

CHARTERED SECRETARY

THE JOURNAL FOR CORPORATE PROFESSIONALS



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

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I AM THE CONSCIENCE KEEPER OF A COMPANY.

Over one million companies in the country are custodians of huge resources of the society and public. They drive the growth of the economy. It is, therefore, imperative that their operations should be so carried out that they exist forever to contribute to prosperity of the society and the economy even as they balance the interests of various stakeholders. This requires care for and adherence to law and justice, ethics, compliance, governance, risk management, conflict resolution etc. A Company Secretary, who is a regulated professional, ensures just that.

**I am a member of ICSI.
Only I do what I do.**



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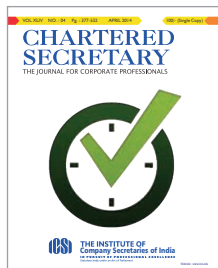


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- 01 >> SIRC – Coimbatore Chapter – 16th Residential Programme - R Sridharan addressing. Others sitting from left: R Dhanasekaran, Chief Guest K Krishnakumar (Chairman, Sree Saradhambal Automobiles (P) Ltd. (groups)) and S Venkatesh.
- 03 >> WIRC – Ahmedabad Chapter - Two days Residential Seminar on Value Creation through Governance - Sitting on the dais from Left: Rajesh Tarpara, M S Sahoo, R Sridharan and Umesh Ved.
- 05 >> President's Meeting with Chairmen under SIRC – On the dais from Left: M S Sahoo, Vikas Y Khare, R Sridharan, Sudhir Babu C and Sutanu Sinha.

- 02 >> SIRC – Calicut Chapter – 10th Residential Programme on The Companies Act, 2013 – R Sridharan addressing. Others sitting on the dais from Left: A M Ashique, Dr. Baiju Ramachandran and Sheeba Nair.
- 04 >> SIRC - Mysore Chapter – Two day Seminar – Inauguration – R Sridharan lighting the lamp to mark the inauguration. Others standing from Left: Chief Guest Srikantha (MD, Mysore Polymers Ltd.), Dr. Baiju Ramachandran, Ragavendra and Ajay B Madaiah.
- 06 >> President's Meeting with Chairmen under WIRC - On the dais from Left: Ragini Chokshi, R Sridharan and Vikas Y Khare.



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07 >> EIRC – President's Meeting - R Sridharan addressing. Others sitting on the dais from Left: Arun Kumar Khandelia, Ashok K Pareek, Vikas Y Khare, Anil Murarka and Sutanu Sinha.

09 >> EIRC – NE Chapter – Study Circle Meeting on Merger, Amalgamation, Operation, Mismanagement and class Action Suit under the Companies Act, 2013 - On the dais from Left: Neha Qureshi, Sunita Mohanty, Alka Kapoor, Vikas Y Khare, R Sridharan, Pankaj Jain, Arun Khandelia and Anjan Kumar Roy.

11 >> WIRC – Indore Chapter – Programme titled 'Master Class on the Companies Act, 2013' - Ritesh Gupta addressing. Others sitting on the dais from Left: Ashish Garodia, Ashish Garg, Dr. K R Chandratre, Makarand Lele, Amit Jain and Priti Kumath.

08 >> SIRC – Madurai Chapter – First Students' Conference on Transformation of Company Secretaries to Governance Professionals –Release of Souvenir - On the dais from left: Paramasivan S, R Sridharan, Kumararajan S, Bapulal R K and Rajavel P.

10 >> NIRC – Chandigarh Chapter – President's Meeting – Group photo of President and Vice President with Managing Committee Members and Officials of the Chapter.

12 >> First Meeting of the reconstituted Secretarial Standards Board-2014 - Chaired by Pavan Kumar Vijay. Others sitting from Left: Anil Murarka, Sanjay Grover, Dr. Sanjeevan Bajaj (Nominee-FICCI), Jagannadha Rao C V, Suresh Krishnan, Dr. Sanjiv Agarwal, V Ahalada Rao, Gopal Chalam, Narayan Shankar, Lalit Jain, Subhasis Mitra, Milind Kasodekar, S C Vasudeva and Priya P Iyer.





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- 13 >> Meeting of ICSI Delegation with Chitra Ramakrishna, MD & CEO, NSE Ltd.
- 15 >> Meeting of ICSI Delegation with U.K. Sinha, Chairman, SEBI.
- 17 >> Meeting of ICSI Delegation with Manoj Vaish, MD, MCX.
- 19 >> Meeting of ICSI Delegation with Gagan Rai, MD, NSDL – e Governance Infrastructure Ltd.

- 14 >> Meeting of ICSI Delegation with Ashishkumar Chauhan, MD & CEO, BSE Ltd.
- 16 >> Meeting of ICSI Delegation with Prashant Saran, Whole Time Member, SEBI.
- 18 >> Meeting of President and Officials of ICSI with Sandip Ghose, Director, NISM.
- 20 >> Group photo of ICSI Delegation with S.K. Roy, Chairman, LIC.



Articles [A 149-209]

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Essential Rules of Statutory Interpretation that every Company Secretary ought to know

P-386

Dr K R Chandratre

Company secretaries (those who are in employment and who are in practice as well) are often called upon to advise the company managements and invariably on each such occasion the company secretary is required to interpret a provision in a statute or rules, regulations. It is, therefore, not only desirable but rather essential that company secretaries possess sound knowledge of principles of interpretation of statutes as developed by the courts. Ample case is available on this subject and here is an attempt to capsule some of the key rules of statutory interpretation that every company secretary ought to know as it is my conviction that a company secretary who has a strong acumen and skill in this area can provide a highly competent and competitive service to the company. One of the principal rules of statutory interpretation is 'the literal rule', i.e. words that are reasonably capable of only one meaning must be given that meaning whatever the result. A long ago an English Judge had said: "If the words of the statute are in themselves precise and unambiguous, then no more can be necessary than to expound those words in their natural and ordinary sense. The words themselves do alone in such cases best declare the intent of the lawgiver. The Supreme Court has always been reiterating that if the intendment is not in the words used it is nowhere else and so long as there is no ambiguity in the statutory language resort to any interpretative process to unfold the legislative intent becomes impermissible and the need for interpretation arises only when the words in the statute are on their own terms ambivalent and do not manifest the intention of the legislature. As a corollary of the above principle, The intention of the Legislature is primarily to be gathered from the language used, which means that the attention should be paid to what has been said as also what has not been said. As a consequence a construction which requires for its support addition or substitution of words or which results in rejection of words as meaningless has to be avoided. This rule like all other rules is subject to exceptions.

Contravention, Adjudication and Penalties under FEMA: An Analysis

P-393

D.K. Prahlada Rao

Foreign exchange is a scarce resource and needs to be used for keeping the wheels of industry running all the same and other essential purposes. Foreign exchange accrues to our country from various sources like repatriation of foreign exchange on account of export of goods and services, import of essential raw materials which are not available in our country, foreign direct investment in the Indian industries, remittances from abroad by the Indians working out of India including NRIs, stock market transactions including investment transactions by the Foreign Institutional investors in the Indian securities etc. At the same time, foreign exchange is required to be spent for a variety of purposes and they are, payment in foreign exchange in respect of foreign trade, other current business obligations, services, short term banking and credit facilities in the ordinary course of business, payment due as interest on loans and net income from investments, remittances for living expenses of parents and children residing abroad and expenses in connection with foreign travel, education and medical care of persons, spouses and children. For the proper safeguarding the foreign exchange resources, it is necessary that penal provisions of the Act are enforced in all its strictness and this will plug the leakage of foreign exchange resources.

Transfer of Legal Proceedings to National Company Law Tribunal

P-400

Dr.K.S. Ravichandran

Even though the Companies Act, 1956 has not yet been repealed by

bringing into force sub-section (1) of Section 465 of the Companies Act, 2013, several provisions of the Act have been brought into force. Already Government of India has advertised for recruiting judicial and technical members for the National Company Law Tribunal, [NCLT] which is going to be constituted very soon. The NCLT will exercise most of the powers that are presently exercised by the Company Law Board and the Board of Industrial and Financial Reconstruction. NCLT would also exercise the powers of high courts with respect to schemes of arrangements, mergers, demergers, and winding up of companies. In essence NCLT is going to be a powerful tribunal. There will be substantial and dimensional change in the legal scenario with respect of company law matters. Therefore it is essential to note the powers that are going to be transferred to NCLT and the Appellate Tribunal and also the transitional provisions relating thereto.

Registration of Equitable Mortgage

P-404

G.M.Ramamurthy

During the last decade of the last century some of the State Governments started levying stamp duty on the memorandum of entry recorded evidencing the creation of equitable mortgage. In recent years some of the State Governments also stipulated compulsory registration of equitable mortgage. Supreme Court in State of Haryana and others versus Navir Singh and another decided on 7-10-2013 that document merely recording a transaction which is already concluded and which does not create any rights and liabilities does not require registration. However, when the borrower and the creditor choose to reduce the contract in writing and if such a document is the sole evidence of the terms between them, the document shall form integral part of the transaction and would require registration under the Indian Registration Act, 1908. This article analyses the judgement in the light of legislations touching the equitable mortgage.

Is India Inc. in Need of Independent Whistle Blowers?

P-409

Sanjay Lalit

Despite the existence of relatively strong compliance structure, sound legal framework and policies, presence of full time promoters compensated Legal Heads, CFOs & CSs, India Inc. has faced continuous scams whether in the Corporate World or Stock Market like Satyam or most recent NSEL or Sahara scams, which indicates the deficiency & malpractices in the system which needs further regulatory cure to improve the health of existing check & controls. This Article highlights serious anomaly in our governance system especially with respect to Vigilance and Whistle Blowers Functions. This Article critically examines the requirement of Full Time Independent Whistleblower Professionals alongwith Independent Directors and Statutory Auditors, for Corporate Bodies having access to direct or indirect Public Funds in excess of Rs 500 crores or more. In view of this, it's worth mentioning that the appointment process of Corporate Whistle Blowers be legislated or defined on the model prevalent for the appointment of Lender's Counsel or Engineers or Autonomous Body like Central Vigilance Commissioner.

Risk Management: Issues and Challenges

P-418

Pramod S. Shah

Risk is uncertainty and an inherent and integral part of business world. All-pervading risk cannot be eliminated, but it can be managed to an acceptable level. It requires commitment from the top and rigorous implementation for optimizing return on investment for the benefit of stakeholders. In the emerging scenario, risk management is an integral part of business strategy in the dynamic corporate environment. The article discusses the basic concepts of risk management and role of professionals in the business and corporate world.





At a Glance

Direct Investment by Residents in Joint Venture (JV) / Wholly Owned Subsidiary (WOS) Abroad » P-426

G. Balasubramaniam

Overseas investments in JV and WOS have been recognised as important avenues for promoting global business by Indian entrepreneurs. JVs are perceived as a medium of economic and business co-operation between India and other countries. Transfer of technology and skill, sharing of results of R&D, access to wider global market, promotion of brand image, generation of employment and utilisation of raw materials available in India and in the host country are other significant benefits arising out of such overseas investments. An attempt is made by the author to consolidate and present all the aspects that pertain to JV/ WOS in this article including the recent notifications issued upto date.

Composition of Board of Indian Companies and its effect on Corporate Governance » P-432

Shiv Nath Sinha

Responsibilities cast on the Directors are quiet onerous and multifarious. The duties of directors are partly statutory, partly regulatory and partly fiduciary. Directors are in a fiduciary position and must exercise their powers for the benefit of the company. Board is responsible for direction, control, conduct management and supervision of the company's affairs. They have to establish effective corporate governance procedures and best practices. What effect the size and composition of the Board and the responsibilities of Board members have on the governance of the company is analysed in this article.

Business Risk Management: Role of Professionals » P-438

Naresh Kumar

Risk is uncertainty and an inherent and integral part of business world. All-pervading risk cannot be eliminated, but it can be managed to an acceptable level. It requires commitment from the top and rigorous implementation for optimizing return on investment for the benefit of stakeholders. In the emerging scenario, risk management is an integral part of business strategy in the dynamic corporate environment. The article discusses the basic concepts of risk management and role of professionals in the business and corporate world.

Anti Competitive Agreement » P-443

M. Govindarajan

The Competition Act, 2002 was enacted by which the archaic Monopoly and Restrictive Trade Practices Act, 1969 was replaced. This Act provides, keeping in view the economic development of the country, for the establishment of a Commission to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect the interests of consumers and to ensure freedom of trade carried on by other participants in markets in India. While doing business in India, parties are prohibited from executing anti-competitive agreements. Generally, the agreements which cause or are likely to cause appreciable adverse effect on competition are anti-competitive agreements. In this article the provisions relating to anti competitive agreements including the non applicability of the provisions are discussed in detail along with decided case laws.

Legal World [LW 34-42] P-448

► **LW: 29:04:2014** Madras High court upholds the rejection of revalidation request by DGFT. ► **LW: 30:04:2014** The up-shot of the aforesaid discussion would be to hold that termination notice of the Board is valid. Likewise the order of the Company Judge permitting the board to take possession of the land in question is legal and justified.[SC] ► **LW: 31:04:2014** CCI accepts instituting bad faith litigation to block the entry of competitor as abuse of dominance and orders investigation. ► **LW: 32:04:2014** CCI rejects the complaint against the levy of ship or pay charges for transporting gas. ► **LW: 33:04:2014** CCI rejects the complaint against refusal to continue dealership agreement. ► **LW: 34:04:2014** Needless to emphasise, the set off shall operate only in respect of the amount that has been paid on the raw material and inputs on which the sales tax/ purchase tax has been paid. [SC] ► **LW: 35:04:2014** Denial of exemption justified when investigations conducted by department have clearly brought out that fake transaction had been undertaken with the sole motive of showing procurement of machines. [CESTAT] ► **LW: 36:04:2014** When the assessing authority made a finding that no records were maintained by the appellant to establish generation of waste and scrap, quantum of goods destroyed does not provide any basis to pass a summary order. [CESTAT] ► **LW: 37:04:2014** In the absence of any cogent evidence to prove the plea of contributory negligence, the doctrine of common law cannot be applied. [SC] ► **LW: 38:04:2014** An employee has always an interest to seniority and a right to be considered for promotion.[SC].

From the Government [GN 53-64] P-457

► Companies Act, 2013 - Date of coming into force of the following provisions ► The following Rules have been Notified by the Ministry of Corporate Affairs on 27.03.2014 under various sections of the Companies Act, 2013 ► Clarification with regard to section 180 of the Companies Act, 2013 ► Format for Auditors' Certificate required under Clause 24(i) of the Equity Listing Agreement ► Enhancing disclosures, investor education & awareness campaign, developing alternative distribution channels for Mutual Fund products, etc. ► Reporting of OTC trades in Corporate Bonds on Trade Reporting Platforms of stock Exchanges ► Securities and Exchange Board of India {Kyc (Know Your Client) Registration Agency} (Amendment) Regulations, 2014 ► Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) Obligations of Securities Market Intermediaries under the Prevention of Money laundering Act, 2002 and Rules framed there under ► Establishment of Connectivity with both depositories NSDL and CDSL – Companies eligible for shifting from Trade for Trade Settlement (TFTS) to Normal Rolling Settlement ► FIMMDA's Trade Reporting and Confirmation platform for OTC transactions in Corporate Bonds and Securitized Debt Instruments ► Foreign investment in India by SEBI registered FII, QFI and long term investors in Corporate Debt ► Foreign Direct Investment (FDI) into a Small Scale Industrial Undertakings (SSI) / Micro & Small Enterprises (MSE) and in Industrial Undertaking manufacturing items reserved for SSI/MSE ► Foreign investment in India by SEBI registered Long term investors in Government dated Securities ►

Other Highlights P-469

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Dear Professional Colleagues,

The much awaited notification bringing into force the provisions in 183 sections of the Companies Act, 2013 with effect from 1st April, 2014 was issued on 26th March, 2014. Earlier, 98 sections were notified on 12th September, 2013 and section 135 relating to Corporate Social Responsibility and Schedule VII (amended) were notified on February 27, 2014. Of the 470 sections in the Companies Act, 2013, substantial number of sections has since been notified. Most of the Rules under the Act have also been notified. Members are aware that the Act has accorded exalted position to CS and as a corollary, we have tremendous responsibilities and it is time for us to prove our mettle and demonstrate our commitment and competence adequately to the government, regulators and other stakeholders. Soon after these notifications I am receiving different kinds of feedback and analysis and applications of the provisions from members which indicates our preparedness to implement the new law in letter and spirit and our eagerness to share knowledge. The Institute will soon roll out a detailed learning exercise for members and students across the country through the Regional Offices and Chapter Offices. The Council of the Institute has also decided to organise Induction Programmes for Company Secretaries in employment (CSIP) through Regional Councils and Chapters.

During March, 2014, I had several opportunities of meeting a cross section of members and students across the country at various programmes and such opportunities provided me huge insights. On 1st March, 2014, I inaugurated a two-day seminar organised by Mysore Chapter for the members and students followed by an

interaction meeting with the students. I also had discussions with the members of Mysore Chapter Management Committee and invited their attention to the onerous responsibility we have to shoulder in the light of the Companies Act, 2013 and the need to empower the students. I also addressed the Press on the same day at Mysore and apprised them about the activities of the Institute in general and also the new initiatives on delivery of services to students and members and the measures being taken by the Institute for capacity building in sync with the emerging scenario.

My next visit was to Madurai, where I inaugurated the first Student's Conference organised by the Chapter on 5th March, 2014. It is gratifying to note that the Institute is reaching out to the students in the far flung areas. I attended a press meet on the same day and highlighted programmes and initiatives of the Institute and also the new syllabus, new examination pattern, besides the role envisaged for our members under the new company law. I also met members from the Madurai and surrounding areas which are predominantly rural and semi-urban and explained in detail the challenges and responsibilities before them with special reference to the Companies Act, 2013 as well as expectations of the government, regulators and other stakeholders.

In order to get closer to the Regional Councils, Regional Offices, Chapter Management Committee and Chapter Offices, the annual interactive meets were held outside metro cities. In the Western Region, the meet was held at Pune on 7th March,





From the President

2014, followed by Southern Region meet at Kochi on 9th March, 2014, and then Eastern Region meet at Guwahati on 20th March, 2014 and Northern Region meet at Chandigarh on 22nd March, 2014. Thus, I have had immense satisfaction of meeting all the members of the Institute through their elected representatives. At these meetings, I impressed upon the participants to bring back the members who could not renew their memberships on time and urged them to ensure “Once a member is always a member”. I also urged upon them to bring all the members within the safety net of CSBF. These meets deliberated in detail governance issues, compliances with relevant laws, measures to bring back the students who have partially completed the CS course and left it in between, measures to pursue the objectives of the Institute and, last but not the least, the implementation of the Strategic Action Plan [SAP] for 2014-15. I also addressed the Press at Pune, Guwahati and Chandigarh, where I elaborated the online examination system, recognition under the Companies Act, 2013, the initiatives of the institute for capacity building of members, etc. At Pune, I also met the members on 6th March, 2014 and discussed with them issues of great relevance such as continuous learning exercise, students’ interests, expectations of stakeholders and regulators and also need for professional pride.

On my way to Guwahati to participate in the Eastern Region Meet, I met the members at Kolkata on 19th March, 2014 and discussed with them the importance of staying relevant in the ever changing paradigm, professional ethics, seamless innovation, fulfilling the professional obligations and meeting the expectations of the stakeholders decisively. The need for mentoring the students also figured during the interaction with the members. On the same day, I met the Press at Kolkata and shared details of various programmes, initiatives and measures taken by the Institute to pursue its objectives under the statute.

During my visit to Chandigarh, I had the opportunity of meeting the Managing Committee Members of the Chandigarh Chapter on 21st March, 2014 and discussed with them issues relating to development of the profession, building adequate infrastructure for providing efficient service to the students and members. In sync with our approach to forge strong bond with academia, I met the Principal and other faculty members of GGSD College, Chandigarh and discussed various options of mutual interest.

Earlier, on 11th March, 2014, I called on Mr. T. S. Vijayan, Chairman, Insurance Development and Regulatory Authority (IRDA),

Hyderabad alongwith my colleague CS C. Sudhir Babu to explore the areas of mutual co-operation and joint programmes. I am happy to inform that an immediate outcome of this meeting has been scheduling of a national seminar on the topic “Convergence of Company Law and Insurance Law” on 26th April, 2014 at Hyderabad, which will be inaugurated by Chairman, IRDA. It has been planned to release “Insurance Handbook” brought out by the Institute at the inauguration of the seminar.

On 23rd March, 2014, I participated at the valedictory function of the two-day residential seminar at Ahmedabad, organised by the Ahmedabad Chapter on the topic “Value Creation through Governance”. On the same day, I met the members over there and highlighted the programmes of the Institute and the expectations from the regulators and government in the light of emerging legislative framework.

A delegation consisting of myself, CS Vikas Khare, Vice President, and Council Members, CS Anil Murarka, CS Atul Mehta, CS C. Sudhir Babu and CS Sanjay Grover met separately Ms. Chitra Ramkrishna, MD & CEO, NSE; Mr. Ashish Kumar Chauhan, MD & CEO, BSE; Mr. U.K. Sinha, Chairman, SEBI; Mr. Prasant Saran, Whole Time Member, SEBI; and Dr. Manoj Vaish, Managing Director and CEO, MCX Ltd. on 24th March, 2014. CS Pavan Kumar Vijay, Past President was also part of the delegation, when I met Chairman, SEBI. During these meetings, we have made submissions about the role played by our members as governance professionals and their skills and capacity for taking up additional responsibilities in securities and financial markets. It is indeed an honour and privilege to meet these dignitaries and I thank them for their benevolence in this regard. On 25th March, 2014, I and CS Sutanu Sinha, Chief Executive met Mr. Sandip Ghose, Director, NISM and Mr. Gagan Rai, MD, NSDL-e Governance Infrastructure Ltd. and discussed with them matters of common interests and objectives including organising joint programme on themes of common significance and I express my sincere thanks to them for their indulgence. In the afternoon of the same day, I met Mr. S. K. Roy, Chairman, LIC and apprised him about the activities of the Institute and in particular our role and responsibilities under the legislative framework and our evolution as governance professionals and I am extremely thankful to him for his benignity.

I addressed a joint programme with National Institute of Securities Markets at Delhi on 26th March, 2014 on the theme “Ethics and



Governance". This programme had many distinguished speakers including Mr. Prashant Saran, Whole Time Member, SEBI; Mr. R. V. Verma, Chairman & MD, National Housing Bank, Mr. Ashish Kumar Chauhan, Managing Director and CEO, BSE; Dr. R. K. Mishra, Director, Institute of Public Enterprises; Ms. Nanda Dave, CGM, RBI; and Mr. Amit Pradhan, CGM, SEBI, Prof. J.P. Sharma, Delhi School of Economics and Mr. Anish Shah, President and CEO, GE Capital India. Well-structured technical sessions combined with the eminent speakers added immense value to the programme. This is under an MOU signed by ICSI with NISM last year and this is the fifth offering in the series.

In order to build a cadre of young professionals who can shoulder the responsibilities assigned to them in an evolving business environment and ensure governance in true letter and spirit, Institute has decided to offer three year Integrated Company Secretaryship programme at CCGRT, Belapur, Navi Mumbai. The programme will consist of intensive class room coaching by experts from academia, industry and profession coupled with industry visits, interactions, training and internship. This would not only prepare the students to complete the course through structured learning process thereby making them eligible to be the members of the Institute of Company Secretaries of India but also build their soft and cognitive skills, enabling them to be the governance professionals of tomorrow.

I am happy to inform that training structure for students has also been revamped leading to more balanced and well sequenced contemporary training programmes. Accordingly, the new training structure will be applicable to students registered to the Executive Programme on or after 1st April, 2014. The new training structure will also be applicable to those students who have registered for the Executive Programme on or before 31st March, 2014, if they wish to undergo training under new training structure in lieu of the earlier one. The brief details of the new training structure are published elsewhere in this issue. The notification is available on the Institute's website. Along with this, the stipend payable to students from 1st April, 2014 has also been revised. The details of the same have been published elsewhere in this issue.

As you are aware, International Professional Development Fellowship Programme, an initiative of the Institute to provide its members exposure to international professional practices and opportunities of networking with their counterparts entered its ninth year. This year, the Institute is organising this Fellowship

Programme covering Malaysia - Singapore - Bali (Indonesia) during May 23-31, 2014 on the theme 'Convergence of Company Law and Corporate Governance - Recent Trends' at Malaysia. I am sure that this theme gels well with the Companies Act, 2013 and the role of Company Secretaries. The sub-theme of the conference covers aspects such as Development of Company Law in Asian Region, Intersection between Company Law and Corporate Governance, CSR issues addressed under the new Company Law, Role of Ethics in Governance, and Role of Governance Professionals under new Regulatory dispensation. I invite all of you to participate in this Fellowship Programme and the International Conference.

The Council has decided to hold the 42nd National Convention of Company Secretaries at Kolkata during 21-23 August, 2014. An announcement inviting suggestions on the theme and sub-themes for deliberation at the ensuing National Convention has been published elsewhere in this issue. I invite all of you to block these dates, and participate in large numbers surpassing all earlier records. I also appeal to all of you to extend your fullest support to make this event a grand success.

I deeply condole the sad demise of the past President Mr. B. P. Dhanuka on March 01, 2014. It is a huge loss for the profession, losing a senior fellow member, having more than 40 years of professional experience. Mr Dhanuka was a great visionary, academician and contributed immensely for the development of the profession. May his soul rest in peace.

With contagious passion, uncompromising will, with full of resolute, let us face challenges and pin our hopes on progress and I conclude -

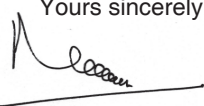
"To reach a port we must sail-
Sail, not tie at anchor
Sail, not drift".

- Franklin D Roosevelt

With kind regards,

New Delhi
31st March, 2014

Yours sincerely,


(CS R. SRIVIDHARAN)
president@icsi.edu



Article



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Essential Rules of Statutory Interpretation that every Company Secretary ought to know

- A company secretary being the principal compliance officer and corporate compliances being numerous he has the onerous responsibility of dealing with myriad laws which are often cumbersome. Often times he is faced with the task of interpreting various provisions of corporate and related laws. Courts in India have laid down various principles for interpretation of different statutes. This article lists out some essential rules of interpretation.

Need for interpretation of statutes

A It is often said that strictly speaking, there is no place for interpretation or construction except where the words of a statute admit of two meanings. Where the language of an Act is clear and explicit, we must give effect to it, whatever may be the consequences, for in that case the words of the statute speak the intention of the Legislature. In other words, if the language used by the Legislature is precise and unambiguous, we have only to expound the words in their natural and ordinary sense. An Act of Parliament is to be construed according to the ordinary meaning of the words in the English language as applied to the

* Past President, The Institute of Company Secretaries of India.



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subject-matter, unless there is some very strong ground, derived from the context or reason, why it should not be so construed.¹

In *Saloman v Saloman* [1897] AC 22, Lord Watson said: "Intention of the Legislature" is a common but very slippery phrase, which, popularly understood may signify anything from intention embodied in positive enactment to speculative opinion as to what Legislature probably would have meant, although there has been an omission to enact it. In a Court of Law or Equity, what the Legislature intended to be done or not to be done can only legitimately be ascertained from that which it has chosen to enact, either in express words or by reasonable and necessary implication".

The need for statutory interpretation arises to unfold the meaning of a statutory provision which is not clear as to the intention of the legislature. This does not mean that the need for interpretation is completely absent when the language of the legislation is clear. Statutory interpretation is the process of interpreting and applying legislation. Some amount of interpretation is always necessary when a case involves a statute. Sometimes the words of a statute have a plain and straightforward meaning. But in most cases, there is some ambiguity or vagueness in the words of the statute that must be resolved by the judge. To find the meanings of statutes, judges use various tools and methods of statutory interpretation, including traditional canons of statutory interpretation, legislative history, and purpose.

As was stated by the Supreme Court, often lack of legislative simplicity has led to interpretative complexity. The home truth that legislation if for the people and must, therefore, be plain enough has hardly been realised by our lawmakers. Judges, looking at statutes, are forced to play a linguistic game guessing at the general legislative purpose and straining at semantics.²

As one eminent jurist has said, "Enacted laws, specially the modern Acts and Rules, are drafted by legal experts and it could be expected that the language used will leave little room for interpretation or construction. But the experience of all those, who have to bear and share the task of application of the law, has been different. It is quite often that we find courts and lawyers busy in unfolding the meaning of ambiguous words and expressions and resolving inconsistencies."³

In *Palace Administrative Board v. RVB Thampuran*⁴ the Supreme Court observed, in regard to Kerala Joint Hindu Family System (Abolition) Act, 1975:

"Of course, the section has been drafted in a jaw-breaking fashion and its cumbersomeness could have been simplified had a different

type of legislative drafting skill been brought to bear upon the subject. Section 8 reminds one of the old British Jingle: I'm the parliamentary draftsman I compose the country's laws. And of half the litigation I'm undoubtedly the cause. Why only half the litigation, half the frustration too !"

Interpretation postulates the search for the true meaning of the words used in the statute as a medium of expression to communicate a particular thought. The task is not easy as the "language" is often misunderstood even in ordinary conversation or correspondence. The tragedy is that although in the matter of correspondence or conversation the person who has spoken the words or used the language can be approached for clarification, the legislature cannot be approached as the legislature, after enacting a law or Act, becomes *functus officio*⁵ so far as that particular Act is concerned and it cannot itself interpret it. No doubt, the legislature retains the power to amend or repeal the law so made and can also declare its meaning, but that can be done only by making another law or statute after undertaking the whole process of law-making.⁶

Statutes "from their verbosity, their endless tautologies, their involutions of case within case, and parenthesis within parenthesis and their multiplied efforts at certainty, by says and aforesays, by ors and ands, to make them more plain are really rendered more perplexed and incomprehensible not only to common readers, but to the lawyers themselves."⁷

It was emphasized by the Supreme Court that, the draftsman must abandon obsolescent vocabulary and style of expression and must use simple and plainer language.⁸

"Parliament, when legislating in respect of circumstances which directly affects the 'man or woman in the street' or the 'man or woman on the shop floor', should give as high a priority to clarity and simplicity of expression as to refinement of policy".⁹ A perfect draftsman exists only in theory not in practice".¹⁰

Where, however, the words are clear, there is no obscurity, there is no ambiguity and the intention of the legislature is clearly conveyed, there is no scope for the court to innovate or take upon itself the task of amending or altering the statutory provisions. In that situation the Judges should not proclaim that they are playing the role of a law-maker merely for an exhibition of judicial valour. They have to remember that there is a line, though thin, which separates adjudication from legislation. That line should not be crossed. This can be vouchsafed by "an alert recognition of the necessity not to

1 *A Treatise on the Construction and Effect of Statute Law*, William Craies and Henry Hardcastle, page 76, 77.

2 *Chitan J. Vaswani v. State of West Bengal*, AIR 1975 SC 2473, page 2476: (1975) 2 SCC 829.

3 *Principles of Statutory Interpretation*, by Justice G P Singh, 17th edition, page 1.

4 AIR 1980 SC 1187.

5 Latin: a task performed. A term applied to something which once has had a life and power, but which has become of no virtue whatsoever. Thus when an agent has completed the business which he was entrusted his agency is *functus officio*.

6 *Institute of Chartered Accountants of India v. Price Waterhouse* AIR 1998 SC 74, p. 90.

7 'Unfathomable Mysteries of Legal Language' (Sunday Chronicle, 14-7-1996), THOMAS JEFFERSON.

8 *Aluminium Corporation of India v. Union of India* AIR 1975 SC 2279, pp 2283, 2284: (1975) 2 SCC 472. *Chitan J. Vaswani v. State of West Bengal*, AIR 1975 SC 2473, page 2476: (1975) 2 SCC 829.

9 *Markur Island Shipping Corpn. v. Laughton*, (1983) 1 All E R 334, p. 351 (CA).

10 *Municipal Corporation of Hyderabad v. P N Murthy*, (1987) 1 SCC 568, p. 572: AIR 1987 SC 92.



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cross it and instinctive, as well as trained reluctance to do so".¹¹

Meaning of "Interpretation of Statutes"

The phrase "Interpretation of Statutes" implies the judicial process of determining, in accordance with certain rules and presumptions, the true meaning of the Acts of the Parliament. In this context, the phrase would mean a process or manner that conveys ones understanding of the ideas of the creator, or understand as having a particular meaning or significance, explanation, explication or a clarification for a particular statute or law.

The object of interpretation is to see what is intended by the words used. But from the imperfection of the language, it is often impossible to know what that intention is, without inquiring further. It is this further inquiry that calls for application of the rules of interpretation which guide the course of inquiry into the legislative intent. There is no hierarchy amongst these or any other rules of interpretation. Any one or more rules can be picked up for application depending upon the circumstances of the case¹².

Where the words of a provision are clear and unambiguous, no question of construction could arise. Such words ordinarily speak for themselves.¹³

There is a clear distinction between Interpretation and Legislation. The court only interprets the law and cannot legislate it. If the provision of law is misused and subjected to the abuse of the process of law, it is for the Legislature to amend modify or repeal it by having recourse to appropriate procedure if deemed necessary.¹⁴

When the statute is clear, a statement by the Law Minister made in the floor of the House, cannot change the words and intendment which is borne out from the words. The intendment of the Legislature is more than clear in the words and they have to be read to be given their natural meaning and cannot be subject to any statement made by the Law Minister in any communication. The words speak for themselves. They do not require any further interpretation by any statement made in any manner.¹⁵

In *Investors Compensation Scheme Ltd v. West Bromwich Building Society*, *Investors Compensation Scheme Ltd v. Hopkin & Sons (a firm)*, *Alford v. West Bromwich Building Society* [1998] 1 BCLC 493, [1998] 1 WLR 896, Lord Hoffmann said:

'Interpretation is the ascertainment of the meaning which the document would convey to a reasonable person having all the background knowledge which would reasonably have been available to the parties in the situation in which they were at the

time of the contract ... The meaning which a document (or any other utterance) would convey to a reasonable man is not the same thing as the meaning of its words. The meaning of words is a matter of dictionaries and grammars; the meaning of the document is what the parties using those words against the relevant background would reasonably have been understood to mean. The background may not merely enable the reasonable man to choose between the possible meanings of words which are ambiguous but even (as occasionally happens in ordinary life) to conclude that the parties must, for whatever reason, have used the wrong words or syntax ... The "rule" that words should be given their "natural and ordinary meaning" reflects the common sense proposition that we do not easily accept that people have made linguistic mistakes, particularly in formal documents. On the other hand, if one would nevertheless conclude from the background that something must have gone wrong with the language, the law does not require judges to attribute to the parties an intention which they plainly could not have had."

Lord Bingham said in *Bank of Credit and Commerce International SA (in liq) v. Ali* [2001] UKHL 8 at [8], [2001] 1 All ER 961 at [8], [2002] 1 AC 251:

"... in construing this provision as any other contractual provision, the object of the court is to give effect to what the contracting parties intended. To ascertain the intention of the parties the court reads the terms of the contract as a whole, giving the words used their nature and ordinary meaning in the context of the agreement, the parties' relationship and all the relevant facts surrounding the transaction so far as known to the parties. To ascertain the parties' intentions, the court does not of course inquire into the parties' subjective states of mind but makes an objective judgment based on the materials already identified."

The Golden Rule of Interpretation: Literal interpretation

Two basic rules are: (1) Every word in a statute to be given meaning. On the presumption that Parliament does nothing in vain, the court must endeavour to give significance to every word of a statute; (2) The court can't read anything into a statute or rewrite a provision which is plain and unambiguous.

A statute is an edict of the legislature. The language employed in a statutory provision is the determinative factor of the legislative intent of the policy-makers. The court merely interprets a provision; it cannot rewrite, recast or redesign a provision.

The cardinal rule of interpretation of statutes is to construe its provisions literally and grammatically giving the words their ordinary and natural meaning. It is only when such a construction leads to an obvious absurdity which the legislature cannot be supposed to have intended, that the Court in interpreting the section may introduce words to give effect to what it conceives to be the true

11 See: Frankfurter, Some Reflections on the Reading of Statutes in "Essays on Jurisprudence, Columbia Law Review, p. 51. See also Justice G.P. Singh, Principles of Statutory Interpretation 6th Edn., 1996, p. 15.).
12 *Federal Bank Ltd. v. K. Meenakshy Kanikan* [1994] 81 Comp Cas 490 (Ker) Pg 498 para E
13 *Special steels Ltd. v. Jay Prestressed Products Ltd* [1991] 72 Comp Cas 277 (Bom).
14 *Rishabh Agro Industries Ltd v. P.N.B. Capital services Ltd* [2000] 101 Comp Cas 284 (SC).
15 *Kamal Kumar Dutta v. Ruby General Hospital Ltd.* [2006] 134 Comp Cas 678 (SC).



