSR activities in India will qualify as CSR spend of the Indian subsidiary if, the CSR expenditures are routed through Indian subsidiaries and if the Indian subsidiary is required to do so as per section 135 of the Act.

Contribution to Corpus of a Trust/ society/ section 8 companies etc. will qualify as CSR expenditure as long as (a) the Trust/ society/ section 8 companies etc. is created exclusively for undertaking CSR activities or (b) where the corpus is created exclusively for a purpose directly relatable to a subject covered in Schedule VII of the Act.

Whether Contribution to a trust/society/ Section 8 Company permitted?

FAQs released vide MCA General Circular No. 01/2016 dated 12th January, 2016

Whether CSR expenditure can be claimed as business expenditure?

The amount spent by a Company towards CSR cannot be claimed as business expenditure. The Finance Act, 2014 provides that any expenditure incurred by an assessee on the CSR activities shall not be deemed to be an expenditure incurred by the assessee for the purpose of business or profession.

- Activities solely for the benefits of Company’s employees and their families
- One-off events such as marathons/ awards/ charitable contribution/ advertisement/ sponsorship of TV Programmes, etc.
- Expenses incurred to fulfil any legal requirement.
- Contributions to political parties, whether directly or indirectly.
- Programmes or projects or activities undertaken outside India.

Which activities would not qualify as CSR?

Spending of CSR Funds on COVID-19

MCA vide its Notification dated 23rd March, 2020 clarified that spending of CSR funds on COVID-19 is an eligible activity for CSR. However, MCA vide its General Circular dt. 10th April, 2020 released certain FAQs in respect of CSR activities related to COVID-19 which clarified about the admissible and inadmissible CSR Contributions in the following manner :-

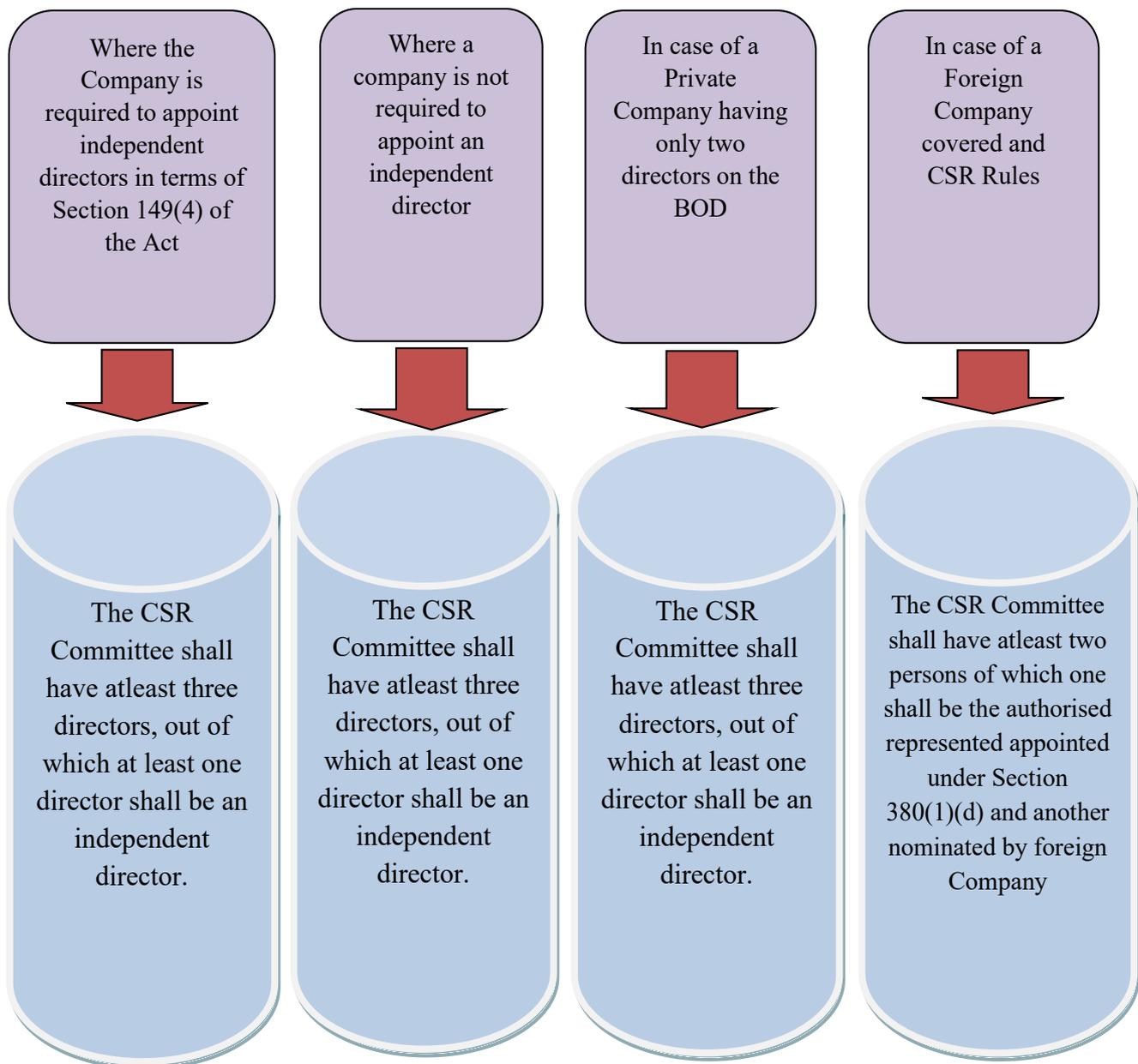
Admissible CSR Contributions

- Contribution made to ‘PM CARES Fund’ shall qualify as CSR expenditure.
- Contribution made to State Disaster Management Authority to combat COVID-19 shall qualify as CSR expenditure under item no (xii) of Schedule VII of the 2013 and clarified vide general circular No. 10/2020 dated 23rd March, 2020.
- Ministry vide general circular No. 10/2020 dated 23rd March, 2020 has clarified that spending CSR funds for COVID-19 related activities shall qualify as CSR expenditure. It is further clarified that funds may be spent for various activities related to COVID-19 under items nos. (i) and (xii) of Schedule VII relating to promotion of health care including preventive health care and sanitation, and disaster management. Further, as per general circular No. 21/2014 dated 18.06.2014, items in Schedule VII are broad based and may be interpreted liberally for this purpose.
- If any ex-gratia payment is made to temporary / casual workers/ daily wage workers over and above the disbursement of wages, specifically for the purpose of fighting COVID 19, the same shall be admissible towards CSR expenditure as a onetime exception provided there is an explicit declaration to that effect by the Board of the company, which is duly certified by the statutory auditor.

Inadmissible CSR Contributions

- Chief Minister’s Relief Fund’ or ‘State Relief Fund for COVID-19’ is not included in Schedule VII of the Companies Act, 2013 and therefore any contribution to such funds shall not qualify as admissible CSR expenditure.
- Payment of salary/ wages in normal circumstances is a contractual and statutory obligation of the company. Similarly, payment of salary/ wages to employees and workers even during the lockdown period is a moral obligation of the employers, as they have no alternative source of employment or livelihood during this period. Thus, payment of salary/ wages to employees and workers during the lockdown period (including imposition of other social distancing requirements) shall not qualify as admissible CSR expenditure.
- Payment of wages to temporary or casual or daily wage workers during the lockdown period is part of the moral/ humanitarian/ contractual obligations of the company and is applicable to all companies irrespective of whether they have any legal obligation for CSR contribution under section 135 of the Companies Act 2013. Hence, payment of wages to temporary or casual or daily wage workers during the lockdown period shall not count towards CSR expenditure.

CSR Committee [As Amended by Companies (Amendment) Act, 2020]



Is CSR Committee Constitution Mandatory for all aforesaid Companies – Amendment introduced Section 135(9) inserted vide The Companies (Amendment) Act, 2020 provides that the constitution of CSR committee is now dependent upto the amount of CSR obligation. It provides that where the amount to be spent by a Company as CSR obligation is upto Rs. 50 lacs, the constitution of the CSR Committee is not mandatory. In such a case, the functions of CSR Committee shall be discharged by the BOD of that Company.

Role of CSR Committee

In terms of Section 135(3), the CSR Committee shall be responsible for formulating a CSR Policy and recommending the same to the Board of Directors. Such Policy shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII.

ARTICLE

Reference to relevant Legal Provisions

Section 149(4)	Rule 4(1) of Companies (Appointment and Qualifications of directors) Rules, 2014]	Exceptions to Rule 4(1)[Rule 4(2) of Companies (Appointment and Qualifications of directors) Rules, 2014]]
Every listed public company shall have at least 1/3rd of the total number of directors as independent directors and any fraction contained in such 1/3rd number shall be rounded off as one.	Atleast 2 directors shall be appointed as independent directors in case of the following class or classes of companies- (i) the Public Companies having paid up share capital of atleast Rs. 10 Crores, or (ii) the Public Companies having turnover of atleast Rs. 100 Crores; or (iii) the Public Companies which have, in aggregate, outstanding loans, debentures and deposits, exceeding Rs. 50 Crores. In case, an aforesaid Company is required to appoint a higher number of independent directors due to composition of its audit committee, such higher number of independent directors shall be applicable to it.	(a) a joint venture; (b) a wholly owned subsidiary; and (c) a dormant company as defined under Section 455 of the Act.

Manner of Undertaking CSR Activities [Rule 4(2) of the CSR Rules]

The Board of a company may decide to undertake its CSR activities approved by the CSR Committee through

Own CSR department (In house), OR	Implementing Agencies which shall be					
	<ul style="list-style-type: none"> • a Section 8 Company established under Section 8 of the Act or • a registered trust or • a registered society, established by 					
	<table border="1" style="width: 100%;"> <tr> <td style="width: 30%;">i) The Company itself</td> <td rowspan="2" style="width: 70%;">No track record required.</td> </tr> <tr> <td>ii) The Government</td> </tr> <tr> <td>iii) Any other</td> <td>It shall have an established track record of at least three financial years.</td> </tr> </table>	i) The Company itself	No track record required.	ii) The Government	iii) Any other	It shall have an established track record of at least three financial years.
i) The Company itself	No track record required.					
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It shall have an established track record of at least three financial years.

Special Case – Section 8 Company

FAQs released by MCA vide General Circular 01/2016 dated 12th January, 2016 clearly states there is no specific exemption to Section 8 Companies. Thus, a Section 8 Company is required to comply with the CSR provision, if it exceeds the threshold limits as laid under Section 135(1).

Board's Report Disclosures [Second Proviso to Section 135(5)]

Provided further that if the company fails to spend such amount, the Board's Report shall specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project referred to in Section 135(6), transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. [Inserted vide Companies (Amendment) Act, 2019]



Carry Forward and Set off –New Concept Introduced

Acting as a relief to the Companies, the provision of Carry Forward and Set off of CSR contribution has been introduced by the Companies (Amendment) Act, 2020 vide inserting the third proviso to Section 135(5) which provides for the carry forward and setting off the excess amounts spend by the corporates for a limited number of successive financial years, which are yet to be prescribed in the Rules.

Rationale behind the Amendment

The above amendment provides for the carry forward and setting off the excess amounts spend by the corporates for a limited number of successive financial years, which are yet to be prescribed in the Rules. The above proviso has been introduced with the rationale of adjusting the obligation of spending CSR amount in successive years, in case the Company spends an amount on CSR during the particular financial year in excess of the statutory limits of 2% which might be required to be spent to properly implement and execute the CSR activity, whether in a new or ongoing project.

CSR Policy – Amendment Introduced the Companies (CSR Policy) Amendment Rules, 2020 dt. 24th August, 2020

Rule 2(1)(e) defines the meaning of CSR Policy as under –

“CSR Policy” relates to the activities to be undertaken by the company in areas or subjects specified in Schedule VII to the Act and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of a company.

Rule 4(1) of the CSR Rules earlier provided that the CSR activities shall be undertaken by the company, as per its stated CSR Policy, as projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.

However, the Companies (CSR Policy) Amendment Rules, 2020 dt. 24th August, 2020 had dispensed off with the exclusion of normal business activities.

The following Proviso has also been inserted vide the above mentioned Rules

Any Company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22 and 2022-23. However, it shall be subject to the conditions that-

- (i) Such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act, which has been already discussed above, and
- (ii) Details of such activity shall be disclosed separately in the Annual Report on CSR included in the Board's Report.



Unspent CSR Account for Ongoing projects [Section 135(6)]

Any amount remaining unspent under Section 135(5), pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its CSR Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the

'Unspent Corporate Social Responsibility Account'. Such amount shall be spent by the company in pursuance of its obligation towards the CSR Policy within a period of three financial years from the date of such transfer. In case of failure to spend the amount within the above three financial years, the Company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

Consequence of Non-Compliance

The punishments were imposed for non-compliance of Section 135 vide Companies (Amendment) Act, 2019 vide Section 135(7). However, the same were not enforced yet and the Companies (Amendment) Act, 2020 had an overriding effect on the same.



Section 135(7) Proposed in Companies (Amendment) Act, 2019	Section 135(7) under Companies (Amendment) Act, 2020
<p>If a company contravenes the provisions of Section 135(5) or 135(6), i.e., failure to spend the required amount of funds in CSR expenditure and transferring of unspent amount to Unspent CSR Account,</p> <ul style="list-style-type: none"> • the company shall be punishable with fine of minimum Rs. 50,000 and maximum of Rs. 25 lacs and • every officer of such company who is in default shall be punishable with <ul style="list-style-type: none"> ➤ imprisonment for a term upto three years or ➤ fine of minimum Rs. 50,000 and maximum Rs. 5 lacs or both. 	<p>If a company is in default in complying with Section 135(5) or 135(6), i.e., failure to spend the required amount of funds in CSR expenditure and transferring of unspent amount to Unspent CSR Account,</p> <ul style="list-style-type: none"> • the company shall be liable to a penalty of <ul style="list-style-type: none"> ➤ twice the amount required to be transferred by the company to the Fund specified in Schedule VII or the Unspent CSR Account, as the case may be, or ➤ Rs. 1 Crore, whichever is less, and • every officer of the company who is in default shall be liable to a penalty of <ul style="list-style-type: none"> ➤ 1/10th of the amount required to be transferred by the company to such Fund specified in Schedule VII, or the Unspent CSR Account, as the case may be, or ➤ Rs. 2 lacs, whichever is less.

Rationale

The above amendment has decriminalised the offence by replacing the punishment of fine and imprisonment imposed by the court/NCLT with the punishment of monetary penalty imposed by the administrative authority (ROC).