➤ Where the plain literal interpretation of a statutory provision produces a manifestly unjust result which could never have been intended by the Legislature, the Court might modify the language used by the Legislature so as to achieve the intention of the Legislature and produce a rational construction. The task of interpretation of a statutory provision is an attempt to discover the intention of the legislature from the language used. It is necessary to remember that language is at best an imperfect instrument for the expression of human intention.

intention of the legislature. It is not any and every inconvenience that justifies adoption of this extreme rule of construction. Merely because a literal construction of the section leads to inconvenient result in a particular case cannot justify the application of such a drastic rule of construction¹⁶.

The plain ordinary grammatical meaning affords the best guide to ascertain the intention of the legislature. Other methods to understand the meaning of the statute is resorted to if the language is ambiguous or leads to absurd result.¹⁷

When writing statutes, the legislature intends to use ordinary English words in their ordinary senses. The United States Supreme Court discussed the plain meaning rule in *Caminetti v. U.S.*, saying "It is elementary that the meaning of a statute must, in the first instance, be sought in the language in which the act is framed, and if that is plain... the sole function of the courts is to enforce it according to its terms. And if a statute's language is plain and clear, the Court further warned that "the duty of interpretation does not arise, and the rules which are to aid doubtful meanings need no discussion."

The 'golden rule' is also referred to as the 'literal construction rule' or 'plain meaning rule'. One of the most frequently quoted of the numerous statements of this rule is that of Tindal, C.J. in *Sussex Peerage case* (1844) 11 Cl and F 85, p. 143:

"The only rule for the construction of Acts of Parliament is that

they should be construed according to the intent of the Parliament which passed the Act. If the words of the statute are in themselves precise and unambiguous, then no more can be necessary than to expound those words in that natural and ordinary sense. The words themselves alone do, in such case, best declare the intention of the lawgiver. But if any doubt arises from the terms employed by the legislature, it has always been held a safe means of collecting the intention, to call in aid the ground and cause of making the statute, and to have recourse to the preamble, which, according to Chief Justice Dyer,¹⁸ is "a key to open the minds of the makers of the Act, and the mischiefs which they intend to redress." In *Sussex Peerage case* (1844) 11 Cl and F 85, p. 143:

Where the plain literal interpretation of a statutory provision produces a manifestly unjust result which could never have been intended by the Legislature, the Court might modify the language used by the Legislature so as to achieve the intention of the Legislature and produce a rational construction. The task of interpretation of a statutory provision is an attempt to discover the intention of the legislature from the language used. It is necessary to remember that language is at best an imperfect instrument for the expression of human intention. It is well to remember the warning administered by Judge Learned Hand that one should not make a fortress out of dictionary but remember that statutes always have some purpose or object to accomplish and sympathetic and imaginative discovery is the surest guide to their meaning.¹⁹

In expounding Acts of Parliament, where words are express, plain and clear, the words ought to be understood according to their genuine and natural signification and import, unless by such exposition a contradiction or inconsistency would arise in the Act by reason of some subsequent clause, from whence it might be inferred that the intent of the Parliament was otherwise.²⁰

In *Becke v. Smith*²¹ Parke B (as he then was) said:

'It is a very useful rule, in the construction of a statute, to adhere to the ordinary meaning of the words used, and to the grammatical construction, unless that is at variance with the intention of the legislature, to be collected from the statute itself, or leads to any manifest absurdity or repugnance, in which case the language may be varied or modified, so as to avoid such inconvenience, but no further.'

In *Emperor v. Benoarilal Sarma* AIR 1945 PC 48, p.53, Viscount Simonds held:

"This Board has insisted that in construing unambiguous words, we are not concerned with the policy involved or with the results, injurious or otherwise, which may follow from giving effect to the language used".

16 Per Das J. in *Jugalkishore Saraf v. M/s. Raw Cotton Co. Ltd.* AIR 1955 SC 376; *Nanlal Zaver v. Bombay Life Assurance Company* 1950 SCR 391; AIR 1950 SC 172; 1950 (20) CC 179; 1950 SCJ 337.

17 *Asrafkhan v. State of Gujrat* 2012 AIR SCW 6069

18 Stovell v Lord Zouch (1569) 1 Plowd 353.

19 *Commissioner of Income-tax, Bangalore v. J. H. Gotla* AIR 1985 SC 1698.

20 *Mitchell v Torup* (1766) Park 227.

21 (1836) 2 M & W 191.



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In *Kanailal Sur v. Paramnidhi Sadhu Khan* AIR 1957 SC 907, Gajendragadkar, J, said:

"The first and primary rule of construction is that the intention of the legislature must be found in the words used by the Legislature itself. If the words used are capable of one construction only then it would not be open to the Courts to adopt any other hypothetical construction on the ground that such hypothetical Construction is more consistent with the alleged object policy of the Act. The words used in the material provisions of the statute must be interpreted in their plain grammatical meaning and it is only when such words are capable of two constructions that the question of giving effect to the policy or object of the Act can legitimately arise. When the material words are capable of two constructions one of which is likely to defeat or impair the policy of the Act whilst the other construction is likely to assist the achievement of the said policy, then the Courts would prefer to adopt the latter construction. It is only in such cases that it becomes relevant to consider the mischief and defect which the Act purports to remedy and correct."

As a general principle of interpretation, where the words of a statute are plain, precise and unambiguous, the intention of the Legislature is to be gathered from the language of the statute itself and no external evidence such as Parliamentary Debates, Reports of the Committees of the Legislature or even the statement made by the Minister on the introduction of a measure or by the framers of the Act is admissible to construe those words. It is only where a statute is not exhaustive or where its language is ambiguous, uncertain, clouded or susceptible of more than one meaning or shades of meaning, that external evidence as to the evils, if any, which the statute was intended to remedy, or of the circumstances which led to the passing of the statute may be looked into for the purpose of ascertaining the object which the Legislature had in view in using the words in question.²²

In a plethora of cases, it has been stated that where, the language is clear, the intention of the legislature is to be gathered from the language used. It is not the duty of the Court either to enlarge the scope of legislation or the intention of the legislature, when the language of the provision is plain. The Court cannot rewrite the legislation for the reason that it had no power to legislate. The Court cannot add words to a statute or read words into it which are not there. The Court cannot, on an assumption that there is a defect or an omission in the words used by the legislature, correct or make up assumed deficiency, when the words are clear and unambiguous. Courts have to decide what the law is and not what it should be. The Courts adopt a construction which will carry out the obvious intention of the legislature but cannot set at naught legislative judgment because such course would be subversive of constitutional harmony.²³

As Maxwell says in his 'Interpretation of Statutes', 12th edition,

²² *Anandji Haridas and Co. Pvt. Ltd., Petitioner v. Engineering Mazdoor Sangh* AIR 1975 SC 946.

²³ *Union of India v. Deokinandan Aggarwal* (1991 AIR SCW 2754; State through C.B.I. v. Parmeshwaran Subramani AIR 2010 SC 584.

"When the language is not only plain but admits of but one meaning, the task of interpretation can hardly be said to arise. It is not allowable, says Vattel, to interpret what has no need of interpretation."

In an overwhelmingly large number of cases before the Court, the literal rule is followed, and hence we may explain its real significance.

The literal rule of interpretation is followed not only by Judges and lawyers, but even by the lay man on the street. For example, if a man says "this is a book", he means that it is a book, and not it is a horse, donkey or a table. In other words, the literal rule of interpretation really means that we mean what we say and we say what we mean. If we say "this is a book", but we mean it is a house, table or an elephant, then communication between human beings and social life will become impossible. Hence in ordinary life, the lay man really relies on the literal rule of interpretation though he may not be aware of it. In the field of law also, in most cases we rely on the literal rule of interpretation.

As observed by Lord Granworth in *Grundy v. Pinniger*, (1852) 1 LJ Ch 405:

"To adhere as closely as possible to the literal meaning of the words used, is a cardinal rule from which if we depart we launch into a sea of difficulties which it is not easy to fathom."

In other words, once we depart from the literal rule, then any number of interpretations can be put to a statutory provision, each Judge having a free play to put his own interpretation as he likes. This would not only create confusion, it would also be destructive of 'judicial discipline, and also the basic principle in a democracy that it is not for the Judge to legislate as that is the task of the elected representatives of the people. Hence even if the literal interpretation results in hardship or inconvenience, it should





ordinarily be followed.²⁴ Departure from the literal rule should only be done in very rare cases, and ordinarily there should be judicial restraint in this connection.

As the Privy Council observed (per Viscount Simonds, L. C.):

"Again and again, this Board has insisted that in construing enacted words we are not concerned with the policy involved or with the results, injurious or otherwise, which may follow from giving effect to the language used."²⁵

Hardship or inconvenience cannot alter the meaning of the language employed by the Legislature if such meaning is clear on the face of the statute.²⁶

So, in construing a statutory provision the first and foremost rule of construction is the literary construction. All that the Court has to see at the very outset is what does the provision say. If the provision is unambiguous and if from the provision the legislative intent is clear, the court need not call into aid the other rules of construction of statutes. The other rules of construction are called into aid only when the legislative intent is not clear.²⁷

Reading words in and reading words out

It is a well settled principle of statutory interpretation that the words of a statute must be interpreted according to their literal meaning and no words should be added or deducted while interpreting a statutory provision. These principles have been stated by the Supreme Court in a number of decisions. For example, in *Navinchandra Mafatlal v CIT* AIR 1955 SC 58 it was held that the cardinal rule of interpretation is that the words of a statute should be read in their ordinary, natural and grammatical meaning and in *Sri Ram Ram Narain Medhi v State of Bombay* AIR 1959 SC 459, it was observed: "If the language of the enactment is clear and unambiguous it would not be legitimate ... to add any words thereto and evolve therefrom some sense which may be said to carry out the supposed intentions of the legislature. The intention of the legislature is to be gathered only from the words used by it..."

It follows from the literal rule of interpretation that the court should not twist the language of the statute, nor add or delete words from the statute, substitute words in statute nor do anything which changes the plain meaning of the statute as gathered from the words expressed in the Statute itself. If the meaning of the Statute is clear we should not seek to interpret it by going into its historical background, the supposed intention of the Legislature, the speeches in Parliament, equitable considerations, etc.

If the words used are capable of one construction only then it would not be open to the Courts to adopt any other hypothetical construction on the ground that such construction is more

consistent with the alleged object and policy of the Act. The intention of the legislature is required to be gathered from the language used and, therefore, a construction, which requires for its support with additional substitution of words or which results in rejection of words as meaningless has to be avoided."²⁸

It is a cardinal principle of the rule of construction of statutes that when the language of a statute is fairly and reasonably clear, then inconvenience or hardships are no considerations for refusing to give effect to that meaning.²⁹ Clear and unambiguous words of a statutory provision cannot be rendered nugatory and must be given effect to. As said by the Supreme Court, in construing the Act, we must adhere closely to the language of the Act. If there is ambiguity in the terms of a provision, recourse must naturally be had to well-established principles of construction but it is not permission first to create an artificial ambiguity and then try to resolve the ambiguity by resort to some general principle.³⁰

It is not open to a court to usurp the functions of a legislature nor is there scope for placing an unnatural interpretation on the language used by the legislature and impute to it an intention which cannot be inferred from the language used by it.³¹

It is not a sound principle of construction to brush aside words in a statute as being inapposite surplusage, if they can have appropriate application in circumstances conceivably within the contemplation of the statute. Similarly, it is not permissible to add words to a statute which are not there unless on a literal construction being given a part of the statute becomes meaningless. But before any words are read to repair an omission in the Act, it should be possible to state with certainty that these words would have been inserted by the draftsman and approved by the legislature had their attention been drawn to the omission before the Bill had passed into a law. At times, the intention of the legislature is found to be clear



²⁴ see G. P. Singh's Principles of Statutory Interpretations, 9th Edn, pp. 45-49.

²⁵ *Emperor v. Benoarilal Sarma* AIR 1945 PC 48, pg. 53

²⁶ *CAIT v. Keshab Chandra Mandal* AIR 1950 SC 265.

²⁷ *M/s. Hiralal Ratanlal v. STO* AIR 1973 SC 1034.

²⁸ *Kanailal Sur v. Paramnidhi Sadhu Khan*, AIR 1957 SC 907.

²⁹ *State of Maharashtra v. Nanded Parbhani Z.L.B.M.V. Operator Sangh* 2000 AIR SCW 261.

³⁰ *CIT v. Indian Bank Limited* AIR 1965 SC 1473.

³¹ *Mangilal v. Sugan Chand Rathi* AIR 1965 SC 101.



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but the unskilfulness of the draftsman in introducing certain words in the statute results in apparent ineffectiveness of the language and in such a situation, it may be permissible for the Court to reject the surplus words so as to make the statute effective.³²

No words can be added in, or deducted from, a statute. It is against the principle of statutory interpretation to insert any words in a statute. "It is a corollary to the general rule of literal construction that nothing is to be added to or taken out from a statute unless there are adequate grounds to justify the inference the legislature intended something which it omitted to express."³³

It has been emphasized by the Supreme Court that, it is contrary to all rules of construction to read words into an Act unless it is absolutely necessary to do so. It is a well-settled principle in law that the court cannot read anything into a statutory provision which is plain and unambiguous. The language employed in a statute is a determinative factor of the legislative intent. If the language of the enactment is clear and unambiguous, it would not be proper for the courts to add any words thereto and evolve some legislative intent, not found in the statute.³⁴

The Supreme Court has reiterated the above two cardinal rules of interpretation in the following words:

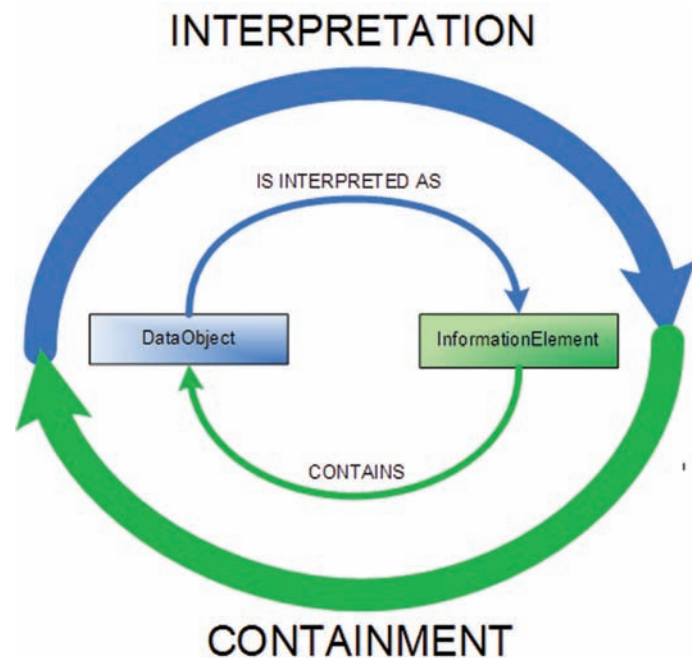
"The first and primary rule of construction is that the intention of the legislature must be found in the words used by the legislature itself. If the words used are capable of one construction, only then it would not be open to the courts to adopt any other hypothetical construction on the ground that such hypothetical construction is more consistent with the alleged object and policy of the Act. The words used in the material provisions of the statute must be interpreted in their plain grammatical meaning and it is only when such words are capable of two constructions that the question of giving effect to the policy or object of the Act can legitimately arise..... The other important rule of interpretation is that the Court cannot rewrite, recast or reframe the legislation because it has no power to do so. The Court cannot add words to a statute or read words which are not therein it. Even if there is a defect or an omission in the statute, the Court cannot correct the defect or supply the omission."³⁵

Where a rule provided that "No application for alteration of the entry regarding date of birth ... shall be entertained after a period of five years ...", and the High Court held that the entry should not be normally changed after five years, the Supreme Court held that the word 'normally' has not been used in the rule the approach of the High Court in rewriting the rule cannot be approved.³⁶

The Court has to keep in mind the fact that, while interpreting the

provisions of a Statute, it can neither add, nor subtract even a single word. The legal maxim *a verbis legis non est recedendum*³⁷ means, "From the words of law, there must be no departure". A section is to be interpreted by reading all of its parts together, and it is not permissible, to omit any part thereof. The Court cannot proceed with the assumption that the legislature, while enacting the Statute has committed a mistake; it must proceed on the footing that the legislature intended what it has said; even if there is some defect in the phraseology used by it in framing the statute, and it is not open to the court to add and amend, or by construction, make up for the deficiencies, which have been left in the Act. The Court can only iron out the creases but while doing so, it must not alter the fabric, of which an Act is woven. The Court, while interpreting statutory provisions, cannot add words to a Statute, or read words into it which are not part of it, especially when a literal reading of the same, produces an intelligible result.³⁸

As is well settled, while interpreting the provisions of a statute, the court avoids rejection or addition of words and resort to that only in exceptional circumstances to achieve the purpose of Act or give purposeful meaning. It is also a cardinal rule of interpretation that words, phrases and sentences are to be given their natural, plain and clear meaning. When the language is clear and unambiguous, it must be interpreted in an ordinary sense and no addition or alteration of the words or expressions used is permissible.³⁹ CS



32 *Union of India v. Hansoli Devi* 2002 AIR SCW 3755.

33 Maxwell on the Interpretation of Statutes, 12th edn, page 33

34 *Great Offshore Ltd v. Iranian Offshore Engineering & Construction Company* AIR 2008 SCW 5722; *Md. Shahbuddin v State of Bihar* 2010 AIR SCW 3211; *Ansal Properties & Industries Ltd. v. State of Haryana* [2009] 3 SCC 553; 2009 AIR SCW 2041.

35 *Satheedevi v. Prasanna* 2010 AIR SCW 3754.

36 *State of Maharashtra v. Goraknath Sitaram Kamble* 2011 AIR SCW 206.

37 A court of law will not make any interpretation contrary to the express letter of a statute; for nothing can so well explain the meaning of the makers of the Act as their own direct words.

38 *Rohitash Kumar v. Om Prakash Sharma* 2012 AIR SCW 6157.

39 *V.L.S. Finance Ltd. v. Union of India*



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Contravention, Adjudication and Penalties under FEMA: An Analysis

➤ Like any other law, FEMA being a brief but a very important economic legislation along with the Exchange Control Manual prescribes several dos and don'ts with regard to foreign exchange, NRIs, overseas investments, foreign collaborations and provides a comprehensive mechanism to deal with contraventions and punishment therefor. This article describes the related provisions lucidly.

Introduction

The Foreign Exchange Management Act, 1999 is an Act to consolidate and amend the law relating to foreign exchange with the objective of facilitating external trade and payments and for promoting the orderly development and maintenance of foreign exchange market in India. The 1999 Act which came into force with effect from 1st June, 2000 is a re-codification of FERA 1973. The new Act introduced a number of refinements keeping in view certain significant developments concerning increase in foreign exchange reserves, growth in foreign trade, rationalisation of tariffs, current account convertibility, liberalisation of Indian investments abroad, increased access to external commercial borrowing by Indian corporates, and participation of Foreign Institutional Investors in country's major stock markets etc. Unlike in the Income tax Act,



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- Certain officers of the company are identified by their designation as they are in charge of the management of the company and hence they are to be held responsible for the contravention provided such contravention has taken place with their consent or connivance or attributable to their neglect.

the status of a person is determined with reference to residence in India. A person residing in India for more than 182 days during the course of the preceding financial year is considered as a person resident in India. On the same analogy, a non-resident by virtue of residence in India as aforesaid is treated as resident for all practical purposes.

Though FEMA is a small piece of legislation containing 49 sections, the operative part providing facilities to persons are given in the Exchange Manual which exhaustively deals with various facets of foreign exchange transaction prescribed by the RBI. However for doing any transaction relating to foreign exchange beyond what is provided for under the Manual can only be done with the special or general permission of the RBI. Broadly these transactions are classified as capital account and current account transactions. At the same time the Act and the Manual provide for tackling contravention of foreign exchange transactions by providing adjudication of the same, imposition of penalties and the procedure there for.

FEMA Prescription

Except with the general or special permission of the RBI, no person shall (a) deal in or transfer any foreign exchange or foreign security to any person, not being an authorised person, (b) make any payment to or for the credit of any person resident outside India in any manner, (c) receive otherwise through an authorised person, any payment by order or on behalf of any person resident outside India, in any manner (d) enter into any financial transaction in India as consideration for or in association with acquisition or creation or transfer of a right to acquire any asset outside India by any person. (Section 3)

Contravention

The following are the contraventions punishable under the Act;

- (i) Failure in relation to non-realisation and repatriation to India of full value of export of goods and services in the manner prescribed by the RBI.

- (ii) Where foreign exchange is due and has accrued to any person resident in India, such person should take all reasonable steps to realise and repatriate to India such foreign exchange within such period and in such manner specified by the RBI and the failure to do so. This requirement does not however apply in the case of certain exemptions provided in section 9 of the Act. They are (a) possession of foreign exchange or foreign coins by any person up to the limit of US\$2000 provided it was acquired by him while on a visit to any place outside India as prescribed by the RBI; (b) foreign currency account held or operated by such person or class of persons and the limit up to which the RBI may specify; (c) foreign exchange acquired or received before the 8th day of July 1947 or any income arising or accruing thereon which is held outside India by any person pursuant to any special or general permission granted by the RBI; (d) foreign exchange held by a person resident in India up to which limit as the RBI may specify, if such foreign exchange is acquired by way of gift or inheritance from a person referred in the previous item; and (e) foreign exchange acquired, business, trade, vocation, services, honorarium, gifts, inheritance or any other legitimate means up to such limit as the RBI may specify, (f) such other receipts in foreign exchange as the RBI may specify.
- (iii) Contravention of any rule, regulation, notification, direction or order issued in exercise of the powers under the Act or contravention of any condition subject to which an authorisation has been issued by the RBI.

The aforesaid contraventions are liable for adjudication as per the procedure laid down in the Act and regulations framed there under.

Contravention by Companies (Section 42)

If a person (which term is defined to include an individual, HUF, a company, a firm, an association of persons, every artificial juridical person etc.) commits any contravention of any of the provisions of





this Act or of any rule, direction or order made thereunder, every person who at the time of contravention was in charge and was responsible to the company for the conduct of its business as well as the company are deemed to be guilty of the contravention and they are liable to be proceeded against and punished accordingly. However such a person is not liable for punishment if he proves that the contravention took place without his knowledge or that he exercised due diligence to prevent such contravention. Notwithstanding what is stated above if the contravention has taken place with the consent or connivance or is attributable to any neglect on the part of any director, manger, secretary or other officer of the company, such persons should be deemed to be guilty of the contravention and they are liable to be proceeded against and punished accordingly.

It is to be noted that certain officers of the company are identified by their designation as they are in charge of the management of the company and hence they are to be held responsible for the contravention provided such contravention has taken place with their consent or connivance or attributable to their neglect.

Procedure for Adjudication

The Central Government may, by notification published in the Official Gazette, by an order appoint as many officers of the Central Government as it may think fit, as Adjudication Authorities with their respective jurisdiction for holding an inquiry in the manner prescribed after the person alleged to have committed contravention under section 13 (this section provides for penalties) against whom a complaint has been made for the purpose of imposing any penalty. A complaint may be lodged in writing by any officer authorised by a general or special order by the Central Government. Such a complaint must disclose the charges against the person concerned and the details of documents on which reliance has been placed in framing the charges. Needless to say that such an officer authorised to issue the complaint must necessarily be a different person who is not an Adjudicating Authority in order to meet the ends of justice. Another notable principle is that no penalty can be imposed unless the person against whom a complaint in writing has been made is given a reasonable opportunity of being heard in the matter. This incorporates a fundamental principle of observance of principle of natural justice. This is a wholesome principle validly recognised and enforced by all courts from the trial courts to the Supreme Court. This protection assumes great importance in the context of powers of search and seizure given to the officers of the Enforcement Directorate under the Act.

Any right or obligation, liability, proceeding or appeal in relation to penalties shall not abate by reason of death or insolvency of any reason and they devolve on the legal representative of such person or Official Receiver or the Official assignee as the case may be. However the legal representative is liable only to the extent of inheritance or estate of the deceased. (Section 43)

Powers and Responsibilities of Adjudicating Authority (AA)

- (a) For the purpose of holding inquiry, the AA should issue a notice to the person who has contravened the Act or otherwise to show cause why an inquiry should not be held against him within a period as specified in the notice which should not be not less than ten days.
- (b) After considering the cause shown, if the AA is of the opinion that an inquiry should be held, he should issue a notice fixing a date for the appearance of the person concerned or through a legal representative or a Chartered Accountant duly authorised by him.
- (c) On the date so fixed, the AA will have to explain the contravention alleged to have been committed by such person indicating the provision of the Act, rules or regulations etc. in respect of which contravention has taken place and allow the person to file any document or evidence as he may consider relevant to the inquiry.
- (d) Direct the person concerned to furnish bond or guarantee against whom a complaint has been made, if the AA is of the opinion that such a person is likely to abscond or is liable to evade in any manner the payment of penalty, if levied.
- (e) The AA has the powers of a civil court under the Civil Procedure Code and all proceedings are deemed to be judicial proceedings within the meaning of Indian Penal Code.
- (f) If any person neglects or refuses to appear before him, the AA may proceed with the case after recording the reason for the same.
- (g) The AA is required to deal with the complaint as expeditiously as possible and to dispose of the complaint within one year from the date of receipt of complaint. If it is not possible to do so, he should record periodically the reasons in writing for not disposing of the complaint within the time frame.
- (h) Every order issued by AA should be dated and signed by him. It should specify the provisions of the Act or the rules or





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regulations etc. which has been contravened and the decision reached by him. A copy of the order should be supplied free of cost to the person concerned.

Enforcement of the Orders of the AA

- (a) If any person fails to make full payment of the penalty imposed within a period of ninety days from the date on which the notice for payment of such penalty has been served on him, he shall be liable to civil imprisonment.
- (b) No order for the arrest and detention in civil prison of a defaulter should be made unless the AA has issued and served a notice on the defaulter calling upon him to appear before him on the date specified in the notice to show cause why he should not be committed to the civil prison. The AA should also be satisfied in resorting to the arrest that the defaulter will dishonestly transfer, conceal or remove any part of his property after the issue of the notice, with the object of obstructing the recovery of penalty or that the defaulter has the means to pay the arrears or substantial part thereof but refuses to pay the same.
- (c) The AA may issue arrest warrant of the defaulter if he is likely to abscond or leave the local limits of his jurisdiction with a view to delay the execution of the certificate of default.
- (d) Where the person fails to appear pursuant to the notice, the AA may issue arrest warrant of the defaulter.
- (e) An arrest warrant issued by an AA may also be executed by any other AA within whose jurisdiction the defaulter may be found.
- (f) Every person arrested pursuant to a warrant of arrest should be brought before the AA issuing the arrest warrant as soon as possible and in any event within 24 hours of his arrest exclusive of the time required for journey. However, if the defaulter pays the amount as per the warrant of arrest, then the officer arresting him should at once release him.
- (g) Where a defaulter appears before the AA pursuant to the notice, the AA should give an opportunity to the defaulter to show cause why he should not be committed to civil prison.
- (h) Pending conclusion of inquiry, the AA may in his discretion order the defaulter to be detained in the custody of such officer as he may think fit or release him on his furnishing the security to the satisfaction of the AA for his appearance as and when required. On the conclusion of the inquiry, the AA may make an order for the detention of the defaulter in the civil prison and in that event cause him to be arrested, if he is not already arrested. In order to give an opportunity to the defaulter to pay up the arrears, the AA may, before making an order of detention, leave the defaulter in the custody of the officer arresting him for a period not exceeding 15 days or release him on his furnishing security to the AA's satisfaction for appearance before him after the expiry of the period and satisfaction of arrears.

- (i) Every person detained in the civil prison in execution of the certificate may be detained up to three years, if the certificate is for demand exceeding one crore of rupees and in any other case, up to six months. However, the person detained should be released if he pays up the amount mentioned in the warrant to the officer in charge of the civil prison.

Appeal

(a) Appeal to the Special Director (Appeal) - Section 17

The Central Government shall, by notification, appoint one or more Special Directors (Appeal) to hear appeals against the orders of the Adjudicating Authorities and also specify the matters and places in relation to which the Special Director (Appeals) may exercise jurisdiction. Such an appeal should be against the order made by the Adjudicating Authority (AA), being an Assistant Director of Enforcement or a Deputy Director of Enforcement. The following are the relevant regulations;

- (i) Every appeal should be filed in triplicate in Form I signed by the applicant within 45 days from the date on which a copy of the order made by the AA is received by him. The appeal should be accompanied by three copies of the order appealed against together with a fee of Rs.5,000 in the form of cash or DD in favour of the special director-Appeals. The Special Director (Appeals) may entertain an appeal after the expiry of the specified period if he is satisfied that there was sufficient cause for not filing the appeal within the said period.
- (ii) The appeal should set forth concisely under distinct heads and the grounds or objection to the appeal without any argument of narrative and such grounds should be numbered consecutively.
- (iii) The Special Director, on receipt of the appeal should send a copy of the appeal and the order appealed against to the Director of Enforcement. Thereafter the Special Director

::Appeal::



should issue a notice to the parties fixing the date of hearing. After giving the parties to the appeal an opportunity of being heard including the presenting officer of the Directorate of Enforcement, pass such order as he thinks fit confirming, modifying or setting aside the order appealed against. The order should be in writing and signed by the Special Director. A copy of every such order should be sent to the parties to appeal and to the concerned AA.

- (iv) The Special Director (Appeals) has the same powers of a civil court. All proceedings are deemed to be judicial proceedings within the meaning of the Indian Penal Code. A person who has filed the appeal may present in person or by a legal representative or a Chartered Accountant duly authorised by him.
- (v) A person shall not be qualified for appointment as Special Director-Appeals unless he has been a member of the Indian Legal Service-Grade I or has been a member of the Indian Revenue Service holding the post equivalent to a Joint Secretary to the Govt. of India.

(b) Appeal to the Appellate Tribunal (sections 18 to 33)

The Central Government is empowered, by notification, to establish an Appellate Tribunal known as the Appellate Tribunal for Foreign Exchange to hear appeals against the orders of Adjudicating Authorities and the Special Director(Appeals). Appeal may be filed with the Appellate Tribunal(AT) by the Central Government or any person aggrieved by an order made by the Adjudicating Authority(AA) or the Special Director(Appeals). While filing the appeal, the Appellant is required to deposit the amount of penalty imposed by the aforesaid authorities. However, if the Appellate Tribunal is of the opinion that such deposit would cause undue hardship to such person, it may dispense with such deposit, subject to such conditions as it may deem fit to safeguard the realisation of penalty.

Every appeal is required to be filed in Form II in triplicate accompanied by three copies of the order appealed against within a period of 45 days from the date on which a copy of the order made by AA or the Special Director-Appeals has been received by the aggrieved person or by the Central Govt. Such appeal should be accompanied by a fee of rupees ten thousand in the form of cash or demand draft in favour of the Registrar, Appellate Tribunal for Foreign Exchange, New Delhi. However, the AT may entertain an appeal after the expiry of the said period if it is satisfied that there was sufficient cause for not filing it within that period.

The appeal should set forth concisely under distinct heads and the grounds of objection without any argument of narrative and such grounds should consecutively be numbered. It should also state the penalty imposed and whether it has been deposited or not.

If the appeal has been filed after the expiry of 45 days, it should be accompanied by a petition in triplicate, duly verified and supported

by the documents, if any relied upon by the applicant showing the cause how the applicant had been prevented from preferring the appeal within the aforesaid period.

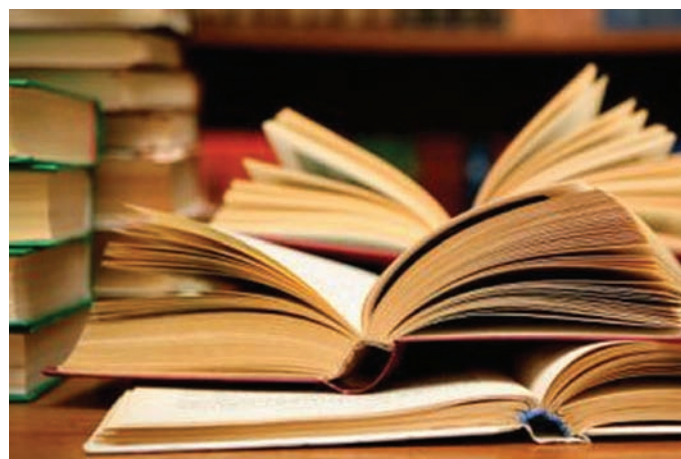
An applicant who has filed the appeal may appoint a legal practitioner or a Chartered Accountant to plead and act on his behalf.

On receipt of the appeal the AT should send a copy of the appeal together with a copy of the order appealed to the Director of Enforcement and thereafter issue notice of hearing to the applicant and the Director of Enforcement. The AT should, give an opportunity of being heard, pass such orders thereon as it thinks fit, confirming, modifying or setting aside the order appealed against. A copy of every such order made by it shall be sent to the parties to the appeal and to the concerned AA or the Special Director-Appeals as the case may be. Such appeals are required to be dealt with as expeditiously as possible and endeavour should be made to dispose of the appeal finally within 180 days from the date of receipt of appeal. However, where it is possible to do so, the AT should record its reasons in writing. For the purpose of examining the legality, propriety or correctness of any order made by AA in relation to the proceedings, the AT may, on its own motion or otherwise call for the records of such proceedings and make such order as it thinks fit.

The order should be in writing and briefly state the grounds of the decision and signed by the Chairperson or the member as the case may be.

(c) Composition of Appellate Tribunal

The Appellate Tribunal(AT) is a multi-member Tribunal consisting of a Chairperson and such number of Members not exceeding four, out of which two may be part time or full time as the Central Government may deem fit. The AT may exercise its jurisdiction through Benches constituted by the Chairperson with one or more Members. The Benches should ordinarily sit at New Delhi and such other places as the Central Government may, in consultation





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➤ While considering the application for compounding, the Compounding Officer(CA) should ascertain the nature of contravention keeping in view the following factors, that is(a) whether the contravention is technical and/or minor in nature and needs only administrative caution advise,(b) whether contravention is serious in nature and warrants compounding of the same, (c) whether contravention involves *prima facie* money laundering, national security, concealing serious infringement of the regulatory framework. On the basis of these parameters, the RBI will classify the contravention.

with the Chairperson, notify. The Central Government should also notify the areas in relation to which each Bench may exercise jurisdiction. The Chairperson may transfer a Member from one Bench to another Bench. if at any stage of hearing of any case, it appears to the Chairperson or Member that the case or matter is of such a nature that it ought to be heard by a Bench consisting of two Members, then the case may be transferred by the Chairperson to such bench as he deems fit.

(d)Qualification for Appointment and the term of office

A person shall be eligible for appointment as the Chairperson or the Member unless he is or has been or is qualified to be a Judge of High Court in the case of the Chairperson and in the case of Member, he is or has been or qualified to be a District Judge. He holds office for a term of five years from the date on which he enters upon his office or up to the age of 65 years in the case of Chairperson and up to the age of 62 years in the case of a Member. The salary, other allowances and conditions of service should be such as may be prescribed and it cannot be varied to their disadvantage after appointment.

(e) Appellate Tribunal and the Special Director

Appeals are not governed by the procedure laid down by the Code of Civil Procedure but they should be guided by the principles of natural justice and subject to the other provision of this Act. They have powers to regulate their procedure. For the purpose of discharging their functions, they have the same powers as are

vested in a Civil Court. This power includes (i) summoning and enforcing the attendance of any person and examining him on oath, (ii) requiring the disclosure and production of documents, (iii) receiving evidence on affidavits, (iv) subject to the relevant provision of the Indian Evidence Act, requisitioning any public record or document or copy thereof, (v) issuing commissions for the examination of witnesses or documents, (vi) reviewing its decisions, (vii) dismissing a representation of default or deciding it *ex parte*, (viii) setting aside any order of dismissal of any representation for default or any order passed by it *ex parte* and (ix) any other matter which may be prescribed by the Central Govt.

Any order made by the aforesaid authorities is executable as a decree of Civil Court. In effect they have all the powers of a Civil Court. They may transmit any order made by them to a Civil Court having local jurisdiction for execution of such order as if it were a decree made by that court. All proceedings are deemed to be judicial proceedings within the meaning of the Indian Penal Code and the said authorities are deemed to be a Civil Court for the purpose of relevant provision of the code of Criminal Procedure.

The Chairperson may from time to time, by notification, make provision for distribution of the business among the Benches as may be stated. The AT has also powers which are conferred on the Income tax Authorities under the income Tax Act, subject to such conditions and limitation as the Central Govt. may impose.

Penalties (Section 13)

Any person who contravenes any of the provisions of this Act or any rule, regulation, notification or order or any condition subject to which an authorisation is issued by the RBI, upon adjudication are liable to a penalty up to thrice the sum involved in such contravention if the penalty is quantifiable or up to two lakh rupees where the amount of penalty is not quantifiable..If the contravention is a continuing one, further penalty extending it to five thousand





rupees for every day during which the contravention continues.

Any Adjudicating Authority adjudging any contravention may, in addition to penalty as aforesaid, also direct that any currency or property in respect of which contravention takes place, should also confiscate for the benefit of the Central Govt. He may also further direct the person committing contravention for any part thereof should be brought back into India or shall be retained outside in accordance with the directions of the AA. The "property" referred to above is defined to include deposits in a bank arising out of conversion of such property, Indian currency on account of such conversion and any other as the case may be.

Compounding of Contraventions (Section 15)

The Act also provides that any contravention under section 13(which provides for penalties) may be compounded by making an application by the person committing the breach within 180 days from the date of receipt of application by the Director of Enforcement or such other officers as may be authorised by the Central Government in such manner as may be prescribed. It is also provided that where compounding has been accepted, no proceedings will be initiated or continued by the Enforcement as the case may be against the person committing such contravention.

The procedure for compounding of offences are laid down by FE (Compounding Proceedings) Rules, 2000. After being advised of contravention under FEMA, a person may file compounding application to the Regional Office of the RBI with a fee of rupees five thousand in favour of the RBI. While considering the application for compounding, the Compounding Officer(CA) should ascertain the nature of contravention keeping in view the following factors, that is (a) whether the contravention is technical and/or minor in nature and needs only administrative caution advise, (b) whether contravention is serious in nature and warrants compounding of the same, (c) whether contravention involves *prima facie* money laundering, national security, concealing serious infringement of the regulatory framework. On the basis of these parameters, the RBI will classify the contravention.

For the purpose of ascertaining the sum payable by the applicant for compounding of the contravention, the Compounding Authority will keep in view (a) the amount of gain or unfair advantage as a result of contravention, (b) the amount of loss caused to authority/ agency/to the exchequer, (c) economic benefits accruing to the contravener from the delayed compliance, (d) the repetitive nature of the contravention, the track record and/or history of non-compliance, (d) contravener's conduct in undertaking the transaction and disclosure of full facts in the application for compounding and any other factor.

A personal hearing is given before passing any compounding order. The applicant will also have to give an undertaking as the

RBI may require.

Conclusion

It is clear from the above that the management of foreign exchange is a highly balancing act and it is a nation's asset. It is for this purpose that those who are earning foreign exchange are required to repatriate the same to our country through normal banking channel except where the RBI permits otherwise. This involves not only proper husbanding of foreign exchange resources but also utilization of the same for most essential needs of our country. From this perspective enforcement of penal provisions of the Act are quite essential. Foreign exchange is a scarce resource and needs to be used for keeping the wheels of industry running and all the same for other essential purposes. Foreign exchange accrues to our country from various sources like repatriation of foreign exchange on account of export of goods and services, foreign direct investment in the Indian industries, remittances from abroad by the Indians working out of India including NRIs, stock market transactions including investment transactions by the Foreign Institutional investors in the Indian securities, etc. At the same time, foreign exchange is required to be spent for a variety of purposes and they are, payment in foreign exchange in respect of foreign trade, other current business obligations, services, short term banking and credit facilities in the ordinary course of business, payment due as interest on loans and net income from investments, remittances for living expenses of parents and children residing abroad and expenses in connection with foreign travel, education and medical care of persons, spouses and children. These are in the nature of current account transactions. For the proper safeguarding of the foreign exchange resources, it is necessary that penal provisions of the Act are enforced in all its strictness and this will plug the leakage of foreign exchange resources. CS





Article



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Transfer of Legal Proceedings to National Company Law Tribunal

- The National Company Law Tribunal is going to be a powerful quasi-judicial tribunal and with its establishment there will be substantial and dimensional change in the legal scenario with respect to company law matters. Therefore it is essential to note the powers that are going to be transferred to NCLT and the Appellate Tribunal and also the transitional provisions relating thereto.

The Ministry of Corporate Affairs is swiftly acting towards implementing the Companies Act, 2013 [the Act]. Very soon, the Companies Act, 1956 [the 1956 Act] will stand repealed in full. Already 98 sections of the Act have been brought into force w.e.f 12th September, 2013. With the 1956 Act getting repealed as a result of the coming into force of the Act, the jurisdiction and powers of High Courts under that Act to the extent explained in this article and that of the quasi-judicial forums, the Company Law Board [CLB] under that Act as well as that of the Board for Industrial and Financial Reconstruction [BIFR] and the Appellate Authority for Industrial and Financial Reconstruction [AAIFR] under the Sick Industrial Companies (Special Provisions) Act, 1985 are going to end.

Company Law Board [CLB]

Presently the CLB is empowered under Section 10E (1A) of the 1956 Act to exercise such powers and functions with respect to various matters requiring adjudication. Significant amongst the disputes that are adjudicated by the CLB are those matters relating to rectification of register of members and prevention of oppression and mismanagement, besides other powers exercised in relation to compounding of offences. When the relevant provisions of



the new Act are brought into force, most of these powers will stand transferred to and vested in and exercised by the National Company Law Tribunal (NCLT). Presently under Section 10F of the 1956 Act, the appeals arising from the orders of the CLB are decided by a Single Judge of the High Court having jurisdiction

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➤ A close look at Section 434 of the Act suggests that any appeal relating to any matter arising from any order of the CLB under Section 10F of the 1956 Act and other appeals arising from orders of High Courts which are pending disposal before High Courts/Supreme Court of India will continue to be considered, adjudicated and disposed by the respective Court. Powers of High Courts to grant relief in matters relating to apprehended prosecution for offences under the Act will continue to be vested and exercised by High Courts by virtue of section 463 of the Act.

over the registered office of the company in relation to which the CLB had passed the order. Under the Act, the appeals against the orders of the NCLT will lie before the National Company Law Appellate Tribunal (NCLAT).

BIFR and AAIFR

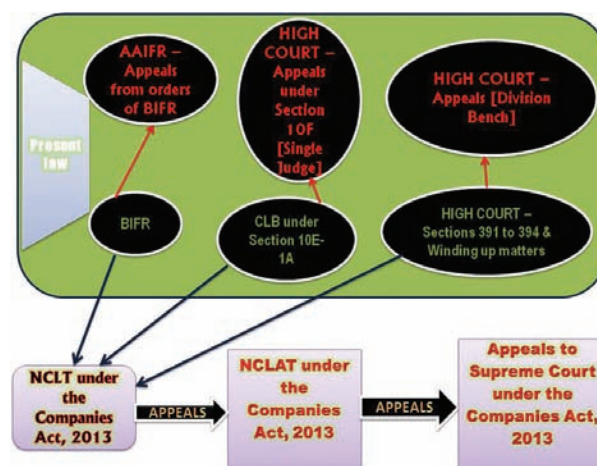
Under the Sick Industrial Companies (Special Provisions) Act, 1985, the BIFR has powers to declare a company having one or more industrial undertakings as a sick industrial company and consider and sanction a scheme for revival and rehabilitation of the sick industrial company. In case, the BIFR finds that it is not possible for the revival and rehabilitation of the sick industrial company, it has powers to order winding up of the sick industrial company. Appeals against orders of the BIFR lie before the AAIFR. No provision for further challenge by way of a statutory appeal against any order of AAIFR is available. However the writ jurisdiction of High Courts could be invoked in deserving cases on the ground that there is no other alternative remedy. When the relevant provisions of the Act are brought into force, the powers, substantially, similar to those of the BIFR will stand transferred to and vested in and exercised by the NCLT and appeals arising from orders of the NCLT will lie before the NCLAT. The Act has introduced substantial changes in the law relating to revival and rehabilitation of sick companies.

High Courts

Presently schemes of compromises, arrangements, mergers, demergers are subject to sanction of High Court. Further all matters

relating to winding up of companies come under the jurisdiction of the High Courts. Appeals arising from the orders of the High Courts in the above matters lie before a Division Bench of the High Courts. Further appeals may be made before the Supreme Court of India by special leave. Similarly any order or decision of a Single Judge of the High Court under section 10F also goes to Supreme Court of India subject to special leave. When the relevant provisions of the Act are brought into force, powers of the High Courts with respect to such schemes of arrangement and those relating to winding up of companies will stand transferred to and vested in and exercised by NCLT and appeals arising from orders of NCLT will lie before the NCLAT. A close look at Section 434 of the Act suggests that any appeal relating to any matter arising from any order of the CLB under Section 10F of the 1956 Act and other appeals arising from orders of High Courts which are pending disposal before High Courts/Supreme Court of India will continue to be considered, adjudicated and disposed by the respective Court. Powers of High Courts to grant relief in matters relating to apprehended prosecution for offences under the Act will continue to be vested and exercised by High Courts by virtue of section 463 of the Act.

Pictorial Presentation of Transfer of Legal Proceedings



Constitution of NCLT / NCLAT and Effective Date of Transfer of Legal Proceedings

At any time the relevant provisions of the Act will be brought into force by the Central Government giving a go by to the jurisdiction and powers of CLB/BIFR/AAIFR/High Court in the above matters. In fact, as per the Act the CLB/BIFR/AAIFR will stand dissolved.

Section 434 of the Act states that all matters, proceedings and cases pending before CLB will stand transferred to the NCLT.



Article

Transfer of Legal Proceedings: to National Company Law Tribunal

➤ Under section 434 of the Act transfer of proceedings to Tribunal will take effect only from a date notified for that purpose by the Central Government which date cannot certainly precede the date of constitution of the Tribunal. Until that date, the second proviso of sub-section (1) of section 465 of the Act will apply and CLB will continue to function. But notwithstanding that, section 466 states that CLB will stand dissolved upon constitution of the Tribunal.

However in respect of any order issued before the date notified by the Central Government for such transfer, appeal will lie before the High Court only.

All proceedings with respect to schemes of compromises, arrangements, mergers, demergers, winding up of companies pending for disposal before any High Court under the relevant provisions of the 1956 Act will also stand transferred to the NCLT. NCLT should deal with such proceedings from the stage at which they were before such court immediately prior to the transfer of such proceedings to the NCLT.

An interesting aspect of section 434 of the Act is that any proceeding, reference, enquiry, appeal before the BIFR or as the case may be the AAIFR will stand abated from the date notified by the Central Government under this section. However a company in respect of which such proceedings have got abated may make a reference to the Tribunal in accordance with the Act.

Section 465 of the Act states that the present Act i.e., the Companies Act 1956 shall stand repealed. The second proviso under section 465 states that until a date is notified by the Central Government under section 434 of the Act for transfer of proceedings to NCLT as aforesaid, the provisions of the 1956 Act will continue to be applied by the CLB / Courts as if no repeal of the Companies Act 1956 had taken place.

Thus effectively only upon the constitution of NCLT and NCLAT, the Central Government can notify a date for the coming into force of section 434 of the Act and for the repeal of the 1956 Act.

Repeals and Savings

The Companies Act 2013 will come into force on a date notified for the said purpose by the Central Government. Section 1 of the Companies Act 2013 states that this Section comes into force at

once and the remaining provisions of this Act shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint. The Central Government may appoint different dates for the coming into force of different provisions of this Act. However until section 465 of the Companies Act 2013 is notified, the repeal of the 1956 Act and the Registration of Companies (Sikkim Act) 1961 will not take effect.

Even after the repeal of the 1956 Act takes effect in the manner aforesaid on a date appointed by the Central Government as aforesaid, certain provisions of the 1956 Act will continue to be in force as if the 1956 Act has not been repealed. Such effect in respect of specified provisions will continue not forever but only up to such further time as may be specified.

The First Proviso under sub-section (1) of section 465 extends the life of the provisions of the 1956 Act as is applicable to producer companies until the Parliament enacts a new special law for producer companies.

The Second Proviso under sub-section (1) of this section extends the life of Company Law Board (CLB) constituted under Section 10E of the 1956 Act until the Central Government notifies a date under sub-section (1) of Section 434 for transfer of all matter, proceedings or cases to the Tribunal, and states that the provisions of the 1956 Act in regard to CLB and court shall continue to apply as if the 1956 Act has not been repealed.

The Third Proviso under sub-section (1) of this section is with respect to limited liability partnerships (LLP). Section 67 of the LLP Act empowers the Central Government to apply the provisions of the Companies Act 1956 to LLPs. Section 67 of the LLP Act would continue to be in force despite the repeal of 1956 Act until the Central Government notifies relevant corresponding provisions of this Act.

Sub-section (2) of section 465 continues certain important transitional provisions notwithstanding repeal of 1956 Act. The important matters that are saved by this sub-section despite the repeal of 1956 Act are given below:

- The repeal does not affect any rule, notification, order and any proceeding taken or any fine or any penalty imposed under 1956 Act would be construed as having been taken under the corresponding provisions of this Act in so far as it is not inconsistent with the provisions of this Act.
- Any order, rule notification or direction issued under 1956 Act will remain in force as if it has been issued under this Act.
- Any prosecution instituted under the 1956 Act and pending disposal at the commencement of this Act should be continued to be heard and disposed of by the same Court before which the said prosecution is pending.
- Any inspection, investigation or enquiry commenced under 1956 Act will have to continue as if the inspection or investigation or enquiry had been ordered under the corresponding provision of this Act.



- Any application or representation filed / made to the Registrar of Companies, Regional Director or the Central Government under 1956 Act shall be dealt with in terms of the 1956 Act despite its repeal.

Thus the repealed enactment continues to be in force in so many ways for so many purposes as above discussed. This provision is in *pari materia* with sections 644 to 658 of the 1956 Act. Sub-section (3) of section 465 of the Act saves the general application of section 6 of the General Clauses Act, 1897 much similar to section 658 of the 1956 Act.

An Analysis

An inspection or investigation initiated under the 1956 Act may result in the inspection or investigation going in a different direction consistent with the provisions of this Act. For instance, an offence under section 297 of the 1956 Act may not be an offence at all under section 188 of this Act. An inspection or investigation though continued under this Act even though initiated under the 1956 Act must construe the acts of omissions and commissions in relation to a company and its officers only to the extent such Acts could be construed as offences against the provisions of this Act.

Section 6 of the General Clauses Act, 1897 states, *inter alia*, that any such investigation, legal proceeding or remedy may be instituted, continued or enforced, and any such penalty, forfeiture or punishment may be imposed as if the repealing Act or Regulation had not been passed.

Therefore it seems to be possible for the Registrar of Companies to initiate fresh prosecution for anything that had happened under the 1956 Act which cannot be construed as an offence under the new Act despite the repeal of the 1956 Act.

Constitution of Tribunal and Appellate Tribunal and Interim Arrangement thereof

Only under the Second Proviso to sub-section (1) of section 465 of the Act, it is mentioned that notwithstanding the repeal of the 1956 Act, CLB will continue to exercise its powers until the Central Government notifies a date under Section 434 of the Act for transfer of legal proceedings to Tribunal. However Section 466 of the Act states that notwithstanding the provisions relating to repeal and savings contained in Section 465 of the Act, CLB will stand dissolved upon the constitution of the Tribunal. It is very absurd to view this provision independent of sections 434 and 465 of the Act. Under section 434 of the Act transfer of proceedings to Tribunal will take effect only from a date notified for that purpose by the Central Government which date cannot certainly precede the date of constitution of the Tribunal. Until that date, the second proviso of sub-section (1) of section 465 of the Act will apply and CLB will continue to function. But notwithstanding that, section 466 states that CLB will stand dissolved upon constitution of the

Tribunal. Actually the constitution of the Tribunal must take place first. Simultaneously CLB will stand dissolved. But until a date is notified under section 434, CLB will continue to exercise its powers. Therefore the proper way to construe these provisions is to think that all the three things will take place on the same day.

The Proviso under sub-section (1) of section 466 of the Act states that the Chairman, Vice-chairman and members of the CLB, subject to requisite qualifications, will function as President, Chairperson or Member of the Tribunal or the Appellate Tribunal, until the constitution of the Tribunal and the Appellate Tribunal. If that be so, Tribunal gets constituted in that manner. Upon constitution of the Tribunal, CLB shall stand dissolved as stated in sub-section (1) of section 466 of the Act.

In terms of section 408 of the Act, the Central Government shall, by notification constitute the Tribunal with effect from such date as it may notify in that notification. Similarly under section 410 of the Act, it may notify the constitution of the Appellate Tribunal. Under section 419 of the Act, Tribunal may be constituted with such number of benches as may be notified by the Central Government. Therefore from the words "constituting the Tribunal, or as the case may be, the Appellate Tribunal", it should be understood to be the date on which the Central Government announces the constitution thereof under section 408 or 410 of the Act. Simultaneous with the said notifications, the date under section 434 would also be announced.

If until constitution of the Tribunal, subject to qualifications, the Chairman, Vice-chairman and members of the CLB will function as President, Chairperson or Member of the Tribunal or the Appellate Tribunal, it implies that the Tribunal or as the case may be the Appellate Tribunal is getting constituted in that manner. And sub-section (2) of section 466 of the Act states that any the Chairman, Vice-chairman and members of the CLB who did not so become the Chairman, Vice-chairman and members of the CLB as per the Proviso under sub-section (1) of section 466 of the Act will vacate their offices immediately upon constitution of the Tribunal and the Appellate Tribunal. Therefore even such constitution of the Tribunal or as the case may be the Appellate Tribunal by invoking the Proviso under sub-section (1) of section 466 of the Act must be by virtue of notifications referred to in sections 408 and 410 of the Act.

Conclusion

From a conspectus of the above provisions, it becomes clear that only upon the constitution of the Tribunal and Appellate Tribunal, things will become clear. Even though the 1956 Act has not been repealed by bringing into force sub-section (1) of section 465 of the Act, several provisions of the Act have been brought into force. This itself has created enough issues. It would be advisable to put on hold the powers of the Central Government under section 466 of the Act until the Tribunal and the Appellate Tribunal are properly established with a reasonable strength and support staff rather than taking interim measures.

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Article



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Registration of Equitable Mortgage

- Even where an equitable mortgage is created without a registered instrument, the mortgagee does not stand to lose the priority of his interest in or over the immovable property mortgaged in his favour *vis-a-vis* other charge holders on the said immovable property.

Meaning of Mortgage

‘Mortgage’, in simple language, means the transfer of interest in specific immovable property for the purpose of securing payment of money advanced or to be advanced by way of loan or the performance of an engagement which may give rise to a pecuniary (monetary) liability. Mortgage deed refers to the instrument, if any, by which the transfer of interest in specific immovable property is effected.

Forms of Mortgage

The Transfer of Property Act, 1882 (TP Act) recognises six forms of mortgage, namely: - (1) Simple Mortgage; (2) Mortgage by Conditional Sale; (3) Usufructuary Mortgage; (4) English Mortgage; (5) Mortgage by Deposit of Title Deeds (commonly called Equitable Mortgage); and (6) Anomalous Mortgage.

Creation of Mortgage

Section 59 of the TP Act specifies the manner of creation of various modes of mortgage. As per this section, “where the principal money secured is Rs. 100 or upwards, a mortgage, other than



a mortgage by deposit of title deeds, can be effected only by a registered instrument signed by the mortgagor and attested by at least two witnesses. Where the principal money secured is less than Rs. 100, a mortgage may be effected either by a registered instrument signed and attested as aforesaid or (except in the case

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- An unregistered mortgage deed for securing principal amount of Rs. 100 or upwards cannot be accepted as documentary evidence of the underlying transaction by courts. Except for the execution of a mortgage deed and gift deed, TP Act has not specified the requirement of compulsory attestation by at least two witnesses to any other mode of transfer of property.

of a simple mortgage) by delivery of the property”.

It is neither a requirement of TP Act nor any other law that the mortgagee either should accept the mortgage deed and sign “accepted (signature) Mortgagee” or be named as one of the executing parties to the mortgage deed.

By the expression “other than a mortgage by deposit of title deeds”, section 59 has not contemplated execution of an instrument and registration of mortgage effected by deposit of title deeds even if the principal money secured is Rs. 100 or upwards. Attestation by at least two witnesses and registration are the compulsory requirements for effecting a mortgage for securing principal money of Rs.100 or upwards (other than mortgage by deposit of title deeds), without which the document will not be construed as a mortgage. Further section 49 of the Indian Registration Act, 1908 (Registration Act) specifically provides that no document required by section 17 or by any provision of the Transfer of Property Act, 1882 to be registered shall - (a) affect any immovable property comprised therein, or (b) confer any power to adopt, or (c) be received as evidence of any transaction affecting such property or conferring such power, unless it has been registered”.

Therefore, an unregistered mortgage deed for securing principal amount of Rs. 100 or upwards cannot be accepted as documentary evidence of the underlying transaction by courts. Except for the execution of a mortgage deed and gift deed, TP Act has not specified the requirement of compulsory attestation by at least two witnesses to any other mode of transfer of property.

Definition of Mortgage by Deposit of Title Deeds

Where a person in any of the following towns, namely, Calcutta, Madras and Bombay, and in any other town which the State Government concerned may, by notification in the Official Gazette,

specify in this behalf, delivers to a creditor or his agent documents of title to immovable property, with intent to create a security thereon, the transaction is called a mortgage by deposit of title deeds. Mortgage by deposit of title deeds is also popularly known as equitable mortgage due to the ease of its creation, cost effective method of its creation, recognition of the rights of the creditor by courts, enforcement aspects, etc.

Ingredients of Equitable Mortgage

The essential requirements to constitute deposit of title deeds as equitable mortgage are: - (i) debt; (ii) deposit of title deeds; and (iii) an intention that the title deeds shall be security for the debt. All the three requirements shall have to be present to construe deposit of title deeds as a mortgage. There is no presumption of law that the mere deposit of title deeds constitutes a mortgage. Whether there is an intention that the title deeds shall be security for the debt is a question of fact in each case. This fact shall have to be decided just like any other fact on presumptions and on oral, documentary or circumstantial evidence. In order to prove the creation of equitable mortgage, the practice of recording the memorandum of entry or obtaining a letter from the mortgagor confirming the creation of equitable mortgage has been in vogue among the lenders.

Physical delivery of documents by the debtor to the creditor is not the only mode of deposit. There may be a constructive deposit. A court will have to ascertain in each case whether in substance there is a delivery of title deeds by the debtor to the creditor. If the creditor was already in possession of the title deeds, it would be hyper- technical to insist upon the formality of the creditor delivering the title deeds to the debtor and the debtor redelivering them to the creditor. [(1933) ILR 11 Rang 239 followed in AIR 1965 SC 430]

Territories in Which Equitable Mortgage Can be Made

The TP Act specifies three cities, namely, Calcutta, Madras and Bombay where an equitable mortgage can be made. The State Governments have been empowered to notify the places within their respective States, the towns where a person desiring to create an equitable mortgage can do so. Pursuant to this enabling provision State Governments have been issuing notifications of specified towns within their respective States where equitable mortgage can be made.

It is to be borne in mind that the territorial restrictions referred to in section 58 (f) defining mortgage by deposit of title deeds, have reference to the delivery of title deeds and not to the situation of the property. In other words, an equitable mortgage can be created over the specific immovable property even if the property is situated outside the territories specified or notified. It is also equally noteworthy that delivery of title deeds outside the specified



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Registration of Equitable Mortgage

or notified territories will not create a mortgage by deposit of title deeds even if the property is within the specified or notified territory. Further, the expression “person in any of the following towns” appearing in section 58 (f) does not mean that the person delivering the documents should be residing in the towns specified.

Registration of Mortgage

TP Act and Registration Act

Apart from the provisions of section 59 of TP Act making it compulsory to register a mortgage deed for securing principal amount of Rs. 100 or upwards, other than mortgage by deposit of title deeds, Registration Act also mandates registration of certain documents. Section 17 states:

“17. Documents of which registration is compulsory

(1) The following documents shall be registered, if the property to which they relate is situate in a district in which, and if they have been executed on or after the date on which, Act No. XVI of 1864, or the Indian Registration Act, 1866, or the Indian Registration Act, 1871, or the Indian Registration Act, 1877 or this Act came or comes into force, namely:-

- (a)..
- (b)..
- (c) non-testamentary instruments which acknowledge the receipt or payment of any consideration on account of the creation, declaration, assignment, limitation or extinction of any such right, title or interest;
- (d)..
- (e)....”

Mortgage by deposit of title-deeds in terms of section 58(f) of the TP Act for securing principal amount of Rs. 100 or upwards surely acknowledges the existence of debt and involves transfer of interest in specific immovable property. Therefore, one may contend that its registration is compulsory but for the specific provision of section 59 of the TP Act. A memorandum of entry if it does not contain any terms and conditions of the bargain between the mortgagor and the mortgagee, is merely evidential and does not require registration. However, if the memorandum of entry incorporates other terms and conditions with regard to the deposit in the form of a document, it will require registration under section 17 (1) (c) of the Registration Act.

The Companies Act, 1956

The equitable mortgage (irrespective of the principal amount involved) created as security by a borrower company will require registration with the Registrar of Companies as the said charge is covered under section 125 (4) (c), being a charge on the immovable property, wherever situate, or any interest therein. It should be noted that in terms of section 124 of the Companies Act, 1956

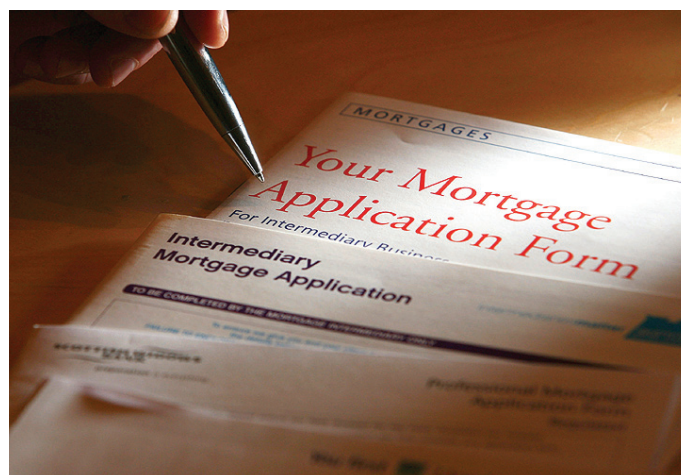
for the purposes of Part V, the expression “charge” includes a mortgage.

SARFAESI Act, 2002

The Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) has been set up as a company under section 25 of the Companies Act, 1956, as envisaged in section 20 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act). CERSAI has been authorised to maintain and operate the Central Registry for and on behalf of the Central Government.

In terms of Section 20 (4), the provisions of SARFAESI Act shall be in addition to and not in derogation of any of the provisions contained, *inter alia*, in the Registration Act, the Companies Act or any other law requiring registration of charges and shall not affect the priority of charges or validity thereof under those Acts or laws.

The Central Government has framed the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (Central Registry) Rules, 2011, which came into force with effect from 31st March 2011. Rule 4 (2) stipulates that particulars of every transaction of securitisation or reconstruction of financial assets and creation, modification or satisfaction of security interest by way of mortgage by deposit of title deeds shall be filed in Form I (creation and modification of charge), Form II (satisfaction of charge), Form III (securitisation or reconstruction of financial assets) or Form IV (satisfaction of securitisation or reconstruction of financial assets) as the case may be, and shall be authenticated by a person specified in the Form for such purpose by use of a valid digital signature. At present the registration system of CERSAI is confined to the registration (creation, modification and satisfaction) of mortgage by deposit of title deeds in favour of banks and financial institutions as also for transactions of securitisation and asset reconstruction under the provisions of SARFAESI Act. The Central





- An unregistered mortgage deed for securing principal amount of Rs. 100 or upwards cannot be accepted as documentary evidence of the underlying transaction by courts. Except for the execution of a mortgage deed and gift deed, TP Act has not specified the requirement of compulsory attestation by at least two witnesses to any other mode of transfer of property.

Government has not prescribed any forms for other categories of charges on immovable and movable properties.

Rule 5 limits the time for filing the particulars of every transaction to 30 days which can be extended by another 30 days on payment of additional fees [‘Transaction’ means any transaction of securitisation of financial assets or reconstruction of financial assets or security interest created over the property and modification and satisfaction of any security interest over the property: Rule 2 (1) (e)].

Pursuant to the rules mentioned above, if an equitable mortgage is created by a borrower (the form, constitution or nature of the borrower is not material) in favour of banks and/or financial institutions, a return in Form I is required to be filed.

Priority of Charges

1. TP Act

Section 48 of the TP Act deals with priority of rights created by transfer. As per this section: -

“Where a person purports to create by transfer at different times rights in or over the same immovable property, and such rights cannot all exist or be exercised to their full extent together, each later created right shall, in the absence of a special contract or reservation binding the earlier transferees, be subject to the rights previously created”.

To put it simply, the right created first in point of time shall rank prior/superior to the later created rights on the same property unless there is a contract or reservation to the contrary binding on the earlier transferees.

2. Registration Act

Section 48 of the Registration Act lays down the effectiveness of registered documents against oral agreements. This section reads as follows: -

“All non-testamentary documents duly registered under this Act, and relating to any property, whether movable or immovable, shall take effect against any oral agreement or declaration relating to such property, unless where the agreement or declaration has been accompanied or followed by delivery of possession and the same constitutes a valid transfer under any law for the time being in force:

Provided that a mortgage by deposit of title-deeds as defined in section 58 of the Transfer of Property Act, 1882, shall take effect against any mortgage-deed subsequently executed and registered which relates to the same property.

Recognising the validity and effectiveness of mortgage by deposit of title deeds having equal force and standing with other forms of mortgage, the Proviso to section 48 inserted in Registration Act in the year 1929, is in the nature of clarification since, as per section 59 of the TP Act, an equitable can be created without a registered instrument, and there is no delivery of possession of the immovable property to the mortgagee.

In view of the provisions contained in the TP Act and the Registration Act, even where an equitable mortgage is created without a registered instrument, the mortgagee does not stand to lose the priority of his interest in or over the immovable property mortgaged in his favour *vis-a-vis* other charge holders on the said immovable property.

Imposition of Stamp Duty and Registration Requirements in Respect of Equitable Mortgages by Certain States

The distribution of legislative powers of the Parliament and a State Legislature is governed by the provisions of Part XI of the Constitution of India. List I in the Seventh Schedule contains matters in respect of which the Parliament has the exclusive power to make any law. The Legislature of any State has exclusive powers to make laws for the State or any part thereof with respect to matters enumerated in List II in the Seventh Schedule. Both Parliament and the Legislature of any State have the power to make laws with respect to any of the matters enumerated in List III in the Seventh Schedule. Parliament has exclusive power to make any law with respect to any matter not enumerated in List II or List III.

Inconsistency Between Laws Made by Parliament and State Legislature

In the event of any inconsistency between (1) any law made by the Legislature of a State and the law made by the Parliament, which Parliament is competent to enact; or (2) any provision of law with respect to matters enumerated in List III, the law made by the



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Parliament whether before or after the law made by the Legislature of the State, shall prevail and the law made by the Legislature of the State shall to the extent of repugnancy be void. This is subject to the exception that in respect of matters enumerated in List III, the law made by the Legislature of such State shall prevail if the law so made by the Legislature of such State has been reserved for consideration of the President and has received his assent. However, this does not take away the power of the Parliament from enacting any law with respect to the same matter including adding to, amending, varying or repealing the law so made by the Parliament.

Stamp Duty and Registration

With a view to augmenting revenue to the state exchequer, in the last decade of the previous century, some of the States amended their stamp laws prescribing stamp duty on the memorandum of entry evidencing the creation of equitable mortgage. Currently, some of the State Governments have also stipulated registration of equitable mortgages.

Rates of stamp duty in respect of documents other than those specified in List I with regard to stamp duty, is found in Entry 63 of List II. Thus, the Legislature of any State is competent to enact laws prescribing rates of stamp duty. It, therefore, appears that prescribing stamp duty on the memorandum of entry by the States cannot be faulted. While it is true that in terms of section 3 of the Indian Stamp Act, 1988 only instruments are chargeable with stamp duty, yet the State Governments have expanded the definition or interpretation of the meaning of the term instrument to include any writing.

Registration Act is a central law. The entry regarding the legislative powers is found in List III. It does not appear that while prescribing registration requirement for equitable mortgage, the law enacted by the Legislature of States was placed before the President and received his assent. In the absence of such compliance of the provision of the Constitution of India, the law requiring registration of equitable mortgage enacted by the Legislature of a State cannot override the central law. The State Legislature cannot make a law to override section 59 of the TP Act.

Recent Judgement of The Supreme Court

In *State of Haryana and others v. Navir Singh and another and State of Punjab and others v. Pagro Foods Ltd and others* 2014 (1) SCC 105 (decided on 7-10-2013), the question came up before the Supreme Court as to whether mortgage by deposit of title deeds or equitable mortgage is compulsorily registrable under section 17 (1) (c) of the Registration Act. Relying on its earlier judgements in the case of *Rachpal v. Bhagwandas* (AIR 1950 SC 272) and *United Bank of India v. M/s Lekhrum Sonaram & Co* (AIR 1965

SC 1591), the Court held: - (1) No instrument is required to be drawn for the purpose of creation of equitable mortgage; (2) If the parties choose to have a memorandum prepared only showing deposit of title deeds, registration is not required; (3) In a case in which the memorandum recorded in writing creates right, liability or extinguishes those, the same requires registration. In that case also there has to be an instrument which is an integral part of the transaction regarding the mortgage by deposit of title deeds; and (4) A document merely recording a transaction which is already concluded and which does not by itself create any rights and liabilities does not require registration.

Conclusion

Many people acquire housing property by availing home loans from banks, Housing Finance Companies and NBFCs. The all round increase in the costs of affordable housing makes the persons availing housing loan wary about borrowing funds from banks and institutions. There are a number of micro, small and medium enterprises which depend upon bank finance for their business. Such borrowers, the provision of financial assistance fall under category of Priority Sector Lending as far as the banks are concerned, have to bear the increased cost on account of stamp duty and registration charges.

Article 141 of the Constitution states that "The law declared by the Supreme Court shall be binding on all courts within the territory of India". Instead of multiplying litigations on this count, the concerned State Governments must immediately withdraw the requirement of registration of equitable mortgage in their respective territories. The State Governments should not resort to increase in stamp duty on any writing evidencing the creation of equitable mortgage. Such measure, if taken would be against the common interest. On the other hand, the State Governments should consider withdrawing the imposition of stamp duty on equitable mortgage altogether (*status quo ante*), especially in the current economic scenario.

Banks, Housing Finance Companies and NBFCs which provide loans to borrowers may have to review the contents of the memorandum of entry and delete the portions from it which may be debated as constituting terms of bargain and thus attract the provisions of stamp law and Registration Act.

The judgement of the Supreme Court mentioned *supra*, negates the requirement of registration of the transaction relating to equitable mortgage. It further reiterates the earlier stand taken by that Court in respect of the registration requirement for effecting a mortgage by deposit of title deeds. It is now for the State Governments, banks, financial institutions, NBFCs and borrowers to give effect to the verdict of the Supreme Court regarding this subject matter. CS



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Is India INC. in Need of Independent Whistle Blowers?

- Significant corruption, financial irregularities and scams exist in the corporate sector too despite a relatively strong compliance structure, legal framework and policies. This points out a serious anomaly in our governance system especially with respect to Vigilance and related whistle blowers functions. The corporate sector therefore needs the services of independent professional whistle blowers.