Applicability and Non Applicability of CSR Provisions

- Rule 3(1) provides every Company including its holding or subsidiary, and a foreign company having its branch office or project office in India, shall comply with the CSR provisions only if they independently fulfils the applicability criteria of Section 135(1).
- In terms of MCA Notification dt. 4th January, 2017, the CSR provisions under Section 135 shall not apply to Specified IFSC Companies (both Public and Private) for a period of five years from the commencement of business.

Collaboration of Companies for undertaking CSR activities

Rule 4(3) of the CSR Rules, 2014 permits a Company to collaborate with other Companies for undertaking projects or programs or CSR activities. However, such collaboration shall be subject to the condition that –



- Each of the Collaborating Company shall constitute their respective CSR Committees.
- Each of the Collaborating Company shall contribute 2% of their respective three years average net profits.
- The CSR Committees of respective Companies are in a position to report separately on the undertaken projects or programs.

<p>As per the FAQs released by MCA vide General Circular 01/2016 dated 12th January, 2016</p>	<p>The Companies can combine their CSR Programs with other similar Companies by way of pooling their CSR resources.</p>
<p>Whether activities undertaken for the benefits of Company’s employees and their families considered as CSR Activities?</p>	<p>No. Rule 4(5) provides that the CSR projects or programs or activities -</p> <ul style="list-style-type: none"> • that benefit only the employees of the company and their families shall not be considered as CSR activities within the meaning of this Act. <p>However, programme or activities that are for the benefit of all, but, which also includes some employees or their families will still be considered as CSR as long as such benefits are not exclusively for the benefit of such employees.</p>
<p>Whether contributions made to political parties considered as CSR activity?</p>	<p>No. Rule 4(7) provides that Contribution of any amount directly or indirectly to any political party under Section 182 of the Act, shall not be considered as CSR activity.</p>

Whether Surplus from CSR Activities a business profit?

Rule 6(2) of the CSR Rules provides that the CSR Policy of the Company shall specify that the surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a Company. It simply means that any income/revenue earned in undertaking a CSR Activity shall not be treated as business profits. Rather, the same shall be re-invested in the CSR activities/projects only.



Disclosure and Reporting

Rule 8 read with Rule 9 of the CSR Rules provides that

- The Board’s Report of a Company shall include an annual report on CSR.
- The Board shall, after taking into account the recommendations of CSR Committee, approve the CSR Policy for the Company and disclose contents of such policy in its report and the same shall be displayed on the company’s website.
- Section 134(3)(o) of the Companies Act, 2013 provides that the board’s report shall contain the details about the policy developed and implemented by the company on CSR initiatives taken during the year.



The Companies (Amendment) Act, 2020: A Stupendous Strive to promote Ease of Doing Business



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The significant increase of ease of doing business ranking from 142 in 2014 to 63 in 2020 exemplifies the incessant and paramount effort of the Government to propel the chariot of the economy on the path of progress and prosperity. To promote ease of doing business, the Companies (Amendment) Act, 2020 plunges into the arena of growing business and protecting interest of stakeholders.

JOURNEY OF THE COMPANIES (AMENDMENT) ACT, 2020

The Companies (Amendment) Bill, 2020 was introduced in Lok Sabha on 17 September, 2020. It was passed by Lok Sabha on 19 September, 2020 and by Rajya Sabha on 22 September, 2020. After receiving the assent of the President on 28 September, 2020 the Bill became Act and came into effect on same day.

OBJECTIVES OF THE COMPANIES (AMENDMENT) ACT, 2020

The core objective of the amended Act is to increase the ease of doing business ranking and spur the Indian economy on the path of progress and prosperity. In this context, the proactive Government has brought forward this amendment in the following ways:

1. Liberalisation of Offences under the Companies Act, 2013
 - a) Decriminalization of offences which do not involve any element of fraud or larger public interest.
 - b) Omitting imprisonment punishment in case of Officer in Default
 - c) Reduce the amount of Penalty/ Fees in case of Company and Officer in Default
2. Protection of Stakeholders
3. Keeping watch on big unlisted Companies
4. Ensure better Corporate Governance
5. Global outreach

DECODING THE COMPANIES (AMENDMENT) ACT, 2020

The Companies (Amendment) Act, 2020 is summarised into five categories:

- A. Omitted Penal Provisions (both Penalty and Imprisonment) for offences
- B. Omitted Imprisonment punishment for offences done by Officer-in Defaults
- C. Reduced amount of Penalty / Fine for certain offences
- D. Substitution of certain provisions of the Companies Act, 2020
- E. Introduce new provisions

These are analysed here in below

A. OMITTED PENAL PROVISIONS

Giving a huge sigh of relief to small companies, the amended Act exempts both Companies and Officer in Default as mentioned in the following sub-sections:

Section 48(5): Variation of shareholders' rights

Section 59(5): Rectification of register of members.

Section 66(11): Reduction of share capital.

Section 71(11): Debentures

Section 342(6): Prosecution of delinquent officers and members of company.

Section 348(7): Information as to pending liquidations.

B. OMITTED PUNISHMENT OF IMPRISONMENT FOR OFFICER IN DEFAULT

There will be no punishment of imprisonment for Officer in Default in case of defaults as mentioned in the following sub-sections:

Section 8(11) Formation of companies with charitable objects, etc.

Section 26(9) Matters to be stated in Prospectus.

Section 40(5) Securities to be dealt with in stock exchanges.

Section 68(11) Power of company to purchase its own securities.

Section 86(1) Punishment for contravention
Section 128(6) Books of account, etc., to be kept by company
Section 147(1) Punishment for contravention.
Section 167(2) Vacation of office of director.
Section 184(4) Disclosure of interest by director.
Section 188(5) Related Party Transaction
Section 242(8) Powers of Tribunal.
Section 243 Consequence of termination or

modification of certain agreements.

Section 347(4) Disposal of books and papers of company

Section 392 Punishment for contravention

C. REDUCED AMOUNT OF PENALTY / FINE

The reduced amount penalty/ fine for non-compliance of provisions of the Companies Act, 2013, are described here in below:

Section	Heading	Who is liable	New provisions
56(6)	Transfer and transmission of securities.	Company & Officer in default	Penalty-Fifty thousand rupees
64(2)	Notice to be Given to Registrar for Alteration of Share Capital	Company & Officer in default	Penalty- Five hundred rupees for each day of continuing default, subject to a maximum of
		Company	Five lakh rupees
		Officer in default.	One lakh rupees
86 (1)	Punishment for contravention	Company	Penalty -Five lakh rupees
		Officer in default.	Penalty-Fifty thousand rupees
88(5)	Register of Members	Company	Penalty -Three lakh rupees
		Officer in default.	Penalty-Fifty thousand rupees
89(5)	Declaration in respect of beneficial interest in any shares	Any person	Penalty- Fifty thousand rupees. For continuing failure, further penalty of two hundred rupees for each day, subject to a maximum of five lakh rupees
89(7)	Declaration in respect of beneficial interest in any shares	Company & Officer in default	Penalty- One thousand rupees for each day of default subject to maximum of
		Company	Five lakh rupees
		Officer in default.	Two lakh rupees
90(10)	Register of significant beneficial owners in a company	Any person	Penalty- Fifty thousand rupees For continuing failure, further penalty of one thousand rupees for each day of default subject to a maximum of two lakh rupees.
90(11)	Register of significant beneficial owners in a company	Company	Penalty- One lakh rupees For continuing failure, further penalty of five hundred rupees for each day, subject to a maximum of five lakh rupees
		Officer in default.	Penalty- Twenty-five thousand rupees For continuing failure, further penalty of two hundred rupees for each day, subject to a maximum of one lakh rupees.

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92(5)	Annual Return	Company & Officer in default	Penalty-Ten thousand rupees For continuing failure, further penalty of one hundred rupees for each day subject to a maximum of
		Company	Two lakh rupees
		Officer in default.	Fifty thousand
105(5)	Proxies	That person	Penalty-Fifty thousand rupees
117(2)	Resolutions and Agreements to be Filed	Company & Officer in default	Penalty- Ten thousand rupees For continuing failure, further penalty of one hundred rupees for each day subject to a maximum of two lakh rupees
		Officer in default/ Liquidator	Penalty- Ten thousand rupees For continuing failure, further penalty of hundred rupees for each day subject to a maximum of fifty thousand rupees
124(7)	Unpaid Dividend Account.	Company	Penalty-One lakh rupees For continuing failure, further penalty of five hundred rupees for each day subject to a maximum of ten lakh rupees
		Officer in default	Penalty- twenty-five thousand rupees For continuing failure, further penalty of one hundred rupees for each day, subject to a maximum of two lakh rupees.
134(8)	Financial Statement, Board's Report	Company	Penalty-Three lakh rupees
		Officer in default	Penalty-Fifty thousand rupees
135(7)	Corporate Social Responsibility	Company	Penalty-Twice the amount required to be transferred by the company to the Fund specified in Schedule VII or the Unspent Corporate Social Responsibility Account, or one crore rupees, whichever is less
		Officer in default	Penalty- One-tenth of the amount required to be transferred by the company to such Fund specified in Schedule VII, or Unspent Corporate Social Responsibility Account, or two lakh rupees, whichever is less
137(3)	Copy of Financial Statement to be Filed with Registrar	Company	Penalty- Ten thousand rupees For continuing failure, further penalty of one hundred rupees for each day, subject to a maximum of two lakh rupees
		Managing Director, CFO, other director or all directors	Penalty-Ten thousand rupees For continuing failure, further penalty of one hundred rupees for each day subject to a maximum of fifty thousand rupees
140(3)	Removal, Resignation of Auditor and Giving of Special Notice	Auditor	Penalty-Fifty thousand rupees or an amount equal to the remuneration of the auditor, whichever is less, For continuing failure, further penalty of five hundred rupees for each day subject to a maximum of two lakh rupees

143(15)	Powers and Duties of Auditors and Auditing Standards	Auditor, cost accountant, or company secretary in practice	(a) in case of a listed company, be liable to a penalty of five lakh rupees; and (b) in case of any other company, be liable to a penalty of one lakh rupees.
165(6)	Number of Directorships	Any person	Penalty- Two thousand rupees for each day after the first during which such contravention continues subject to a maximum of two lakh rupees
172	Punishment	Company and every officer in default	Fine- Min. Fifty thousand rupees Max. Five lakh rupees subject to a maximum of
		Company	Three lakh rupees
		officer in default	One lakh rupees
178(8)	Nomination and remuneration Committee and stakeholders Relationship Committees	Company	Penalty- Five lakh rupees
		Officer in default	Penalty- One lakh rupees
184(4)	Disclosure of interest by director.	Director	Penalty -One lakh rupees
187(4)	Investments of Company to be held its own name	Company	Penalty- Five lakh rupees
		Officer in default	Penalty -Fifty thousand rupees
188(5)	Related Party Transactions	Listed company	Penalty- Twenty five lakh rupees
		Any other company	Penalty -Five lakh rupees
204(4)	Secretarial Audit for bigger Companies	Company, Officer or Cs in practice	Penalty -Two lakh rupees
232(8)	Merger and Amalgamation of Companies.	Company and officer in default	Penalty -Twenty thousand rupees, For continuing failure, further penalty of one thousand rupees for each day subject to a maximum of three lakh rupees
247(3)	Valuation by Registered Valuers.	Valuer	Penalty -Fifty thousand rupees
302(4)	Dissolution of company by Tribunal.	Company Liquidator	Fine- up to five thousand rupees for every day during which the default continues
405(4)	Power of Central Government to direct companies to furnish information or statistics	Company and Officer in default	Penalty- Twenty thousand rupees For continuing failure, further penalty of one thousand rupees for each day of default, subject to a maximum of three lakh rupees
446B.	Lesser penalties for OPC, small Companies, start Cup companies, Producer Companies	Company, officer in default or other person	Penalty which shall not be more than one-half of the penalty specified in such provisions subject to a maximum of
		Company	Two lakh rupees
		officer in default or other person	One lakh rupees

450	Punishment where no specific penalty or punishment is provided.	Company, Officer in default or other person	Penalty-Ten thousand rupees, For continuing contravention, further penalty of one thousand rupees for each day of contravention continues, subject to a maximum of
		Company	Two lakh rupees
		Officer in default or other person	Fifty thousand rupees

D. SUBSTITUTION/ ALTERATION

Section 16: Rectification of name

If a company was registered inadvertently with a registered trade mark of a proprietor, and the name is too identical or resembles an existing trade mark, such company has to change its name within 3 months from the issue of Central Government's direction instead of 6 months timeline provided earlier.

In case of default in this section by a company, the CG shall allot a new name as per the directions of the ROC to the company and the ROC shall issue a fresh Certificate of Incorporation. Although the company shall not be prevented from changing its name subsequently.

Section 62: Further issue of shares with respect to Right issue

Earlier, the time period for providing offer letter to the existing shareholders under rights issue process is 15 days to 30 days, beyond which the offer is deemed to be declined. Now it is proposed to lay down such other time period which may be less than 15 days.

Section 89: Declaration in respect of beneficial interest in any shares

Under Sub-section(11) the Central Government may by notification, exempt any class or classes of persons from complying with any of the requirements of this section, except sub-section (10), if it is considered necessary to grant such exemption in the public interest and any such exemption may be granted either unconditionally or subject to such conditions as may be specified in the notification

Section 117: Resolutions and agreements to be filed

Under Sub Section(3)(g), the section requires filing of resolutions with the Registrar of Companies. It currently exempts banking companies which are providing loan, guarantee, and security in connection with loan in its ordinary course of business from filing the resolution in e-Form MGT- 14. Such exemption

has been extended to registered Non Banking Financial Corporations (NBFCs) and Housing Financial Corporations (HFCs)

Section 149: Company to have Board of Directors (Independent Directors)

The existing provisions provide that Independent Directors are not subject to stock options and are entitled to sitting fees, profit related commission and reimbursement of expenses incurred in attending meetings as per Section 197(5).

The amendments provide for a new insertion and it states that an Independent Directors and Non-Executive Directors may receive any other sort of remuneration, excluding the aforesaid, in terms of Schedule V where there is no profit or inadequate profits in the company.

Section 197: Overall Maximum Managerial Remuneration and Managerial Remuneration in Case of Absence or Inadequacy of Profits

Section 197(3) has been aligned with Section 149(9) to include Non-Executive Directors and Independent Directors within the ambit of remuneration payable as per Schedule V in case of no profits or inadequate profits.

Section 284: Promoters, Directors, etc. to co-operate with Company Liquidator

Under Sub-section (2), if any person required to assist or cooperate with the Company Liquidator under sub-section (1) does not assist or cooperate, the Company Liquidator may make an application to the Tribunal for necessary directions.