Corporate management plays a vital role in shaping the future of the entity as the optimum utilization of all resources hinges upon the efficacy of the management. The core of a successful management lies in its clarity of vision, plan of action and more importantly execution of the plan of action – the real gamut of operations as it were, and it is here that the importance of corporate governance and ethics comes into being. There is no denying the fact, that whereas our policies and systems are good, the implementation system needs to be overhauled. Organizations are managed by Policies, Guidelines and Systems. These are dynamic instruments, and therefore need to be reviewed from time to time to gauge their efficacy to the said organization. This review is all the more necessary when a lapse or an untoward incident takes place. It may happen that the policy is very much sound and in place, but over a period of time wrong practices have come into being, which may be the reasons for the problems that have occurred and therefore corrective steps need to be taken forthwith.

The management needs to be controlled from the customary errors and omissions in the day to day affairs of the company. Sometimes, these errors and omissions are by way of mistake



or error of judgment; sometimes it may be due to negligent or accidental omission and sometimes it may be motivated or forced actions because of not adhering to the prescribed regulations and guidelines. It is difficult to imagine a scenario where the key economic players like public sector bureaucrats or private sector



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Is India Inc. in Need of Independent Whistle Blowers?

➤ It is a high time that India Inc. comprising of PSUs, Government and Corporate Sector must have the services of Independent professional Whistle Blowers for having effective Business Oriented Vigilance which helps to provide a safeguard and protection to Corporates having exposure to Public Funds in any way in excess of Rs 500 crore or more or the limit cap may be debated among the various stakeholders like Industry, Professional Organizations, Chamber of Commerce and Regulatory Agencies.

top managerial personnel or promoters would not gain from any decision that encourages or sets in motion any kind of economic or business activity. While one should definitely be excused for bona-fide mistakes of error of judgment, in all these situations, an independent and mature professional whistleblower can play a key and vital role in protecting the interests of the entity.

According to Kroll Advisory Solutions, a Risk Management and Consulting Firm, companies in India have encountered the highest number of fraud cases in the world in recent years, and most of these relate to theft of physical assets, information breach, internal theft, corruption and vendor-supplier frauds. Indian companies, however, were more concerned about the theft of physical assets or stocks than bribery or corruption. Though, the number of firms reporting fraud fell from 84% in 2011 to 68% in 2012, fraudulent activities still prevail and the economy is vulnerable to planned frauds. In India, the key challenge remains corruption and bribery-related frauds. Though the number of firms affected by corruption has gone down to 21%, it still remains persistently higher than the global average of 11%. Globally, financial services, infrastructure and manufacturing remain the top sectors most prone to fraud. As per a survey, it's shocking that despite the vulnerability to fraud, only 30% of Indian firms were willing to invest in IT security, considering the increasing number of technology-related frauds. "India is a growth market, so companies lay emphasis on investing in expansion rather than putting the bricks. That will be a concern as we mature over the years." In contrast seventy per cent of Chinese firms, second in line for the number of frauds, are willing to increase the investment in IT security.

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professional Whistle Blowers for having effective Business Oriented Vigilance which helps to provide a safeguard and protection to Corporates having exposure to Public Funds in any way in excess of Rs 500 crore or more or the limit cap may be debated among the various stakeholders like Industry, Professional Organizations, Chambers of Commerce and Regulatory Agencies.

It is the economic downturn, rather than the upswing, which raises sharp focus on issues relating to ethics and corporate governance. The two major reasons for corporate failures have been greed and excess leverage which result in the collapse of governance and to some extent sickness and downfall of the entity. The moot point is whether these two need to be completely done away with? If so, what is the incentive for aggressive growth and competition? If not, how are these to be kept within controllable limits and yet higher growth achieved? Actually business needs a balanced and prudent approach neither too rigid nor too flexible for both the phases namely economic downturn and economic boom.

There is no denying the fact, that investment in IT security, Manual, Policies, Experts and Management Gurus can result in number of action plans in controlling the errors, omissions and frauds, but an independent professional whistleblower like an experienced and mature whole-time legal expert, CSs, CFOs can play a key role and bestow a sharp focus on the adherence of true spirit of ethics and corporate governance, and who can blow the whistle and raise an alarm in time about the wrongdoing/malpractices going on inside an organization.

Whistleblower protection in India refers to provisions put in place in order to protect someone who exposes alleged wrongdoing. The wrongdoing might take the form of fraud, corruption or mismanagement. One who reveals wrongdoing within an organization to the public or to those in positions of authority is called the whistleblower - an informant who exposes wrongdoing within an organization in the hope of stopping it. However at present "the law gives little protection to whistleblowers who feel the public has a right to know what is going on."

Appointment of Independent whistleblowers will definitely transform the existing Corporate Governance Culture. It can also revolutionize the corporate control system by reducing or controlling financial scams which may also reduce the chances of siphoning of public / borrowed funds by unscrupulous promoters at the disposal of company's management. It can also reduce in creation of vanishing companies.

A whistleblower is a person who tells the public or someone an authority about alleged dishonest or illegal activities (misconduct) occurring in a government department or private company or organization. The alleged misconduct may be classified in many ways; for example, a violation of a law, rule, regulation and/or a direct threat to public interest, such as fraud, health/safety violations, and corruption. Whistleblowers may make their allegations internally (for example, to other people within



➤ Whistle blowers frequently face reprisal, sometimes at the hands of the organization or group which they have accused, sometimes from related organizations, and sometimes under law. Ideas about whistle blowing vary widely. Whistle blowers are commonly seen as selfless martyrs for public interest and organizational accountability; others view them as "tattle tales" or "snitches," solely pursuing personal glory and fame.

the concerned organization) or externally (to regulators, law enforcement agencies, to the media or to groups concerned with the issues).

The term 'whistleblower' comes from the whistle a referee uses to indicate an illegal or foul play in a sport of game like Football/Hockey. US civic activist Ralph Nader coined the phrase in the early 1970s to avoid the negative connotations found in other words such as "informers" and "snitches". The term whistleblower derives its origin from the practice of English (policemen), who would blow their whistles when they noticed the commission of a crime. The whistle would alert other law enforcement officers and the general public of danger.

One of the first laws that protected whistleblowers was the 1863 United States False Claims Act (revised in 1986), which tried to combat fraud by suppliers of the United States government during the Civil War. The Act encourages whistleblowers by promising them a percentage of the money recovered or damages won by the government and protects them from wrongful dismissal.

Whistle blowing can be defined as 'the release of information by a member or former member of an organization that is evidence of illegal or immoral conduct in the organization or conduct in the organisation, which is not in public interest. Whistle blowing has become a widely accepted practice world around. However, the corporate world in India is yet to seriously incorporate this practice in their corporate governance practices.

Whistle blowing is the process of informing the authorities about the illegal or immoral or unethical conduct of business in an organization. Precisely, whistle blowing is an action taking place within an organization. The reporting of an incident in an organization by an external agency or even the employee is not whistle blowing. There are certain basic differences between whistleblowing activity and reporting. Whistle blowing policy will

never give an automatic protection to any organisation from wrong doings. The effectiveness of the system mainly depends upon how the wrong doings become costly to the performer of the act.

Consequences of being Honest Whistle blowers

"Whistle blowing is an open disclosure about significant wrongdoing made by a concerned citizen totally or predominantly motivated by notions of public interest, who has perceived the wrongdoing in a particular role and initiates the disclosure on her or his own free will, to a person or agency capable of investigating the complaint and facilitating the correction of wrongdoing", [William De Maria]

Whistle blowers frequently face reprisal, sometimes at the hands of the organization or group which they have accused, sometimes from related organizations, and sometimes under law. Ideas about whistle blowing vary widely. Whistle blowers are commonly seen as selfless martyrs for public interest and organizational accountability; others view them as "tattle tales" or "snitches," solely pursuing personal glory and fame. Some academics such as Thomas Alured Faunce feel that whistle blowers should at least be entitled to a rebuttable presumption that they are attempting to apply ethical principles in the face of obstacles and that whistle blowing would be more respected in governance systems if it had a firmer academic basis in virtue ethics.

It is probable that many people do not even consider blowing the whistle, not only because of fear of retaliation, but also because of fear of losing their relationships at work and outside work. Because most of the cases are very low-profile and receive little or no media attention and because whistle blowers who do report significant misconduct are usually put in some form of danger or persecution, the idea of seeking fame and glory may be less commonly believed. Discrimination of whistle blowers has become a serious issue in many parts of the world. Although whistle blowers





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are often protected under law from employer retaliation, there have been many cases where punishment for whistle blowing has occurred, such as termination, suspension, demotion, wage garnishment, and/or harsh mistreatment by other employees. For example, in the United States, most whistleblower protection laws provide for limited "make whole" remedies or damages for employment losses if whistleblower retaliation is proven. However, many whistleblowers report there exists a widespread "shoot the messenger" mentality by corporations or government agencies accused of misconduct and in some cases whistleblowers have been subjected to criminal prosecution in reprisal for reporting wrongdoing or unceremoniously fired or separated from the business firm. Lack of adequate protection to the complainants reporting the corruption or wilful misuse of power or wilful misuse of discretion which causes demonstrable loss of Public Funds with the connivance of top management. Instances of Satyam or Enron scams are fresh in human memory.

As a reaction to this many private organizations have formed whistleblower legal defense funds or support groups to assist whistleblowers: two such examples are the National Whistleblowers Center in the United States and Public Concern at Work in the UK. Depending on the circumstances, it is not uncommon for whistleblowers to be hated by their co-workers, discriminated against by future potential employers, or even fired from their organization. This campaign directed at whistleblowers with the goal of eliminating them from the organization is referred to as mobbing. It is an extreme form of workplace bullying wherein the group is set against the targeted individual.

Most whistleblowers are internal whistleblowers, who report misconduct on a fellow employee or superior within their company. One of the most interesting questions with respect to internal whistleblowers is why and under what circumstances people will either act on the spot to stop illegal and otherwise unacceptable behavior or report it. There is some reason to believe that people are more likely to take action with respect to an unacceptable behavior, within an organization, if there are complaint systems that offer not just options dictated by the planning and control organization, but a choice of options for absolute confidentiality.

External whistleblowers, however, report misconduct on outside persons or entities. In these cases, depending on the information's severity and nature, whistleblowers may report the misconduct to lawyers, the media, law enforcement or watchdog agencies, or other local, state, or federal agencies. In some cases, external whistleblowing is encouraged by offering monetary reward.

Under most US federal whistleblower statutes, in order to be considered a whistleblower, the federal employee must have reason to believe his or her employer has violated some law, rule or regulation; testify or commence a legal proceeding on the legally protected matter; or refuse to violate the law.

Legal protection

Legal protection for whistleblowing varies from country to country and may depend on any of the country of the original activity, where and how secrets were revealed, and how they eventually became published or publicized. Over a dozen countries have now adopted comprehensive whistleblower protection laws which create mechanisms for reporting, investigate reports, and provide legal protections to the people who informed them. Over 50 countries have adopted more limited protections as part of their anti-corruption, freedom of information, or employment laws.

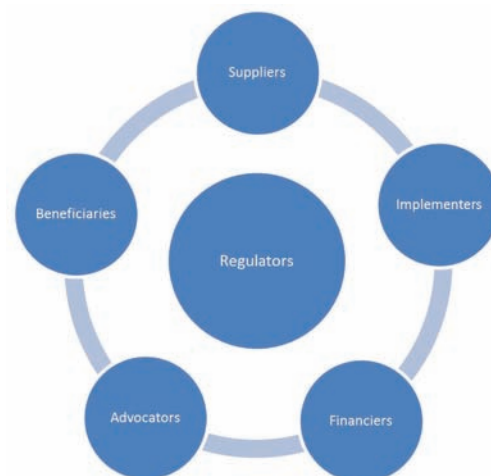
Whistle blowers Procedure

Whistle blowers Procedure Policy in an organization should strive for a culture of openness, integrity and reliability with ethical behavior and compliance with laws and regulations of the land. The Whistle blowers Procedure provides the employees with rules on how to report violations of the Code of Conduct and other policies. Reports made by the employees are treated confidentially and are promptly investigated without any risk of recourse for the employee.

'Conscience keeping' or 'whistle blowing' is a part of ethical culture in the organization. Conscience keeping is broader aspect and includes whistleblowing also. The manner of implementing the same can be through implementing appropriate controls, by bringing ethical culture in the organization. There have been instances both positive and negative in respect of Whistle Blowing indicating that in some cases whistleblower succeeded, while in many cases they become victim for being honest. CSs & CFOs have a key role in bringing ethical climate in the Corporate World.

Whistle blowers are important stakeholders

Corporate Governance refers to a set of systems/procedures,





policies, practices and standards put in place by a corporate to ensure that relationship with various stakeholders is maintained in transparent and honest manner. Whistleblowers are important stakeholders as they can work as a tool for authorities to get information of deviant behaviour or practices in organizations.

The term 'whistleblowing' is relatively a recent entry into the vocabulary of public and corporate affairs, although the phenomenon itself is not new. It refers to the process by which insiders go public or to top Management with their claims of malpractices by, or within, organizations – usually after failing to remedy the matters from the inside, and often at great personal risk to themselves. Sometimes the cost of such valiant efforts is just too high to pay. The big question here is that in an organization where although lots of people work, who will take chance against the possible risk involved? Who would blow the whistle about the wrongdoing/malpractices going on inside an organization? It's not only about just raising alarm, it is more about the impartiality and courage to start with.

Institution of mechanism for Whistle Blowing

In corporate parlance, whistle blowing is a mechanism for employees to raise a concern about wrongdoing occurring in an organization or body of people, such as suspected fraud or violation of the company's code of conduct or ethics policy. However it is also essential to have adequate safeguards against victimization of employees who avail the mechanism.

No one will ever agree that whistleblower needs protection against retaliation/misbehavior by superiors. At the corporate level, the companies can provide protection to whistle blowers by establishing a well documented "Whistleblower Policy" and ensuring its effectiveness practically. Just making a documented policy is not sufficient to develop confidence among the employees; examples should be set by taking action against the wrongdoing reported.

Corporate Governance Voluntary Guidelines 2009

"Citizens never support a weak company and birds do not build nests on a tree that does not bear fruits". Minister Salman Khurshid quoted Arthshastra while introducing Corporate Governance Voluntary Guidelines 2009 (CGV Guidelines). These guidelines being recommendatory in nature, focus on fairness, transparency, accountability and responsibility by Indian corporates. CGV Guidelines are a set of standard practices which may be voluntarily adopted by the public companies, and big private companies.

Whistle blower Policy – A Good Governance Initiative by the Government/ Regulatory Agencies

The concept of Whistleblower Policy has been established in India through non-mandatory requirements of Clause 49 of Listing agreement. These provide that-

- the company should ensure the institution of a mechanism for employees to report concern about unethical behaviour, actual or suspected fraud, or violation of the company's code of conduct or ethics policy.
- the company should also provide for adequate safeguards against victimization of employees who avail of the mechanism and also allow direct access to the Chairperson of the Audit Committee in exceptional cases.

Further the Department of Public Enterprises' Guidelines on Corporate Governance in Central Public Sector Enterprises (CPSEs) 2010, also provide for establishment of a mechanism for whistleblower policy and state that once established, the existence of the mechanism may be appropriately communicated within the organization. The Companies Act, 2013 also contains provisions in respect of Vigil Mechanism (Whistleblowing) which will enable a company to evolve a process to encourage ethical corporate behaviour, while rewarding employees for their integrity and for providing valuable information to the management on deviant practices. Section 177 of the new Act provides for the establishment of vigil mechanism in every listed and prescribed class of companies and it also provides that companies shall provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. The establishment of such mechanism shall





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be disclosed on the website of the company and in the Board's Report of the Company.

ICSI National Award for Excellence in Corporate Governance also elicits information on the establishment of Whistle blower Policy/mechanism by the companies participating in the Corporate Governance Award.

Various companies in India and abroad have adopted Whistle blower Policy which lays down the complaint process, redressal mechanism and confidentiality thereunder. It has been observed during the evaluation process that over the years a good number of companies have formulated their 'Whistle Blower Policy' as a measure of preventing fraud and unethical behavior within the organization and the number of these companies has increased over the years.

Role of Professionals

Whistle blowing as an internal control mechanism in the hands of Audit Committee and Board of Directors, ensures detection of any fraud or any concern which might put the company's reputation at stake. Whistle blowing policy will never work as an automatic protection to any organization from wrong doings. The effectiveness of system mainly depend upon how the wrong doings reported have been acted upon while providing sufficient protection to whistle blowers.

The Board is responsible for encouraging whistle blowing in the organization. Where the employees are not confident of the process of whistle blowing mechanism of the company they would resist from being a part of the process. Professionals like Company Secretaries being a bridge between the company's management and the Board have enormous responsibility on the one hand in establishing the whistle blower mechanism in the company and on the other hand to develop the confidence of employees in that mechanism so that they can freely report any unethical practices,

fraud or concern noticed in the company. The professionals should ensure that the policies of the company are working in a right direction and implemented properly, if any changes required, the matter should be reported to the top management immediately.

What is the ideal Policy towards Whistle blowers?

In normal course, corporates should not tolerate discrimination of or retaliation against anyone who, in good faith, makes a report of suspected misconduct or wrongdoing. When they voice their concerns truthfully and accurately, ideally they may do so without fear of negative consequences. If any one suspect that an act of retaliation has occurred—against any employee, supplier or Whistle blowers—one must be encouraged to do its proper report to appropriate resource for an effective remedial action. Any employee who reports misconduct or wrong doing, which the employee believes to be true, will be given protection for such reporting. This protection means that such reporting will not discharge, demote, suspend, threaten, harass or in any manner discriminate against any employee in the terms and conditions of employment.

Professional Whistle blowers should be fair and should not allow prejudice or bias, conflict of interest or influence of others to override objectivity. They should perform professional services with due care, competence and diligence and has a continuing duty to maintain professional knowledge and skill at a level required to ensure that a client or employer receives the advantage of competent professional service based on up-to-date developments in practice, legislation and techniques. True review could also reveal that the problems have occurred in spite of the policy in place, and which means that the policies would need to be modified or amended as the case may be in the best interest of the organization.

Professional Whistle blowers are expected to be 'Watch Dogs'. They can at best be accused either of 'Lack of application of mind' or of consciously or otherwise overlooking the "slip" that has taken place. But not necessarily initiating the actual wrong doing conspiracy, collusion or fraud as such. It has to be understood that they, whistle blowers cannot work as investigators as they are very much part of the decision making process in the company and dependent on the promoters for their selection, continuity and growth in the organization. Whistle blowers have a key role to play and have an important/sacred responsibility, and therefore they need not get unduly overawed or paranoid by size of the company or any extraneous situation that they are faced with. Whistle blowers need to bring their special expertise and experience on corporate issues to the Board, and always, to keep "Broad Stakeholder Interest" in mind. Professional whistle blowers need to set and follow policies pertaining to "conflict of interest" and must be "above Board" and totally independent.





Whistle blower function or vigilance is not a stand-alone activity. It has to be seen as part of the overall risk management strategy of an organization wherein the structures, systems and processes are built in such a manner so as to prevent leakages which adversely affect productivity and profitability. A number of organizations both in public and private sector are re-engineering their processes by leveraging information technology. It will be in the organizational interest that when they are reorganizing business processes they should identify the likely risks like fraud, corruption, other malpractices and build in the required risk management tools in the new processes. Recently a write-up has appeared in the Economic Times under the heading "Fuel for e-commerce at HPCL". This article explains how HPCL has networked all its petrol pumps in and around Mumbai for the purposes of inventory control and supply chain management. The same process also indirectly helps in curbing adulteration and under measurement. These malpractices are in turn connected with corruption. The system automatically detects any tampering with the fuel dispensers. It enables the company to monitor every outlet. Similarly providing global positioning system on the tankers for transporting fuel, the management can detect diversion of tankers to dubious destinations. This technology while providing solution for efficient supply chain management also helps in risk management thus strengthening the internal vigilance. There is need to integrate vigilance activity as a part of overall risk management strategy which in turn has to be integrated in the main stream operations of organizations.

Whistle blower function has to be looked upon as one of the essential components of management. It is as important a segment in an organization like Finance, Personnel, Technical and Marketing. If the whistle blower mechanism is effective in an organization, it will certainly ensure the functioning of the other segment like Finance, Personnel, Technical and Marketing in an efficient way. It has therefore to be given a rightful place in the management. Though the 'whistle blower function' is liked neither by an honest officer nor a dishonest officer, yet its absence will be harmful to the organization. It is like a bitter pill. For the health of the organization, the bitter pill has to be administered. Like a bitter pill the whistle blower function will taste sour. But in the long run, it will be for the good health of an organization.

The whistle blower function is not something external. It should be accepted as an essence of management. It connotes watchfulness. It is not the purpose of whistle blowers to wait for lapses to be committed and then try to conduct post mortem. One should understand that preventive vigilance is more important than punitive vigilance. In short, management should be interested in preventive vigilance measures. If adequate attention is paid to preventive vigilance side, many vigilance cases will not arise.

Periodically, corporates realize that the present state of corporate governance indicates that we fall short on most of the criteria of good governance. It is paradoxical that while in terms of advanced parameters like strength of financial markets, business

sophistication and technological readiness India scores very high but, in terms of whistle blower's function and vigilance, we fare poorly. This highlights a serious anomaly in our governance system especially with respect to whistle blowers' function. Significant levels of corruption, financial irregularities and scams exist in India despite the existence of a relatively strong compliance structure, legal framework and policies.

The Whistle Blowers Protection Bill, 2011

Commonly known as the Whistle blower's Bill, it seeks to establish a mechanism to register complaints on any allegations of corruption or wilful misuse of power against a public servant. The Bill also provides safeguards against victimisation of the person who makes the complaint. The Bill seeks to protect whistle blowers, i.e. persons making a public interest disclosure related to an act of corruption, misuse of power, or criminal offence by a public servant. The Bill prescribes penalties for knowingly making false complaints.

Key Issues and Analysis

The Bill aims to balance the need to protect honest officials from undue harassment with protecting persons making a public interest disclosure. It punishes any person making false complaints. However, it does not provide any penalty for victimising a complainant.

Evaluation of the Process of Appointment of Independent Directors & Whistle blower Professionals and Reasons for Appointment of Independent Whistleblowers by the lenders

In accordance with SEBI Regulations, an independent director must be a qualified and independent person in accordance with the Company's Corporate Governance Policy established by the Board. An independent director must be capable of undertaking his or her duties, giving opinions and reporting performance results as delegated by the Board, free and clear of the control of the Company's management or major shareholders including related persons or close relatives. But, it's almost well evident that though Independent Directors must be actually Independent but when the process of appointment is always dependent on kindness, confidence & decision making of Promoters, then, these Independent Directors or Home directors who are normally relatives/friends of promoters with no specialized knowledge in the respective industry, or Public Sector Undertaking (PSU) directors including civil servants/IAS Referred by ministers or Retired Civil Servant who add little value to company. Other class is Celebrity directors who are people of name & fame includes sportsperson, movie star who also do not add value to the Company except either adding Brand Value to some extent or glamour to the said Company. One other category is Value director who may be Technocrats, Management Gurus or Financial Wizards, usually referred by promoters only, are paid highly and intermittently bring some value to the Company. These Independent Directors may



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➤ As long as a whistle blower is dependent on the promoters for his monetary compensation or career growth, one cannot expect dependent professionals appointed for the purpose of vigilance or whistleblower function to remain totally independent. In order to have the services of independent whistle blower to be in reality and in right spirit, compensation system and controlling system need to be delinked from Promoters and be made as autonomous as possible on the lines of Constitutional body like the Central Vigilance Commissioner.

be *de jure* independent but *de facto* they are not independent or rarely these independent Directors are independent because the appointment process is always dependent on affirmative vote and decision making of Promoters.

In fact, corporate governance is very subjective in regard to appointment of independent directors. But the so called independent directors, appointed by promoters, be interested or dare to take promoters' intentions for outside opinion? But almost all audit committees have promoters as members and most independent directors are incompetent to ask the right questions? But the quality of independent directors will be really independent, if the promoter is going to hire him? The same cardinal principle would also be applicable if we really need independent whistle blowers. It is high time in the overall interest of corporate governance that in the case of corporates using public funds in excess of Rs 500 crore or more, like any kind of financial subsidy, subsidized land parcels, public deposit, loans from Banks, FIs, FII's, then, the whistle blowers must be appointed by the respective lenders and some other appropriate body, if needed, with unanimous concurrence of promoters or in consultation with the promoters of the respective Company.

On the same pattern, if appointment of professional whistle blower like Company Secretary cum Compliance Head or CFOs is actually dependent on decision making of Promoters or Board of Directors or Audit Committee, then it is definitely a debatable point whether independent director or whistle blower who must be neutral, disinterested and independent in his role, can in fact perform his duty as such or not. Normally, whistle blowers are

reporting for their day to day functional role to either promoters or Board of Directors or Audit Committee. It is difficult to expect independence from whistle blower when his economic dependence and career growth is directly associated with the overall confidence and satisfaction of his bosses/master i.e. Promoters or Board of Directors or CMD of the Company.

As long as a whistle blower is dependent on the promoters for his monetary compensation or career growth, one cannot expect dependent professionals appointed for the purpose of vigilance or whistle blower function to remain totally independent. In order to have the services of independent whistle blower to be in reality and in right spirit, compensation system and controlling system need to be delinked from Promoters and be made as autonomous as possible on the lines of Constitutional body like the Central Vigilance Commissioner.

Now, it's high time and demand of the day, that appointment process of professional whistle blowers should be strategically reviewed and modified on the model prevalent for the appointment of Lender's Counsel or Engineers or autonomous institution like Central Vigilance Commissioner (CVC). In the case of large project financing, Lender's Counsel or Lender's Engineers are usually appointed in consultation with the Promoters of the respective company. In accordance with the law of the land, even appointment of Central Vigilance Commissioner and the Vigilance Commissioners is made by the President on the recommendation of a Committee consisting of the Prime Minister, the Minister of Home Affairs and the Leader of the Opposition in the House of the People (Lok Sabha). CVC is an apex body for exercising general superintendence and control over vigilance administration, through the Government. It is an autonomous body and work independently.

Hence, the Government or lenders should consider changing the existing practice of appointment of professional whistle blowers by the Promoters or Board of Directors to Joint Committee of Promoters and Lenders in order to have true independence in the fiduciary duty of these whistle blowers. As long as these, whistle blowers are economically dependent on their master i.e. Promoters, it's difficult to bring about a fair and transparent honest actions from these new generation pillars of Corporate World. At least in the case of large or Mega projects and in cases of companies having borrowed public funds in excess of Rs 500 crores or more, professional whistle blowers must be appointed primarily by the respective Lenders and some other appropriate body and if needed, in consultation with the Promoters of the respective Company. In the case of Ultra-Mega Projects, the whistle blower's function, can be performed through a Risk or Whistle blower Committee comprising of few Independent professional whistle blowers. Project Financing can be reviewed on periodical basis to start with. Progressively, the mechanism of appointment of independent professional whistle blowers must be extended to Listed Companies with a market capitalization in excess of prescribed limits. Such whistle blowers



should not be construed as nomination of whistle blowers by lenders or other Government Agency but must be considered as change in Reporting System of whistle blowers from the existing Promoter Group/CMD/ Board of Directors to new model of Joint Reporting to Joint Group of (i) Promoters Group/CMD/ Board of Directors; (ii) Lender's/FIs/FFIs/Debtenture Trustees and (iii) and some other appropriate body. During the day to day affairs, the Whistle blowers may continue to report functionally to the existing Promoter Group/CMD/ Board of Directors and administratively & strategically on periodical intervals to Lender's/FIs/FFIs/Debtenture Trustees etc. If these safeguards are taken in time, in order to ensure effective Corporate Governance in regard to the appointment of Whistle blowers then there would be ample rationale in reducing financial scams like Satyam, Western Paques, Home Trade, Modern Suitings, Mahadev Leasing, DSQ Software, Enron, Uniport Computer and so on. It may be surprising to note the fact that during the period 2001- 2011, 786 companies have got listed in the Bombay Stock Exchange, but during the same period, 2,800 companies have disappeared from the bourses? Investors can neither buy nor sell shares of any of these scam tainted Companies. Stocks that were investor favourites in the late 1990s — DSQ Software and Pentafour Products — are no longer traded because trading has been suspended by the Exchanges. Pyramid Saimira Theatre — a company that saw its initial public offer in 2006 getting oversubscribed 15 times— too figures in said category of Delisting of Shares. This is just a tip of the iceberg: just a small indication of a bigger problem; a problem is much bigger than it seems on ground level. Financial Health & Scams can become much worse, if prudent decisions are not taken in time to transform the vigilance or controlling systems in the business entities.

If the mechanism for the appointment of whistle blowers is modified and above safeguards and precautions thereto are implemented in true spirit, in addition to reduction or controlling financial scams, it may also reduce the chances of Siphoning of Public / Borrowed Funds by unscrupulous promoters at the disposal of Company's Management and Vanishing Companies.

Benefit from Independent Whistle blower Professionals in ensuring proper End-use of Funds

In cases of project financing, the lenders seek to ensure end use of funds by, *inter alia*, obtaining certification from the Chartered Accountants for the purpose. In case of short-term corporate/ clean loans, the Lenders uses other mechanism of 'due diligence' through legal counsels & law-firms. From Business point of view, the lenders to the extent possible, sanction and disburse loans to those borrowers whose integrity and reliability are above board, but on a number of occasion greed and unethical Corporate Practices

of the promoters persuaded them to siphon Borrowed Funds. The Banks and FIs, therefore, should not depend entirely on the reports or certificates issued by the Chartered Accountants but strengthen their internal controls and the credit risk management system to enhance the quality of their loan portfolio, through the supplement support of Independent Whistle blowers.

As long as professional whistleblower is appointed by Promoter Group/CMD, as one of the functional head he would remain more loyal to his employer (promoter) than to the Lenders or protection of Public Interest.

Compensation for Independent Whistle blowers

In order to get the services of an independent professional whistle blower for the Corporates having external stake in excess of Rs 500 crore or more, compensation system could be modified in one of following manner through :-

- i some Government Recognized Fund or Banker's Risk Fund may be created on the line of Investor Education and Protection Fund (IEPF); or
- ii direct debit from the respective Loan Account with the Lending Institution; or
- iii some other mechanism, where the Independent Whistle blower Professional is not dependent on the Promoter for his monetary compensation, etc.

Conclusion

Independent whistle blowers should not become a policeman or dignified inspector or bottleneck in the business establishment and obstruct the growth of the respective Corporate but he must become a facilitator to the business process by becoming a Vigilance Agent and Watchdog of Business Interest. He should not compete with the existing Business Processes but become a complimentary to existing business processes and Statutory Audit Process. All these procedures could work well only, if there is a total commitment and honesty on the part of management in implementing them. Let us therefore dedicate ourselves to be honest to implement the Vigilant and Whistle blower procedures effectively to make business undertakings function in an effective way so that they could reach commanding heights in the economic and social development of the country.

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Article



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Risk Management: Issues and Challenges

➤ Anticipating risk could prevent consequential collapse. It is said that prevention is better than cure. This article on Risk Management provides solution to the issue through proper methodology and foresight.

Introduction

Risk management is the exercise of identification, assessment, and prioritization of risks followed by co-ordinated and economical application of resources to minimize, monitor, and control the probability and/or impact of unfortunate events or to maximize the realisation of opportunities.

Risks can come from uncertainty in financial markets, project failures (at any phase in design, development, production or sustainment life-cycles), legal liabilities, credit risk, accidents, natural causes and disasters as well as deliberate attack from an adversary or events of uncertain or unpredictable root-cause.

The strategies to manage risks typically include transferring the risk to another party, avoiding the risk, reducing the negative effect or probability of the risk, or even accepting some or all of the potential or actual consequences of a particular risk.

Sustainable growth can be derived only through good governance and adequate risk management. This can happen only if controls are in place and that can happen only if auditing standards are implemented and reflected in financial statements.

Corporations face the task of managing their risk exposures while remaining profitable and competitive. In this context managing risks is not a new challenge. Yet it may get overlooked for several reasons including when the business mood is euphoric.



Methods

The methods consist of the following elements, performed, more or less, in the same order.

- Identify and characterize threats
- assess the vulnerability of critical assets to specific threats
- determine the risk (i.e. the expected likelihood and



- consequences of specific types of attacks on specific assets)
- identify ways to reduce those risks
- prioritize risk reduction measures based on a strategy.

Principles of Risk Management

The International Organization for Standardization (ISO) has identified the following principles of risk management:

Risk management should:

- create value – resources expended to mitigate risk should be less than the consequence of inaction, or (as in value engineering), the gain should exceed the pain
- be an integral part of organizational processes
- be part of decision making process
- explicitly address uncertainty and assumptions
- be systematic and structured
- be based on the best available information
- be tailorable
- take human factors into account
- be transparent and inclusive
- be dynamic, iterative and responsive to change
- be capable of continual improvement and enhancement
- be continually or periodically re-assessed.

Process

According to ISO 31000 Risk management – Principles and guidelines on implementation, the process of risk management consists of several steps as follows:

Establishing the context

This involves:

1. identification of risk in a selected domain of interest.
2. planning the remainder of the process.
3. mapping out the following:
 - the social scope of risk management
 - the identity and objectives of stakeholders
 - the basis upon which risks will be evaluated, constraints
4. defining a framework for the activity and an agenda for identification.
5. developing an analysis of risks involved in the process.
6. mitigation or solution of risks using available technological, human and organizational resources.

Identification

After establishing the context, the next step in the process of managing risk is to identify potential risks. Risks are about events that, when triggered, cause problems. Hence, risk identification can start with the source of problems, or with the problem itself.

The chosen method of identifying risks may depend on culture, industry practice and compliance. The identification methods are formed by templates or the development of templates for identifying source, problem or event. Common risk identification methods are:

- Objectives-based risk identification- Organizations and project teams have objectives. Any event that may endanger achieving an objective partly or completely is identified as risk
- Scenario-based risk identification -In scenario analysis different scenarios are created. The scenarios may be the alternative ways to achieve an objective, or an analysis of the interaction of forces in, for example, a market or battle. Any event that triggers an undesired scenario alternative is identified as risk – see Futures Studies for methodology used by Futurists
- Taxonomy-based risk identification - The taxonomy in taxonomy-based risk identification is a breakdown of possible risk sources. Based on the taxonomy and knowledge of best practices, a questionnaire is compiled. The answers to the questions reveal risks
- Common-risk checking - In several industries, lists with known risks are available. Each risk in the list can be checked for application to a particular situation.
- Risk charting - This method combines the above approaches by listing resources at risk, threats to those resources, modifying factors which may increase or decrease the risk and consequences of avoiding. Creating a matrix under these headings enables a variety of approaches. One can begin with





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Risk Management: Issues and Challenges

➤ The fundamental difficulty in risk assessment is determining the rate of occurrence since statistical information is not available on all kinds of past incidents. Furthermore, evaluating the severity of the consequences (impact) is often quite difficult for intangible assets. Asset valuation is another question that needs to be addressed.

resources and consider the threats they are exposed to and the consequences of each. Alternatively one can start with the threats and examine which resources they would affect, or one can begin with the consequences and determine which combination of threats and resources would be involved to bring them about.

Assessment

Once risks have been identified, they must then be assessed as to their potential severity of impact (generally a negative impact, such as damage or loss) and to the probability of occurrence. These quantities can be either simple to measure, in the case of the value of a lost building, or impossible to know for sure in the case of the probability of an unlikely event occurring. Therefore, in the assessment process it is critical to make the best educated decisions in order to properly prioritize the implementation of the risk management plan.

The fundamental difficulty in risk assessment is determining the rate of occurrence since statistical information is not available on all kinds of past incidents. Furthermore, evaluating the severity of the consequences (impact) is often quite difficult for intangible assets. Asset valuation is another question that needs to be addressed. Thus, best educated opinions and available statistics are the primary sources of information. Nevertheless, risk assessment should produce such information for the management of the organization that the primary risks are easy to understand and that the risk management decisions may be prioritized. Thus, there have been several theories and attempts to quantify risks. Numerous and diverse risk formulae exist, but perhaps the most widely accepted formula for risk quantification is:

Rate (or probability) of occurrence *multiplied by* the impact of the event equals risk magnitude.