Under Sub-section (3), on receiving an application under sub-section (2), the Tribunal shall, by an order, direct the person required to assist or cooperate with the Company Liquidator to comply with the instructions of the Company Liquidator and to cooperate with him in discharging his functions and duties.

Section 302: Dissolution of Company by Tribunal

Under Sub-section (3), the Tribunal shall, within a period of thirty days from the date of the order,—

- (a) forward a copy of the order to the Registrar who shall record in the register relating to the company a minute of the dissolution of the company; and
- (b) direct the Company Liquidator to forward a copy of the order to the Registrar who shall record in the register relating to the company a minute of the dissolution of the company.”;

Section 348 Information as to pending liquidation

Under Sub-section (6), where a Company Liquidator, who is an insolvency professional registered under the Insolvency and Bankruptcy Code, 2016 is in default in complying with the provisions of this section, then such default shall be deemed to be a contravention of the provisions of the said Code, and the rules and regulations made thereunder for the purposes of proceedings under Chapter VI of Part IV of that Code

Section 356: Power of Tribunal to declare Dissolution of Company

As per Sub-section (2), the Tribunal shall—

- (a) forward a copy of the order, within thirty days from the date thereof, to the Registrar who shall record the same; and
- (b) direct the Company Liquidator or the person on whose application the order was made, to file a certified copy of the order, within thirty days from the date thereof or such further period as allowed by the Tribunal, with the Registrar who shall record the same.

Section 379: Application of Act to Foreign Companies

Sub-section (1) has been omitted, and therefore Section 380 to 386 and 392 to 393 shall not be applicable to foreign companies

Section 403: Fee for filing etc.

As per third Proviso to sub-section (1), where there is default on two or more occasions in submitting, filing, registering or recording of such document, fact or information, as may be prescribed, it may, without prejudice to any other legal action or liability under this Act, be submitted, filed, registered or recorded, as the case may be, on payment of such higher additional fee, as may be prescribed.

Section 410: Constitution of Appellate Tribunal

The Central Government will set up Benches of the National Company Law Appellate Tribunal

consisting of any number of judicial and technical members as it may deem fit. Earlier the number was restricted to eleven.

Section 435: Establishment of Special Courts

Earlier under sub-section (1), Special Court was required to establish to deal with offences under this Act, by notification. Now section 452 (punishment for wrongful withholding of property) has been excluded from the category of offences.

Section 441: Compounding of certain offences

Under sub-section(5), if any officer or other employee of the company who fails to comply with any order made by the Tribunal or the Regional Director or any officer authorised by the Central Government under sub-section (4), the maximum amount of fine for the offence proposed to be compounded under this section shall be twice the amount provided in the corresponding section in which punishment for such offence is provided

E. INSERTION OF NEW PROVISIONS

Section 2(52): Definition of Listed Company: Now such class of companies, which have listed or intend to list such class of securities, as may be prescribed in consultation with the SEBI, shall be exempted from the definition of listed Company

Section 23 Public Offer and private Placement

- a) As per Sub Section(3), such class of public companies may issue such class of securities for the purposes of listing on permitted stock exchanges in permissible foreign jurisdictions or such other jurisdictions, as may be prescribed.
- b) Under Sub-Section (4), The Central Government may, exempt any class or classes of public companies referred to in sub-section (3) from any of the provisions of this Chapter, Chapter IV, section 89, section 90 or section 127 and a copy of every such notification shall, as soon as may be after it is issued, be laid before both Houses of Parliament.

Section 89: Declaration in respect of Beneficial interest in any shares

As per new Sub-Section(11), the Central Government may by notification, exempt any class or classes of persons from complying with any of the requirements of this section, except sub-section (10), if it is considered necessary to grant such exemption in the public interest and any such exemption may

be granted either unconditionally or subject to such conditions as may be specified in the notification

Section 129A: Periodical financial results

The Central Government shall require such class or classes of companies to (a) Prepare periodical financial results, (b) Obtain approval of the Board of Directors, (c) Complete limited review of such periodical financial results, (d) File a copy with the ROC within 30 days of completion of the relevant period.

Section 135: Corporate Social Responsibility

- (a) As per third Proviso to Sub-Section (6), if the company spends an amount in excess of the requirements provided under this sub-section, such company may set off such excess amount against the requirement to spend under this sub-section for such number of succeeding financial years and in such manner, as may be prescribed.
- (b) As per Sub-section (9), where the amount to be spent by a company under sub-section (5) does not exceed fifty lakh rupees, the requirement under sub-section (1) for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of such company.

Section 149: Power to have Board of Directors

Sub section (9) provided that if a company has no profits or its profits are inadequate, an independent director may receive remuneration, exclusive of any fees payable under sub-section (5) of section 197, in accordance with the provisions of Schedule V.

CHAPTER XXIA: Producer Companies

There were no separate provisions for producer companies in the principal Act. The amended Act newly introduced a separate new Chapter XXI as Producer Companies after section 378 of the principal Act.

393A Exemptions under Chapter XXII (Companies incorporated outside India)

The Central Government may, by notification, exempt any class of foreign companies or companies incorporated or to be incorporated outside India, whether the company has or has not established, or when formed may or may not establish, a place of business in India, as may be specified in

the notification, from any of the provisions of this Chapter and a copy of every such notification shall, as soon as may be after it is made, be laid before both Houses of Parliament.

418A. Powers of the Appellate Tribunal

Under sub section (1), the powers of the Appellate Tribunal may be exercised by the Benches thereof to be constituted by the Chairperson. A bench of the Appellate Tribunal shall have at least one Judicial Member and one Technical Member.

As per sub section (2), the benches of the Appellate Tribunal shall ordinarily sit at New Delhi or such other places as the Central Government may, in consultation with the Chairperson, notify.

Section 452: Punishment for wrongful withholding of property

Proviso to Sub-section (2), the imprisonment of such officer or employee, shall not be ordered for wrongful possession or withholding of a dwelling unit, if the court is satisfied that the company has not paid to that officer or employee, as the case may be, any amount relating to

- (a) provident fund, pension fund, gratuity fund or any other fund for the welfare of its officers or employees, maintained by the company;
- (b) compensation or liability for compensation under the Workmen's Compensation Act, 1923 in respect of death or disablement.

Section 454 Adjudication of Penalties

New proviso to sub-section (3) provides that in case the default relates to non-compliance of sub-section (4) of section 92 or sub-section (1) or sub-section (2) of section 137 and such default has been rectified either prior to, or within thirty days of, the issue of the notice by the adjudicating officer, no penalty shall be imposed in this regard and all proceedings under this section in respect of such default shall be deemed to be concluded.

CONCLUSION

The only constant thing in the universe is change. When time demands change, one must adhere to the change for sustain and growth. On the same page, a plethora of changes in the Company Law was also much needed from different quarters of the corporate India to boost the economy and improve the ease of doing business ranking upto an expected level. The Government has suitably considered all the aspects purposefully and strived to rejuvenate the economy. Hope the Indian economy reach at the pinnacle of success.



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RECENT AMENDMENTS IN CORPORATE LAWS



The Companies (Amendment) Act, 2020 (herein after referred to as 'the Amendment Act') got the assent of Hon'ble President as on 28th September, 2020 and is thus operative since that date. It was passed by the Lok Sabha on 19th September, 2020 and by the Rajya Sabha on 22nd September, 2020.

Objectives/Rationale behind bringing the Companies (Amendment) Act, 2020:

The Companies (Amendment) Act, 2020, inter alia, provides for the following, namely: –

- to decriminalise certain offences under the Act in case of defaults which can be determined objectively and which otherwise lack any element of fraud or do not involve larger public interest;
- to empower the Central Government to exclude, in consultation with the Securities and Exchange Board, certain class of companies from the definition of "listed company", mainly for listing of debt securities;
- to clarify the jurisdiction of trial court on the basis of place of commission of offence under section 452 of the Act for wrongful withholding of property of a company by its officers or employees, as the case may be;
- to incorporate a new Chapter XXIA in the Act relating to Producer Companies, which was earlier part of the Companies Act, 1956;
- to set up Benches of the National Company Law Appellate Tribunal;
- to make provisions for allowing payment of adequate remuneration to nonexecutive directors in case of inadequacy of profits, by aligning the same with the provisions for remuneration to executive directors in such cases;
- to relax provisions relating to charging of higher additional fees for default on two or more occasions in submitting, filing, registering or recording any document, fact or information as provided in section 403;
- to extend applicability of section 446B,

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relating to lesser penalties for small companies and one person companies, to all provisions of the Act which attract monetary penalties and also extend the same benefit to Producer Companies and start-ups;

- to exempt any class of persons from complying with the requirements of section 89 relating to declaration of beneficial interest in shares and exempt any class of foreign companies or companies incorporated outside India from the provisions of Chapter XXII relating to companies incorporated outside India;
- to reduce timelines for applying for rights issues so as to speed up such issues under section 62;
- to extend exemptions to certain classes of non-banking financial companies and housing finance companies from filing certain resolutions under section 117;
- to provide that the companies which have Corporate Social Responsibility spending obligation up to fifty lakh rupees shall not be required to constitute the Corporate Social Responsibility Committee and to allow eligible companies under section 135 to set off any amount spent in excess of their Corporate Social Responsibility spending obligation in a particular financial year towards such obligation in subsequent financial years;
- to provide for a window within which penalties shall not be levied for delay in filing annual returns and financial statements in certain cases;
- to provide for specified classes of unlisted companies to prepare and file their periodical financial results;
- to allow direct listing of securities by Indian companies in permissible foreign jurisdictions as per rules to be prescribed.

There are amendments in 61 sections in the Act and 4 sections have been newly inserted which includes the provisions for Producer Companies.

Major thrust of the Amendment Act is decriminalisation of the Companies Act, 2013 and lightening rigour of penalties. Besides relaxation of CSR law, remuneration to non-executive directors in case of inadequate profits, producer companies, periodic financial results by non-listed companies, etc. has been provided.

There are currently around 124 penal provisions compared to 134 under the Companies Act, 2013. Stressing that there will be no relaxation for serious offences, including fraud and those that cause “injury to public interest or deceit”, the minister said the number of “non-compoundable” offences under the Act remains the same at 35.

Decriminalisation of the Companies Act: Decriminalisation (Reduction in Penalties) of the Companies Act, 2013 is main feature of the Amendment Act. It removes the imprisonment for various offenses, substitutes fine by penalty in and reduces amount of payable as penalty across the board. In certain minor omissions, etc. penal consequence has been omitted.

One-person companies, small companies, start-up company or Producer Company, or by any of its officer in default, or any other person in respect of such company, then such company or person shall be liable to one-half of the penalty specified and it is subject to a maximum of Rs. 2.00 lakh in case of a company and Rs. 1.00 lakh in case of an officer who is in default or any other person.

Under the Act, one-person companies or small companies are only liable to pay up to 50% of the penalty for certain offences.

Exclusion from listed companies: The Amendment Act empowers the Centre in consultation with the SEBI, to exclude companies issuing specified classes of securities from the definition of a “listed company”.

The objective of according such flexibility is to exclude such private companies that list their debt securities on a recognized stock exchange upon their allotment on private placement basis, thereby falling under the definition of a ‘listed company’ under the Act. This can incentivise private companies seeking listing of their debt securities.

Exemptions from filing resolutions: The Act requires companies to file certain resolutions with the Registrar of Companies, which include resolutions of the Board of Directors of the company to borrow money, or grant loans. However, banking companies are exempt from filing resolutions passed to grant loans or to provide guarantees or security for a loan. This exemption has been extended to registered non-banking financial companies and housing finance companies.

CSR: The Act exempts companies with a CSR liability of up to Rs 50 lakh a year from setting up

CSR Committees.

Benches of NCLAT: The Act provides to establish benches of the National Company Law Appellate Tribunal in New Delhi.

Direct listing in foreign jurisdictions: The Act empowers the central government to allow certain classes of public companies to list classes of securities in foreign jurisdictions. The FCRA regulates the acceptance and utilisation of foreign contribution by individuals, HUF, associations and Section 8 companies. The amendment Act aims to promote transparency and centralize the foreign inflow of funds in one bank for better tracking and monitoring of inflow of foreign contribution.

Amendments related to Chapter IX and X

Section 129 A- Specified unlisted entities to prepare and file periodical financial statements

New section 129A has been introduced, which prescribes specified classes of unlisted companies to prepare and file their periodical financial results at a frequency that will be notified later. This provision is aimed at improving corporate governance.

The Central Government may, require such class or classes of unlisted companies, as may be prescribed —

- (a) To prepare the financial results of the company on such periodical basis and in such form as may be prescribed;
- (b) To obtain approval of the Board of Directors and complete audit or limited review of such periodical financial results in such manner as may be prescribed; and
- (c) File a copy with the Registrar within a period of thirty days of completion of the relevant period with such fees as may be prescribed.”

Section 135- Corporate Social Responsibility

Set Off of excess amount— Provision for setting off excess amount against the requirement to be spent under CSR activity for such number of succeeding financial years and in such manner, as may be prescribed.

Exemption from forming CSR Committee— Where the amount to be spent by a company for CSR activity does not exceed fifty lakh rupees, the requirement for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under this section shall, in such cases,

be discharged by the Board of Directors of such company.

Penalty for Non-Compliance- Penalty provision has been inserted for non-compliance of provisions of Corporate Social Responsibility.

Section 140- Removal, Resignation of Auditor and Giving of Special Notice

As per Section 140 (3), if the auditor does not comply with the provisions of sub-section (2), he or it shall be liable to a penalty of fifty thousand rupees or an amount equal to the remuneration of the auditor, whichever is less, and in case of continuing failure, with further penalty of five hundred rupees for each day after the first during which such failure continues, subject to a maximum of five lakh rupees.

Maximum liability for an auditor has been reduced from Rs 5 lakh to Rs 2 lakh.

Section 143- Powers and Duties of Auditors and Auditing Standards

Section 143 (12)

Notwithstanding anything contained in this section, if an auditor of a company in the course of the performance of his duties as auditor, has reason to believe that an offence of fraud involving such amount or amounts as may be prescribed, is being or has been committed in the company by its officers or employees, the auditor shall report the matter to the Central Government within such time and in such manner as may be prescribed:

Provided that in case of a fraud involving lesser than the specified amount, the auditor shall report the matter to the audit committee constituted under section 177 or to the Board in other cases within such time and in such manner as may be prescribed:

Provided further that the companies, whose auditors have reported frauds under this sub-section to the audit committee or the Board but not reported to the Central Government, shall disclose the details about such frauds in the Board's report in such manner as may be prescribed.

Section 143 (15)

If any auditor, cost accountant or company secretary in practice do not comply with the provisions of sub-section (12), he shall be punishable with fine which shall not be less than one lakh rupees but which may extend to twenty-five lakh rupees.

“(15) If any auditor, cost accountant, or



company secretary in practice does not comply with the provisions of sub-section (12), he shall—

- a) in case of a listed company, be liable to a penalty of five lakh rupees; and
- b) in case of any other company, be liable to a penalty of one lakh rupees.”

Maximum liability for an auditor has been reduced from

- For listed company- from Rs 25 lakh to Rs 5 lakh.
- For any other company- from Rs 25 lakh to Rs 1 lakh.

Section 147- Punishment for Contravention

If an auditor of a company contravenes any of the provisions of section 139, section 143, section 144 or section 145, the auditor shall be punishable with fine which shall not be less than twenty-five thousand rupees but which may extend to five lakh rupees [or four times the remuneration of the auditor, whichever is less]

Other Amendments in Brief:

Related to Penalty/ Fine/ Imprisonment:

Out of 66 amendments, 45 amendments are relating to amendment in penalty clause of Sections like:

In some sub-sections, penalty has been omitted. In many sub-sections, imprisonment has been substituted with penalty while in some sub-sections, penalty/fine has been decreased etc.

Independent Director Section 149:

A new proviso under sub section 9 of section 149 has been inserted which provides that an independent director may receive remuneration, if a company has no profits or inadequate profits in accordance with Schedule V of the Act.

Remuneration to Directors- Section 197:

Notwithstanding anything contained in sub-sections (1) and (2), but subject to the provisions of Schedule V, if, in any financial year, a company has no profits or its profits are inadequate, the company shall not pay to its directors, including any managing or wholetime

director or manager or any other non-executive director, including an independent director, by way of remuneration any sum exclusive of any fees payable to directors under sub-section (5) hereunder except in accordance with the provisions of Schedule V .

If a company fails to make profits or makes inadequate profits in a financial year, any non-executive director of such company, including an independent director, shall be paid remuneration in accordance with Schedule V of the Act.

Right Issue of Shares Section 62:

The offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days “or such lesser number of days as may be prescribed” and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined.

Section 117(3)(g):

In sub-section (3), in clause (g), for the second proviso, the following proviso shall be substituted, namely: —

“Provided further that nothing contained in this clause shall apply in respect of a resolution passed to grant loans, or give guarantee or provide security in respect of loans under clause (f) of sub-section (3) of section 179 in the ordinary course of its business by—

- a) a banking company;
- b) any class of non-banking financial company registered under Chapter IIIB of the Reserve Bank of India Act, 1934, as may be prescribed in consultation with the Reserve Bank of India;
- c) any class of housing finance company registered under the National Housing Bank Act, 1987, as may be prescribed in consultation with the National Housing Bank; and.”

Producer Company – Chapter XXIA

Provisions of Producer Company inserted after Section 378 as 378A to 378ZU.

MCA has recently notified Companies (Meetings of Board and its Powers) Second Amendments Rules, 2020 and Companies (Appointment and Qualification of Directors) Third Amendments Rules, 2020. It also extended date of EGM and period for name reservation and re-submission of MCA forms.

1. Companies (Meetings of Board and its Powers) Second Amendments Rules, 2020

Amendment in Rule 4 (2) of Companies (Meetings of Board and its Powers) Rules, 2014.

Rule 4(2) for the period beginning from the commencement of the Companies (Meetings of Board and its Power) Amendments Rules, 2020

And ending on 30th September, 2020 the meetings on matters referred to in sub-rule (1) may be held through video conferencing or other audio- video means in accordance with rule 3.

2. Companies (Appointment and Qualification of Directors) Third Amendments Rules, 2020

Amendment in Rule 6 of Companies (Appointment and Qualification of Directors), Rules, 2014.

Rule 6(1)

Every Individual-

a) Who has been appointed as an independent director in a company, on the date of commencement of the Companies (Appointment and Qualification of Directors) fifth Amendments Rules, 2019, shall within a period of "10Months" from such commencement; or

b) who intends to get appointed as an Independent director in a Company after such commencement, shall before such appointment,

apply online to the institute for inclusion of his name in the data bank for one year or five years or for his life time and from time to time take steps as specified in sub-rule(2) till he continues to hold office of an independent director in any Company.

3. Extension in date of EGM

Extension in date of EGM through VC or OAVM from 30th June 2020 to 30th September, 2020

It's about clarification on passing Ordinary Resolution and Special Resolution by Companies by holding extraordinary general meeting through Video conferencing or other audio-visual means or passing of certain items only through postal ballot without convening general meeting.

As per this circular it has been decided to allow companies to conduct their EGMs through VC or OAVM or transact items through postal ballot in accordance with the framework provided in aforesaid Circulars up to 30th September 2020.

4. Extension in the period for name reservation and resubmission of forms

Extension in the various dates regarding name reservation and resubmission of forms

i. Names reserved for 20 days for new company incorporation. SPICe+ Part B needs to be filed within 20 days of name reservation.

Names expiring any day between 15th March

2020 to 30th June 2020 would be extended by 20 days beyond 30th June 2020.

ii. Names reserved for 60 days for change of name of company. INC-24 needs to be filed within 60 days of name reservation.

Names expiring any day between 15th March 2020 to 30th June would be extended by 60 days beyond 30th June 2020.

iii. Extension of RSUB validity for companies.

SRNs where last date of Resubmission (RSUB) falls between 15th March 2020 to 30th June 2020, additional 15 days beyond 30th June 2020 would be allowed. However, for SRNs already marked under NTBR, extension would be provided on case to case basis. Note: Forms will not get marked to (Not to be taken on Record)'NTBR' due to non-resubmission during this extended period as detailed above. It also includes IEPF Non-STP e-Forms (IEPF3, IEPF-5 and IEPF-7)

iv. Names reserved for 90 days for new LLP incorporation/change of name.LLP Form 5 needs to be filed within 90 days of name reservation.

Names expiring any day between 15th March 2020 to 30th June would be extended by 20 days beyond 30th June 2020.

v. RSUB validity extension for LLPs

SRNs where last date of resubmission (RSUB) falls between 15th March 2020 to 30th June 2020 additional 15 days would be allowed from 30th June 2020 for resubmission. However, for SRNs already marked under NTBR, extension would be provided on case to case basis. Note: Forms will not get marked to (Not to be taken on Record)'NTBR' due to non- resubmission during this extended period as detailed above.

vi. Extension for marking IEPF-5 SRNs to 'Pending for Rejection u/r 7(3)' and 'Pending for Rejection u/r 7(7)'

SRNs where last date of filing e-Verification Report (for both Normal as well as Resubmission filing) falls between 15th March 2020 to 30th June 2020, would be allowed to file the form till 30th September 2020. However, for SRNs already marked under 'Pending for Rejection u/r 7(3)' and 'Pending for Rejection u/r 7(7)', extension would be provided on case to case basis. Note: Status of IEPF-5 SRN will not change to 'Pending for Rejection u/r 7(3)' and 'Pending for rejection u/r 7(7)' till 30th September 2020

DECRIMINALISATION UNDER THE COMPANIES (AMENDMENT) ACT, 2020



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A. Background

The Companies (Amendment) Act, 2020 ("The Amendment Act") is part of the ongoing exercise being undertaken by the Government for facilitating ease of doing business and ease of living of law abiding corporates. It incorporates most of the recommendations made by the Company Law Committee ("CLC 2019") in its report of November, 2019 ("CLC Report"). The provisions of the Amendment Act are yet to be brought into effect.

B. Changes: In brief

The Amendment Act modifies the thresholds for the constitution of corporate social responsibility committee, enables remuneration payments to non-executive directors including independent directors in case of inadequate profits, exempts categorisation of listed companies, re-classifies and rationalises compoundable offences, incorporates regulations governing "producer companies" to avoid legal anomalies that may arise due to the repeal of the Companies Act, 1956, amongst others.

In addition to the above, the Amendment Act primarily seeks to re-classify certain identified compoundable offences into civil wrongs. In so doing, it rationalises the consequences of defaults that it seeks to categorise as civil wrongs, by imposing penalties and removing the references to punishments. Additionally, it provides for omission of certain penalty provisions. Further, in case of less serious criminal offences and defaults under the Companies Act, 2013 ("Act"), the Amendment Act rationalises the consequence of defaults by limiting the punishment to fines, and omitting references to imprisonment.

C. Historical Position

Prior to the Amendment Act and the Companies (Amendment) Act, 2019 ("2019 Amendment Act"),

the defaults under the Act, were 'punishable' with imprisonment and/or fine or both, or were 'liable to a penalty'. The defaults that were 'liable to a penalty' under the Act attracted civil liability and did not give rise to criminal liability implying that such defaults did not require the establishment of criminal intent or mens rea of the defaulter for adjudication purposes. However, certain orders of the adjudicating officers have referred to these defaults as "offences".

D. Decriminalisation under the Amendment Act

The re-categorisation of defaults under Amendment Act into civil wrongs, are characterised by the replacement of 'punishable with imprisonment, fine, or both', as applicable, in the consequences of defaults, with "liable to a penalty" (such amended provisions will be referred to as "Penalty Defaults"). Such reclassification has occurred in twenty-two provisions of the Act. As stated in the Statement of Objects to the Amendment Act, the approach adopted for decriminalising defaults is 'principle-based' – that is, defaults under the Act which may be determined objectively or less subjectively, and those that do not carry any element of fraud or involve larger public interest, have been re-categorised as 'civil wrongs'. In so doing, the Amendment Act has further decriminalised minor procedural or technical lapses under the Act. This approach is in continuation of changes brought about by the 2019 Amendment Act, including, replacing consequences of certain defaults from 'punishable with' fine or imprisonment or both, as applicable, to 'liable to a penalty' and creating civil liability in respect thereof.

E. Impact and analysis

Pursuant to the Amendment Act, defaults that continue to be punishable with 'imprisonment' and/or 'fine' or both under the Act being serious

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offences will continue to be treated as (criminal) offences and give rise to criminal proceedings before the trial and special courts under Sections 435 read with Section 436 of the Act. However, defaults that are “liable to a penalty” including the Penalty Defaults will have to be tested under the Act and in the context in which they occur, to determine what colour the expression “penalty” would take. The Supreme Court has observed that the expression “penalty” generally takes colour from the context in which it occurs.

Consequently, relying on:

- a. the 2019 Amendment Act together with the detailed and comprehensive in-house adjudication mechanism as contained in Section 454 of the Act (“the Section”) and the Report of the Committee to review the Offences under the Companies Act, 2013;
 - b. the Amendment Act and the CLC Report;
 - c. the position concerning civil liability as existing under the Act prior to the 2019 Amendment Act and the Amendment Act; and
 - d. the approach adopted by various courts and adjudicating authorities in construing penalties as giving rise to civil liability;
- the defaults that are “liable to a penalty” under the Act, including the Penalty Defaults, cannot

be construed as (criminal) offences or criminal defaults, and have to be construed as civil wrongs, under the Act.

The adjudicating officers appointed under the Section (referred to as, in-house adjudication mechanism (“IAM”)) would retain the authority for adjudging penalties, in respect of defaults that are “liable to a penalty”. The procedure laid down in respect of the IAM in the Section read with the applicable rules, will have to be followed for such adjudication. Presently, a faceless mechanism for issue of show cause notice and its response, followed by a physical hearing where the adjudicating officer thinks fit or the alleged defaulter requests the same, has been prescribed under the IAM.

Pursuant to the Amendment Act, the jurisdiction of trial and special courts under Section 435 read with Section 436 of the Act, appears to now extend to all “offences” (criminal defaults), other than offences under Section 452 of the Act. In order to reduce jurisdictional conflict, the Government may consider issuing notifications / clarifications to clearly demarcate the scope of jurisdiction of (i) the special courts and trial courts (under Section 435 read with Section 436 of the Act) and (ii) the adjudicating officers (under the Section).

The re-categorisation and rationalisation

of defaults and IAM will de-clog and reduce the burden of the trial and special courts. The categorisation of Penalty Default read with the existing IAM continues the efforts first started under the 2019 Amendment Act and comprehensively categorises civil wrongs under the Act.

Section 441 of the Act, *inter alia*, provides for compounding of “any offence punishable under this Act (whether committed by a company or any officer thereof) not being an offence punishable with imprisonment only, or punishable with imprisonment and also with fine, may, either before or after the institution of any prosecution” in the prescribed manner. The usage of the expression “punishable” under Section 441 of the Act limits its use to criminal offences/defaults and re-classification of defaults into civil wrongs, puts the defaults that are “liable to a penalty” outside the scope of “offences”. Consequently, from a literal reading it appears that defaults that are “liable to a penalty” cannot be compounded under Section 441 of the Act and can only be adjudicated under the IAM. However, clarifications from the Government would be welcome on this issue, including adopting a consent order mechanism for defaults carrying penalties.

As criminal offences and civil wrongs by nature keep evolving, the process initiated by the

Government to review defaults under Act would have to be a continuing one. The Government may consider laying down objective parameters for determining the seriousness of the existing criminal offences, as the next step. Further as a going forward measure, the Government may also consider establishing a well-defined appellate process for the IAM and monitor implementation of these changes on the ground.

F. Concluding remarks

The re-classification and rationalisation of defaults under the Amendment Act, streamlines the categorisation of criminal offences and civil wrongs and their applicable prosecution and adjudication processes under the Act. These changes promise to reduce the burden of criminal consequences for businesses, and provide a cost-effective and speedy redressal mechanism. An unintended consequence of the de-criminalisation of defaults would be on revenue generation arising from the imposition of penalties, as such imposition does not require the establishment of criminal intent.

One hopes that these reforms that rely on existing concepts and mechanisms under the Act are a win-win for both the industry and the Government, and will help India improve its 63rd position in World Bank’s Ease of Doing Business Ranking.



Recent Amendments under Food Laws



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The Food Industry in India is one of the biggest industries in terms of Growth and Employment having huge potential for uplifting the economy. The Government, through the Ministry of Food Processing Industries (MoFPI), is making every effort to boost investments in the sector. The Indian food processing industry is regulated by several laws which govern the aspects of sanitation, licensing, packaging, labeling, transportation, import – export, hygiene, sampling, Consumer Grievances and other necessary permits that are required to start up and run a food business.