Classifications of Risks

1. Financial Risk

- Reporting integrity
- Financial statements/disclosures are misstated according to accounting/industry standards
- Insufficient liquidity
- Lack of reliability in the systems reporting key financial data
- System security vulnerabilities
- Inadequate recording/oversight of financial information
- Estimates are not adequate
- Interest rate/market risk
- Foreign currency exchange
- Credit risk
- Balance sheet risk
- Product-liability risk / tax rate risk
- Transactions are not properly approved
- Inability to raise capital
- Asset/liability risk
- Investment risk

2. Compliance Risk

- Non-compliance with employment Practices (Family and Medical Leave Act. [FMLA], Equal Employment opportunity [EEO], etc)
- Environment contamination
- Record retention policy
- Regulatory noncompliance
- Inability to meet contractual obligations
- Breaching existing capital requirements
- Non-adherence to debt covenants
- Data used support compliance is unreliable
- Fraud
- Adherence to 401 k*/benefit plan requirements
- Insider trading

3. Strategic Risk

- Acquisitions and strategic alliances
- Strategic planning does not consider external impacts
- New products and services
- Customer demands shortfall
- Disruptive technologies
- Competitive pressure

* Common name in the USA for the Tax Qualified



- Loss of key customers
- Misaligned products
- Counterparty failures
- Customer pricing pressure
- Business concentration
- Distribution strategy
- Litigious trends and judicial uncertainty
- Research and development
- Reputation risk
- Insufficient governance structure and practices

4. Operational Risk

- Loss of key personnel
- Supply chain failures
- Obsolete technology
- Insufficient information
- Technology governance
- Natural disasters
- Acts of terror
- Third-party outsourcing
- Security breaches
- Lack of business continuity/disaster recovery planning
- Service quality project/change management
- Business disruption/system failures
- Lack of sufficient contractual oversight
- Process control risk
- Risks to Property
- Clear and well defined work processes
- Changes in Technology/up gradation
- R&D risks
- Agency Network Risks
- Personnel risks such as labour turnover risks involving replacement risks, training risks, cost risks, skill risks etc. There are also unrest risks due to strikes and lockouts. These risks affect the company's business and earnings.
- Environmental and Pollution Control regulations, etc.
- Locational benefits near metros, railway stations, ports, cities, etc.

5. Reputation Risk

- Goodwill, brand value, corporate governance, Trust worthiness, obedience to law and morality are the pillars of reputation whether it be national or International
- When character is lost everything is lost; so is the case of reputation

- May affect individuals and corporate when wrong doing happens in business, professional and personal life
- It will carry stigma and people at large would be reluctant to deal with such evil doers.

6. Market Risks

These risks relate to market conditions namely:

- Raw material rates
- Quantities, quality, suppliers, lead time, interest rates risks and forex risks namely, fluctuation risks and interest rate risk in respect of foreign exchange transactions.

7. Political Risks

- Elections
- War risks
- Country/ Area risks
- Insurance risks like fire, strikes, riots and civil commotion, marine risks, cargo risks, etc.
- Fiscal/Monetary Policy Risks including Taxation risks.

8. Credit Risks

- Creditworthiness risks
- Risks in settlement of dues by clients
- Provisions for doubtful and bad debts.

9. Liquidity Risks

- Financial solvency and liquidity risks
- Borrowing limits, delays
- Cash/ Reserve management risks
- Tax risks.





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10. Disaster Risks

- Natural risks like fires, floods, earthquakes, etc.
- Man-made risks arising under the Factories Act, Mines Act, etc.
- Risk of failure of effective Disaster Management plans formulated by the company.

11. Systems Risks

- System capacities
- System reliability
- Obsolescence risks
- Data Integrity risks and
- Coordinating and Interface risks.

12. Legal Risks

- Contract risks
- Contractual Liability
- Frauds
- Judicial risks
- Insurance risks.

Current issues in Risk management

Impact of interconnected global risks

- Financial crisis
- Geopolitical instability
- Resource-related risks arising from climate change
- Worldwide supply chains competency
- Failure to look at the bigger picture
- Focus on process rather than delivery
- Risk management standards
- Pressure from regulators, shareholders, rating agencies.

Recognition – Skills required of a risk professional

- Provide direction
- Communicate effectively
- Challenge, coach and support management
- Understand financial implications of decisions
- Integrate risk thinking into business processes
- Act strategically and with integrity
- Exercise commercial acumen
- Innovate and influence
- Have courage, tenacity and conviction
- Skills must be portable and transferable

Benefits of Risk Analysis and Management

There are five ways in which risk to gain an advantage over competitors arises:

- 1) Access to better and timely information about events as they occur and consequences to tailor a superior response to the situation.
- 2) Speed in responding to the changed circumstances in terms of modifying how to do business by acting faster than the competitors and to turn threat into an opportunity.
- 3) Derivation from the past experience with similar crises in the past and your knowledge of the market affected by those crises enabling to respond better than firms in the business.
- 4) Having resources financial and personnel that allow to ride out the rough periods that follow a crisis better than the rest of the sector.
- 5) Financial and operating flexibility being able to change the technological base, operations or financial structure in response to a changed environment.

Role of Company Secretary in Risk Management

- Company secretary plays a key role in any organization. As per ICSI, "Apart from statutory requirement enshrined in section 383A of the Companies Act, 1956 stipulating that every company with a paid-up share capital of Rs 5 Crore or more is required to appoint a whole time Company Secretary, the Company Secretaryship qualification has been widely acclaimed by the Central and State Governments, Regulators and Corporates for the value added services provided by our members. The Indian Banking Association





- Company Secretary has a pivotal role to play in the provisioning of appropriate guidance/advice to the Board of Directors and other personnel of the top management regarding the duties and responsibility pertaining to risk management. As a top level officer and board confidante Company Secretary will be responsible for sound enterprise - wide risk management [ERM] that is effective throughout the company.

has recommended to the banks to consider the appointment of Company Secretaries as specialists in the fields of Finance, Accounts, Law and Merchant Banking."

- ICSI also goes on to state that "Employing a whole time company secretary may help the Corporates in terms of Compliance Risk Management, Organic and Inorganic Corporate Strategies, due diligence of various business decisions, governance & sustainability initiatives, corporate disclosure of financial and non-financial transactions, project planning, regulatory interface etc."
- Riskpro agrees that compliance risk management is a key function in organisations and skilled and qualified professionals ensure that risk is mitigated by way of better compliances, regulatory compliance, good corporate governance structures.
- Risk management has always been regarded as an inherent or integral feature of sound business management. The general practice is that the CEO of any business entity is the ultimate chief risk officer. However in reality the company secretary has a pivotal role to play in the provision of appropriate guidance and advice to the board and the CEO regarding its duties and responsibilities pertaining to Risk Management.
- In financial institutions risk management is effectively a line function as risk is a cost of doing business. In non-financial business enterprises, risk management is regarded as a "staff function", normally reporting to the CEO.
- Current governance best practice recognizes the "governance" role of the company secretary in risk management process. The board should be assisted by a competent, suitably qualified and experienced Company Secretary to act as risk manager of the company.
- The individual directors and the board collectively, should look

to the company secretary for guidance on their responsibilities and duties and how such responsibilities and duties should be properly discharged in the best interests of the company.

- The company secretary should provide an effective source of guidance and advice to the board, and within the company, on matters of good governance and of changes in legislation.
- It follows from the above that the board and senior management would look to the company secretary to assist them in the exercise of their risk management responsibilities. The company secretary needs to be equipped with the necessary expertise in order to become the risk management "knowledge manager" in the organisation.
- The risk management expertise of the board must be evaluated and monitored by the Company Secretary. Boards need to be educated on risk issues and to be given the means to understand risk appetite and the firm's performance against it.

Major Principles for Effective Risk Management - CS

Many management experts and economists have laid down some principles to be followed by the Board of Directors with the assistance of Company Secretary for effective risk management and these are listed below:-

- 1) The board should be responsible for the governance of risk.
- 2) The board should determine the levels of risk tolerance responsible for the governance.
- 3) The risk Management Committee or Audit Committee should assist the board in carrying out its risk responsibility.
- 4) The Board should delegate to the management the responsibility to design implement and monitor the risk management plan.
- 5) The Board should ensure that risk assessment is performed on a continual basis.
- 6) The Board should ensure that framework and methodologies are implemented to increase the probability of anticipating unpredictable risks.
- 7) The Board should ensure continual risk monitoring by management.
- 8) The Board should receive assurance regarding the effectiveness of the risk management process.
- 9) The Board should ensure that there are processes in place enabling complete, timely, accurate and accessible risk disclosure to stakeholders.

Role of Company Secretary as a Risk Manager

The duties of a Company Secretary in the Risk Management process are:-



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Risk Management: Issues and Challenges

➤ **Enterprise-wide risk management (ERM) approach has encouraged organisations to build a comprehensive risk strategy into their business operations — ERM is increasingly being seen as the preferred approach to risk management as it is strategically focused and comprehensive.**

- 1) The Company Secretary should review the risk management strategy of the company periodically.
- 2) A Risk Management Committee should be set up headed by the Company Secretary for efficient risk management.
- 3) The Company Secretary should design an appropriate risk management strategy and ensure its implementation with the co-ordination of Audit Committee and internal control systems.
- 4) The Company Secretary should obtain the assistance of the Risk Mangers of the company for preventing any crisis.
- 5) He should strengthen the risk management systems and internal control mechanism of the company to face unforeseen shocks.
- 6) Periodic review of risk management strategies by the company secretary is essential for avoiding administrative difficulties.
- 7) He should ensure that the appropriate controls are in place for the smooth conduct of the company.
- 8) He should organize risk management workshops for the senior management personnel of the Company to create awareness about risk management and to train them in operating the risk management systems.
- 9) He should develop effective communication channels between various levels of management for smooth flow of information and efficient co-ordination in order to prevent any crisis.
- 10) He should encourage the employees to report suspicious case of fraud, misgovernance to the management of the company.
- 11) He should identify the areas of potential risks to the company and accordingly devise an appropriate plan to deal with various risks.
- 12) He should ensure robust oversight of risks to the Board level.
- 13) He should promote risk focused culture and open communication channels across the company by setting a proper culture in the organisation and interacting with external experts.

Thus the Company Secretary along and the Board of Directors are responsible for managing risk. The Company Secretary must

have a clear understanding of risks facing the company. He should ensure that company has adequate risk management systems and a comprehensive strategy to tackle risks.

Finally the Company Secretary should ensure that effective risk management for smooth flow of business operation of the Company.

Thus the Company Secretary has a pivotal role to play in the provisioning of appropriate guidance/advice to the Board of Directors and other personnel of the top management regarding the duties and responsibility pertaining to risk management. As a top level officer and board confidante Company Secretary will be responsible for sound enterprise wide risk management [ERM] that is effective throughout the company. The board of directors may have a risk management sub-committee assisted by Risk Management Officer. As an officer responsible for coordination and communication for effective corporate functioning and governance, Company Secretary will ensure that there is an Internal Control Integrated Framework on which a strong system of internal control is built. Such a Framework will become a model for discussing and evaluating risk management efforts in the organization. Risk and control consciousness will spread throughout the organization. Company Secretary must ensure that this happens so that risks will come into consideration at the very stage of formulation of strategy. It will also create awareness about inter-relationships of risks across business units and at every level of the organization.

Findings of Institute of Internal Auditors

The Institute of Internal Auditors through their “Tone at the Top” publication of June 2003 have formulated the following ERM questions for being addressed at the top level. The Company Secretary will ensure that these questions [an illustrative list] are effectively addressed at the board level:

- a) What is the organization’s risk management philosophy?





- b) Is that philosophy clearly understood by all personnel?
- c) What are the relationships among ERM, performance, and value?
- d) How is ERM integrated within organizational initiatives?
- e) What is the desired risk culture of the organization and at what point has its risk appetite been set?
- f) What strategic objectives have been set for the organization and
What strategies have been or will be implemented to achieve those objectives?
- g) What related operational objectives have been set to add and preserve value?
- h) What internal and external factors and events might positively or negatively impact the organization's ability to implement its strategies and achieve its objectives?
- i) What is the organization's level of risk tolerance?
- j) Is the chosen risk response appropriate for and in line with the risk tolerance level?
- k) Are appropriate control activities (i.e., approvals, authorizations, verifications, reconciliations, reviews of operating performance, security of assets, segregation of duties) in place at every level throughout the organization?
- l) Is communication effective — from the top down, across, and from the bottom up of the organization?
- m) How effective is the process currently in place for exchanging information with external parties?
- n) What is the process for assessing the presence and performance quality of all eight ERM components over time?

Risk Management By Corporate

- High economic volatility storms the corporate balance sheets and leaves them red faced if risk due to volatility not addressed in time in an effective manner.
- High fluctuations in economic and financial variables destabilize corporate strategies and affect performance.
- Risk management goals should be clearly demarcated without which using hedged instruments could be very dangerous.
- A more important risk management in the case of economic volatility may be to ensure that loss due to economic volatility can be more than offset by consolidation of the existing operations as well as exploiting any emerging opportunities for further investments in times of slowdown.

Risk Management should not be seen as the responsibility of any particular unit/ department rather must be seen as an enterprise-wide activity.

According to Pricewaterhouse Coopers, 2005, Managing Risk, 'Embedding risk management in the 'business as usual' operations of the business is by far the hardest element of achieving enterprise-wide risk management – but getting it right delivers the most benefits'.

Enterprise-wide risk management (ERM) approach has encouraged organisations to build a comprehensive risk strategy into their business operations — ERM is increasingly being seen as the preferred approach to risk management as it is strategically focused and comprehensive.

ERM has been defined by "The Committee of Sponsoring Organizations of the Treadway Commission (COSO), 2004, Enterprise Risk Management – Integrated Framework, Executive Summary, September, p. 2" as: 'a process, effected by an entity's board of directors, management and other personnel, applied in strategy setting and across the enterprise, designed to identify potential events that may affect the entity, and manage risk to be within its risk appetite, to provide reasonable assurance regarding the achievement of entity objectives'.

An enterprise-wide risk management program should be dynamic and proactive such that it constantly assesses evolving risks when new business lines or activities are added or when existing activities are altered. An organization must continuously reassess its risks and controls and communicate with its business lines.

There are many potential benefits to the effective use of risk management techniques like it supports strategic and business planning, supports effective use of resources, quick grasp of opportunities, reassures shareholders and promotes continual development.

Conclusion

Risk management is no longer discretionary but essential for managing in today's increasingly complex and fast moving world. It takes commitment from the top, a sound methodology and discipline in its application to obtain the maximum benefit.

James Millar, CEO Ernst & Young Australia, makes the point that '...risk is a fundamental part of any business activity and how companies manage these risks, indeed "master" them, to a great extent, determines how well they will succeed in their undertakings and in accomplishing their overall objectives'.

Organizations which have risk management policies in place are rewarded by added premium in the market and are better placed to pursue objectives and opportunities with confidence.

In other words, risk management is not just about preventing risks, it's about managing risks properly. CS



Article



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Direct Investment by Residents in Joint Venture (JV) / Wholly Owned Subsidiary (WOS) Abroad

- Promotion of Joint ventures abroad and establishment of overseas subsidiaries by Indian companies bring in the much needed foreign exchange which is very vital for the economic growth of the country and accordingly the Government, has, over the years liberalised the laws and procedures relating thereto. The present position is portrayed here.

Introduction

Direct investments by residents in Joint Venture (JV) and Wholly Owned Subsidiary (WOS) abroad are being allowed, in terms of clause (a) of sub-section (3) of Section 6 of the Foreign Exchange Management Act, 1999, (FEMA, 1999) read with Notification No. FEMA.120/RB-2004 dated July 7, 2004, (GSR 757 (E) dated November 19, 2004), viz. Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004, as amended from time to time.

This Master Circular issued by Reserve Bank of India (RBI) on 1st July 2013 consolidated the existing instructions on the subject of "Direct Investment by Residents in Joint Venture (JV) / Wholly Owned Subsidiary (WOS) Abroad" at one place, and is issued with a sunset clause of one year. This circular will stand withdrawn on July 01, 2014 and be replaced by an updated Master Circular on the subject. An attempt is made by the author to consolidate and





present all the aspects that pertain to JV/ WOS.

In keeping with the spirit of liberalisation, which has become the hallmark of economic policy in general and Foreign Exchange regulations in particular, the RBI has been progressively relaxing the rules and simplifying the procedures both for current account as well as capital account transactions.

Overseas Investment can be made under two routes viz. (i) Automatic Route and (ii) Approval Route.

Prohibitions

Indian parties are prohibited from making investment in a foreign entity engaged in real estate (meaning buying and selling of real estate or trading in Transferable Development Rights (TDRs) but does not include development of townships, construction of residential/commercial premises, roads or bridges) or banking business, without the prior approval of the RBI.

Direct Investment outside India - Automatic Route

In terms of the extant provisions under the FEMA, 1999 on overseas direct investments, the total overseas direct investment (ODI) of an Indian Party in all its JVs and / or WOSs abroad engaged in any bonafide business activity should not exceed 100% of the net worth of the Indian Party as on the date of the last audited balance sheet under the Automatic Route.

The RBI has vide RBI/2013-14/180 A. P. (DIR Series) Circular No.23 dated August 14, 2013 has reduced the limit of 400 % of the net worth to 100 % of the net worth under the Automatic Route. Accordingly, Authorised Dealer Category - I (AD Category - I) banks may allow overseas direct investments under the Automatic Route up to 100 % of the net worth of the Indian party, as on the date of the last audited balance sheet of the Indian party, i.e. a company incorporated in India or a body created under an Act of Parliament or a partnership firm registered under the Indian Partnership Act, 1932, making investment in a JV/WOS abroad and includes any other entity in India excluding individuals as may be notified by the RBI. Any Overseas Direct Investment (ODI) in excess of 100% of the net worth shall be considered under the Approval Route by the RBI.

It is clarified that all the financial commitments made on or before August 14, 2013, in compliance with the earlier limit of 400% of the net worth of the Indian Party under the automatic route will continue to be allowed. In other words, such investments shall not be subject to any unwinding or approval from the RBI. Attention of AD Category - I banks is also invited to the provisions under Regulation 6 of the Notification *ibid*, in terms of which the limit of financial commitments for an Indian Party (presently 100% of its net worth) shall not apply to the financial commitments funded out of EEFC account of the Indian Party or out of funds raised by way of ADRs / GDRs by the Indian Party, as hitherto. It has

been decided further to retain the limit of 400% of the net worth of the Indian Party for the financial commitments funded by way of eligible External Commercial Borrowing (ECB) raised by the Indian Party as per the extant ECB guidelines issued by the RBI from time to time.

The Indian party should approach an AD Category - I bank with an application in Form ODI and prescribed enclosures / documents for effecting remittances towards such investments.

The investments are subject to the following conditions:

- The Indian party/entity may extend loan/guarantee only to an overseas JV/WOS in which it has equity participation. Proposals from the Indian party for undertaking financial commitment without equity contribution in JV / WOS may be considered by the RBI under the approval route. AD banks may forward the proposals from their constituents after ensuring that the laws of the host country permit incorporation of a company without equity participation by the Indian party.
- The Indian party should not be on the RBI's Exporters' caution list / list of defaulters to the banking system circulated by the RBI / Credit Information Bureau (India) Ltd. (CIBIL) / or any other credit information company as approved by the RBI or under investigation by any investigation / enforcement agency or regulatory body.
- All transactions relating to a JV/WOS should be routed through one branch of an AD bank to be designated by the Indian party.
- In case of partial/full acquisition of an existing foreign company, where the investment is more than USD 5 million, valuation of the shares of the company shall be made by a Category I Merchant Banker registered with SEBI or an Investment Banker / Merchant Banker outside India registered with the appropriate regulatory authority in the host country; and, in all other cases by a Chartered Accountant or a Certified Public Accountant.
- In cases of investment by way of swap of shares, irrespective of the amount, valuation of the shares will have to be made by a Category I Merchant Banker registered with SEBI or an Investment Banker outside India registered with the appropriate regulatory authority in the host country. Approval of the Foreign Investment Promotion Board (FIPB) will also be a prerequisite for investment by swap of shares.
- In case of investment in overseas JV/WOS abroad by a registered Partnership firm, where the entire funding for such investment is done by the firm, it will be in order for individual partners to hold shares for and on behalf of the firm in the overseas JV / WOS if the host country regulations or operational requirements warrant such holdings.
- An Indian party may acquire shares of a foreign company engaged in a bonafide business activity, in exchange of ADRs/ GDRs issued to the latter in accordance with the Scheme for



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Direct Investment by Residents in Joint Venture (JV) / Wholly Owned Subsidiary (WOS) Abroad

issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, and the guidelines issued there under from time to time by the Government of India.

The Indian Party is required to report such acquisition in form ODI to the AD Bank for submission to the RBI within a period of 30 days from the date of the transaction.

Method of Funding

Investment in an overseas JV/WOS may be funded out of one or more of the following sources:

- i) drawal of foreign exchange from an AD bank in India;
- ii) capitalisation of exports;
- iii) swap of shares;
- iv) proceeds of External Commercial Borrowings (ECBs)/Foreign Currency Convertible Bonds (FCCBs);
- v) in exchange of ADRs/GDRs issued in accordance with the Scheme for issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, and the guidelines issued thereunder from time to time by the Government of India;
- vi) balances held in EEFC account of the Indian party and
- vii) proceeds of foreign currency funds raised through ADR / GDR issues.

In respect of (vi) and (vii) above, the ceiling of 100 % of the net worth will not apply.

General permission has been granted to persons resident in India for purchase/acquisition of securities in the following manner:

- (i) out of funds held in RFC account;
- (ii) as bonus shares on existing holding of foreign currency shares; and
- (iii) when not permanently resident in India, out of their foreign currency resources outside India.

Investments by Individuals

Investments by Individuals are governed under Liberalised Remittance Scheme (LRS) for Resident Individuals. However, RBI vide RBI/2013-14/181, A. P. (DIR Series) Circular No.24 dated August 14, 2013 has amended the same. On a review of the scheme, it has now been decided to reduce the existing limit of USD 200,000 per financial year to USD 75,000 per financial year (April - March) with immediate effect. Accordingly, AD Category – I banks may now allow remittance up to USD 75,000 per financial year, under the scheme, for any permitted current or capital account transaction or a combination of both. Further, the following changes/clarifications in regard to the remittances under LRS will come into effect immediately.

The scheme should no longer be used for acquisition of immovable property, directly or indirectly, outside India. Therefore, AD Category-I banks may henceforth not allow any remittances under the LRS Scheme for acquisition of immovable property outside India. The scheme should not be used for making remittances for any prohibited or illegal activities such as margin trading, lottery etc., as hitherto.

Resident individuals have now been allowed to set up JV/ WOS outside India for bonafide business activities outside India within the limit of USD 75,000 with effect from August 5, 2013 and subject to the terms and conditions stipulated in Notification No.FEMA 263/RB-2013 dated August 5, 2013. Further, the limit for gift in Rupees by Resident Individuals to NRI close relatives and loans in Rupees by resident individuals to NRI close relatives in terms of A.P. (DIR Series) Circular No.17 and 18 both dated September 16, 2011 shall accordingly stand modified to USD 75,000 per financial year.

RBI has been receiving queries from the various stakeholders and AD banks pertaining to RBI/2013-14/181, A. P. (DIR Series) Circular No.24 dated August 14, 2013. All such queries have been collated and are given at the annex together with the answers/ clarifications vide RBI/2013-14/ 222, A.P. (DIR Series) Circular No.32 dated September 04, 2013. The same is given below:

S. No.	Query	Answer / Clarification
1.	Whether LRS can be used for acquisition of both unlisted and listed shares of an overseas company?	In terms of the extant FEMA provisions LRS can be used to acquire both listed and unlisted shares of an overseas company. The Master Circular dated July 1, 2013 has been suitably modified.
2.	Can a resident individual use the other limits under Schedule III to FEM CAT Rules 2000, as amended from time to time, such as remittances for education, health / medical expenses over and above the LRS limit?	As per the current guidelines of LRS, only gift and donation (from the list of items under Schedule III to FEM CAT Rules, 2000), by a resident individual have been subsumed under the LRS limit. For all other purposes such as educational and medical expenses the limits of LRS and Schedule III to FEM CAT Rules 2000 are separate, distinct, mutually exclusive and over and above each other respectively. In this context, it may be noted that under the extant guidelines under FEMA the following remittances can be made over and above the annual limit of USD 75000 permissible under LRS:



	<p>a. A resident individual can make remittances for meeting expenses for medical treatment abroad up to the estimate from a doctor in India or hospital/ doctor abroad under general permission (without any RBI approval – Para 9 of Schedule III to FEM CAT Rules, 2000, as amended from time to time).</p> <p>b. A resident individual can make remittances up to USD 25,000 for maintenance expenses of a patient going abroad for medical treatment or check-up abroad or for accompanying as attendant to a patient going abroad for medical treatment/ check-up (without any RBI approval – Para 8 of Schedule III to FEM CAT Rules, 2000, as amended from time to time).</p> <p>c. A resident individual can make remittances for studies up to the estimates from the institutions abroad or USD 100,000, whichever is higher (without any RBI approval – Para 10 of Schedule III to FEM CAT Rules, 2000, as amended from time to time). This is over and above the remittance limit of USD 75,000 which can be made under the LRS route for the same.</p> <p>d. A resident individual can also make all other remittances (other than donation and gifts) as stipulated under Schedules III to FEM CAT Rules, 2000, as amended from time to time.</p>		<p>e. A resident individual can also carry out other permissible current account transactions (transactions which are not explicitly prohibited under Schedule I, or restricted under Schedules II and III, to FEM CAT Rules, 2000, as amended from time to time) without any limits through an AD Bank in India subject to the AD bank verifying the bonafides of the transaction (para 6 to Annex 1 of ADMA Circular No.11 dated May 16, 2000).</p> <p>Therefore notwithstanding the revised guidelines and reduction in the LRS limit, these guidelines do not affect genuine transactions.</p>
3.	As per para 2 (iii) of AP (Dir Series) Circular No.24 dated August 14, 2013 Notification FEMA 263/2013-RB is dated August 5, 2013 but the said Notification as available on the website is dated March 5, 2013? What is the correct date of this Notification?		The said Notification is dated March 5, 2013 but gazetted on August 5, 2013. As per Regulation 1(ii) of this Notification, this Notification shall come into force from the date of publication in Official Gazette, accordingly the effective date of this notification is August 5, 2013 (while the date of the notification is March 5, 2013).
4.	Can resident individuals make remittances under LRS for investments in immovable properties abroad which were acquired under instalment basis?		Resident individuals are permitted to make remittances for acquiring immovable property within the annual limit of USD 75000 for already contracted cases, i.e. only for those contracts which were entered into on or before the date of the circular, i.e., August 14, 2013, subject to satisfaction of the genuineness of the transactions by the AD bank. Such cases should be immediately reported <i>post facto</i> to the RBI by the AD banks.

Capitalisation of exports and other dues

Indian party is permitted to capitalise the payments due from the foreign entity towards exports, fees, royalties or any other dues from the foreign entity for supply of technical know-how

Capitalisation of exports and other dues

Indian party is permitted to capitalise the payments due from the foreign entity towards exports, fees, royalties or any other dues from the foreign entity for supply of technical know-how, consultancy, managerial and other services within the ceilings applicable. Capitalisation of export proceeds remaining unrealised beyond the prescribed period of realization will require prior approval of the RBI.

Indian software exporters are permitted to receive 25 % of the value of their exports to an overseas software start-up company in the



Article

Direct Investment by Residents in Joint Venture (JV) / Wholly Owned Subsidiary (WOS) Abroad

- With a view to enabling recognized star exporters with a proven track record and a consistently high export performance to reap the benefits of globalization and liberalization, proprietorship concerns and unregistered partnership firms are allowed to set up JVs / WOS outside India with the prior approval of the RBI subject to satisfying certain eligibility criteria.

form of shares without entering into Joint Venture Agreements, with prior approval of the RBI.

Overseas Investments by Proprietorship Concerns

With a view to enabling recognized star exporters with a proven track record and a consistently high export performance to reap the benefits of globalization and liberalization, proprietorship concerns and unregistered partnership firms are allowed to set up JVs / WOS outside India with the prior approval of the RBI subject to satisfying certain eligibility criteria.

Overseas investment by Registered Trust/ Society

Registered Trusts and Societies engaged in manufacturing / educational/hospital sector are allowed to make investment in the same sector(s) in a JV/WOS outside India, with the prior approval of the RBI. Trusts/Societies satisfying the eligibility criteria, may submit the application/s in Form ODI-Part I, through their AD Category - I bank/s, to RBI, for consideration.

Post investment changes/additional investment in existing JV/WOS

A JV/WOS set up by the Indian party as per the Regulations may diversify its activities/set up step down subsidiary/alter the shareholding pattern in the overseas entity (subject to compliance of Regulation 7 of the Notification in the case of financial services sector companies). The Indian party should report to the RBI through the AD Category - I bank, the details of such decisions within 30 days of the approval of those decisions by the competent authority of the JV/WOS concerned in terms of local laws of the host country and include the same in the Annual Performance Report (APR - Part III of Form ODI) required to be forwarded to

the AD Category-I bank.

Restructuring of the balance sheet of the overseas entity involving write off of capital and receivables

In order to provide more operational flexibility to the Indian corporates, the Indian promoters who have set up WOS abroad or have at least 51% stake in an overseas JV, may write off capital (equity/preference shares) or other receivables, such as, loans, royalty, technical knowhow fees and management fees in respect of the JV/WOS, even while such JV/WOS continues to function as under:

- Listed Indian companies are permitted to write off capital and other receivables up to 25% of the equity investment in the JV/WOS under the Automatic Route; and
- Unlisted companies are permitted to write off capital and other receivables up to 25% of the equity investment in the JV/OS under the Approval Route.

The write-off/restructuring have to be reported to the RBI through the designated AD Category-I bank within 30 days of write-off/ restructuring. The write-off / restructuring is subject to the condition that the Indian Party should submit the following documents for scrutiny along with the applications to the designated AD Category –I bank under the Automatic as well as the Approval Routes:

- A certified copy of the balance sheet showing the loss in the overseas WOS/JV set up by the Indian Party; and
- Projections for the next five years indicating benefit accruing to the Indian company consequent to such write off/ restructuring.

Obligations of Indian Party

An Indian party which has made direct investment abroad is under obligation to (a) receive share certificate or any other document as an evidence of investment, (b) repatriate to India the dues receivable from foreign entity, and (c) submit the documents/Annual Performance Report to the RBI, in accordance with the provisions specified in Regulation 15 of the Notification.

Where the law of the host country does not mandatorily require auditing of the books of accounts of JV/WOS, the Annual Performance Report (APR) may be submitted by the Indian party based on the un-audited annual accounts of the JV/WOS provided:

- The Statutory Auditors of the Indian party certify that 'The un-audited annual accounts of the JV/WOS reflect the true and fair picture of the affairs of the JV/WOS' and



- b. That the un-audited annual accounts of the JV/WOS has been adopted and ratified by the Board of the Indian party.

Transfer by way of sale of shares of a JV/WOS

An Indian Party, without prior approval of the RBI, may transfer by way of sale to another Indian Party which complies with the provisions of Regulation 6 of FEMA Notification 120/RB-2004 dated July 7, 2004 or to a person resident outside India, any share or security held by it in a JV or WOS outside India subject to the following conditions:

- (i) the sale does not result in any write off of the investment made.
- (ii) the sale is effected through a stock exchange where the shares of the overseas JV/WOS are listed;
- (iii) if the shares are not listed on the stock exchange and the shares are disinvested by a private arrangement, the share price is not less than the value certified by a Chartered Accountant/Certified Public Accountant as the fair value of the shares based on the latest audited financial statements of the JV/WOS;
- (iv) the Indian party does not have any outstanding dues by way of dividend, technical know-how fees, royalty, consultancy, commission or other entitlements and/or export proceeds from the JV or WOS;
- (v) the overseas concern has been in operation for at least one full year and the Annual Performance Report together with the audited accounts for that year has been submitted to the RBI;
- (vi) the Indian party is not under investigation by CBI/DoE/SEBI/IRDA or any other regulatory authority in India.

The Indian party is required to submit details of such disinvestment through its designated AD category-I bank within 30 days from the date of disinvestment.

Sale proceeds of shares/securities shall be repatriated to India immediately on receipt thereof and in any case not later than 90 days from the date of sale of the shares/securities.

Transfer by way of sale of shares of a JV/WOS involving Write off of the investment

Indian Party may disinvest, without prior approval of the RBI, in

any of the under noted cases where the amount repatriated after disinvestment is less than the original amount invested:

- i) in case where the JV/WOS is listed in the overseas stock exchange;
- ii) in cases where the Indian Party is listed on a stock exchange in India and has a net worth of not less than Rs. 100 crore;
- iii) where the Indian Party is an unlisted company and the investment in the overseas venture does not exceed USD 10 million, and
- iv) where the Indian Party is a listed company with net worth of less than Rs. 100 crore but investment in an overseas JV/WOS does not exceed USD 10 million.

Such disinvestments shall be subject to the conditions laid down by RBI. An Indian Party, which does not satisfy the conditions for undertaking any disinvestment in its JV/WOS abroad, shall have to apply to the RBI for prior permission.

Repatriation of export proceeds

Attention of AD Category-I banks is invited to A.P. (DIR Series) Circular No. 52 dated November 20, 2012 extending the enhanced period for realization and repatriation to India, of the amount representing the full value of goods or software exported, from six months to twelve months from the date of export up to March 31, 2013. Further, in terms of A.P. (DIR Series) Circular No. 105 dated May 20, 2013 it was decided, in consultation with the Government of India to bring down the above stated realization period from twelve months to nine months from the date of export valid till September 30, 2013. In this connection, it is clarified that as the realization and repatriation period stipulation in terms of A.P. (DIR Series) Circular No. 52 dated November 20, 2012 was valid till March 31, 2013 only, the time period for realization and repatriation of export proceeds from April 01, 2013 onwards till September 30, 2013, shall be reckoned as nine months from the date of export. The provisions in regard to period of realization and repatriation to India of the full export value of goods or software exported by a unit situated in a Special Economic Zone (SEZ) as well as exports made to warehouses established outside India remain unchanged.

Conclusion

Thus overseas joint ventures and wholly owned subsidiaries facilitate increased exports of plant and machinery and goods and services from India and also pave way for foreign exchange earnings by way of dividend earnings, royalty, technical know-how fee and other entitlements on such investments, besides acting as important drivers of foreign trade. CS



Article



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Composition of Board of Indian Companies and its effect on Corporate Governance

➤ In recent years, Corporate Governance and Board structure has generated a lot of curiosity among the academic and Industry alike. It is assumed that a healthy board composition indicates healthy Corporate Governance practices. This article attempts to compare and contrast various board structures and composition in various companies and analyses the impact of various board compositions on ideal corporate governance practices.

Introduction

As a company grows in size, its ownership is separated from the control. Ownership remains with the shareholders but the control moves towards the Directors. All companies private or public, listed or unlisted are required to constitute a Board of Director. Shareholders of the company at its meeting appoint the Directors, who guides and steers the business on behalf of the shareholders. Directors run the business in the interest of all the stakeholders including the shareholders.

Responsibilities cast on the Directors are quiet onerous and multifarious. The duties of directors are partly statutory, partly regulatory and partly fiduciary. Directors are in a fiduciary position and must exercise their powers for the benefit of the company. Board is responsible for direction, control, conduct management and supervision of the company's affairs. They have to establish effective corporate governance procedures and best practices.





The board functions on the principle of majority or unanimity. A decision is taken, if it is accepted by the majority or all of the directors. A single director cannot take a decision. It is the board as a whole which takes the decisions. This is the purpose of the constitution of the Board by the shareholders. If the decision making power is given to one particular director, he may abuse the power and take biased decisions. He may take decisions which benefit him or his relatives or his friends. The scope for bias, partiality and favouritisms is eliminated with the concept of the Board. Management involves an organisational hierarchy (Fig.1).

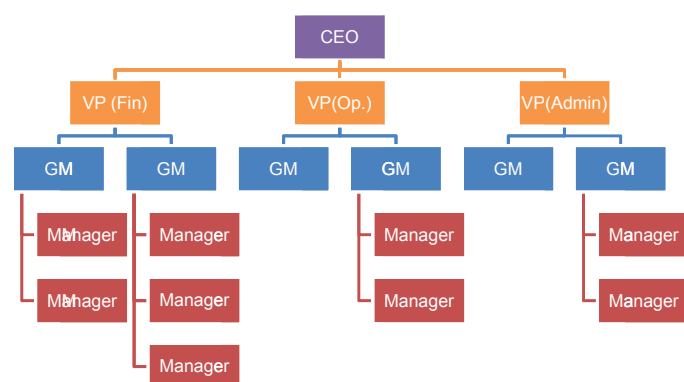


Fig 1

In a Board, there is no hierarchy (Fig 2). Board has no boss and all the Directors are equal in terms of power, duties, responsibilities and liabilities.