Lots of Amendments came in past 6 months (including Covid-19 Relaxations) in this sector / industry and some key amendments are reproduced here for your kind perusal:

1. Direction regarding display of “Date of Manufacturing” and “Best Before Date” in case of Sweets

FBOs are permitted to display the mandatory “Best before Date” and “Date of Manufacturing” (voluntary and non – binding) on the container / tray holding sweets at the outlet for sale in the local language also.

2. Final Extension for Audit of Sweets Shops / Meat Shops all over India

The Last date for conducting audit of meat / sweet shops all over India, have been extended up to 31.03.2021, beyond which no further extension would be considered.

3. Financing Facility under Agriculture Infrastructure Fund Scheme

The Government of India is implementing a new Central Sector Scheme “Financing Facility under Agriculture infrastructure Fund”. With an objective to mobilize a medium long term debt finances facility for investment in viable projects for post-harvest management infrastructure and

community farming assets through incentives and financial support in order to improve agriculture infrastructure in the country.

In this Scheme: All loans will have interest subventions of 3% per annum upto a limit of Rs. 2.00 crore and credit guarantee coverage also. The duration of the scheme is 10 years i.e. up to 2020-29. Any grant or subsidy available under any present or future scheme of Central/State Government can be availed for projects under this facility.

4. FSSAI launched Food Safety Compliance System(FoSCoS)

FSSAI is launching its cloud based, upgraded new food safety compliance online platform called Food Safety Compliance System (FoSCoS, URL – <https://foscoss.fssai.gov.in>). It will replace the existing FLRS (Food Licensing and Registration System) (URL – <https://foodlicensing.fssai.gov.in>).

The FoSCoS shall be launched in phases. For the initial launch of FoSCoS w.e.f 1st June, 2020, States/UTs of Tamil Nadu, Gujarat, Goa, Delhi, Odisha, Manipur, Chandigarh, Puducherry and Ladakh have been selected. Once the FoSCoS is launched in a State/UT, all licenses/ registrations pertaining to the State will be available on FoSCoS (<https://foscoss.fssai.gov.in/>) and the FLRS data shall be disabled for taking any action. All manufacturers holding valid FSSAI license shall be needed to modify their license to choose from the available list of standardized products before 31st December 2020.

5. Launch of second phase of FoSCoS in remaining 27 states/ UT

FSSAI Authority has issued a notice regarding the launch of second phase of FoSCoS in remaining 27 states/ UT w.e.f 26th October 2020. As per the notice, it is informed that the launch of second

phase of FoSCoS in remaining 27 states/UTs is planned on 1st November 2020, and to enable the same FLRS shall be closed for remaining 27 states/ UT w.e.f 21st Oct 2020, 11:00 pm.

In view of the above, it is hereby advised that users of the system of remaining 27 states/UTs may complete their pending tasks related to FSSAI licensing and registration on FLRS by 21st October 2020 as the online system may not be available for next 10 days. FoSCoS will remain operational in the 9 states/ UTs, where it is already operational. The FoSCoS - <https://foscoss.fssai.gov.in> will be made live in remaining 27 states/ UTs with the migrated data on or before 1st November 2020.

6. FSSAI has decided to extend the validity under some regulations till 31.12.2020

a) Processing of FSSAI License / Registrations applications during the lockdown situation by the way of E-Inspections.

b) Allowing FBOs to temporarily operate their food business on the basis of application for License / Registrations during the period of lockdown.

7. Compliance Relaxation due to this Covid-19 Pandemic

FSSAI has issued Circular regarding Waiving off the penalties during COVID-19 pandemic period due to non-submission of Annual / Half-Yearly returns by food businesses in previous years:

Compliance Particulars	Compliance Relaxations
FSSAI Licensed FBOs involved in Manufacturing (including repacking and manufacturing of food products by third party manufacturers) and importing of food products need to submit Annual Returns	Annual Return (D1) (for FY 2019-20) Due date extended till 31.12.2020
Manufacturers of Milk and Milk products need to submit Half-yearly returns	Half- yearly Return (D2) (period: October, 2020 – March, 2020) & (April 2020 – Sept., 2020) Due date extended till 31.12.2020

8. Extension of date for mandatory food safety audit of Food Businesses under the FSS (Food Safety Audit) Regulations, 2018:

FSSAI vide order dated 13.08.2019, has mandated audits of food businesses holding Central License and falling under high risk categories. Keeping in view the current situation due to Covid-19 Pandemic, the last date for mandatory

audits has been extended up to 31.12.2020.

9. Prohibition of Blending in Mustard Oil

Direction under Section 16 (5) of Food Safety and Standards Act, 2006 regarding operationalization of Draft Food Safety and Standards (Prohibition and Restriction on Sales) Amendment Regulations, 2020 with respect to Prohibition of Blending in Mustard Oil.

10. Extension of timeline for compliance relating to Printing inks for use on food packages

Direction under Section 16 (5) of Food Safety and Standards Act, 2006 dated 10th September 2020 regarding extension of timeline for compliance of sub-regulation 3 (9) relating to Printing inks for use on food packages of the Food Safety and Standards (Packaging) Regulations, 2018:

- the FSSAI has declared that FBOs must comply with the revised IS standards either by 1st January (date of coming into force of the Regulations) or 1st July (last date for compliance) as the case may be. Furthermore, it permits a transition period of a minimum of 180 days from the date of publication of the standards by BIS.
- the Food Safety and Standards (Packaging) Regulations, 2018 were notified on 24th December 2018. These Regulations incorporate IS standards prescribed for packaging materials as mandatory compliances.

11. The Food Safety and Standards (Amendment) Rules, 2020.

The Food Safety and Standards Association of India (FSSAI) has proposed draft Food Safety and Standards (Amendment) Rules, 2020, further to amend the Food Safety and Standards Rules, 2011, which the Central Government, proposes to make, in exercise of powers conferred by section 91 of the Food Safety and Standards Act, 2006.

Brief Particulars according to draft amendment rules:

- Changes to the Educational Qualifications of Designated Officer (DO)
- No longer exempt a Designated Officer appointed on additional charge from the requisite training.
- Changes in the powers and duties of Designated Officer
- Propose to add to the power and duties of

the FSO (Food Safety Officer).

- Masking of labels of samples with non-detachable tamper-proof stickers
- Stipulation as to the requisite number of samples drawn for products having a shelf-life of less than 7 days
- Proposed Changes to the procedure of Appeal to the Designated Officer

12. Display of Information in food service establishment

Food Safety and Standards (Packaging and Labeling) First Amendment Regulations, 2020 relating to Display of Information in food service establishment.

- Every food establishment having central license or outlets at 10 or more locations shall mention the calorific value against the food items displayed on the menu cards or boards or booklets and the reference information on calorie requirements shall also be displayed clearly and prominently as “An average active adult requires 2,000 kcal energy per day, however, calorie needs may vary”.
- Further, the Food Service Establishments shall also mention the information relating

to allergens and logo for vegetarian or non-vegetarian.

- They shall come into force on the date of their publication in the Official Gazette and Food Business Operator shall comply with all the provisions of these regulations by 1st January, 2022. Compliance before this date shall be voluntary.
- Regulations shall not be applicable to event caterers and foodservice premises that operate for less than sixty days in a calendar year, self-serve condiments that are free of charge and not listed on the menu and special-order items or modified meals and menu items as per the request of the customer.

The Ministry of Food Processing Industries has been implementing several schemes under the umbrella of the ‘Pradhan Mantri Kisan Sampada Yojana’ (formerly known as SAMPADA - Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters). The Government is working hard towards development of infrastructure in the food processing sector and to boost investments in the sector.





THE INSTITUTE OF
Company Secretaries of India

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

NORTHERN INDIA
REGIONAL COUNCIL

Statutory body under an Act of Parliament

(Under the jurisdiction of Ministry of Corporate Affairs)

INITIATIVES OF CHAPTERS

AGRA

Agra Chapter has organized two Webinar on Theme “Code for Charity Governance” on 1st October 2020 on the occasion on ICSI Foundation Day and “Market Analysis and Stakeholders Protection” on 10th October 2020. Agra Chapter has renewed MoU agreement of ICSI Study Centre at Mathura. Further Agra Chapter contacted universities under Agra Jurisdiction for Academic Collaborations of ICSI.

AJMER

Ajmer Chapter organised Webinar for members on the theme “FINANCIAL PLANNING-A COMPLETE GUIDE TO KICKSTART IN 2020” on 29th September 2020. The Chief guest was CA T.C. Baphna, President- JCAF Navi Mumbai and Guest of Honour was CS Nagendra D Rao, Vice President -ICSI. The Guest Speaker was CA Vikas Jain, Member-Regional Council Member (WIRC of ICAI)

ALWAR

1. On 21st Sept.,2020 -1st Academic Collaboration was done between ICSI and Lords University at Alwar. CS Suresh Pandey , Chairman of NIRC of ICSI was the authorised signatory on behalf of the institute ICSI and Prof. (Dr.) Pankaj Arora, Registrar of Lords University was the authorised signatory on behalf of the Lords University.

2. On 1st October,2020 - 2nd Academic Collaboration was done between ICSI and University of Technology at Jaipur. CS Suresh Pandey , Chairman of NIRC of ICSI was the authorised signatory on behalf of the institute ICSI. and Dr. Anshu Surana, President of University of Technology was the authorised signatory on behalf of the University of Technology.

AMRITSAR

Amritsar Chapter organised session on zumba training on 52nd Foundation Day of ICSI. Office was decorated with blue lights on the eve of Foundation Day. Motivating students to participate in GK Quiz 2020.

BAREILLY

A delegation of Managing Committee members of Bareilly Chapter of NIRC-ICSI met Dr. YDS Arya, Vice-Chancellor, Invertis University on 13th October 2020 and also gave representation on the matter of Academic Collaboration of ICSI with Universities. On 17th October 2020 one more delegation from Bareilly Chapter of NIRC-ICSI met Prof. P. B. Singh (Dear, HOD Management) and other officials of MJP Rohilkhand University and gave representation on Academic Collaboration of ICSI with Universities and also discussed about Recognition of CS Course for admission to PhD.

BHILWARA

Bhilwara Chapter of NIRC of ICSI Celebrated 52nd Foundation Day of ICSI and organised Zumbathon and Greenathon (Plantation Drive) for Members and Students. Bhilwara Chapter also organised webinar on the topic “Companies (Amendment) Act, 2020” on 15th October, 2020. The Chief Guest of Programme was Shri U. S. Patole, ROC-cum-OI, Jaipur and Eminent Speaker was CS Deepak Jain, Foundr Vijayash Foundation-Inspiring Life. Chapter Managing Committee has visited University under their jurisdiction for Academic Collaboration (MOU). Bhilwara Chapter is providing all necessary information to the students and the Members on regular basis.

BIKANER

Bikaner Chapter celebrated 52nd foundation day of ICSI and organised Zumbathon.

CHANDIGARH

- (a) 52nd Foundation Day of ICSI Celebrations Fit India – Fit ICSI: Zumbathon webinar was conducted on the occasion.
- (b) Chandigarh Chapter has conducted its 6th Webinar on “ICSI- Auditing Standards” in which Sh. K.S. Narasimha Prasad, IAAS, Dy. Accountant General (Audit), Haryana was the Chief Guest , CS Vineet Choudhary, Council Member, ICSI Eminent Speaker.
- (c) Chandigarh Chapter has Conducted 7th Online CAP Programme of FY 2020 through Google Meet at Sri Guru Teg Bahadur Khalsa College Sri Anandpur Sahib Distt-Ropar in which more then 120 students of B.com & Mcom students has participated.

FARIDABAD

- 1) CS Executive Module-1 Batch started from 14th October, 2020 for June2021 Session
- 2) On the Occasion of 52nd Foundation Day Celebration of ICSI, Management Committee of Faridabad Chapter Visited the Sarpanch of Various Gram and Briefed Model Governance Code for Meetings of Gram on Panchayat and distribute the ICSI publication on Model Governance Code for Meeting of Gram Panchayat on 03.10.2020
- 3) Fit India- Fit ICSI- Zumbathon organised by FBD-ICSI on 03.10.2020

GHAZIABAD

1. Ghaziabad Chapter celebrated 52nd Foundation Day of ICSI by conducting webinar on Sprawling Governance in Grassroots by CS Amit Gupta. Also, keeping in the mind the motto of ICSI “FIT INDIA-FIT ICSI” which also is necessary in currently ongoing global pandemic, Zumbathon had been conducted through online mode.
2. Ghaziabad Chapter of NIRC of ICSI organized a Webinar on the theme “Opportunity for CS in Cyber Law” on Monday, September 28, 2020. As the topic was relevant to the current scenario, all the participants took keen interest during the whole session.

3. Ghaziabad Chapter of NIRC of ICSI organized a Webinar on “MODES OF RECOVERY UNDER VARIOUS LAWS VIZ-A-VIZ PROFESSIONAL OPPORTUNITIES” on Friday, October 16, 2020. CS Awanish Srivastava was the Eminent Speaker
4. Ghaziabad Chapter released its 17th Monthly Newsletter for members and students and also invited Articles and Write-ups for our Chapters forthcoming monthly e-Newsletter.
5. We have running successfully our OT Classes by Online Mode.
6. We are encouraging members to take CSBF Membership of our Institute.

GORAKHPUR

Gorakhpur Chapter of NIRC of ICSI organised a Webinar on “Sprawling Governance in Grassroots” on Friday, October 02, 2020 on the occasion of 52nd Foundation Day of ICSI. Gorakhpur Chapter also organised Fit India - Fit ICSI Zumbathon on Saturday, October 3, 2020 to promote a heightened sensitization towards good health. The Guest of Honour of the Programme was CS Suresh Pandey, Chairman, NIRC of ICSI.

On the occasion of 52nd Foundation Day of ICSI, CS Ragini Gupta, Chairperson, Gorakhpur Chapter, met with Gram Pradhan of Maniram Gram Panchayat in Gorakhpur district on 03 October 2020 and presented “Model Governance Code for Gram Panchayat” published by the Institute. We also provided detailed information on various topics related to the governance code.

On 3rd October 2020 only, We met Shri Ramakrishna Mani, Director, Samadhan Welfare Foundation, A Renowned NGO at Gorakhpur and presented “Code for Charity Governance” published by the institute and discussed various related topics.

On the occasion of 52nd Foundation Day of ICSI on 4th October, 2020, Gorakhpur Chapter premises was decorated with Jhalar lights and balloons.

Gorakhpur Chapter of NIRC of ICSI conducted a Webinar on “NCLT: Procedural and Practical Aspects” on 10th October 2020. The Chief Guest of the programme was Shri Sanjay Rai, State Spokesperson and State Head – IT, BJP, Uttar Pradesh and the Guest of Honour was CS

Initiatives of Chapters of NIRC of ICSI

Praveen Soni, Central Council Member, ICSI. The Special Guest of the Programme was CS Vimal Gupta, Vice Chairman, NIRC of ICSI. The Keynote Speaker of the Programme was CS Himanshu Harbola, Regional Council Member, NIRC of ICSI. He shared his valuable ideas and thought along with the detailed knowledge about the various aspects of NCLT.

GURUGRAM

1. Webinar on Trust, Society, Section 8 company: Sec 12A & 80G Registration – Role of CS on 19.09.2020
2. Webinar on LODR on 25.09.2020
3. Webinar on Code for Charity Governance on 02.10.2020
4. Webinar on Zumbathon on 03.10.2020
5. Webinar on NCLT Practice & How to overcome the challenges faced by Professionals during Covid-19 on 08.10.2020
6. Webinar on Critical Issues in GST Annual Return 2018-19 on 13.10.2020

JAIPUR

Jaipur Chapter has organised 3 webinars in the month of Oct, 2020. The Chapter also published its Oct 2020 issue of "Jaipur Chapter's E-Newsletter". Jaipur Chapter has organised FIT India- Fit ICSI:- ZUBATHON on 3rd Oct, 2020 and one webinar on Governance:- Grassroots to Global on the Occasion of 52nd Foundation Day of ICSI. Jaipur Chapter also organised 20th & 21st Webinar on 9th & 16th Oct, 2020 respectively. Chief Guest was Shri U S Patole (ROC), Jaipur & Shri Ram Charan Bhora (Member of Parliament)

JALANDHAR

Jalandhar Chapter organised session on Fit India-Fit ICSI: Zumbathon on 03.10.2020 on the occasion of 52nd Foundation Day of ICSI. Office was decorated with blue lights on the eve of Foundation Day. Academic collaboration with GNA University on 19.10.2020 and also lined up with LPU and IKPTU. Motivating students to participate in GK Quiz 2020.

JAMMU

Jammu Chapter is in talks with Jammu University and Education state board of Jammu and Kashmir for Academic collaboration.

JODHPUR

ICSI 52nd Foundation Day Celebration on 03rd & 04th October, 2020 Career Awareness Program at LBN School, Jodhpur

KANPUR

Kanpur Chapter of NIRC of ICSI organised a Webinar on the Topic "Charity Governance" on 2nd October, 2020. Ms. Garima Chaudhary, Additional Commissioner, Income Tax (Corporate) Kanpur was the Chief Guest on the occasion and Shri Rakesh Pandey, CEO-Shramik Bharti was the Guest of Honour.

Kanpur Chapter of NIRC of ICSI organised a Webinar on the Topic "Fit India- Fit ICSI" on 3rd October, 2020. Dr. Praveen Katiyar Ex. President, Indian Medical Association, Kanpur was the Chief Guest and CS Vineet Chaudhary, Central Council member of ICSI was the Guest of Honour. CS Suresh Pandey, Chairman, NIRC-ICSI was the Special Guest. CS Vinay Shukla, and CS Monika Kohli, Regional Council Member of ICSI also shared their views. Kanpur Chapter of NIRC of ICSI celebrated ICSI 52nd Foundation Day on 4th October, 2020. CS Sudhir Kapoor, Registrar of Companies of Uttar Pradesh, as Chief Guest.

KARNAL

Karnal Chapter celebrated 52nd Foundation Day of ICSI by decorating the Chapter building in blue lights. Karnal Chapter conducted a webinar on 17th October 2020 on the theme "Revival of Company by NCLT-Section 252. The Chief Guest was CS Ranjeet Pandey, Immediate Past President, The ICSI and Guest of Honour was CS Suresh Pandey, Chairman, NIRC of ICSI.

KOTA

Kota chapter celebrated ICSI foundation day by decorating the Chapter building in blue lights as per direction received from HQ. Kota chapter propagated among various schools, colleges and students regarding Company Law quiz and General Knowledge Quiz. Kota chapter conducted 2 CAP this month

LUDHIANA

Ludhiana Chapter released 2nd edition of Quaterly E-Newsletter. Ludhiana Chapter organised Webinar on topic PAS-6 on 28th July 2020. In this Webinar, 1st E-Newsletter was

released by Chairman NIRC CS Suresh Pandey. On 18th Sept. 2020, The Chapter organised Teachers Conference, It Was Graced By Eminent Speaker And Educationist Chief Guest Dr. Sandhya Mehta Principal Gnitm, And Speak On New Education Policy, 2020. The Chapter also coordinating with various Universities for Collaboration with ICSI in Punjab/ Ludhiana. One (1) MOU signed successfully with GNA University, along with joint efforts of Jalndhar Chapter dated 19th Oct 2020, President CS Ashish Garg Grace The Occassion Along With Fellow In Council Vice President CS Nagendra D. Rao, CS Suresh Pandey, Chairman Nirc, CS Bhupesh Gupta Members Nirc From Punjab, Cs Vishal Soni Chairman Jal, CS Hardeep Singh Nijher, Chairman Ldh And Dr. S.K. Jena Director Student And Training & Eo CS Kushal Kumar Ldh.

MEERUT

1. Webinar on 03/09/2020 (IPR: Understanding the nuances of Trademarks, Patents, Copyright & Design Laws)
2. Online Teacher's Conference on 18/09/202- "Empowering Educators"- Career as Company Secretary.
3. Online Study Circle Meeting for CS Students on 24/09/2020 on the topic of ""Opportunities for Company Secretary under GST"" & Open Query Session.

MODINAGAR

Modinagar Chapter organised Two Online Study Circle Meeting; 1st On 06/09/2020 and 2nd on 13/09/2020

NOIDA

1. Total Twenty Five Webinars have been conducted so far with maximum participation from Members, adding five to previous count.
2. Four Online PDPs have been Conducted so far, adding two to previous count .
3. A Online Session on ICSI Foundation Day & Zumbathon was also organised.
4. An Online MSOP is Undergoing at Noida Chapter of NIRC of ICSI.

PANIPAT

Panipat Chapter organised Fit India-Fit ICSI Zumbathon on 52nd Foundation Day Celebration of ICSI.

52nd Foundation Day Celebration of ICSI:
SPRAWLING GOVERNANCE IN GRASSROOTS
Model Governance code for Meetings of GRAM PANCHAYATS

Chief Guest: Sh. Mahipal Dhanda, MLA, Panipat Rural

Guest of Honour: CS GS Sarin, Immediate Past Chairman, NIRC

Webinar: Topic: "HIGHLIGHTS OF COMPANIES (AMENDMENT) ACT, 2020 AND PRACTICAL ASPECTS OF CONDUCTING AGM'S DURING THE COVID SITUATION

Chief Guest: Dr. Raj Singh, Regional Director Northern Region , Ministry of Corporate Affairs, New Delhi
Guest of Honour: Sh Santosh Kumar, Registrar of Companies NCT of Delhi and Haryana, New Delhi

Special Guest- CS Suresh Pandey, Chairman, NIRC-ICSI

PRAYAGRAJ

Prayagraj Chapter Organised a Webinar on 1.10.2020 on Topic"Recent Amendments in GST & Opportunity for Company Secretaries",wherein Shri.Manoj Kr.Tripathi Deputy Commissioner SGST,Prayagraj graced the event as Chief Guest along with ShriMukesh Kr.Singh Deputy Commssioner GST SIB Range A Prayagraj as Guest of Honour , Shri.R.N.Verma Assistant Commissioner SGST Prayagraj as Special Guest,CS Amit Kumar Gupta as Special Invitee.

UDAIPUR

Udaipur Chapter taken following initiatives during the Month. Udaipur Chapter Celebrate 52nd Foundation Day of ICSI and organised Zumbathon on Dated 03.10.2020 collobration with Kathak Classes, Udaipur at 7.30 PM to 8.30 PM. Chapter Conduct Career Awarness Programme for Students. Chapter Managing Committee has visited University under their jurisdiction for Academic Collaboration (MOU). Udaipur Chapter is providing all necessary information to the students and the Members on regular basis.

VARANASI

Varanasi Chapter has annoned OTC Batch for Student.

The Chapter also met with the official of BHU with reference to Academic Collaboration.



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ATTENTION MEMBERS

NIRC of ICSI is pleased to share the Comprehensive list of tie ups with various Hospitals and Laboratories who have agreed to provide the Medical Facilities to ICSI Members on concessional charges for OPD treatments, IPD treatments and Diagnostic Tests.

Sr. No.	Name and Address of Hospital	Discount Allowed	Contact Person at Hospital (In case of any difficulty)	Remarks
1.	Fortis Healthcare Limited (Offer applicable for all 26 hospitals for fortis group across India)	OPD Services -20% Online Consultation-20% IPD Services - 10%	Mr. Tabish Cell no. 9811735642	Members are required to show their Identity Card issued by ICSI at billing counter/reception before registration and make request for discounted rates at registration counter. The Institute has moved over to Digilocker platform and I-card of members are also available there. The Members not having Identity Card issued by ICSI may use the ID card available on Digilocker.
2.	Max Hospital (Max Healthcare) (Offer applicable for all 7(seven) Hospitals of Max Healthcare in National Capital Region (NCR)	OPD Services -20% IPD Services - 10%	Mr. Abhilash Gaurav Cell no. 9911063557	
3.	Venkateshwar Hospital Sector 18, Dwarka, New Delhi -110075	OPD Services - 20% IPD Services - 15%	Mr. Deepak Kumar Jaiswal Cell no.: 8178894808 Mr. Rahul Gupta Cell no. 8826411919	
4.	Medeor Hospital (Offer applicable for all three units of Medeor Hospital situated at Qutab Institutional Area, New Delhi, Dwarka, New Delhi, IMT Manesar, Gurgaon Haryana)	OPD Services - 25% IPD Services - 15%	Mr. Deepak Ghildiyal Cell no. 9818156966	
5.	LHDM & Dr. Prem Hospital Pvt. Ltd. Panipat	OPD Services - 20% IPD Services - 20%	Mr. Rohit Pannu Cell No. 8685047942	
6.	Park Group of Hospitals (Offer applicable for all hospitals of Park Group of Hospitals across India)	OPD Services -50% IPD Services -20%	Mr. Raviraj Nandan Cell : 8860944023	
7.	SRL Dignostic Lab (Offer applicable for all Laboratory of SRL Diagnostic across India)	21% Discount on all Routine and Specialized Tests	Ms. Ashita Arora Cell : 9582931550	
8.	Dr. Lal PathLabs Ltd. (Offer applicable for all Laboratory of Dr. Lal PathLabs Ltd.across India)	15% Discount on all Routine and Specialized Tests	Mr. Raman Surya Cell: 9205285331	

Please note that this facility of discounted rates would not be available in case of TPA or Insurance Claims and other empanelment.

The empanelment letters as received from aforesaid hospitals are placed at <https://www.icsi.edu/niro/medical-facility/> for ready reference of members.

◆◆ With Best Regards ◆◆

CS Suresh Pandey

Chairman, NIRC- ICSI

Mobile: 9868300649

Email: chairman.nirc@icsi.edu

**Fortis Healthcare Limited**

Corporate Office:

Tower A, Unitech Business Park,
Block - F, South City 1, Sector - 41,
Gurgaon, Haryana - 122001 (India)

Tel : 0124 492 1021

Fax : 0124 492 1041

Ambulance : 105010

E-mail : contactus@fortishealthcare.comWebsite : www.fortishealthcare.com**Date: 21/07/2020**

To,
CS Suresh Pandey
Chairman-Northern India Regional Council
ICSI House
Plot No.4 Prasad Nagar Institutional Area
Near Rajendra Place
New Delhi - 110005

Dear Sir,

Greetings from Fortis Healthcare!

We thank you for choosing us as your preferred healthcare partner and giving us the opportunity to serve your members for their healthcare needs. Fortis understand that your members are most important asset of your institution and has designed an offer to appreciate and value the wellbeing of your members and their family.

As a valued partner to us, we are going the extra-mile in making you feel privileged with following benefits.

- Out Patient Consultations- 20%
- Out Patient Diagnostics- 20%
- Preventive Health check- 20%
- Inpatient Admissions- 10% (Applicable on Cash basis only, Excludes Drug, Consumables, Implants, & Packages)

We are extending exclusive discount on our services which can be availed at Myfortis App, Web Portal and as walk ins; Please use coupon code **FORTISMA20** to avail discounts on MyFortis App or on our Portal for all OPD Consultations.

1. Discounts agreed shall only be available to **ICSI** members and their Family through its hospitals which are detailed in **Annexure A** hereof.
2. Family Members consist of spouse/partner, children, parents, parents-in-law.
3. Members will be required to show their identity card at the time of billing to avail the discount. However, Family Members, if not accompanied with employee, can show the copy of identity card to avail the discount.
4. For all the facilities availed by **ICSI** members or their Family Members, **ICSI** members shall be liable to make the payments and avail the discounts thereof.

FORTIS HEALTHCARE LIMITED

Regd. Office: Fortis Hospital, Sector 62, Phase - VIII, Mohali - 160062
Tel: 0172-5096001, Fax: 0172 5096221, CIN: L85110PB1996PLC045933

5. The Discount offered herein will not be clubbed with the aforesaid offer and any other scheme/discounts.
6. Above offer will be applicable for a period of two years from 27/07/2020
7. Services are subjected to availability.
8. The above discount will not be valid on consumables, implants, drugs, Package Charges, telephone calls, Food & Beverages, Pharmacy, Ambulance Charges etc.
9. Hospitals will do the billing as per the prevailing tariff at the time of billing.
10. Fortis reserves the right to withdraw above mentioned discount at any time.
11. Letter shall be governed by the laws of India and court in Delhi shall have exclusive jurisdiction for any dispute arising out of or in connection with this letter.

Yours Truly,

For and on Behalf of The Institute of Company Secretaries of India

By: CS Suresh Pandey

Title: Chairman-Northern India Regional Council

Date:

**SURESH
PANDEY**

Digitally signed by SURESH PANDEY
DN: cn=SURESH PANDEY, c=IN,
st=Delhi, o=Personal,
serialNumber=b870fb608319ee1af3e1f
cd3bedd10b28b02d33fcfb3b496b41416
c9a575ee0a
Date: 2020.07.27 15:29:25 +05'30'

Accepted and Acknowledged On Behalf of Fortis Healthcare Pvt Ltd.