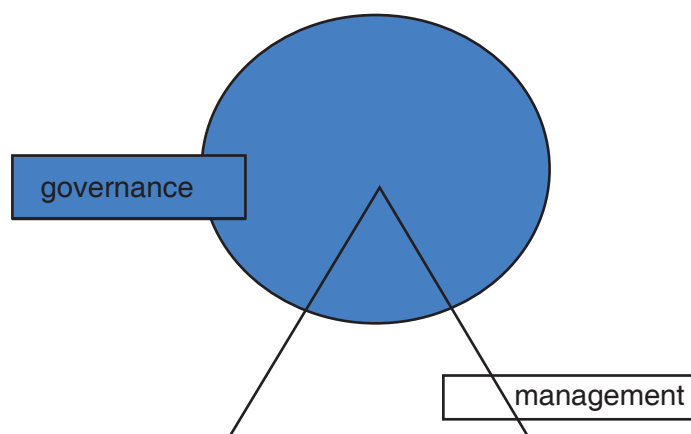


Fig. 2

The success of any business organization to a large extent depends upon the composition of the Board of Directors.

Statutory Requirements relating to Independent Directors

As per the Companies Act, 2013, "Director" means a director appointed to the Board of a company. Further the Act defines "Board of Directors" or "Board", in relation to a company, means the collective body of the directors of the company.

Under section 149, every company shall have a Board of Directors consisting of individuals as directors and shall have a minimum number of three directors in the case of a public company, two directors in the case of a private company, and one director in the case of a One Person Company. The Companies Act, 2013 has also prescribed the appointment of a Woman Director on the Board of such Companies or class of companies as may be prescribed. Further, The Act prescribes that every company shall have at least one director who has stayed in India for a total period of not less than one hundred and eighty-two days in the previous calendar year, thus introducing the concept of Resident Director to be appointed in each company.

The Companies Act, 2013 for the first time has introduced the Concept of Independent Director. It has made the appointment of independent director mandatory in all listed companies. It prescribes that the Board of Directors of all listed companies shall mandatorily comprise 1/3rd as Independent Director and any fraction contained in such one-third number shall be rounded off as one.

The Act has defined the term Independent Director. According to section 149 (6) of the Companies Act, 2013, an Independent Director means a director other than a managing director or a whole-time director or a nominee director -

- who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- who is or was not a promoter of the company or its holding, subsidiary or associate company and who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- who, neither himself nor any of his relatives (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years



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immediately preceding the financial year in which he is proposed to be appointed; (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of — a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm; (iii) holds together with his relatives 2% or more of the total voting power of the company; or (iv) is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or

- who possesses such other qualifications as may be prescribed.

The term Independent Director has been defined under Companies Act, 2013 on the same line as it has been prescribed under Clause 49 of the Listing Agreement but it has been substantially widened. It provides that the Independent Director shall be a person of integrity and shall possess relevant expertise and experience. It also prescribes that the relatives of the independent directors shall not have any pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors. The independent director shall also not be the Chief Executive or Director of any non-profit organisation that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company.

Regulatory Requirements as per the Listing Agreement pertaining to the composition of Board of Directors

All Issuers whose securities are listed on the NSE or BSE shall comply with the listing conditions and requirements contained in the Listing Agreement. Clause 49 of the Listing agreement prescribes the provisions pertaining to the composition of Board, Reads:

“The Board of directors of the company shall have an optimum combination of executive and non-executive directors with not less than fifty percent of the board of directors comprising non-executive directors.

Where the Chairman of the Board is a non-executive director, at least one-third of the Board should comprise of independent directors and in case he is an executive director, at least half of the Board should comprise of independent directors.

Provided that where the non-executive Chairman is a promoter

of the company or is related to any promoter or person occupying management positions at the Board level or at one level below the Board, at least one-half of the Board of the company shall consist of independent directors.”

Directors represent various shareholders as well as the stakeholders on the Board. The intention of the aforesaid clause 49 of the listing agreement is basically to include the independent and objective element on the board of companies and at least 50% of the board should be comprised of Non-Executive Directors.

Board Size

The statutory requirement for the minimum number of Directors of any public company is three. But, the size of Board of Directors depend upon many factors such as the turnover of the company, geographical reach of the company, future expansion plans, etc. The size of the Board increases as the size of the business increases. Sometimes, the company accommodates the family members on the Board of the company. As and when the company avails financial facility from the banks and financial institutions, Nominee Directors are inducted and the board expands.

According to the Companies Act, 2013, the maximum no. of directors shall not exceed 15. The company can appoint more than 15 directors with the approval of the shareholders by passing a Special Resolution.

Size of the Board of Directors of SENSEX 30 companies (Total Number of Directors as per 2011-12

Annual Report)

Company	Total No. of Directors
ITC Ltd.	16
Reliance Industries Ltd.	13
INFOSYS Ltd.	15
HDFC Bank Ltd.	11
ICICI Bank Ltd.	12
Housing Development Finance Corp. Ltd.	14
LARSEN & TOUBRO Ltd.	16
TATA Consultancy Services Ltd.	12
State Bank of India	14
Oil and Natural Gas Corporation Ltd.	13
Hindustan Unilever Ltd.	8
TATA Motors Ltd.	13
Bharti Airtel Ltd.	16
Mahindra & Mahindra Ltd.	13
TATA Steel Ltd.	10
NTPC Ltd.	17
Sun Pharmaceutical Industries Ltd.	8
WIPRO Ltd.	12
Bajaj Auto Ltd.	16



Coal India Ltd.	13
Dr. Reddy's Laboratories Ltd.	11
Hero Motocorp Ltd.	12
Bharat Heavy Electricals Ltd.	16
Jindal Steel & Power Ltd.	15
GAIL (India) Ltd.	16
Maruti Suzuki India Ltd.	11
TATA Power Co. Ltd.	13
Cipla Ltd.	9
Hindalco Industries Ltd.	10
Sterlite Industries (India) Ltd.	7

Size of Board and its effect on Corporate Governance

The optimal number of directors is an important question. Efficiency is reduced if the number of directors is too large because there is an increased difficulty in achieving agreement concerning decisions. Conversely, decision-making precision is reduced if the number of directors is too small because there may not be adequate discussion of issues involved.

NTPC Limited is having the biggest Board with 17 Directors and Sterlite Industries (India) Limited has the smallest Board with 7 directors among the SENSEX companies. The average size of the board of SENSEX 30 companies is 13.

Board composition and Balance

Board composition normally concerns issues related to board independence and diversity of members of board. A balanced board should contain an appropriate mix of Executive, Non-Executive Non-Independent and Non-Executive Independent Directors having appropriate qualification, skills, experience and attributes. Board composition is one of the most important determinants of board effectiveness. A board should have a mix of inside and outside directors with a variety of experience and core competence if it is to be effective in setting policies and strategies and for judging the management's performance objectively. The potential competitive advantage of a board structure constituted of executive directors and independent non-executive directors is in its combinations of – the depth of knowledge of the business of the executives and the breadth of experience of the non-executive independent directors.

Percentage of the Executive Directors as per 2011-12 Annual Report

Company	No. of Executive Directors	Total No. of Directors	% of Executive Directors
ITC Ltd.	4	16	25

Reliance Industries Ltd.	5	13	38
INFOSYS Ltd.	6	15	40
HDFC Bank Ltd.	3	11	27
ICICI Bank Ltd.	4	12	33
Housing Development Finance Corp. Ltd.	3	14	21
LARSEN & TOUBRO Ltd.	8	16	50
TATA Consultancy Services Ltd.	2	12	17
State Bank of India	4	14	29
Oil and Natural Gas Corporation Ltd.	5	13	38
Hindustan Unilever Ltd.	3	8	38
TATA Motors Ltd.	1	13	8
Bharti Airtel Ltd.	2	16	13
Mahindra & Mahindra Ltd.	2	13	15
TATA Steel Ltd.	1	10	10
NTPC Ltd.	7	17	41
Sun Pharmaceutical Industries Ltd.	3	8	38
WIPRO Ltd.	3	12	25
Bajaj Auto Ltd.	4	16	25
Coal India Ltd.	3	13	23
Dr. Reddy's Laboratories Ltd.	3	11	27
Hero Motocorp Ltd.	3	12	25
Bharat Heavy Electricals Ltd.	6	16	38
Jindal Steel & Power Ltd.	4	15	27
GAIL (India) Ltd.	6	16	38
Maruti Suzuki India Ltd.	4	11	36
TATA Power Co. Ltd.	3	13	23
Cipla Ltd.	3	9	33
Hindalco Industries Ltd.	1	10	10
Sterlite Industries (India) Ltd.	2	7	29

Percentage of Executive Director and its effect on Corporate Governance

TATA Motors Limited, is having the lowest percentage of Executive Directors in their Board at 8%. LARSEN & TOUBRO Ltd. is having the maximum percentage of Executive Directors at 50%.

Effect on Corporate Governance

Whole time executive directors are very often not sure of what is expected of them in their role as members of the board. Management issues usually get entangled with matters that the board has to deal with. If the number of executive directors is more, they can dominate the board proceedings and may prevail on the non-executive directors. The number of executive directors should be based on their relevance, contributions to the board deliberations and the total no. of executive directors should be limited enough to enlighten the board on various important facets of the company.



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Composition of Board of Indian Companies and its effect on Corporate Governance

Percentage of the Non-Executive Non Independent Directors as per 2011-12 Annual Report

Company	No. of Non-Executive Non Independent Directors	Total No. of Directors	% of Non-Executive Non Independent Directors
ITC Ltd.	3	16	19
Reliance Industries Ltd.	1	13	8
INFOSYS Ltd.	0	15	0
HDFC Bank Ltd.	2	11	18
ICICI Bank Ltd.	1	12	8
Housing Development Finance Corp. Ltd.	1	14	7
LARSEN & TOUBRO Ltd.	0	16	0
TATA Consultancy Services Ltd.	4	12	33
State Bank of India*	2	14	14
Oil and Natural Gas Corporation Ltd.	1	13	8
Hindustan Unilever Ltd.	1	8	13
TATA Motors Ltd.	5	13	38
Bharti Airtel Ltd.	6	16	38
Mahindra & Mahindra Ltd.	2	13	15
TATA Steel Ltd.	4	10	40
NTPC Ltd.	2	17	12
Sun Pharmaceutical Industries Ltd.	1	8	13
WIPRO Ltd.	0	12	0
Bajaj Auto Ltd.	3	16	19
Coal India Ltd.	3	13	23
Dr. Reddy's Laboratories Ltd.	0	11	0
Hero Motocorp Ltd.	2	12	17
Bharat Heavy Electricals Ltd.**	2	16	13
Jindal Steel & Power Ltd.	3	15	20
GAIL (India) Ltd.***	2	16	13
Maruti Suzuki India Ltd.	3	11	27
TATA Power Co. Ltd.	4	13	31
Cipla Ltd.	0	9	0
Hindalco Industries Ltd.	3	10	30
Sterlite Industries (India) Ltd.	1	7	14

* Government nominee and RBI nominee on the Board of SBI has been treated as Non-Executive Non-Independent Directors.

** Part-time Official Directors (Government Nominees, representing the Ministry of Heavy Industries & Public Enterprises, Government of India) have been considered as Non-Executive Non Independent Directors.

*** Part-time Directors (Government Nominees) have been considered as Non-Executive Non Independent Directors.

Percentage of Non-Executive Non Independent Directors and its effect on Corporate Governance

A non-executive director is the member of Board who is not in employment with the company. A non-executive director can be independent or non-independent depending on his association with the company. If the NED is having any material pecuniary relationships with the company, its promoters, its senior management or its holding company, its subsidiaries and associated companies or is related to the promoters or management at the board level or at one level below the board or has been an executive of the company in the immediately preceding three Financial Year (FY) or is a partner or an executive of the statutory audit firm or the internal audit firm that is associated with the company or has been a partner or an executive of such firm for the last three years or is a supplier, service provider or customer of the company or is a substantial shareholder of the company, i.e. owning 2% or more of the block of voting shares.

The Boards of INFOSYS Limited, LARSEN & TOUBRO Ltd., WIPRO Limited and Dr. Reddy's laboratories Limited do not have any Director who is Non Executive Non Independent. It shows that all of their Directors apart from Executive Directors are Independent Directors. TATA Steel Limited is having the maximum number of Non-Executive Non Independent Directors at the Board (40%).

Effect on Corporate Governance

It has become apparent that the non-executive director (NED) plays a pivotal role in successful corporate governance implementation. The NED's purpose is to provide: 'A creative contribution to the board by providing objective criticism. Non-executive directors are expected to focus on board matters and not stray into "executive direction", thus providing an independent view of the company that is removed from day-to-day running. But the non-executive non-independent directors cannot make any objective and independent decision because of their relationship or present or past association with the company.

If the numbers of Non-Executive Non Independent Directors are more, then it means that the Board is dependent on the members who are directly or indirectly related to the company and the decision of the board will not be completely independent in nature.

Percentage of the Non-Executive Independent Directors as per 2011-12 Annual Report

Company	No. of Non-Executive Independent Directors	Total No. of Directors	% of Non-Executive Independent Directors
ITC Ltd.	9	16	56



Reliance Industries Ltd.	7	13	54
INFOSYS Ltd.	9	15	60
HDFC Bank Ltd.	6	11	55
ICICI Bank Ltd.	7	12	58
Housing Development Finance Corp. Ltd.	10	14	71
LARSEN & TOUBRO Ltd.	8	16	50
TATA Consultancy Services Ltd.	6	12	50
State Bank of India	8	14	57
Oil and Natural Gas Corporation Ltd.	7	13	54
Hindustan Unilever Ltd.	4	8	50
TATA Motors Ltd.	7	13	54
Bharti Airtel Ltd.	8	16	50
Mahindra & Mahindra Ltd.	9	13	69
TATA Steel Ltd.	5	10	50
NTPC Ltd.	8	17	47
Sun Pharmaceutical Industries Ltd.	4	8	50
WIPRO Ltd.	9	12	75
Bajaj Auto Ltd.	9	16	56
Coal India Ltd.	7	13	54
Dr. Reddy's Laboratories Ltd.	8	11	73
Hero Motocorp Ltd.	7	12	58
Bharat Heavy Electricals Ltd.	8	16	50
Jindal Steel & Power Ltd.	8	15	53
GAIL (India) Ltd.	8	16	50
Maruti Suzuki India Ltd.	4	11	36
TATA Power Co. Ltd.	6	13	46
Cipla Ltd.	6	9	67
Hindalco Industries Ltd.	6	10	60
Sterlite Industries (India) Ltd.	4	7	57

Percentage of Non-Executive Non Independent Directors and its effect on Corporate Governance

Wipro Limited Board comprises the maximum number of Non-Executive Independent Directors at 75%. Maruti Suzuki India Ltd. board comprises the least percentage of Independent Directors at 36%.

Effect on Corporate Governance

The composition of board significantly affects the corporate governance of any company. Compared to an insider-dominated board, an outsider-dominated board is believed to be more vigilant in monitoring managerial behaviours and decision-making of the firm. A board that consists of independent directors with a diverse set of functional expertise (marketing, operations, legal, finance,


etc.) industry experiences, educational qualifications, ethnic and gender mix might be better equipped to deal with a wide range of issues facing the firm and provide executives with advice and consultation from multiple perspectives. Independent Directors are appointed to bring to the board: independence; impartiality; wide experience; special knowledge; personal qualities. The corporate governance of any company is directly proportional to the number of independent directors.

Conclusion

The average size of the Board is 12.73 which is neither too small nor too big. If the board is too small, then it shows that the board does not have adequate number of Directors who can deliberate on various aspects of the business. If the Board is too big, then it hinders in taking an effective and firm decision.

The average percentage of the Executive Directors on the Board of SENSEX companies is 22.67% which is an ideal percentage and well within the prescribed norm (50%) of Listing Agreement. It reflects that the management representation on the Board is limited to the CEO and two other operational heads.

The average percentage of the Non-Executive Non- Independent Directors and Non-Executive Independent Directors on the Board of SENSEX companies is 16.37% and 55.67% respectively, which reflects the dependence on the non-executive directors and specifically the importance of independent directors on the Board of SENSEX companies.

The total average percentage of Non-Executive Directors (both Independent and non-independent) is 72% which is an ideal composition and reflects that the sizeable percentages of Directors on the Boards of SENSEX companies are Outside Directors, who are not involved in the day to day transaction of the company. It provides an assurance to all the stakeholders that their interest will be secured by the outside directors. 

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Article



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Business Risk Management: Role of Professionals

- The thrust of professional management has been on developing and applying an integrated risk management system for sustaining and enhancing earnings and for reducing costs. In this context an attempt is made here to discuss the basic concepts of risk management and role of professionals in the business and corporate world.

Introduction

Risk is uncertainty and an inherent and integral part of business world. All-pervading risk cannot be eliminated, but it can be managed to an optimal level. The bankruptcies and huge losses in the global meltdown have re-emphasized the importance of identifying and managing risks effectively. Global banks and multinational companies suffered huge losses and closed down due to risky ventures which were undertaken without risk analysis. As such, risk management has become a prime concern for the business and corporate world in the emerging competitive environment. The thrust of professional management has been on developing and applying an integrated risk management system for sustaining and enhancing earnings and for reducing costs. In this context an attempt is made to discuss the basic concepts of risk management and role of professionals in the business and corporate world.

Business Risk

Business risk is the exposure to uncertainty of outcome, giving rise to the possibility of different targets and results from the expected ones. The impact of risk on business can be negative, positive or both. It is the likelihood and probability of events and their impacts



on the achievement of business targets and corporate goals.

The element of all pervading risk in itself is not bad. In fact, risk is an indispensable part of business world. Further, it is neither possible nor desirable to completely eliminate the risk from a business. Experience proves that risk is essential to progress and failures often promote and lead to improvement and progress.

In the Business and corporate world, risk essentially refers to



the situations of uncertainty with operations and cash flows of business. Business risk can be divided into external and internal risk. External business risks arise from the national and international economic and market forces over which corporate management has control. Internal risks, on the other hand, arise from the business operation within the organization. These are associated with the internal business environment of the enterprises and the efficiency with which management conducts operations. The ability of management lies in appropriate management of probable negative consequences of risks against the potential benefits and opportunity associated with the internal and external risks.

Types of Business Risks

Business risk can be broadly classified under the following types:

Systematic risk refers to risk which affects the entire market, which cannot be diversified and eliminated. This affects a very small number of assets. It can be mitigated only by hedging exercise, but cannot be eliminated. For example even well-diversified portfolio and systematic investment plans are subject to various risks.

Unsystematic risk or diversifiable risk or specific risk, on the other hand, affects a specific and small number of assets, which can be eliminated. For example, the news of fire or strike in a company affects only its share price without affecting share index.

Market risk is un-diversifiable risk and cannot be avoided. For example, frequent fluctuations in the stock market changes in price of securities and investment in shares. The factors associated with the market risks are change in Government's economic and monetary policies affecting credit risk, interest rate risk, currency risk, foreign investment and speculation.

The other potential risks factors associated with business include industry risks (economic phase, business dynamics, market structure, industrial regulation, investment and licensing policies state of competition and customer relations); *financial risks* (liquidity, leverage, interest rate, credit policy, foreign currency fluctuations and derivatives); *operating risks* (managerial, process, technological changes, intellectual property rights, monitoring and quality control systems); *market risks* (transparency, entry and exit cost, pricing, competition and fair trade policies); *purchasing power risk* (uncertainty of the purchasing power due to the amounts to be received on account of the impact of inflation/ deflation and currency rates); *system risk* (production capacities, reliability, obsolescence, data integrity and coordinating and interface risks); *legal risks* (legal system governing property and contractual rights and judicial procedures for resolution of disputes); *political risks* (political uncertainty, war, and frequent change of government and its policies pertaining to foreign investment, inconvertibility of currency, monetary policy, trade and business); *environmental risks* (ecological and environment protection policies and standards); *geographical risks* (advantages in terms of availability of manpower, raw-material and nearness to airports and sea coasts) and *disaster risk* (natural disasters like fire, flood, earthquake and epidemics).

Risk Management

Risk management is the systematic identification, analysis and control of positive and negative deviations in the planned targets for optimizing profits and avoiding losses associated with the business enterprise. The basic functions of risk management plan include identifying, analysing, evaluating, monitoring and reviewing potential factors affecting the business operations and targets.

Risk management is vigorously applied at all levels of management in companies while taking critical decisions, depending on whether the risk relates to long, medium or short term business goals. All departments systematically and continuously manage their risks to achieve the set objects and targets.

Major advantages of risk management in corporate sector include:

- Achieving performance and profitability targets with optimum resources and preventing loss
- Managing changes by mergers and acquisitions to gain and retain competitive advantage in the long-run
- Making company more flexible and responsive to market fluctuations for meeting the demands of the consumers
- Adapting to the emerging changes in demand and supply in the market to for sustaining business growth
- Identifying alternative and dependable economic sources of manpower, raw-materials and capital
- Enhancing market reputation and consumer patronage
- Improving credit rating and ability to raise capital at lower cost
- Ensuring effective reporting compliance with legal and regulatory framework.

Risk Management Process

The risk management process comprises the following inter-linked steps:

Risk identification

Risk identification aims at identifying possible risks, which may positively or negatively or both positively and negatively affect business targets. The exercise starts with generating a comprehensive list of sources of threats, risks and events which have an impact of the targets and results of the enterprise. This risk identification process in corporate sector requires systematic and comprehensive scanning of (i) asset information; (ii) process information; (iii) product information; and (iv) liability to employees and public information.

Risk assessment

Risk assessment is the continuous assessment of all risks, having positive and negative effects on the objects, operations and targets of companies. Simply stated, the risk assessment exercise aims



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➤ Risk assessment exercise aims at determining the extent of risks and losses from the business activity, time and place of occurrence of event or incident; and monetary consequences arising from the risks. The life cycle or business cycle approach helps in determining how the associated risks change and evolve at different phases in business.

at determining the extent of risks and losses from the business activity, time and place of occurrence of event or incident; and monetary consequences arising from the risks. The life cycle or business cycle approach helps in determining how the associated risks change and evolve at different phases in business.

Risk measurement

Measurement of business risk involves determination of those factors having serious monetary implications and need urgent attention. The important factors of risk management in companies include:

- (i) The probability or chance giving rise to the losses.
- (ii) The nature and extent of monetary impact of the losses upon the financial position of business enterprise.
- (iii) The predictability of the losses during the financial period of the business.

Cost of risk

Risks always carry cost. The greater the risk, the greater will be the cost and *vice-versa*. For example, insurance premium of buildings in the areas prone to earthquake and fire is more than that applicable to buildings in areas which are away from these risks. The cost of risk consists of all related costs from the perspective of stakeholders like expected losses, cost of loss control, cost of loss financing, cost of internal risk reduction and cost of any residual uncertainty.

The simple method of measuring the cost of risk in business enterprise is as under:

Cost of risk = Value without risk – Value with risk

Further, stating the expression in terms of an organization's value to stakeholders in the presence of risk is as under:

Value with risk = Value without risk – Cost of risk

It may be pointed out that as long as costs are defined to include

all the effects on value of risk, minimizing the cost of risk is the same as maximizing the value.

In practice, risk computations are based on configurable methodologies and algorithms giving a clear view of the risk profile of the business enterprise, enabling the management to decide appropriate strategies for optimal risk/reward outcome. The level of risk can be measured by using various statistical analysis and calculations combining impact and likelihood. The formulas and methods used must be consistent for accurate results.

Risk Analysis

Risk analysis is the assessment of the nature, level and extent of risk to determine the most appropriate and cost-effective methodology of risk treatment in business. The important elements of risk analysis include:

- Intensive examination of the sources risk in the business enterprise
- Identification of existing strategies and controls with a view to minimize negative risk and enhance opportunities in the business enterprise
- Determination of the consequences of the negative impact or opportunity
- Determination of the probable negative consequences or opportunities that may arise and the factors that affect them
- Estimation of the level of risk by combining consequences and likelihood
- Consider and identify any uncertainty in the estimate

The risk analysis techniques include framing of questionnaire and interviews with experts in the area of business risk, use of existing models and simulations. Further, the analysis may be qualitative, semi-quantitative or quantitative or a combination of these.

Risk evaluation

Risk evaluation implies ranking of business risks in terms of importance and money. It involves comparing the level of risk found during the analysis process with previously established risk criteria and deciding the methods of handling the risk. The factors to be considered in case of loss exposure are the potential severity of loss and potential probability of loss.

Risk Mitigation Strategies

In business world risk mitigation strategies aim at identifying options for treating or controlling risk in order to (a) either reduce or eliminate negative consequences; or (b) reduce the likelihood of an adverse occurrence. The major risk mitigation strategies include:

- (i) risk avoidance
- (ii) risk retention
- (iii) risk transfer
- (iv) loss control



➤ Risk monitoring and review aim at judging the effectiveness of management strategies and risk management techniques to cope up with the potential risks in business. The risks are periodically monitored to ensure that changing circumstances do not alter the risk priorities. Finally, the risks factors identified and evaluated are communicated to the concerned management executives for necessary action to mitigate the losses arising out of the risks.

(v) insurance

The best strategy is to avoid risk wherever possible, for example, getting the hazardous work done through outsourcing. In risk retention, a part of the risk is retained and part insured, for example, insuring critical equipment in machinery rather than the entire machinery. Risk retention has two advantages – saving and avoiding complicated procedure and delays. Risk can be transferred by contracts of hedging, swaps, futures and options. Loss control is the method to reduce both the frequency and severity of losses by taking preventive measures. For example, boiler explosion can be prevented by periodic inspections by safety engineer and occupational accidents can be reduced by strict enforcement of safety rules. In practice, insurance is the most effective method of handling the business and corporate risks.

Risk monitoring and review

Risk monitoring and review aim at judging the effectiveness of management strategies and risk management techniques to cope up with the potential risks in business. The risks are periodically monitored to ensure that changing circumstances do not alter the risk priorities. Finally, the risks factors identified and evaluated are communicated to the concerned management executives for necessary action to mitigate the losses arising out of the risks. In corporate sector 'Control and Risk Self-Assessment' procedures are successfully used for risk monitoring and review. The procedure embeds review of risk and control into the business enterprise at every level by using the knowledge and experience of the risk management executives.

Corporate Governance and Risk Management

In the corporate sector, risk is the uncertainty of outcome of actions

and events, which are specific and peculiar to each industry. Risk management is an integral part of business process. It is the process for identifying and assessing the inherent risks and then responding to them. In practice, it is about identifying potential variations from planned targets and managing those to maximize opportunity, minimize loss and improve decisions and outcomes. Business value is maximized when management sets strategy and objectives to strike an optimal balance between growth targets and related risk. As such, the management should be able to identify the existing and emerging risks associated with the company in the emerging scenario.

The risk management plan should provide for managing the identified risks in response to the changing internal and external economic policies and factors. Risk management contributes to good corporate governance by providing reasonable assurance to Boards and senior management that the organizational objectives will be achieved within a tolerable degree of risk.

Sound and effective implementation of risk management is part of best practices at corporate and strategic level as well as a means of improving operational effectiveness. The emphasis at the board level is to determine risk factors affecting the company and put in place an effective risk management system. In this context, professionals can contribute for designing an effective risk management system and regularly report the results to the board of directors of the company.

Enterprise risk management (ERM)

Risk management is undergoing a transformation as business risks are interlinked to each other. As such, there is greater coordination and cooperation among various departments to manage the full range of risks in the enterprise as a whole. This process of risk coordination and management is called 'enterprise risk management' (ERM).

EMR is a comprehensive risk-based approach for managing business enterprise, integrating concepts of strategic planning, operations management and internal control. The object is to address the needs of various stakeholders who want to understand the broad spectrum of risks to which a company is exposed and the risk management system.

Listing Agreement

Part IV (C) of Clause 49 of the Listing Agreement makes it mandatory for every company to inform Board members about the risk assessment and minimization procedures. These procedures have to be periodically reviewed to ensure that executive management controls risk by means of a properly defined framework. The company has to adopt appropriate risk management policies, commensurate with its size and requirement of business, and, review these periodically in the light of changing economic and corporate scenario.



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Importance of insurance cover

The concept of risk management has its origin in the science and art of insurance. Industrial establishments and corporates own and use diverse infrastructure, plant, machinery equipment, intellectual property and human resource. Insurance is the most practical method of handling business risks. The management is responsible for protecting human wealth, trade related intellectual property rights and physical assets. The management can cover these risks by obtaining suitable insurance policies from the following:

- ✓ Workmen Compensation insurance
- ✓ Group Medclaim insurance
- ✓ Fidelity guarantee insurance
- ✓ Public liability insurance
- ✓ E-insurance
- ✓ Machinery breakdown insurance
- ✓ Boiler explosion insurance
- ✓ Oil and energy insurance
- ✓ Overseas investments insurance
- ✓ Industrial all risk insurance
- ✓ Erection all risk insurance
- ✓ Deterioration of stock insurance
- ✓ Machinery loss of profits insurance
- ✓ Product liability insurance
- ✓ Duty insurance
- ✓ Office protection Insurance
- ✓ Business premises burglary insurance
- ✓ Money insurance
- ✓ Fire Insurance
- ✓ Marine Insurance
- ✓ Multi-Modal Transit Insurance
- ✓ Motor Vehicle Insurance
- ✓ Electronic Equipment Insurance
- ✓ Personal package insurance for executives
- ✓ Special contingency policy
- ✓ Directors and executives professional liability insurance

Role of Professionals

Professionals by virtue of their multidisciplinary knowledge and experience in corporate sector can play an important role in improving the risk management system and presenting and reporting a unified picture of enterprise risk to the stakeholders. Independent professionals who bring in an independent and objective view can contribute directly through the financial statement audit and internal control techniques.

Professionals can make valuable contribution in the following important areas:

Strategic planning – identifying external threats and opportunities and suggesting risk management techniques.

Regulatory Compliance – complying with legal and regulatory framework.

Accounting/Financial/stock market compliance – complying with reporting and disclosures requirements under the accounting/ financial standards and securities laws.

Internal audit and control systems – devising appropriate internal audit and control systems to evaluate the effectiveness of the risk management system.

Consumer complaints – putting in place a simple and effective consumer disputes redressal system for prompt resolution of consumers' disputes.

Insurance – ensuring that proper and adequate insurance coverage is obtained and the terms and conditions of the insurance policies are observed in practice.

Professionals can also advise companies on buying appropriate insurance covers and complying with their terms and conditions, particularly disclaimer clauses. For example, directors and officers liability insurance policy provides protection for claims brought against directors, and executives for actual or alleged breach of duty, neglect, misstatements or errors in their managerial capacity. The professionals can pin point that cases of fraud are not covered under the professional liability insurance policy by directors and senior executives. The directors and senior executives have to ensure that their business deals are fair and honest.

Conclusion

Risk management is an integral part of business strategy in the dynamic corporate environment. It requires commitment from the top and rigorous implementation for optimizing return on investment for the benefit of stakeholders. The management should, therefore, have properly documented framework for risk management, which should be periodically reviewed and revised.

In business, risk management involves optimum response to uncertain events. The techniques employed are identification of risk, assessment of the probability of its happening on the basis of past records and taking appropriate insurance cover.

Managements maximize the business value by setting strategy and objectives, achieving optimal balance between growth and return and managing associated risks. As such, every company prepares its risk management plan after considering factors like nature of industry, its size, exposure to potential risks and cost involved.

Insurance is the ideal device for managing risk and exigencies in the dynamic economic and corporate scenario. Management can effectively spread business risk by insurance so that the company is managed successfully and the interests of all stakeholders are protected from potential loss. Insurance not only provides protection to the economic value of assets and property against insurable risks but also contributes to the industrial growth by investing in developmental projects. CS



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Anti Competitive Agreement

- Section 3 of the Competition Act, 2002 had come up for interpretation before the Competition Commission and the Competition Appellate Tribunal, number of times and its scope had been explained in the context of allegation of several anti-competitive practices by market players. Some important elucidations by the Commission/Tribunal have been dealt with in this article.

Introduction

Section 3 of the Competition Act, 2002 (Act) deals with the anti-competitive agreement. This section came into effect from 20.05.2009. Section 3(1) provides that no enterprise or association of enterprises or person or association of persons shall enter into any agreement in respect of production, supply, distribution, storage, acquisition or control of goods or provision of services, which causes or is likely to cause an appreciable adverse effect on competition within India. Section 3(2) provides that any agreement entered into in contravention of the provisions contained in Section 3(1) shall be void.

In *Pitambara Books (P) Limited v. Primary Education Department* (2012) 198 CLA 414 (CCI) it was held that where the opposite parties are not competing with the printers to get orders from any consumer, nor were they competing with any person to further sell some goods or service their act cannot be construed as anti competitive. Where they are acting as consumers only and in the process are buying required services from the service providers through a mode of selection of their choice, they are neither in any anti-competitive agreement with competitors nor in a position of dominance in the relevant market and hence are not abusing their position to harm their competition and consumer.

In *Saurabh Bhargava v. Secretary, Ministry of Agriculture and*



Co-operation (2013) 113 CLA 100 (CCI) the grievance of the informant was that the conditions prescribed for grant of registration certificate in respect of existing entrants were anti-competitive and it was difficult for new entrants to get themselves registered with the result in respect of many molecules, there was monopoly in the market and exorbitant prices were being charged by insecticide importers and manufacturers. The Competition Commission of India was of the view that the impugned condition prescribed for grant of registration certificate cannot be termed as anti-competitive under Section 3 of the Act. The opposite parties cannot be termed as 'enterprises' in terms of section 2(h) of the Act, nor can they be



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construed as being participants in the market under consideration. The question of violation of section 3 of the Act thereon does not arise. The opposite parties were primarily responsible for administration of the Act and rules framed there under including the related technical and procedural responsibilities and as such their activities would normally not be covered under the Competition Act unless there are strong grounds to suggest otherwise. The Commission further held that no case of violation of section 3 of the Act was made out against the opposite parties. Therefore, the Commission was of the view that the information filed by the informant and the material as placed before the Commission did not provide basis for forming a *prima facie* opinion for referring the matter to the Director General to conduct the investigation. The matter was therefore closed under section 26(2) of the Act.

Bid rigging

Section 3(3) provides that any agreement entered into between enterprises or association of enterprises or persons or association of persons or between any person and enterprise or practice carried on, or decision taken by, any association of enterprises or association of persons, including cartels, engaged in identical or similar trade of goods or provision of services, which-

- (a) directly or indirectly determines the purchase or sale prices;
- (b) limits or controls production, supply, markets, technical development, investment or provision of services;
- (c) shares the market or source of production or provision of services by way of allocation of geographical area of market, or type of goods or services, or number of customers in the market or any other similar way;
- (d) directly or indirectly results in bid rigging or collusive bidding, shall be presumed to have an appreciable adverse effect on competition. The provisions of Section 3(3) will not be applicable to any agreement entered into by way of joint ventures if such agreement increases efficiency in production, supply, distribution, storage, acquisition or control of goods or provision of services. 'Bid rigging' means any agreement, between enterprises or persons engaged in identical or similar production or trading of goods or provision of services, which has the effect of obtaining or reducing competition for bids or adversely affecting or manipulating the processor bidding.

In re Alleged Cartelization by Cement Manufacturers (2013) 112 CLA 387 (CCI) the Commission observed that the act of the parties in limiting and controlling suppliers in the market and determining prices through an anti-competitive agreement was not only detrimental to the cause of consumers but also to the whole economy since cement was a crucial input in construction and infrastructure industry vital for economic development of the country. In this case the parties together have been found providing platform for exchange of sensitive information on production and price of the competing parties and were held guilty of contravention of the provisions of section 3(3) (a) and section 3(3) (b) read with section 3(1) of the Act.