By: Ratheef Naik

Title: Head Credit Sales

Date: 21/07/2020



Annexure A

LIST OF FORTIS NETWORK HOSPITALS			
S.NO	HOSPITAL NAME	CITY	ADDRESS
1	FORTIS ESCORTS HEART INSTITUTE & RESEARCH CENTRE	NEW DELHI	OKHLA ROAD, NEW DELHI-110025
2	FORTIS FLT. LT. RAJAN DHALL HOSPITAL	NEW DELHI	SECTOR-B, POCKET-1, ARUNA ASAF ALI MARG, VASANT KUNJ
3	FORTIS HOSPITAL	NEW DELHI	A BLOCK, SHALIMAR BAGH, NEW DELHI-110088
4	FORTIS HOSPITAL	NOIDA	B-22, SECTOR-62, NOIDA, GAUTAM BUDH NAGAR,U.P
5	FORTIS ESCORTS HOSPITAL	FARIDABAD	NEELAM BATA ROAD, FARIDABAD, HARYANA – 121001
6	FORTIS MEMORIAL RESEARCH INSTITUTE	GURGAON	SECTOR-44, OPP HUDA CITY CENTRE, GURGAON, HARYANA
7	FORTIS ESCORTS HOSPITAL	JAIPUR	JAWAHARLAL NEHRU MARG, MALVIYA NAGAR, JAIPUR,
8	FORTIS HOSPITAL	MOHALI	SECTOR-62, PHASE-VIII, SAHIBZADA AJIT SINGH NAGAR, MOHALI,
9	FORTIS HOSPITAL	LUDHIANA	CHANDIGARH ROAD, LUDHIANA, PUNJAB-141015
10	FORTIS HOSPITAL	AMRITSAR	MAJITHA-VERKA BYPASS ROAD, AMRITSAR, PUNJAB-143004
11	FORTIS HOSPITAL	KOLKATA	730, ANANDPUR, E.M. BYPASS ROAD, KOLKATA, WEST BENGAL
12	FORTIS HOSPITAL & KIDNEY INSTITUTE	KOLKATA	111A, RASH BEHARI AVENUE, GARIAHAT, KOLKATA, WEST BENGAL
13	FORTIS MEDICAL CENTRE	KOLKATA	2/7, SARAT BOSE ROAD, KOLKATA, WEST BENGAL – 700020
14	FORTIS HOSPITAL	MUMBAI	MULUND GOREGAON LINK ROAD, MULUND-WEST, MUMBAI,
15	FORTIS HIRANANDANI HOSPITAL	MUMBAI	MINI SEA SHORE ROAD, SECTOR-10, VASHI, NAVI MUMBAI,
16	FORTIS HOSPITAL	MUMBAI	SHILL ROAD, BAIL BAZAR, KALYAN, MUMBAI, MAHARASHTRA
17	SL. RAHEJA HOSPITAL (FORTIS ASSOCIATE)	MUMBAI	RAHEJA RUGNALAYA MARG, MAHIM WEST, MUMBAI,
18	FORTIS HOSPITAL	BENGALURU	154/9, BANNERGHATTA ROAD, OPP IIM-B, BENGALURU,
19	FORTIS HOSPITAL	BENGALURU	14, CUNNINGHAM ROAD, BENGALURU, KARNATAKA-560052
20	FORTIS HOSPITAL	BENGALURU	23, 80FT ROAD, GURU KRUPA LAYOUT, NAGARBHAVI,
21	FORTIS HOSPITAL	BENGALURU	111, WEST OF CHORD ROAD, OPP RAJAJINAGAR BENGALURU,
22	FORTIS MALAR HOSPITAL	CHENNAI	52, 1ST MAIN ROAD, GANDHI NAGAR, ADYAR, CHENNAI,
23	FORTIS C-DOC, CHIRAG ENCLAVE	NEW DELHI	B-16 CHIRAG ENCLAVE, NEW DELHI -110048
24	LA FAMME GREATER KAILASH	NEW DELHI	S - 549 GREATER KAILASH - II, NEW DELHI – 110048
25	FORTIS HOSPITAL	CHENNAI	23/1,Arcot Road, Vadapalani, Chennai - 600026
26	LA FAMME BENGALURU	BENGALURU	NO. 62, RICHMOND ROAD, BEHIND SACRED HEART CHURCH, ENTRY FROM MOTHER TERESA ROAD, BENGALURU

- Services are subject to availability



Brief Profile of Max Healthcare

Max Healthcare is the country's leading comprehensive provider of standardized, seamless and international-class healthcare services. It is committed to the highest standards of medical and service excellence, patient care, scientific and medical education.

Max Healthcare has 12 facilities in North India, offering services in over 32 medical disciplines. Of this 9 facilities are located in Delhi & NCR and the others in Mohali, Bathinda and Dehradun. These include state-of-the-art tertiary care hospitals in Saket, Patparganj, Shalimar Bagh, Mohali, Bathinda and Dehradun, secondary care hospitals at Gurgaon, Pitampura and Noida and an out-patient facility and speciality centre at Panchsheel Park. The 12 hospitals together have over 2000 beds.

The tertiary care hospitals at Saket, Patparganj and Shalimar Bagh are centres of excellence for Cardiac Care, Minimal Access, Metabolic & Bariatric Surgery, Cancer Care, Orthopaedics & Joint Replacement, Neurosciences, Paediatrics, Obstetrics & Gynaecology, Aesthetic & Reconstructive Plastic Surgery and Internal Medicine. In addition, they offer services in the disciplines of Urology, ENT, Gastroenterology, Nephrology, Dermatology, Mental Health & Behavioural Sciences amongst others.

The Super Speciality Hospitals in Mohali and Bathinda are under PPP arrangement with the Government of Punjab and have tertiary care facilities in cancer care, cardiac care, neurology, orthopedics and trauma. The recently launched Super Speciality Hospital in Dehradun is the latest addition to the Max Healthcare network and offers comprehensive tertiary, secondary and primary care services.

Our most recent launch in Greater Noida, is a 100 bedded multi speciality hospital offering all major medical disciplines like Orthopaedics, General Surgery, Obstetrics & Gynaecology, Paediatrics, Gastroenterology, ENT, Emergency & Trauma and other support specialties.

Max Healthcare also pioneers in introducing technology to better the medical care offered to patients. Be it the first Brain Suite in Asia or the Electronic Health Record System, Max Healthcare utilizes the latest medical technology. The hospitals house the most advanced medical equipment like state-of-the-art Cath labs, OTs with HEPA, Nuclear Medicine, Gama Camera, LINAC for Radiotherapy and MRI and CT scan machines.

Max Healthcare has over 1,600 leading doctors, 9000 employees and has treated over 13,000,000 patients from over 80 countries.

Emergency Services:

We have a state of the art Emergency Response and Management Systems consisting of world-class communication infrastructure as well as a fleet of Advanced Cardiac Life Support Ambulances. The emphasis is on quick and safe evacuation. The control of the ambulance fleet is centralized at the Emergency Base station. Ambulances will be dispatched from the nearest Max Healthcare facility, thus cutting down the response time taken in reaching the patient.

To ensure highest quality of services, the ambulance fleet has the latest equipment and is manned by a highly trained crew. For any emergency services, you may call **011- 4055- 4055**, which is our centralized emergency number. Our motto is '**Seconds Save Lives**'

We look forward in being a partner to your organization in providing the best healthcare services & being your preferred destination for quality healthcare.

Max Healthcare Locations:

1. Max Super Speciality Hospital (West Block), Saket
1, Press Enclave Road, Saket, New Delhi- 110017
Phone: 91-11-6611 5050
Fax : 91-11-66115077

2. Max Super Speciality Hospital (East Block), Saket
2, Press Enclave Road, Saket, New Delhi- 110017
Phone: +91-11-2651 5050
Fax : +91-11-2651 0050

- 1. Max Super Speciality Hospital, Vaishali**
(A unit of Crosslay Remedies Ltd.)
W-3, Sector-1, Vaishali, Ghaziabad-201012 U.P.
Phone: +91 1204188000, 4173000

- 2. Max Super Speciality Hospital, Patparganj**
108 A, Indraprastha Extension, Patparganj, New Delhi- 110092
Phone : +91-11-4303 3333
Fax : + 91-11-4303 3333
Fax : +91-11-2223 5563

- 3. Max Hospital, Gurgaon**
B- Block, Sushant Lok – 1, Gurgaon – 122001
Phone: +91-124-6623 000
Fax: +91-124-6623 111

- 4. Max Multi Specialty Centre, Panchsheel Park**
N-110, Panchsheel Park, New Delhi- 110017
Phone: +91-11-2649 9870
Fax: +91-11-2649 9860

- 5. Max Super Speciality Hospital, Shalimar Bagh**
FC-50, C&D Block, Shalimar Bagh, New Delhi- 110088
Phone: +91-11-4978 2222, 6642 2222
Fax: +91-11-4978 233

- **Emergency Helpline No- 011-40554055**
- **For Appointments please call – 8860444888, or visit us at www.maxhealthcare.in**
- **Home Healthcare Services – 011-47326969**



011-48-555-555
Sector 18A, Dwarka, New Delhi-110075
info@venkateshwarhospitals.com
www.venkateshwarhospitals.com

July 25, 2020

The Chairman,
Mr. C. S. Suresh Pandey,
Northern India Regional Council,
ICSI House,
Plot No-4 Prasad Nagar,
Institutional Area,
Near Rajendra Place,
New Delhi-110005

Sub: Empanelment of Venkateshwar Hospital, Sector 18 A, Dwarka New Delhi

Dear Sir,

Warm Greetings from Venkateshwar Hospital!

We take the opportunity and pleasure to introduce to you, the healthcare facilities of "Venkateshwar Hospital".

Venkateshwar Hospitals is a group of Healthcare Institutions that integrates Hospital care with research and education. Leading the way in the education sector since long, this is another initiative that envisions of great medical facilities with uncompromised care and above par excellence.

Venkateshwar Hospital is an establishment of Venkateshwar Group having **325 beds located in the heart of Dwarka Sub city**. Venkateshwar Hospital brings to the table a unique combination of the most qualified doctors and best in class technology. The main motive at Venkateshwar Hospital is to ensure world-class health care to all our patients. With our proficiency in **34 specialties**, we boast of the best infrastructure and medical facilities aided by **325 beds, 100 Critical Care beds and 10 Modular OTs**.

In our endeavor to provide best quality healthcare, Venkateshwar Hospital is having the under mentioned Centers of Excellence & Specialities:

OUR CENTRES OF EXCELLENCE:

- ❖ Medical Oncology & Bone Marrow Transplant
- ❖ Radiation Oncology
- ❖ Surgical Oncology
- ❖ Interventional Cardiology
- ❖ Cardio Thoracic & Vascular Surgery
- ❖ Urology & Renal Transplant
- ❖ Orthopedics & Joint Replacement
- ❖ Neurology & Paediatric Neurology

Accredited by NABH & NABL

- ❖ Neuro Surgery
- ❖ GI Surgery & Liver Transplant
- ❖ Critical Care
- ❖ Pulmonology & Sleep Medicine

OUR SPECIALITIES:

- ❖ Anesthesia
- ❖ Bariatric & Weight Loss Surgery
- ❖ Clinical Psychology
- ❖ Dental
- ❖ Dermatology & Aesthetics
- ❖ Dietetics & Nutrition
- ❖ Diabetes, Endocrinology & Metabolic Disorder
- ❖ ENT & Cochlear Implant
- ❖ Fetal Medicine
- ❖ General & Laparoscopic Surgery
- ❖ Internal Medicine
- ❖ IVF & Infertility
- ❖ Pediatrics & Neonatology
- ❖ Nuclear Medicine
- ❖ Ophthalmology
- ❖ Obstetrics & Gynecology
- ❖ Plastic, Reconstructive & Cosmetic Surgery
- ❖ Physiotherapy
- ❖ Pain Management
- ❖ Rheumatology

OUR SERVICES:

- ❖ Radiology & Imaging
- ❖ Laboratory Services
- ❖ Nuclear Lab
- ❖ Blood Bank
- ❖ Emergency & Trauma
- ❖ Non Invasive Cardiac Lab
- ❖ 24 X 7 Pharmacy
- ❖ Ambulance Services
- ❖ Dialysis

OUR TECHNOLOGY:

- ❖ 3 Tesla MRI from Philips
- ❖ Gamma Camera/SPECT from Wipro GE

- ❖ 256 Slice CT from Philips
- ❖ PET CT from Wipro GE
- ❖ Linear Accelerator from Elektra
- ❖ HDR Brachytherapy from Elektra
- ❖ Holter from Philips
- ❖ Interventional Cath Lab from Philips
- ❖ Heart & Lung Machine from Macquet

Venkateshwar Hospital is amongst the top five hospitals in NCR where the Cardiac Surgery department is equipped with the latest and state of art Heart & Lung Machine, Extra – corporal Membrane Oxygenation (ECMO) and Endovascular Laser for varicose veins.

Venkateshwar Hospital is the only corporate hospital in Delhi which offers comprehensive cancer care with state of art technology viz. Linear Accelerator with High Dose Rate (FFF beam), 6D Couch Technology and HDR Brachytherapy for fast and accurate delivery of treatment of cancer. Through this letter, we request a formal empanelment with your esteemed organization. As our valued patron you will be offered the following benefits:

We would like to offer 20% Discount on OPD on cash basis on Hospital Tariff 20-21 & 15% Discount on IPD Treatment on present Tariff (Attached) Except packages, drugs, consumables and implants on excluding outsourced services on credit basis for your Employees, Students , Members and their Dependants.

We would like to work with your organization and extend our state-of-the-art healthcare facilities to your beneficiaries. For any query please mail at deepak.jaiswal@venkateshwarhospitals.com and Contact 8178894808 / 8826411919.

With kind regards

For Venkateshwar Hospital


Deepak Kumar Jaiswal
AGM-Sales

**SURESH
PANDEY**

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KIND ATTENTION: MR. C.S. SURESH PANDEY

Partners in health

Chairman (NIRC)
The Institute of Company Secretaries of India (ICSI)
Plot -4, Prasad Nagar Institutional Area
Near Rajendra Place, New Delhi-110005

Dated 25/07/2020

SUB: - Empanelment to Provide Medical Services to the beneficiary of Institute of Company Secretaries of India (ICSI)

Dear Sir,

We are pleased to be appointed as the panel of your esteemed organization for providing medical treatment facilities to ICSI employee, dependents, members "Hereinafter referred to as ICSI Beneficiary" for OPD and IPD treatment on the cash basis through our chain of hospitals being operated in the name of "Medeor Hospital" situated at Qutab Institutional Area, Dwarka Hospital, Delhi and at Manesar, Haryana. ("Medeor Hospitals")

We are also pleased to offer the below mentioned discount on the existing tariffs to the ICSI Beneficiary in providing quality healthcare treatment at Medeor Hospitals.