In *Gulf Oil Corporation & others v. Competition Commission of*

India(2013) 114 CLA 25 (CAT) the Coal India Limited was the informant and the allegation was that the 10 appellants in this case controlled about 75% of the market share and since they formed a cartel 75% of the market became cartelized. This cartelization by explosives manufacturers/supplies had caused and is continuing to cause harm to the informant in purchase of explosives. This cartelization had resulted in an appreciable adverse effect on competition in India in the relevant market of explosives including market of bulk explosives, cartridge, explosives and fuses and detonators. The cartelization was invoked since 2005 and had continued even till the date of information. It was further alleged that there was a clear breach on the part of the appellants of sections 3(3) (a), 3(3) (b) and 3(3) (d) of the Act, in as much as these appellants had boycotted the electronic reverse auction organized by the informant for finalization for running contracts on 4th and 5th January, 2010. The appellants had also written identical letters to the informant in this connection and that had resulted in stoppage of the supplies.

The Competition Appellate Tribunal held that collective boycott of electronic reverse auction amounted to concerted action amongst the explosive manufacturers. The collective boycott of the auction process and manipulation of the process of bidding was a clear violation of the provisions of clause (d) of sub section (3) of section 3.

In *Travel Agents Association of India v. Balmer Lawrie & Co. and another* (2013) 113 CLA 415 (CAT) the appellant filed this appeal against the order of Competition Commission of India refusing to act on the information given by him in which he assailed the Government Memo. No. 19024/3/EIV/2005, dated 24.03.2006 issued by Ministry of Finance, Department of Public Enterprise, Government of India wherein it was directed that the Government officials to purchase travel tickets/tour exclusively from Balmer Lawrie & Co Limited and/or Ashok Travels & Tours Limited. It was held that the Government of India is not covered under the definition of 'enterprise' provided under section 2(h) of the Act and the impugned OM could not be termed as activity which could have any bearing on the competition in the relevant sector. It was not a horizontal agreement restraint under section 3(3) of the Act and the said OM could not be treated as an agreement which resulted in restrain on horizontal lines. It was further held that the Government Memo did not amount to an agreement. It was an internal administrative decision to deal with a particular agency in the matter of getting air tickets. It did not come within the mischief of any of the sub-sections of section 3 of the Act.

In *South Eastern Railway v. Orissa Concrete & Allied Industries Limited and others* (2013) 114 CLA 280 (CCI) it was held that the conduct of the opposite parties amounted to 'bid rigging' within the meaning of the said expression as given in Explanation to section 3(3) being an arrangement between enterprises or persons engaged in identical or similar production or trading of goods or provision of services, and had the effect of eliminating or reducing competition for bids adversely affecting or manipulating the process of bidding. The opposite parties were held guilty of having contravened the provisions contained in section 3(3) (d) read with section 3(1).



In *Reliance Big Entertainment Limited v. Karnataka Film Chamber* (2012) 198 CLA 116 (CCI) the Commission held that even though the film association itself did not engage in any activity to qualify as 'enterprise', if they were taking decisions relating to production, or distribution or exhibition of films for the interest of the members who were engaged in similar or identical business of production of films or distribution or exhibition, then the practices carried on by it, or decisions taken by it as association of an enterprise would be covered within the scope of section 3(3). In the facts and circumstances of the case, there was no vertical agreement between associations and informants, and they were not dependent on each other for the production of final goods or rendering of services.

In *Mohamed Tariq Sultan v. Hong Kong Shanghai Banking Corporation Limited and others* (2012) 109 CLA 175 (CCI) the informant alleged as under with respect to housing loans:

- all the opposite parties have illegally adopted 'front end method of accounting' instead of 'diminishing balance method of accounting' and
- the interest rate was higher than the prevailing market.

The Commission on a careful consideration of the entire information and all relevant documents observed that there was no evidence or material adduced by the informant or available on record on the basis of which it can be said that there existed any agreement among the opposite parties with regard to fixation of high interest rates and other allegations made by the informant. Therefore none of the clauses in section 3(3) of the Act relating to anti-competitive agreements among the market players engaged in providing identical services was applicable to the facts of the instant case. Further there was no case of any vertical agreement which may be said to be violative of provisions of section 3(4) of the Act in the whole matter.

In *Print India v. Springer India (P) Limited and others* (2012) 109 CLA 411 (CCI) the informant alleged certain anti-competitive behavior by Springer India (P) Limited and 8 Indian Institutions. The informant alleged that the Springer India and eight Indian Institutes were entering into anti-competitive agreement (co-publishing agreement) thus violating section 3(3) of the Act by entering into with the institutes which permit them to-

- directly determine sale price thus violating section 3(3)(a)
- control the supply of journals by imposing unfair conditions of furnishing commercially sensitive information in violation of section 3(3)(b)
- share the market by way of allocation of type of goods i.e., print version and e-journal violating Section 3(3)(c).

The Director General found that entering into co-publishing agreement signed between Springer India and eight other institutes was not indicative of anti-competitive agreement according to the provisions of the Act. The Commission agreed with the findings of the Director General. It further held that the institutes were well within their right to outsource the entire publishing jobs in favor of a particular entity. Hence there was no breach of section 3 in

respect of co-publishing agreement signed between opposite party and the leading institutes/societies of the country engaged in economic research.

In *re Domestic Airlines* (2012) 107 CLA 382 (CCI) the issue related to a reference dated 6.5.2011 from Ministry of Corporate Affairs, Government of India under section 19(1) of the Act. It was stated that due to the strike called by the pilots of Air India from the midnight of 26.11.2011, different airlines had started charging exorbitant fares for the tickets. In normal course also one could not buy tickets online, even though seats were available, and tickets had to be bought at higher prices near to the date of departure. An enquiry was ordered. The Director General reported that it was anti-consumer and anti-competitive and was in contravention of section 3(3). The Commission found merit in the contention of airlines that during the strike period, fares were not raised; only higher bracket seats available on airlines were sold. This was, however not due to any concerted action or plan or due to collusion or concerted practices among the airlines but because of the higher demand and lesser supplies due to peak season for airline travel and reduced capacities. The Commission observed that in any peak season, during April and May load factor on airlines had increased. In line with this trend the percentage of tickets sold in the higher bracket of all the airlines had also gone up. To this extent, it may be said that there was a pattern in air fares going upwards together during the strike period and in general also during the period of high demand, fares of all airlines tends to move together. However based on available evidence, the Commission held that it could not be concluded that the airlines had been carrying any anti-competitive practice in violation of section 3(3).

Tie in arrangements etc.

Section 3(4) provides that any agreement amongst enterprises or persons at different stages or levels of the production chain in different markets, in respect of production, supply, distribution, storage, sale or price of, or trade in goods or provision of services, including-

- tie in arrangements (includes any agreement requiring a purchaser of goods as a condition of such purchase, to purchase some other goods);
- exclusive supply agreement (includes any agreement restricting in any manner the purchaser in the course of his trade from acquiring or otherwise dealing in any goods other than those of the seller or any other person);
- exclusive distribution agreement (includes any agreement to limit, restrict or withhold the output or supply of any goods or allocate any area or market for the disposal or sale of the goods);
- refusal to deal (includes any agreement which restricts, or is likely to restrict by any method the persons or classes of persons to whom goods are sold or from whom goods are bought);
- resale price maintenance (includes any agreement to sell goods on condition that the prices to be charged on the resale by the purchaser shall be the prices stipulated by the seller



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unless it is clearly stated that prices lower than those prices may be charged);

shall be an agreement in contravention of sub-section (1) if such agreement causes or is likely to cause an appreciable adverse effect on competition in India.

In *Shri Ram Niwas Gupta and another v. Omaxe Limited and another* (2013) 112 CLA 8 (CCI) the issue was the agreement/ arrangement between the opposite parties to provide maintenance services to the plot buyers in the real estate project and it was alleged that it was anti-competitive in terms of provisions of Section 3(4). The Commission analyzed the provisions of Section 3(4). The said section envisages a vertical agreement among the enterprises or person/entities operating at different stage or levels of production chain in different markets in respect of products, supply, distribution, storage, sale or price of, or trade in goods or provisions of services. Therefore it is required to first identify 'different stages or levels of production chain' and 'different markets' before undertaking further examination whether any vertical agreement between the two entities operating in such markets has caused appreciable adverse effect on competition in India. On the analysis of the case the Commission held that since the end consumer did not fall in the production or supply chain of the provision of goods or services in the market within the meaning of Section 3(4), the agreements in question shall not be liable for examination under Section 3(4).

The developer was under an obligation to undertake the responsibility for maintenance and upkeep for a period of five years from the date of issuance of completion certificate of the project. During the period of construction also maintenance is required and since the flat owners would not have occupied the flats so they cannot organize maintenance. The agreement also provides that maintenance, agreement will be in place only until the Resident Owners' Association is formed. Once this association is in place they will decide about the maintenance and will appoint agency of their choice for their maintenance. Thus there does not appear to be any violation of the Act in having such a maintenance agreement.

In *Sonam Sharma v. Apple Inc. USA and others* (2013) 114 CLA 255 (CCI) the informant alleged that Apple American Multinational Corporation entered into secret exclusive contracts/ agreements with Vodafone and Airtel for sale of iPhone in India whereby they got exclusive right for 5 years and iPhones sold by them were compulsorily locked. Handsets purchased from them shall work only on their network and none others. So there was violation of section 3 by opposite parties as they had entered into anti-competitive agreements to limit and/or control market for iPhone in India by creating entry barriers for other players in India, which has adverse effect on competition in the relevant market. The Commission held that none of the opposite parties had a position of strength to affect the market outcome in terms of market foreclosure of or deterring entry, creating entry barriers or driving any existing competitor out of the market and within the theoretical framework of tying arrangement, the anti-competitive concerns in terms of section 3(4) had not been violated. On the other hand the Commission had reasons to believe that the distribution arrangement between the impugned parties helped

create a market for iPhone in India wherein domestic consumers got an opportunity to purchase a contemporary handset which was otherwise available through the grey market. The Commission did not find any evidence to show that entry barriers have been created for new entrants in the markets i.e., smart phone market and mobile services market by any of the impugned parties. Similarly nothing has been brought to the notice of the Commission to reveal that existing competition have been driven out from the market or that the market itself has been foreclosed.

The Commission opined that there was no anti-competitive effect of the tie in arrangement as alleged by the informant. In fact, there was no suggestion in the literature that the earlier tying arrangement between the iPhone and the service providers in other jurisdiction may have spurred wireless service providers to invest in innovation in mobile devices. Such innovation has resulted in an explosion of new mobile devices and continued growth of the mobile communication industry. It has not caused disastrous results on competition in the formation of double monopolies that some have feared. Hence the belief that the tie in arrangement has caused serious harm was misplaced.

Non applicability of Section 3

Section 3(5) provides that nothing in this section shall restrict-

- the right of any person to restrain any infringement of, or to impose reasonable conditions, as may be necessary for protection any of his rights which have been or may be conferred upon him under-
 - (a) The Copyright Act, 1957;
 - (b) The Patents Act, 1970;
 - (c) The Trade and Merchandise Marks Act, 1958 or the Trade Marks Act, 1999;
 - (d) The Geographical Indication of Goods (Registration and Protection) Act, 1999;
 - (e) The Designs Act, 2000;
 - (f) The Semi-conductor Integrated Circuits Layout-Design Act, 2000.
- the right of any person to export goods from India to the extent to which the agreement relates exclusively to the products, supply, distribution or control of goods or provision of services for such export.

Conclusion

The object of the Competition Act is to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect the interests of the consumers and to ensure freedom of trade carried on by other participants in markets in India. Entering into anti competitive agreement is restricted by the Act. Anti competitive agreement is not only against the competitiveness but also will lead abuse of dominance. But it could not be said all agreements will lead to restrict competition and abuse of dominance. It will depend upon facts and circumstances of each case. The Competition Commission is taking the lead role in restraining such anti competitive agreements that restrict the competition and that may lead to abuse of dominance. CS

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Corporate Laws

LW: 29:04:2014

MADURA COATS PVT LTD v.DGFT& ORS[MAD]

W.P. (MD) No.18266 of 2013 & M.P.No.1 of 2013

M.M.Sundresh, J.

[Decided on 28/02/2014]

Foreign Trade (Development & Regulation) Act, 1992 – duty exemption scheme – issue of import authorisation with export obligation – request for revalidation – rejection thereof – whether the rejection was proper – Held, Yes.

Brief facts:

The Writ Petitioner herein, being an exporter, had obtained five advance authorization (advance license) under the scheme for the purpose of importing raw materials, without payment of duties. The validity for the import of raw materials permitted in the authorization was for a period of 24 months from the date of issue.

The petitioner made several applications, covering all the five advance authorizations, on various dates, seeking re-validation for a period of six months. However, the requests were rejected by the DGFT and the petitioner had approached the High court by filing the present writ petition.

Decision: Petition dismissed.

Reason:

Admittedly, in the case on hand, the petitioner has made applications rather belatedly. It is also not in dispute that the delay is attributable on the part of the petitioner. It is further to be seen that the petitioner has not, admittedly, complied with Paragraph No.4.24 of the Hand Book of Procedures in not producing the export documents, at least till the issuance of show cause notices.

On a proper analysis of the provisions discussed above, as well as the facts, narrated above, it is clear that the petitioner is not entitled for the relief sought for. As rightly submitted by the learned Assistant Solicitor General of India, the petitioner has been given a concession by way of free import duty. The concession is coupled

with the duties on the part of an intending exporter. As long as such an exporter complies with the conditions, then, he is entitled for such benefit of concession. It is one thing to say that the concession given to the petitioner cannot be taken away, contrary to the law, but another thing to say that such a concession will have to be extended, as he likes, notwithstanding the period fixed. Admittedly, in this case, the petitioner has not made any such request either for enhancement of validation or for re-validation within the period of validation. Even though a re-validation for a period of six months is not an automatic one, as discussed above, the petitioner, for the reasons known, has not made an application within such time.

This Court is of the view that the Paragraph No.9.3 of Chapter IV of the Hand Book of Procedures does not have any application to the case of the petitioner. A re-validation given would expire on the last day mentioned therein. Thereafter, the only option open to the original authorization holder is to make a request. Therefore, the question of making any application does not arise. Hence, this Court is of the view that the Paragraph No.9.3 of Chapter IV of the Hand Book of Procedures does not have any application to the case of the petitioner.

The only other provision, upon which the request of the petitioner can be considered is under Paragraph No.2.5 of Chapter II of the Foreign Trade Policy. The respondent No.1 did consider the case of the petitioner, on merits. When the petitioner makes a request for exemption from the policy/procedures, then, he has to substantiate that there exists a genuine hardship. It is not in dispute that the petitioner is having a hardship, but that would be the case involving every other entity. A hardship will have to be a genuine, particularly, when it pertains to seeking a concession on a validation, which has already expired. As discussed above, the petitioner is not entitled for re- validation, as a matter of right. When under the policy/procedure, the petitioner is not entitled to by his own conduct, then, in the absence of any genuine hardship, he is also not entitled for the exemption from the policy/procedures.

The reliance made by the petitioner on the similar cases have been dealt with by the respondent No.1, while passing the order impugned. According to the respondent No.1, the fact situation is different. It has been specifically stated that there is a change in the perception regarding the consideration of request for re-validation. It is not as if the petitioner has been singled out as against the others. The petitioner made an application only in the year 2011. The case, in which a re-validation was considered for a period of three months stands totally a different footing, as the applicant therein, for no fault of its part, could not utilize the advance authorization due to transmission error. All other requests, like that of the petitioner, were rejected. Therefore, the petitioner does not have a case even on that ground. Thus, such a classification is perfectly in order and permissible in law.

In view of the foregoing discussion, this Court is of the view that no case is made out for allowing the Writ Petition. Accordingly, the Writ Petition is dismissed. No costs. Consequently, connected Miscellaneous Petition is also dismissed.



LW: 30:04:2014

PHATU ROCHIRAM MULCHANDANI v. KARNATAKA INDUSTRIAL AREA DEVELOPMENT BOARD & ORS [SC].

Civil Appeal No.3803/ 2014

S.S. Nijjar & A.K. SIKRI, JJ.

[Decided on 12/03/2014]

Companies Act,1956 – section 537 – lease of land to set up an industrial project – failure to complete the project within time – lessee company in liquidation – lessor cancelled the lease and resumed the land- company court allowed the same – whether proper – Held, Yes.

Brief facts:

In this appeal the appellant has assailed the judgment and order dated 11.2.2010 passed by the High Court of Karnataka in Company Appeal which was preferred by the appellant herein against the orders dated 3.9.2009 by the Company Judge of the said court. Respondent No. 2 namely M/s. Relectronics Ltd. (hereinafter referred to as the 'Company') is ordered to be wound up and liquidation proceedings are pending before the Company Court. Respondent No. 1 i.e. Karnataka Industrial Areas Development Board (hereinafter referred to as the 'Board') had allotted an industrial plots to the Company on lease-cum-sale basis for a period of 11 years. The Board terminated the lease. The Company Judge, on application filed by the Board, had directed the liquidator to release the said land to the Board and the appeal by the appellant against this order has been dismissed by the Division Bench of the High Court, not on merits but for want of locus standi of the appellant to question the orders. The appellant herein is questioning the veracity of the orders on the ground that it was the property of the Company which could not have been released in favour of the Board.

Decision: Appeal dismissed.

Reason:

We have given our considered thoughts to the various issues involved on which arguments were addressed by the Counsel for the parties. We would like to point out, at the outset, that we are not venturing into detailed discussion on the question of maintainability of the appeal filed by the appellant before the Division Bench of the High Court against the order of the Company Judge. Prima facie, we are of the opinion that this appeal was maintainable and should not have been dismissed on the ground that the appellant did not have locus standi to prefer the said appeal. The appellant is very much concerned with the outcome of the proceedings in as much as, if the ownership of the land in question vests with the Company and proceeds from the sale of this land comes into the kitty of the Company, the effect of that would be to reduce the liability of the creditors, particularly the financial institutions. In

turn, it may result in reducing the personal liability of the appellant who has given guarantees to the financial institutions for the loan advances to the Company. However, we leave the matter at that, as Counsel for the respondents did not press the issue of maintainability very seriously.

The court also considered the case on merits and decided by framing the following questions and answering them as under:

Q.1 Whether the Company had acquired the ownership of the two plots in question and, therefore, the Board was precluded from terminating the lease and resuming the plots?ORWhether the property in question continued to be leasehold property as per the Lease Agreement dated 21.12.1984?

It is clear from the above that right to purchase the land did not fructify in favour of the Company. On the contrary, while the relationship between the Company and the Board was still that of lessee and lessor, the lease came to be determined by the Board because of the breach of the covenants of lease agreement. We, therefore, cannot accept the contention of the learned Senior Counsel for the appellant that the Company had become the owner of the plots in question.

Q.2 In the event it is decided that the property was on lease with the Company, whether the notice terminating the Lease Agreement was legal and justified?

We have already held that the Company had committed clear breach in not completing the project and setting up the factory within the time given on the Lease Agreement or the time as extended by the Board. In such circumstances, the Lease Agreement gave a definite right to the Board to terminate the lease. We are, therefore, of the opinion that the Board was very well within its right to terminate the lease as provided in the Lease Agreement.

Q.3 Whether prior permission of the Company court was required to terminate the Lease Agreement by the Board since the Company was under liquidation?

It is clear from the above that prior permission of the Court is required in respect of any attachment, distress or execution put in force or for sale of the properties or effects of the Company. We are of the opinion that the serving of cancellation notice simpliciter would not come within the mischief of this section as that by itself does not amount to attachment, distress or execution etc. No doubt, after the commencement of the winding up, possession of the land could not be taken without the leave of the Court. Precisely for this reason the Board had filed the application seeking permission. But according to us no such prior permission was required before cancelling the lease. In fact, it is only after the cancellation of the leases that the Board would become entitled to file such an application under Section 537 of the Act. Had the Board gone ahead further and taken the possession, after the cancellation and then approached the Company Judge, the situation which occurred in M/s. Anco Communication Ltd. (supra) would have prevailed. On the other hand, it would have been premature on the part of the Board to approach the Company Judge for permission to resume the land without cancelling the lease in the first instance. We thus, hold that no prior permission was required by the Board





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for cancelling the lease.

Q.4 Whether the circumstances warranted the Company court to allow the application of the Board to resume the said land and take possession thereof?

Once the application for permission to resume the land is filed, undoubtedly it is permissible for the Company Judge to go into the validity of the action of the applicant. Thus, in the instant case the Company Judge could find out as to whether cancellation of lease is proper or not. The Company Judge could also go into the question as to whether the Company had become the owner of the property, or it was only a lessee. Company Judge could also go into the question as to whether the property in question is required by the Company and parameters of the provisions of Section 535 of the Companies Act are satisfied or not.

The up-shot of the aforesaid discussion would be to hold that termination notice dated 19.1.2002 of the Board is valid. Likewise the order of the Company Judge permitting the board to take possession of the land in question is legal and justified.



Competition Laws

LW: 31:04:2014

BULL MACHINES PVT LTD v. JCB INDIA LTD & ANR. [CCI]

Case No. 105 of 2013

Ashok Chawla, Dr. Geeta Gouri, Anurag Goel, M. L. Tayal & S. L. Bunker.
[Decided on 11/03/2014]

Competition Act, 2002 – sections 4, 19 & 26 – abuse of dominance – bad faith litigation resorted to by OP against informant to block it from entering the market – whether abuse of dominance so as to cause investigation – Held, yes.

Brief facts:

The Informant, a small scale industry company, is stated to be engaged in manufacturing of low cost backhoe loaders, called 'Bull Smart', a light construction equipment. The informant formally launched its product "Bull smart" at the 'Excon 2011 Exhibition'

during which it was served with an ex parte interim injunction order granted by the Hon'ble High Court of Delhi in I.A. No. 18812 of 2011 in CS (OS) No. 2934 of 2011 dated November 25, 2011 by JCB wherein it was alleged that the Informant had infringed the design registrations/copyright of JCB in developing the backhoe loader 'Bull Smart'. The said order restrained the Informant and its dealers 'from making, selling, offering for sale, dispatch, advertising, directly or indirectly dealing in/launching backhoe loaders in any manner.

Due to this, the informant was compelled to remove its product from the exhibition. Further, its operations were also stopped by the local commissioners appointed by the Court. However, later the OP quietly withdrew its suit from the High Court, as it appears that it could not substantiate that the informant was infringing its design.

In these circumstances the informant complained to the CCI that the OP was using bad faith litigation to block other competitors to enter into the market and thus abuses its dominance.

Decision: Investigation ordered.

Reason:

From the information, it appears that the parties herein i.e., the Informant and JCB both develop and manufacture construction and earthmoving equipment. Construction and earthmoving equipment cover a wide range of machines that are used in the preliminary phases of building construction and civil engineering. These machines excavate, remove, level and displace stones and other heavy materials over a short distance earth.

The Commission observes that as no two equipment (construction and earthmoving)/products can perform exactly the same function, they cannot be substituted by the users/consumers for their end use. Thus, each equipment/product forms a distinct product market. Accordingly, the market for backhoe loader is a distinct product market which may be taken as the relevant product market in this case.

As nothing has been brought on record or is otherwise discernible therefrom to reflect heterogeneity in the conditions of competition with respect to the relevant product, it is to be assumed that the conditions of competition for supply of the product in question are homogenous throughout India. Hence, the relevant geographic market in the present case may be taken as whole of India. Accordingly, the Commission considered 'the market for manufacturing and sale of backhoe loaders in India' as the relevant market in the present case.

In the aforesaid relevant market, the Informant has stated that JCB is super dominant. In support of its claim the Informant stated that JCB's market share in the relevant market is 75% and is the world leader. It has vast financial resources and in a position to curtail or curb competition in the relevant market and can operate independent of competitive forces. It is pointed out that JCB is a highly vertically integrated manufacturer and can make its own transmission systems, hydraulic cylinders and cabs in the plant. Further, JCB has a network of 54 dedicated dealers and over

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450 sale and service outlets throughout the country, more than 3000 trained service engineers more than and 56 mobile service vans. Also, JCB India recorded 30% growth in sales in fiscal year 2011 compared to the year 2010. During 2011, the market size of backhoe loaders was 33,500 units in India, wherein JCB alone sold 24,500 units. It is submitted that being the market leader, the consumers are dependent on JCB and because of its global brand name. It is also stated that sunk costs contribute to high entry barriers in the relevant market because a new entrant would be required to set up complex and costly infrastructure and a distribution/dealership network and other systems to run the business and to incur expenditure on research and development, quality improvements and advertising to compete effectively in the relevant market.

From the afore noted details about JCB on market share, size and resources, dependence of consumer on it, etc., *prima facie*, it appears that JCB is a dominant entity in the relevant market for manufacture and sale of backhoe loaders in India.

The entire case of abuse as laid and made by the Informant is predicated upon the alleged bad faith litigation filed by JCB before the Hon'ble High Court of Delhi. It is the case of the Informant that the bad faith litigation initiated by JCB against it alleging infringement of its design rights was totally false and that the said legal proceedings before the Hon'ble High Court of Delhi were only initiated to harass it and prevent the launch of 'Bull Smart', which in effect would have competed with backhoe loaders of JCB in the relevant market. Furthermore, it is the case of the Informant that the injunction was obtained on the basis that the Informant had allegedly infringed the registered designs and copyrights of JCB while manufacturing 'Bull Smart', which designs/ copyrights themselves were obtained fraudulently.

The Commission observes that the predation through abuse of judicial processes presents an increasingly threat to competition, particularly due to its relatively low anti-trust visibility.

In view of the allegations projected in the information and as detailed hereinabove, the Commission is of *prima facie* opinion that JCB by abusing their dominant position in the relevant market sought to stifle competition in the relevant market by denying market access and foreclosing entry of 'Bull Smart' in contravention of the provisions of Section 4 of the Act.

Accordingly, the Commission directs the Director General to cause an investigation into the matter and to complete the investigation within a period of 60 days from receipt of this order.

LW: 32:04:2014

TATA POWER DELHI DISTRIBUTION LIMITED v. GAIL (INDIA) LIMITED [CCI]

Case No. 94 of 2013

Ashok Chawla, Dr. Geeta Gouri, Anurag Goel, M. L.

Tayal & S. L. Bunker.

[Decided on 11/03/2014]

Competition Act, 2002 – sections 4, 19 & 26 – abuse of dominance – transportation of natural gas – levy of ship or pay charges – reduction of gas supply by the producers – government specified priority for supply of gas – levy of charge continued despite reduction in supply – whether abuse of dominance so as to cause investigation – Held, No.

Brief facts:

The Informant and the OP had entered into a Gas Transportation Agreement under which OP has agreed to transport natural gas to the informant.

It is the case of the Informant that despite of its repeated request to GAIL to relieve it from the obligation under the GTA to pay 'Ship-or-Pay' charges, it continued to levy such charges which is totally unjustified and in violation of the Act as the Informant has no other alternative but to use the transport facility offered by GAIL. It is submitted that, being the sole transporter and its dominant position in natural gas transmission services, GAIL is levying 'Ship-or-Pay' charges which are exempted by other transporters in different areas; in a scenario where suppliers reduced or stopped the supply of gas because of its inadequate availability or government regulation.

In these circumstances, the informant approached the CCI with the present complaint alleging abuse of dominance against the OP.

Decision: Case closed.

Reason:

It is observed that the crux of the gravamen of the Informant arises out of the alleged imposition of unfair and unilateral conditions by GAIL in the GTA by forcing the Informant to pay 'Ship-or-Pay' charges, irrespective of the quantity of gas actually shipped.

The Commission has examined the rival contentions very carefully. It appears that the parties to the present proceedings entered into GTA on 08.09.2008 which was amended on 25.02.2010 in accordance with the Petroleum and Natural Gas Regulatory Board (Access Code for Common Carrier or Contract Carrier Natural Gas Pipelines) Regulations, 2008. On a careful perusal, it is observed that GTA contains *force majeure* clause (clause 11) whereby either party is not made accountable or held liable for acts which *inter alia* include any act/ action or in action of a Government instrumentally or compliance therewith.

The Commission further notes that the PNGRB Guidelines (Development of Model GTA), 2012 spell out the specific exclusions of the impugned charges in certain situations. One specific exclusion relates to 'quantities which have been reduced due to directions of Central/ State Government or any Government agency which is beyond the control of shipper and transporter'. Further, it was provided that all contracts/agreements were to be suitably modified to ensure consonance with these guidelines and



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the accompanying schedules.

In view of the above, the Commission is of opinion that the GTA makes suitable arrangements in respect of the eventuality faced by the Informant herein. Hence, the agreement *per se* does not appear to be abusive. Needless to add, the Informant would be at liberty to pursue its remedies before appropriate forum against the Opposite Party if the latter does not adhere to contractual obligations and the *extant* regulatory provisions including the guidelines.

Resultantly, the Commission is of opinion that no, *prima facie*, case of contravention of the provisions of the Act is made out against the Opposite Party and the information is ordered to be closed forthwith.

LW: 33:04:2014

M/S SHRI REVANASIDDDESHWAR AUTOMOBILES (SRA) v. HERO MOTOCORP LIMITED & ORS [CCI]

Case No. 02 of 2014

Ashok Chawla, Dr. Geeta Gouri, Anurag Goel, M. L. Tayal & S. L. Bunker.

[Decided on 11/03/2014]

Competition Act, 2002 – sections 4, 19 & 26 – abuse of dominance – refusal to continue the dealership contract with new partnership firm – whether abuse of dominance so as to cause investigation – Held, No.

Brief facts:

OP 1 entered into a dealership agreement with SRA which comprised Shri Shivaprakash and Shri Chidanand only. Thereafter, Shri. Maheshwar V. Hiremath (informant herein) became a partner of the firm on 08.11.2011. However, this subsequent reconstitution and induction of new partners was neither intimated/ approved to/ by OP 1. In the circumstances, OP 1 *vide* its public notice 28.12.2012 informed the public that SRA has ceased to be its dealer w.e.f. 06.11.2012.

The informant approached the CCI by making abuse of dominance allegations against the OP 1.

Decision: Case closed.

Reason:

The Commission notes that OP 1 entered into a dealership agreement with SRA which comprised Shri Shivaprakash and Shri Chidanand only. Subsequent reconstitution and induction of new partners was neither intimated/ approved to/ by OP 1. In the circumstances, OP 1 *vide* its public notice 28.12.2012 informed the public that SRA has ceased to be its dealer w.e.f. 06.11.2012.

In these circumstances, the present information filed by Shri

Maheshwar V. Hiremath purportedly on behalf of SRA is wholly misconceived. It appears that Shri Maheshwar V. Hiremath, through the instant information, after getting himself inducted into SRA without any intimation or approval to/ from OP 1 is seeking OP 1 to continue the dealership in favour of SRA, which ceased to exist w.e.f. 06.11.2012.

The information appears to be a family business and contractual feud which has been sought to be projected as a competition issue. The Informant has made various allegations relating to 'cartel', 'collusive bid rigging', and 'refusal to deal' *etc.* without in any manner, whatsoever, explaining the basis much less substantiating the same. The Informant has made allegations which have no bearing upon competition in the markets. The information does not disclose any competition issue.

In view of the above discussion, the Commission is of the opinion that, *prima facie*, no case of contravention of the provisions of the Act is made out against the Opposite Parties and the information is ordered to be closed forthwith.



Tax
Laws

LW: 34:04:2014

COMMISSIONER OF CENTRAL EXCISE v. SUPER SYNOTEX (INDIA) LTD. & ORS [SC]

Civil Appeal No. 9154-9156 of 2003

Anil R. Dave & Dipak Misra, JJ.

[Decided on 28/02/2014]

Central Excise Act, 1944 – sales tax incentive – tax collected and retained as incentive as per the scheme – whether includible in the assessable value – Held, yes.

Brief facts:

These batch of appeals were preferred under Section 35L of the Central Excise Act, 1944 (for brevity, the Act) being inter-connected and inter-linked was heard together and was disposed of by this common judgment.

The assesses were availing the sales tax exemption/incentive scheme. They claimed duty exemption on the sales tax thus

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collected and retained as incentive. The Revenue sought to include this in the assessable value for the purposes of duty. The matter went up the Tribunal which held that the incentives are not to be included in the assessable value. Revenue appealed to the Supreme Court.

Decision:

Revenue's appeals partly allowed, while assessee's appeals dismissed.

Reason:

The assessee in the present case has paid only 25% and retained 75% of the amount which was collected as sales tax. 75% of the amount collected was retained and became the profit or the effective cost paid to the assessee by the purchaser. The amount payable as sales tax was only 25% of the normal sales tax. Purpose and objective in defining "transaction value" or value in relation to excisable goods is obvious. The price or cost paid to the manufacturer constitutes the assessable value on which excise duty is payable. It is also obvious that the excise duty payable has to be excluded while calculating transaction value for levy of excise duty. Sales tax or VAT or turnover tax is payable or paid to the State Government on the transaction, which is regarded as sale, i.e., for transfer of title in the manufactured goods. The amount paid or payable to the State Government towards sales tax, VAT, etc. is excluded because it is not an amount paid to the manufacturer towards the price, but an amount paid or payable to the State Government for the sale transaction, i.e., transfer of title from the manufacturer to a third party. Accordingly, the amount paid to the State Government is only excludible from the transaction value. What is not payable or to be paid as sales tax/VAT, should not be charged from the third party/customer, but if it charged and is not payable or paid, it is a part and should not be excluded from the transaction value. This is the position after the amendment, for as per the amended provision the words "transaction value" mean payment made on actual basis or actually paid by the assessee. The words that gain signification are "actually paid". The situation after 1.7.2000 does not cover a situation which was covered under the circular dated 12.3.1998. Be that as it may, the clear legislative intent, as it seems to us, is on "actually paid". The question of "actually payable" does not arise in this case.

In view of the aforesaid legal position, unless the sales tax is actually paid to the Sales Tax Department of the State Government, no benefit towards excise duty can be given under the concept of "transaction value" under Section 4(4) (d), for it is not excludible. As is seen from the facts, 25% of the sales tax collected has been paid to the State exchequer by way of deposit. The rest of the amount has been retained by the assessee. That has to be treated as the price of the goods under the basic fundamental conception of "transaction value" as substituted with effect from 1.7.2000. Therefore, the assessee is bound to pay the excise duty on the said sum after the amended provision had brought on the statute book.

In view of the aforesaid analysis, we are of the considered opinion that the assessee in all the appeals are entitled to get the benefit

of the circular dated 12.3.1998 which protects the industrial units availing incentive scheme as there is a conceptual book adjustment of the sales tax paid to the Department. But with effect from 1.7.2000 they shall only be entitled to the benefit of the amount "actually paid" to the Department, i.e., 25%. Needless to emphasise, the set off shall operate only in respect of the amount that has been paid on the raw material and inputs on which the sales tax/ purchase tax has been paid. That being the position the adjudication by the tribunal is not sustainable. Similarly the determination by the original adjudicating authority requiring the assessee to deposit or pay the whole amount and the consequential imposition of penalty also cannot be held to be defensible. Therefore, we allow the appeals in part, set aside the orders passed by the tribunal as well as by the original adjudicating authority and remit the matters to the respective tribunals to adjudicate as far as excise duty is concerned in accordance with the principles set out hereinabove. We further clarify that as far as imposition of penalty is concerned, it shall be dealt with in accordance with law governing the field. In any case, proceeding relating to the period prior to 1.7.2000 would stand closed and if any amount has been paid or deposited as per the direction of any authority in respect of the said period, shall be refunded. As far as the subsequent period is concerned, the tribunal shall adjudicate as per the principles stated hereinbefore.

LW: 35:04:2014

CCE, CHANDIGARH V. M/S.SWATI STOREWELL & ANR [CESTAT]

Appeal No.E/1362-1363/2006-Ex

Manmohan Singh, Member (Technical)

[Decided on 20/03/2014]

Central Excise Act,1944 – section 11AC – area based duty benefit scheme for expansion of industry – assessee claimed the benefit on two machines installed – investigations revealed the purchase of machines to be fake – whether the benefit to be allowed – Held, No.

Brief facts:

These appeals have been filed by Department against the Order-in-Appeal No32-33/CE/CHD/2006 dated 31.1.2006 passed by the Commissioner (Appeals), Chandigarh. wherein the Commissioner (Appeals) dropped the demand allowing the appeals of the respondents-assessee, setting aside the order of adjudicating authority confirming demand of Rs.16,39,289/- also equal amount of penalty under section 11AC and also personal penalty of Rs.15 lakh imposed on Shri Ramesh Gupta under Rule 26 of Central Excise Rules, 2002 read with Section 11AC

Respondents are engaged in the manufacture of water storage tanks, plastic pipes and non-dutiable product i.e. sprinkler and drip irrigation systems falling and availed benefit of Notification No.49-





50/2003 dated 10/6/2003 as amended by Notification No.76/2003-CE dated 5.11.2003 (area based exemption). The respondents claimed that they have undertaken expansion in installed capacity and its capacity was now more than 25% of the existing capacity in the state of Himachal Pradesh under area based exemption scheme and claimed the benefit for the two machines installed for this purpose. However, the investigations carried out by the appellant revealed that the transaction relating to the purchase of two machines were only paper transaction. Therefore appellants rejected the duty benefit to the respondents, which was set aside by the commissioner (Appeals). This appeal assails the above order.