Services	Discount Offer (%)
OPD	25% Excluding Outsourced Investigation (current SOC)
IPD	15% Excluding Drugs, Consumables Implants and Packages (Current SOC)

The above mention discounts shall be extended on exhibition of ICSI employee, dependents, members, valid Identifications Proof. Medeor reserves the right to confirm completion of identification process at its sole discretion. We further reserve our right to change/ modify the existing tariff in the future at our own discretion.

We are looking forward to commence an everlasting relationship with your esteemed organisation.

Kindly acknowledge the contents of this letter as a token of your acceptance.

**For and on behalf of Medeor Hospital Limited
(Formerly known as Rockland Hospitals Limited)**

Dhilaver T.E
Director

**SURESH
PANDEY**

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Date: 2020.07.27 15:26:16 +05'30'

Medeor Hospital Limited
(Formerly known as Rockland Hospitals Limited)

CIN: U85110DL2004PLC128077

Qutab- B-33-34, Qutab Institutional Area, New Delhi 110016 (Registered Office)

Tel: +91 11 41 222 222 Email: info@medeor.in

Dwarka- HAF-B, Phase 1, Sector 12, Dwarka, New Delhi 110075 Tel: +91 11 48 222 222

www.medeor.in



NABH ACCREDITED HOSPITAL
LHDM & DR. PREM HOSPITAL PVT. LTD.

Bishan Saroop Colony, Opp. Bus Stand, Panipat

M. : 82953-00191 Ph. : 0180- 2635900

E-mail:- admin@drpremhospital.com, web:- www.drpremhospital.com

CIN NO: U8510HR1998PT0030381

Mark of Excellence



Reg.No. H-2016-0379

Safe - I

Date: 13.08.2020

TO,

Mr. CS Suresh Pandey
Chairman
Northern India Regional Office of ICSI

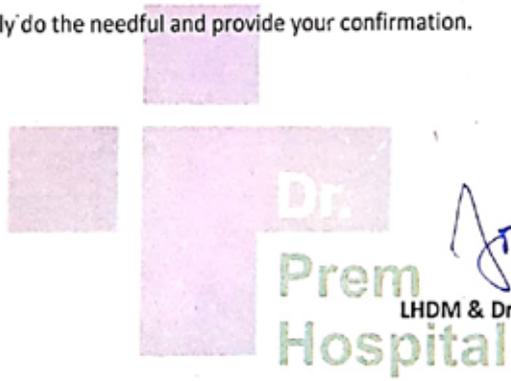
Sub: Letter of Interest for Empanelment with The Institute of Company Secretaries of India

Dear Sir,

As regards to our previous communication, We would like to accept your proposal of the finalized rates after mutual discussion. It would be our pleasure to be associated with ICSI and here is hoping for a long and fruitful association.

The tariff list is already shared with 20% discount on OPD and IPD treatment.

We request you to kindly do the needful and provide your confirmation.



Regards'

Dr. Pankaj Mutneja
Director
LHDM & Dr. Prem Hospital Pvt. Ltd.

**SURESH
PANDEY**

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OPD: 10:00 a.m. To 2:00 p.m.
Out-patient: 5:00 p.m. To 7:00 p.m.
Emergency 24 Hours

Not For Medicolegal Purpose

OTHER SERVICES:



Emergency Services **082953-00191**

Fully Equipped ICU's OT's with Laminar flow, Fully Air-Conditioned Unit with 24 Hrs In house Radiology, (Ultra Radiation Low Dose 16 Slice MDCT, 1.5 Tesla MRI), Laboratory, Blood Bank with Components, Cancer Clinic, Internal Pharmacy, Nuclear Medicine- Gamma Camera, Ridge Prem Facility & IVF Center & Ambulance Services with ample Parking Space,



PH/2020
31st August 2020

To,

CS Suresh Pandey,
Chairman,
Northern India Regional Office
Institute of Company Secretaries of India
New Delhi

Dear Sir,

Sub : Empanelment of Park Hospital

Greetings from Park Hospital!

Thank you very much for your email and it will be our pleasure to be associated with your esteemed organization. We will be glad to provide medical services to your members and their dependent family members at a very affordable price.

Given below is the discount we will offer to your members :

1. OPD - 50% discount
2. IPD - 20% discount

This discount is applicable to all our group hospitals located at Delhi, Gurgaon, Faridabad, Panipat, Karnal & Ambala.

Thanking you,

Yours Truly,
For Park Hospital

Rajesh Sharma
Director (Finance)



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WEST DELHI Meera Enclave (Chowkhandi), Outer Ring Rd., New Delhi

PARK CANCER HOSPITAL: Meera Enclave, New Delhi

SOUTH DELHI (Park Sunil Hospital) 15/199-200, Malviya Nagar, New Delhi

GURGAON Q-Block, South City-II, Main Sec-47, Gurgaon, Haryana

FARIDABAD J-Block, Sec-10, Opposite Court, Faridabad, Haryana

PANIPAT National Highway No.1, Village Siwah Panipat, Haryana

KARNAL CHD City, GT Karnal Road, Karnal, Haryana

PALWAL Banchari, Delhi Mathura Road, Haryana

Tel.: 011-45323232

Tel.: 011-28333311

Tel.: 011-41017444

Tel.: 0124-4900000

Tel.: 0129-4200000

Tel.: 0180-6600000

Tel.: 0184-6620000

Tel.: 7027017788

Email: info@parkhospital.in

Toll Free No.: 1800 102 6767

Website: www.parkhospital.in

For Medical Tourism Services

Contact: 1800 102 6767

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@parkgrouphos/



Date: 14th Sep, 2020

CS Suresh Pandey
Chairman
Northern India Regional Council of ICSI
New Delhi

Subject: Special offering from SRL

Greetings from SRL

We are pleased to introduce SRL Limited for your kind consideration.

Established in 1995, SRL is the leading diagnostics company in India with an impressive reach, providing superior quality diagnostics services to its customers via an efficient network of labs and collection points. The vision to create SRL Diagnostics was driven by the philosophy to provide high quality accurate tests/outcomes at affordable prices to the masses. SRL is known for high ethical standards synonymous with 'TRUST' and every constituent of 'Team SRL' follows an immaculate value system. SRL Diagnostics has 397 networking laboratories; 24 radiology/ imaging centres; 44 NABL and CAP-accredited labs; and a footprint spanning more than 6739 collection points. The company has large labs in Dubai and Nepal, and about 70 collection points in various countries outside India. The chain also has long standing partnerships with various state governments under the PPP model. The veritable pioneer of medical diagnostics in India, SRL Diagnostics is imbued with a mission to deliver Gold Standard Diagnostic Services, both in Laboratory Medicine and Radiology, including high-end Imaging Services. SRL continues revolutionising India's diagnostic services by introducing the most specialized technologies and innovative services. The brand has also recently bagged the prestigious 'Best brand in diagnostic services in pathology and radiology' award at The Economic Times Best Brands award- 2019.

Since preventive diagnostic is a key to a healthy tomorrow, SRL is a leader in preventive testing following are the reason for preventive testing:

- Early detection of Health risks associated with Erratic & stressful lifestyle
- Identify high risks associated with certain Hereditary diseases
- Detect co-existing diseases early
- Monitor the impact of medication & lifestyle modifications

In continuation to our endeavour to help understand the health issues, we would like to offer **FLAT 21% discount to ICSI Members, Employees, Students and Dependents on routine and specialized test from SRL.**

Warm Regards,


Vikram Ahluwalia
Director Marketing – SRL Diagnostics

**SURESH
PANDEY**

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Date: 2020.09.14 12:08:55 +05'30'



To,
CS Suresh Pandey (Chairman)
Norther India Regional Council of ICSI
New Delhi-110075,

Date 15.09.2020

Subject: Empanelment with Institute of Company Secretaries of India (ICSI) on PAN India Network for Pathology Services and on DNCR Network for Radiology Services.

Dear Sir,

Thank you very much for choosing Dr Lal PathLabs Limited as your preferred diagnostic / Wellness. we take this opportunity to introduce our organization "Dr Lal PathLabs Limited" as India's pioneer medical diagnostic lab, widely acknowledged for excellent track record of providing medical diagnostic services for over 65 years

Introduction:

Dr Lal Path Labs runs Asia's biggest National Reference Lab (NRL) testing more than 10,000 patients' samples every day at New Delhi. LPL runs another 100 state-of-the-art satellite laboratories, 75 Patient Service Centers (PSC) and about 15 00 collection centers (CC) all over India and overseas. LPL tests a total of more than 22,000 patients daily all over the country from India's largest test menu of more than 3,000 tests and panels.

Quality:

We have the distinction of being the highest accredited laboratory in India viz.

- National Board of Accreditation for Testing and Calibration Laboratories (NABL),
- College of American Pathologists (CAP) and
- ISO 9001:2000.

Human Resources:

To operate its state of the art instruments and carry out sophisticated tests LPL has a highly qualified, efficient, knowledgeable and a dedicated team of around 70 Pathologists, 30 Ph.D/ M.Sc scientists and 1300 support personnel.

Wide Test Menu:

Today our Lab offers 1650 different test and panels in the disciplines of Molecular Diagnostics, Biophysics, Virology, Flowcytometry, Immunophenotyping, Cytogenetics, Endocrinology, genetics, Nutrition & Metabolism, Oncology, Toxicology, Immunochemistry, Infectious Diseases, Biochemistry, Haematology, Histopathology and Cytology- it has the distinction of offering the widest range of testing parameters available under one roof in India. Over the years the pioneering efforts of LPL have resulted in bringing newer test and cutting edge technologies to India.

Information Technology Platform:

LPL is the first to use latest "Ultra" top of the line Laboratory Information management Software (LIMS). This software has the unique ability of performing the test through barcode reading of a unique ID/ Lab number affixed on the vaccutainer containing patients samples, enabling a completely hands off, on line automated testing and reporting process.



Transport of Samples:

LPL has special transport boxes for transporting samples. These boxes are airtight, contain gel packs maintaining a temperature of 2-8 degree centigrade even when the outside temperature is 40-45 degree centigrade for as long as 48 hours.

Government Recognition:

Dr. Lal PathLabs Limited is a C.G.H.S approved Laboratory and also serves many Ministries & Delhi Government Employees it is also the nodal lab for the patients referred by ECHS by the Defense Services. It is also first laboratory in India that was selected by any state government to form a Public Private Partnership (PPP).

Corporate Tie ups:

We are serving to healthcare needs of large number of companies including Public Sector Undertakings, Banks, CGHS, ECHS, Software Companies, Hotel Industry, Pharmaceutical Companies, and Automotive Companies.

Proposal:

We are pleased to inform you that upon confirmation from "ICSI" "Dr Lal PathLabs Limited" shall offer, "15% Cash Rate discount for all the members of ICSI and their dependents on PAN India network of Dr. Lal Path Labs Limited for Pathology Services & on DNCR Network for Radiology Services.

The terms & conditions applicable for the above offer are as follows:

- Identification: The employee shall come with valid Employee ID/Referral letter/Office ID proof. For dependent relation proof will be required.
- Checkups can be done at our Pan India Company owned Satellite Lab's and PSC's as per list attached.
- Employee can avail home collection service by paying Rs.150 extra/per visit (DNCR Only).
- Payment: Payment shall be made by employee at the time registration.
- Discount cannot be applicable on CNI Investigations, Packages & Net rates
- Validity of Contract: The above relationship is valid till 31.03.2022

Assuring you the best of services at all times

Should you require any assistance kindly contact to Mr. Raman Surya on Mobile: -9205285331 & Email-raman.surya@lalpathlabs.com

Thanks & Regards
For Dr Lal PathLabs Limited



**SURESH
PANDEY**

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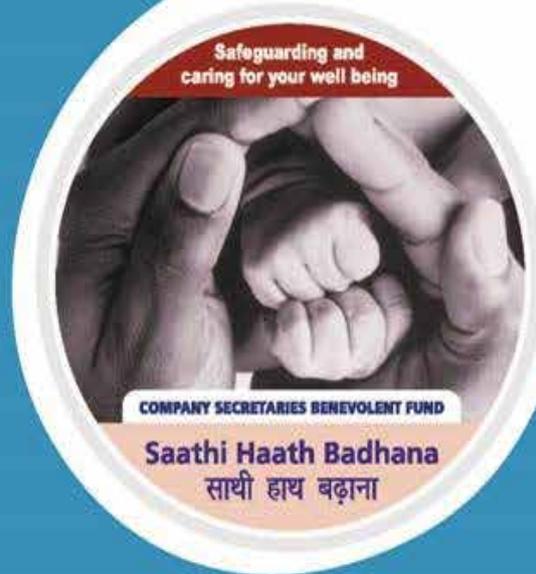
**THE INSTITUTE OF
Company Secretaries of India**

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)

CSBF

**COMPANY SECRETARIES
BENEVOLENT FUND**



What exactly is CSBF?

The Company Secretaries Benevolent Fund (CSBF) is a Society registered under the Societies Registration Act, 1860 and is recognized under Section 12A of the Income Tax Act, 1961.

The CSBF was established in the year 1976 by the ICSI, for creating a security umbrella for the Company Secretaries and/or their dependent family members in distress.

The amount of ₹ 7,50,000 (in the case of death of a member under the age of 60 years) has been increased to ₹ 10,00,000

The subscription amount is being increased from ₹ 10,000 to ₹ 12,500 soon

Is it the right time to enrol in CSBF?

CSBF is the protection you and your family need to survive the many ups and downs in life, be it a serious illness or a road accident which derails your plans for the future.

Is it a requirement?

Yes, as your dependents need the protection. Your dependents be it your parents, your spouse, or your children will have to bear the brunt of paying off your home/education personal loans and even for managing day-to-day expenses without your contribution.

If you do not want to leave behind such a situation in your absence, enrol in CSBF today.

Advantages of enrolling into CSBF

1

To ensure that your immediate family has some financial support in the event of your unfortunate demise

2

To finance your children's education and other needs

3

To ensure that you have extra resource during serious illness or accident

4

Subscription/Contribution to CSBF qualifies for deduction under Section 80G of the Income Tax Act, 1961

Become a proud Member of CSBF by making a one-time online subscription of ₹ 10,000/- (to be changed soon) through Institute's web portal (www.icsi.edu) along with Form 'A' available at link <https://www.icsi.edu/csbf/home> duly filled and signed.

Decide Now! Decide Wise!

VISION

"To be a global leader in promoting good corporate governance"

ICSI Motto

सत्यं धर्मं धर। *upside the track aside by the best*

MISSION

"To develop high calibre professionals facilitating good corporate governance"