Decision: Appeals allowed.

Reason:

I observe that learned Advocate for the respondent has insisted that their transaction was proper and machines were received from the Faridabad in their factory and they have undertaken expansion of the factory as referred in Notification No.49-50/03. On the other hand, from the perusal of the grounds of appeal filed by the department, it comes out that Revenue has made elaborate investigations from the supplier of machines namely M/s. R.S. Engineers, Faridabad regarding supply of two machines to the respondent. During investigation, they have found that the respondent did not have capacity to manufacture machines mentioned in Bill No.271 & 272. It has also come out that impugned bills were prepared at the instance of Sh.Ramesh Gupta, partner of M/s.Swati Storewell. Shri Rajbal Singh, proprietor of R.S. Engineers in his statement admitted that under these bills, he has despatched dies and not machines. He also admitted that he was paid an amount of Rs.one lakh which was against sale of old dies which he has deposited in their current account No.60055 maintained with State Bank of Patiala. He also confessed that bills were fake and these were prepared on old and unused un-numbered bills lying with them. He also informed that annual sale of his unit was Rs.25 lakhs only. It was also informed by the Assistant Commissioner (AE), Faridabad vide their letter dated 4.8.2005 that M/s.R.S. Engineers in their sales tax return filed with sales tax department had showed amount of Rs.11,00/- and Rs.10,500/- against bill No.271 and 272 and have paid sales tax @ 10% of total value of Rs.21,500 /- only.

Above investigation undertaken by the department, exposing fraudulent act of M/s.Swati Storewell and their partner of Shri Ramesh Gupta who have organized procurement of fake invoices to purchase of machines which were never supplied. In fact records were manipulated in such a way to show receipt of two machines and subsequent installation so that they became entitled to claim area based exemption under Notification No.49-50/03 dated 10.6.03. I do not find force in the submission made by learned Counsel of the respondent that payment of Rs.one lakh to M/s.R.S.Engineers was only advance money and not payment of machine. When overwhelming incriminating evidence relating to bank transaction as well as filing of return with sales tax department showing actual value of dies clearly indicated committal of fraud. Mere saying that they have given advance and machines were procured have no legs to stand in the face of detail enquiry

conducted by revenue exposing clearcut evidence.

It is also noticed that Range staff of Parwanoo-II have visited unit on 28.6.2005 and 30.6.2005 for verification of machines and it was found that no marking or other features showing the manufacturer on the two machines. It has also come on record that Respondents have tried to manipulate bank account as they have taken bank loan showing purchase from M/s.R.S.Engineers which was proved to be fake transaction. Connivance with bank authorities is also revealed.

It is also observed that Commissioner (Appeals) has not appreciated finding of adjudicating authority where investigations conducted by department have clearly brought out that fake transaction had been undertaken with the sole motive of showing procurement of machines and subsequently to show 25% expansion of existing capacity which was requirement of for eligibility for availment of exemption under Notification no..49-50/03 as amended. Above transaction could not be possible without Shri Ramesh Gupta who organized paper transaction with sole motive to avail benefit of area based exemption. I have no hesitation to hold that findings of Commissioner (Appeals) are erroneous as the Commissioner (Appeals) held that no doubt two machines actually supplied which were found installed in the factory. These observations are without any evidence and contrary to the investigations reported above.

In view of above finding, I find that the Revenue has clearly made out a case for non-grant of exemption under Notification No.49-50/03 against the respondent. In view of above, I uphold the findings of the adjudicating authority and set aside the order of the Commissioner (Appeals).

LW: 36:04:2014

CCE, ALLAHABAD v. HI- TECH MEDICAL PRODUCTS LTD [CESTAT]

Custom Appeal No.C/580/2008 – CUS [DB]

D.N.Panda & Rakesh Kumar

[Decided on 14.03.2014]

Brief facts:

Cannulae and Needles were imported duty free by the appellant availing exemption granted under Notification No. 53/97-CUS dated 03.06.97 for use in the manufacture of Disposable syringes with or without needles. On enquiry, it was noticed that the appellant had imported 20,72,50,000 pcs of Cannulae and 20,49,03,815 pcs of Needles during the period November, 96 to April, 2003 and issued 12,16,50,000 pcs of Cannulae and 20,49,03,815 pcs of Needles for the manufacture of finished goods. Out of such issue, 65, 52, 285 pcs of cannulae and 3, 26, 64,788 pcs of needles were claimed to be waste and scrap. The revenue without ascertaining the real facts of actual waste and scrap, allowed wastage @ 5% as per the norm and levied customs duty on the remaining. This approach was under challenge in this appeal.



Decision: Case remanded for fresh adjudication.

Reason:

It is strange that the Id. Authority below has not looked into the arisal of waste and scrap relating to each financial year covering November 1996 to April 2006. He only looked into the wastage for the financial year 2002-2003. When he made a finding that no records were maintained by the appellant to establish generation of waste and scrap, quantum of goods destroyed does not provide any basis to pass a summary order by him. His order is not self-speaking. Appellant after providing information for solitary period again requested to ignore the same mistakes having crept therein. No records being maintained by the appellant to provide year wise reconciliation, Id. Authority should have carefully examined quantum of import of input and issue thereof for use in manufacture, arise of output out of such manufacture and quantum of loss occurred in the process in each case to apply the law. A sketchy picture was drawn by him without year wise analysis. When there is fraud against Revenue no plea of time bar is available to appellant following the ratio laid down in *CC Vs. Candid Enterprises reported in 2001 (130) ELT 404 (SC)* since fraud nullifies every solemn act.

Keeping the observation above in view, the matter is remitted back to the Adjudication Authority to look into the quantity of input (both goods) imported in each financial year, quantity there of issued and waste and scrap generated out of use thereof in manufacture of finished goods during different financial years covered by the period from November 1996 to April 2006 and ascertain whether each years wastage was within the prescribed limit of SION. Depending on his finding, Id. Authority granting fair opportunity of hearing shall pass appropriate speaking order.

Appellant to file an application within a week of receipt of this order before learned adjudicating authority for fixation of hearing. Upon such application, Id. Authority shall fix hearing and pass order within 3(three) months of last date of hearing. Appellant shall not seek adjournment. Entire facts and figures relating to aforesaid aspects shall be placed by the appellant.



General Laws

LW: 37:04:2014

MEERA DEVI & ANR v. H.R.T.C & ORS [SC]

Civil Appeal No. 5764 of 2008

P. Sathasivam, R. Gogoi & N.Ramana, JJ

[Decided on 10/03/2014]

Accident compensation – defence of contributory negligence with no evidence to prove – application of common law principle – whether enable – Held, No.

Brief facts:

On 31.05.2001, the deceased Upamnyu, who was the only son of the appellants herein, was driving scooter having registration No. HP- 28-215 from Mandi side towards Sarkaghat. When he reached at a place known as Nabahi, an accident took place between the said scooter and bus having registration No. HP-28-715, which was being driven by respondent No. 3 herein, namely, Gian Chand, driver in H.R.T.C., Region Sakarghat, Mandi, H.P. Since the deceased got injured in that accident, he was taken to C.H.C. Sakarghat and thereafter when he was being taken to PGI Chandigarh, he died on his way.

The MACT allowed the claim of the appellants in the sum of Rs. Rs.3, 17,200/- along with interest. The respondent challenged this award before the High Court, which reduced the compensation to Rs. Rs.1, 58,600/- on the ground of contributory negligence. The appellants had challenged this judgement of the High court before the Supreme Court.

Decision: Appeal allowed.

Reason:

It is not in dispute that the deceased was the only son of his parents, i.e., the appellants herein. It is also not in dispute that when the collusion between the scooter and the bus took place on the fateful day at a place known as Nabahi, the deceased was driving scooter on his left side towards Sarkaghat from Mandi side. Admittedly, at the site where there was a curve, the bus driver did not blow the horn and the bus was being driven at a very high speed. All this is corroborated from the testimony of PW-3 Lekh Ram, who is stated to be an eye witness to the accident and not related to the deceased scooterist.

To prove the contributory negligence, there must be cogent evidence. In the instant case, there is no specific evidence to prove that the accident has taken place due to rash and negligent driving of the deceased scooterist. In the absence of any cogent evidence to prove the plea of contributory negligence, the said doctrine of common law cannot be applied in the present case. We are, thus, of the view that the reasoning given by the High Court has no basis and the compensation awarded by the Tribunal was just and reasonable in the facts and circumstances of the case.

LW: 38:04:2014

PANCHRAJ TIWARI v. M.P.STATE ELECTRICITY



CHARTERED SECRETARY

[LW-41]

455

April 2014



BOARD & ORS [SC]

Civil Appeal No. 4371 of 2008

H. L. Gokhale & Kurian Joseph, JJ

[Decided on 04/03/2014]

Merger of cooperative society with MPSEB – absorption of employees – promotion for absorbed employee denied – whether absorbed employees can be denied promotional opportunities – Held, No.

Brief facts:

Whether on integration/merger/amalgamation, is it permissible to have complete denial of promotion forever in the integrated service, is the short question arising for consideration in this case. The brief facts are that the appellant was the employee in the Rural Electricity Cooperative Society, Rewa, which was merged with M P State Electricity Board w.e.f. 15.03.2002. All employees, including the appellant were absorbed in MPSEB. However, the appellant was denied the opportunity of promotion.

It is the case of the appellant that since the Board of Governors had already been dissolved and since it had been decided to absorb the employees of the society in the Board, there was no point in following the process of selection in terms of the regulations of the society. Thus, the rejection was challenged before the High Court.

Learned Single Judge dismissed the writ petition on the ground that writ against a cooperative society was not maintainable. However, in appeal, it was admitted by the Board that the society had already merged with the Electricity Board and, hence, case was heard on merits before the Division Bench. It is the stand of the High Court in appeal that the principles of integration, as extracted above, cast no obligation on the Electricity Board to give promotion to the appellant. The obligation was only to absorb the appellant by protecting the designation and pay-scale and continue as such. In other words, since the appellant was absorbed as a Junior Engineer, he should continue forever as Junior Engineer till his retirement.

This judgement was challenged before the Supreme Court.

Decision: Appeal allowed.

Reason:

As held by this Court in *R.S. Makashi & Ors v. I. M. Menon and others*, (1982) 1 SCC 379, the courts will not interfere with the decision and principles of integration unless it is shown that they are arbitrary, unreasonable or unfair. No doubt, there is no vested right for an employee to have a particular position in the integrated or merged service. On equitable considerations, it is always open to the authorities concerned to lay down the principles with regard to the fixation of seniority as held by this Court in *S. S. Bola & Ors v. B.D. Sardana & Ors*, (1997) 8 SCC 522, and *Prafulla Kumar Das & Ors v. State of Orissa & Ors*, (2003) 11 SCC 614. However, in the instant case, equivalence has been decided since designation

and pay-scale was protected. What remains is only the seniority.

An employee has always an interest to seniority and a right to be considered for promotion. If after integration, only the chances of promotion are affected, it would have been only a case of heartburn of an individual or a few individuals which is only to be ignored, as held by this Court in *Tamil Nadu Education Department Ministerial and General Subordinate Services Association & Ors v. State of Tamil Nadu & Ors*, (1980) 3 SCC 97.

Instant is a case where there is complete denial of promotion forever which cannot be comprehended under the constitutional scheme of Articles 14 and 16 of the Constitution of India. In the above circumstances, we set aside the judgment in appeal. The absorbed employees of the Rural Electricity Cooperative Societies, having due regard to their date of appointment/promotion in each category in the respective societies, shall be placed with effect from the date of absorption, viz., 15.03.2002 as juniors to the junior-most employee of the Electricity Board in the respective category. Thereafter, they shall be considered for further promotions as per the rules/regulations of the MPSEB. All other principles/conditions of absorption shall remain as such. However, it is made clear that on such promotions, in the exigencies of service, the employee concerned would also be liable to be transferred out of the circle, if so required.

The appellant accordingly shall be entitled to retrospective promotions at par with and with effect from the dates on which the junior-most graduate engineer in the parent service on the date of absorption obtained such promotions. However, we make it clear that benefits till date need to be worked out only notionally.

APPOINTMENT

Company Secretary for a Multinational Company

A leading multinational company requires a **Company Secretary having 1 to 2 years of experience** with working knowledge of Companies Act, FEMA, RBI and other statutory regulations. The ideal candidate should have excellent communication and computer skills. Salary is not a constraint for the right candidate.

The candidate(s) having CA Inter as an additional qualification will be preferred.

Interested candidate please mail their resume in word format to achintya.mishra@ecl-services.com.



01 Companies Act, 2013 - Date of coming into force of the following provisions

[Issued by the Ministry of Corporate Affairs vide File No. 1/15/2013-CL. V, dated 26.03.2014.]

In exercise of the powers conferred by sub-section (3) of section 1 of the Companies Act, 2013 (18 of 2013), the Central Government hereby appoints the 1st day of April, 2014 as the date on which the following provisions of the said Act shall come into force, namely:-

SL. No.	Sections
1	Section 2
2	clause (2);
3	clause (7);
4	clause (13);
5	clause (31);
6	clause (41) ;
7	clause (42);
8	clause (47) and clause (48);
9	clause (62);
10	clause (83);
11	clause (85);
12	<i>Explanation</i> (d) of clause (87);
13	Sections 3 to 6 (both inclusive);
14	Section 7 [except sub-section (7)];
15	Section 8 [except sub-section (9)];
16	Sections 9 to 13 (both inclusive);
17	Section 14 [except second proviso to sub-section (1) and sub-section (2)];
18	Sections 15 to 18 (both inclusive);
19	Section 20;
20	clause (b) of sub-section (1) and sub-section (2) of section 23;
21	sub-section (3) of section 25;
22	Sections 26 to 28 (both inclusive);
23	Sub-section (3) of section 33;

24	Clause (e) of sub-section (1) of section 35;
25	Sub-section (4) of section 39;
26	Sub-section (6) of section 40;
27	Sections 41 and 42 (both inclusive);
28	Section 43;
29	Sections 46 and 47 (both inclusive) ;
30	Sections 52 to 54 (both inclusive);
31	Section 55 except sub-section (3);
32	Section 56;
33	Section 61 [except proviso to clause (b) of sub-section (1)];
34	Section 62 [except sub-sections (4) to (6)];
35	Sections 63 and 64 (both inclusive);
36	Sections 67 and 68 (both inclusive);
37	Sub-section (2) of section 70;
38	Section 71 [except sub-sections (9) to (11)];
39	Section 72;
40	Section 73;
41	Sub-section (1) of section 74;
42	Section 76;
43	Sections 77 to 85 (both inclusive) ;
44	Sections 87 to 90 (both inclusive);
45	Sections 92 to 96 (both inclusive);
46	Sub-section (6) of section 100;
47	Section 101;
48	Third and Fourth proviso to sub-section (1) and sub-section (7) of section 105;
49	Sections 108 to 110 (both inclusive);
50	Clause (b) of sub-section (1) of section 113;
51	Section 115;
52	Sections 117 and 118 (both inclusive);
53	Section 119 [except sub-section (4)];
54	Sections 120 to 122 (both inclusive);
55	Section 123;
56	Section 126;
57	Sections 128 and 129 (both inclusive);
58	Section 134;
59	Sections 136 to 139 (both inclusive);
60	Section 140 [except second proviso to sub-section (4) and sub-section (5)];
61	Sections 141 to 160 (both inclusive);
62	Sub-section (2) of section 161;
63	Sections 164 to 168 (both inclusive);
64	Section 169 except sub-section (4);
65	Sections 170 to 172 (both inclusive);
66	Sections 173 to 175 (both inclusive);
67	Sections 177 to 179 (both inclusive);
68	Section 184;
69	Sections 186 to 191 (both inclusive);
70	Section 193;





From the Government

71	Sections 196 to 201 (both inclusive);
72	Sections 203 to 205 (both inclusive);
73	Section 206 to 209 (both inclusive);
74	Section 210;
75	Section 211;
76	Section 212, [except references of sub-section (10) of section 66, sub-section (5) of section 140, section 213, sub-section (1) of section 251 and sub-section (3) of section 339 made in sub-section (6) and also sub-sections (8) to (10)];
77	Sections 214 and 215;
78	Section 216 [except sub-section (2)];
79	Section 217;
80	Sections 219 and 220 (both inclusive) ;
81	Section 223;
82	Section 224 [except sub-section (2) and (5)];
83	Section 225;
84	Sections 228 and 229 (both inclusive);
85	Sections 366 to 369 (both inclusive) ;
86	Section 370 (except the proviso);
87	Section 371;
88	Section 374;
89	Sections 380 and 381 (both inclusive);
90	Sections 384 and 385 (both inclusive);
91	Clause (a) of section 386;
92	Sections 387 to 390 (both inclusive) ;
93	Sub-section (1) of section 391;
94	Sections 392 and 393 (both inclusive);
95	Section 395;
96	Sections 396 to 398 (both inclusive);
97	Section 399 [except reference of word Tribunal in sub-section (2)];
98	Sections 400 to 404 (both inclusive);
99	Section 406;
100	Section 442;
101	Sections 454 and 455 (both inclusive) ;
102	Section 464;
103	Schedule - I;
104	Schedule - II;
105	Schedule- III;
106	Schedule -IV;
107	Schedule -V;
108	Schedule -VI.

Renuka Kumar

Joint Secretary to the Government of India

02 The following Rules have been Notified by the Ministry of Corporate Affairs on 27.03.2014 under various sections of the Companies Act, 2013

Chapter I - The Companies (Specification of definitions details) Rules, 2014.

Chapter II - The Companies (Incorporation) Rules, 2014.

Chapter III - The Companies (Prospectus and Allotment of Securities) Rules, 2014.

Chapter IV - The Companies (Share Capital and Debentures) Rules, 2014.

Chapter VI - The Companies (Registration of Charges) Rules, 2014.

Chapter VII - The Companies (Management and Administration) Rules, 2014.

Chapter VIII - The Companies (Declaration and Payment of Dividend) Rules, 2014.

Chapter IX - The Companies (Accounts) Rules, 2014.

Chapter XI - The Companies (Appointment and Qualification of Directors) Rules, 2014.

Chapter XII - The Companies (Meetings of Board and its Powers) Rules, 2014.

(For text of the Rules readers may please log on to MCA website: www.mca.gov.in)

03 Clarification with regard to section 180 of the Companies Act, 2013

[Issued by the Ministry of Corporate Affairs vide No. 1/32/2013- CL V, General Circular No. 4/2014, dated 25.03.2014.]

This Ministry has received many representations regarding various difficulties arising out of implementation of section 180 of the Companies Act, 2013 with reference to borrowings and/or creation of security, based on the basis of ordinary resolution. The matter has been examined in the Ministry and it is hereby clarified that the resolution passed under section 293 of the Companies Act, 1956 prior to 12.09.2013 with reference to borrowings (subject to the limits prescribed) and/or creation of security on assets of the company will be regarded as sufficient compliance of the



requirements of section 180 of the Companies Act, 2013 for a period of one year from the date of notification of section 180 of the Act.

KMS Narayanan
Assistant Director

04 Format for Auditors' Certificate required under Clause 24(i) of the Equity Listing Agreement

[Issued by the Securities and Exchange Board of India vide No. CIR/CFD/DIL/1/2014, dated 25.03.2014.]

1. This is with reference to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 and SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 on the requirements for the Stock Exchanges and Listed Companies in respect to the Schemes of Arrangement.
2. Clause 24(f) of the Listing Agreement requires a company to file with the Stock Exchange(s), for approval, any scheme/ petition proposed to be filed before any Court or Tribunal under sections 391, 394 and 101 of the Companies Act, 1956, at least one month before it is presented to the Court or Tribunal.
3. Clause 24(i) of the Listing Agreement requires that the company, while filing for approval of any draft Scheme of amalgamation / merger / reconstruction, etc. with the stock exchange under Clause 24(f), shall also file an auditors' certificate to the effect that the accounting treatment contained in the scheme is in compliance with all the Accounting Standards specified by the Central Government in Section 211(3C) of the Companies Act, 1956. It has been observed that the Auditors' Certificate filed by the companies are in different format and there is no standardisation.
4. In view of the above, it has been decided to prescribe a standard format for Auditors' Certificate and the same is placed at Annexure A, which shall be followed by the companies.
5. This circular is applicable for all draft/ final scheme/ petition filed with the Stock Exchange(s) on or after the date of this Circular.
6. This circular is issued in exercise of the powers conferred under Section 11 read with Section 11A of the Securities and Exchange Board of India Act, 1992.
7. This circular is available on SEBI website at www.sebi.gov.in under the category "Legal Framework".

Anindya Das
Deputy General Manager

Annexure A Format for Auditor's Certificate required under Clause 24(i) of Equity Listing Agreement

To,
The Board of Directors,
.....
(Name and address of the Company)

We, the statutory auditors of (name of the Company), (hereinafter referred to as "the Company"), have examined the proposed accounting treatment specified in clause (specify clause number) of the Draft Scheme of (specify the type of Scheme) between

..... (names of the companies involved) in terms of the provisions of section(s) (specify the relevant section(s)) of the Companies Act, 1956/ Companies Act, 2013 with reference to its compliance with the applicable Accounting Standards notified under the Companies Act, 1956/ Companies Act, 2013 and Other Generally Accepted Accounting Principles.

The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is only to examine and report whether the Draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the aforesaid scheme is in compliance with Clause 24(i) of the Listing Agreement and all the applicable Accounting Standards notified by the Central Government under the Companies Act, 1956/ Companies Act, 2013 and/or the accounting treatment in respect of (specify the financial statement item(s)) as prescribed by (name of the regulator) vide its Notification (details of the Notification) which prevail over the accounting treatment for the same as prescribed under the aforesaid Accounting Standards¹, except the following:

-
-





From the Government

This Certificate is issued at the request of the
(*name of the Company*) pursuant to the requirements of clause 24(i) of the Listing Agreement for onward submission to the
(*name of the Stock Exchange(s)*).
This Certificate should not be used for any other purpose without our prior written consent.

For

.....

(*name of the Firm*)

Chartered Accountants

Firm Registration No.:

Signature

(Name of the member)

Designation²:

Membership Number:

Place:

Date:

¹ Where applicable.

² Partner or proprietor, as may be applicable.

05 Enhancing disclosures, investor education & awareness campaign, developing alternative distribution channels for Mutual Fund products, etc.

[Issued by the Securities and Exchange Board of India vide No. CIR/IMD/DF/05/2014, dated 24.03.2014.]

- I. SEBI has framed a Long Term Policy for Mutual Funds in India which *inter alia* includes enhancing the reach of Mutual Fund products, promoting financial inclusion, tax treatment, obligation of various stakeholders, increasing transparency, etc. In this regard the following has been decided:

A. Disclosure of Assets Under Management (AUM)

1. In order to enhance transparency and increase the quality of the disclosures for the investors, Mutual Funds shall disclose the following on monthly basis on their website and also share the same with Association of Mutual Funds in India (AMFI):
 - a. AUM from different categories of schemes such as equity schemes, debt schemes, etc.
 - b. Contribution to AUM from B-15 cities (i.e. other than top 15 cities as identified by AMFI) and T-15 cities (Top 15 cities).
 - c. Contribution to AUM from sponsor and its associates.

- d. Contribution to AUM from entities other than sponsor and its associates.
- e. Contribution to AUM from investors type (retail, corporate, etc.) in different scheme type (equity, debt, ETF, etc.).
- f. AUM garnered through sponsor group/ non-sponsor group distributors.
- g. State-wise/Union Territory-wise contribution to AUM.

2. In order to have a holistic picture, Mutual Fund wise and consolidated data on the above parameters shall also be disclosed on AMFI website. The above shall be disclosed as per the format placed at **annexure A1 and A2**¹.
3. AMCs shall disclose the above on their website (in spreadsheet format) and forward to AMFI within 7 working days from the end of the month. AMFI in turn shall disclose the consolidated data in this regard on its website (in spreadsheet format).

B. Disclosures of Votes Cast by Mutual Funds

1. In order to improve transparency as well as encourage Mutual Funds/AMCs to diligently exercise their voting rights in best interest of the unitholders, in partial modification to Point 4 of SEBI Circular SEBI/IMD/ CIR No 18 / 198647 /2010 dated March 15, 2010, it has been decided that:
 - a. AMCs shall be required to record and disclose specific rationale supporting their voting decision (for, against or abstain) with respect to each vote proposal stated in point 4 (iii) of aforementioned SEBI circular.
 - b. AMCs shall additionally be required to publish summary of the votes cast across all its investee company and its break-up in terms of total number of votes cast in favor, against or abstained from.
 - c. AMCs shall be required to make disclosure of votes cast on their website (in spreadsheet format) on a quarterly basis, within 10 working days from the end of the quarter. Further, AMCs shall continue disclosing voting details in their annual report. The revised format for disclosure of vote cast by Mutual Funds in respect of resolutions passed in general meetings of the investee companies and the format for presenting summary of votes cast by Mutual Funds is placed as **annexure B**.
 - d. Further, on an annual basis, AMCs shall be required to obtain Auditor's certification on the voting reports being disclosed by them. Such auditor's certification shall be submitted to trustees

* Not reproduced here. For Annexures please log on to SEBI website www.sebi.gov.in and then go to Circulars section.

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- and also disclosed in the relevant portion of the Mutual Funds' annual report & website.
- e. Board of AMCs and Trustees of Mutual Funds shall be required to review and ensure that AMCs have voted on important decisions that may affect the interest of investors and the rationale recorded for vote decision is prudent and adequate. The confirmation to the same, along with any adverse comments made by auditors, shall have to be reported to SEBI in the half yearly trustee reports.

C. Financial Inclusion

1. In context of Mutual Funds, financial inclusion implies that the concept of Mutual Fund products is understood by all and are accessible to anyone who wishes to make an investment in them. Also, investors should be capable of figuring out which Mutual Fund scheme is appropriate for their financial objectives. Towards this, it has been decided that:
 - a. Mutual Funds shall mandatorily also make available printed literature on mutual funds in regional languages for investor awareness and education.
 - b. Mutual Funds to introduce Investor awareness campaign in regional languages both in print and electronic media.

D. Developing alternative distribution channels

1. In order to increase penetration of Mutual Fund products and to energise the distribution network while protecting the interest of investors, SEBI had permitted additional expense ratio of 30 bps for garnering funds from B-15 cities. This development would lead to setting up of distribution infrastructure by AMCs. However, in order to achieve participation from all parts of the country in Mutual Funds there is greater need for developing additional distribution channels. Therefore, it has been decided that:
 - a. **Distribution through PSU banks:** PSU banks which have wide bank branches network and have distribution reach in the nook and corner of the country, could play a key role in Mutual Funds distribution. In order to leverage the PSU banks infrastructure, Mutual Funds/ AMCs need to develop a system for active support to PSU banks to distribute Mutual Fund products through them. Such active support would also encourage PSU banks to distribute products of all Mutual Funds.
 - b. **Online distribution:** Online distribution not only increases customer convenience, but also

significantly improves distributor economics. The online phenomenon is increasing rapidly and it is observed that more and more people especially younger generation prefers online transactions. Therefore, it has been decided that all Mutual Funds should enhance the online investment facility and tap the internet savvy users to invest in Mutual Funds by providing an online investment facility on their websites. Mutual Funds also need to tap the burgeoning mobile-only internet users for direct distribution of Mutual Fund products.

II. Prudential limits and disclosures on portfolio concentration risk in debt-oriented mutual funds scheme:

1. The guidelines issued on prudential limits for sectoral exposure in debt oriented mutual funds schemes vide SEBI circulars viz. CIR/IMD/DF/21/2012 dated September 13, 2012 and CIR/IMD/DF/24/2012 dated November 19, 2012 excludes investment in Bank CDs, CBLO, G-Secs, T-Bills and AAA rated securities issued by Public Financial Institutions and Public Sector Banks while calculating total exposure of debt schemes of mutual funds in a particular sector.
2. Since the investments in short term deposits of scheduled commercial banks is allowed pending deployment of funds of a scheme the same shall also be excluded while calculating sector exposure.

III. This circular shall be applicable with effect from April 1, 2014.

IV. This circular is issued in exercise of the powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act 1992, read with the provision of Regulation 77 of SEBI (Mutual Funds) Regulation, 1996 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Rajesh Gujjar
Deputy General Manager

06 Reporting of OTC trades in Corporate Bonds on Trade Reporting Platforms of stock Exchanges

[Issued by the Securities and Exchange Board of India vide No. CIR/MRD/DP/10 /2014, dated 21.03.2014.]

1. SEBI vide circulars No. SEBI/ CFD/DIL/BOND/1/2006/12/12 dated December 12, 2006, No. SEBI/CBM/ BOND/1/2007/02/03 dated March 01, 2007 and letter dated July 27, 2007 to FIMMDA, authorized BSE, NSE and FIMMDA to set up and maintain reporting platforms to capture information related to





From the Government

OTC trades in corporate bonds.

2. In this regard, RBI vide its circular no RBI/2013- 14/500/IDMD.PCD.10/14.03.06/2013-14 dated 24/02/2014 directed its regulated entities to report their OTC trades in Corporate Bonds and Securitized Debt instruments on any of the stock exchanges (NSE, BSE and MCX-SX) with effect from April 01, 2014. Copy of the RBI circular is enclosed.
3. In view of above and as per SEBI Circular No CIR/MRD/DP/27/2013 dated September 12, 2013 which enabled reporting of OTC trades by trading members as well as non-trading members in the exchange debt segment, it is advised that all OTC trades in Corporate Bonds shall be reported only on any one of the reporting platform provided in the debt segment of stock exchanges viz NSE, BSE and MCX-SX within 15 minutes of the trade.
4. With regard to reporting of trades in Securitised Debt instruments, please refer to SEBI circular no CIR/IMD/DF/1/2014 dated January 07, 2014.
5. This circular shall come into effect from April 01, 2014.
6. Stock Exchanges are directed to:
 - 6.1 take necessary steps and put in place necessary systems for implementation of this circular;
 - 6.2 make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision;
 - 6.3 bring the provisions of this circular to the notice of the member brokers of the stock exchange and also to disseminate the same on the website.
7. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Maninder Cheema
Deputy General Manager

07 Securities and Exchange Board of India {KYC (Know Your Client) Registration Agency} (Amendment) Regulations, 2014

[Issued by the Securities and Exchange Board of India vide No. LAD-NRO/GN/2013-14/46/522 and Published in The Gazette of India Extraordinary, Part – III – Section 4, dated 13.03.2014.]

In exercise of the powers conferred by section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following Regulations to amend the Securities and Exchange Board of India {KYC(Know Your Client) Registration Agency} Regulations, 2011, namely:-

1. These regulations may be called the Securities and Exchange Board of India {KYC(Know Your Client) Registration Agency} (Amendment) Regulations, 2014.
2. They shall come into force on the date of their publication in the Official Gazette.
3. In the Securities and Exchange Board of India {KYC(Know Your Client) Registration Agency} Regulations, 2011,
 - (i) in regulation 16, for clause (b), the following shall be substituted, namely,- “(b) When the client approaches another intermediary subsequently, the intermediary shall verify and download the client’s details from the system of KRA:

Provided that upon receipt of information on change in KYC details and status of the clients by the intermediary or when it comes to the knowledge of the intermediary, at any stage, the intermediary shall be responsible for uploading the updated information on the system of KRA and retaining the physical documents.”

U.K. Sinha
Chairman

08 Anti-Money Laundering/ Countering the Financing of Terrorism (AML/CFT) Obligations of Securities Market Intermediaries under the Prevention of Money laundering Act, 2002 and Rules framed there under

[Issued by the Securities and Exchange Board of India vide CIR/ MIRSD/1/2014, dated 12.03.2014.]

1. Please refer to SEBI Master Circular CIR/ISD/AML/3/2010 dated December 31, 2010 on the captioned subject.
2. In view of the amendments to the Prevention of Money-laundering Act, 2002 (PML Act) and amendments to the Prevention of Money-laundering (Maintenance of Records) Rules, 2005 (PML Rules), it has been decided to make the following consequential modifications and additions to the



above referred SEBI Master Circular dated December 31, 2010:

2.1. In clause 5 of Part II, after sub-clause 5.3.1, following sub-clause shall be inserted:

5.3.2 Risk Assessment

- i. Registered intermediaries shall carry out risk assessment to identify, assess and take effective measures to mitigate its money laundering and terrorist financing risk with respect to its clients, countries or geographical areas, nature and volume of transactions, payment methods used by clients, etc. The risk assessment shall also take into account any country specific information that is circulated by the Government of India and SEBI from time to time, as well as, the updated list of individuals and entities who are subjected to sanction measures as required under the various United Nations' Security Council Resolutions (these can be accessed at http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml and <http://www.un.org/sc/committees/1988/list.shtml>).
- ii. The risk assessment carried out shall consider all the relevant risk factors before determining the level of overall risk and the appropriate level and type of mitigation to be applied. The assessment shall be documented, updated regularly and made available to competent authorities and self-regulating bodies, as and when required.

2.2 In clause 5 of Part II, after sub-clause 5.5, following sub-clause shall be inserted:

5.6 Reliance on third party for carrying out Client Due Diligence (CDD)

- i. Registered intermediaries may rely on a third party for the purpose of (a) identification and verification of the identity of a client and (b) determination of whether the client is acting on behalf of a beneficial owner, identification of the beneficial owner and verification of the identity of the beneficial owner. Such third party shall be regulated, supervised or monitored for, and have measures in place for compliance with CDD and record-keeping requirements in line with the obligations under the PML Act.
- ii. Such reliance shall be subject to the conditions that are specified in Rule 9 (2) of the PML Rules and shall be in accordance with the regulations and circulars/ guidelines issued by SEBI from time to time. Further, it is clarified that the registered

intermediary shall be ultimately responsible for CDD and undertaking enhanced due diligence measures, as applicable.

2.3 Record keeping requirements:

- a. **In sub-clause 8.1 of Part II regarding maintenance of records pertaining to transactions of clients:** The words "for a period of ten years" shall be substituted with "for a period of five years".

- b. **In sub-clause 8.2 of Part II regarding maintenance of records pertaining to identity of clients:** The words "The records of the identity of clients have to be maintained and preserved for a period of ten years from the date of cessation of transactions between the client and intermediary, i.e. the date of termination of an account or business relationship between the client and intermediary." shall be substituted with the following:

"Records evidencing the identity of its clients and beneficial owners as well as account files and business correspondence shall be maintained and preserved for a period of five years after the business relationship between a client and intermediary has ended or the account has been closed, whichever is later."

- c. **Sub-clause 8.3 (b) of Part II shall be substituted with the following:**

"Registered intermediaries shall maintain and preserve the record of documents evidencing the identity of its clients and beneficial owners (e.g., copies or records of official identification documents like passports, identity cards, driving licenses or similar documents) as well as account files and business correspondence for a period of five years after the business relationship between a client and intermediary has ended or the account has been closed, whichever is later."

- d. **In sub-clause 9.2 of Part II regarding monitoring of transactions:** The words "preserved for ten years" shall be substituted with "maintained and preserved for a period of five years from the date of transaction between the client and intermediary".

- e. **In clause 8 of Part II, after sub-clause 8.4, following sub-clause shall be inserted -**

8.5 Records of information reported to the Director, Financial Intelligence Unit - India (FIU-IND): Registered intermediaries shall maintain and preserve the record of information related to transactions, whether attempted or executed, which are reported to the Director, FIU-IND, as required under Rules 7 & 8 of the PML Rules, for a period of five years from the date of the transaction between the client and the intermediary.



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2.4 In clause 14 of Part II, after sub-clause 14.1, following sub-clause shall be inserted:

14.2 Appointment of a Designated Director

- i. In addition to the existing requirement of designation of a Principal Officer, the registered intermediaries shall also designate a person as a 'Designated Director'. In terms of Rule 2 (ba) of the PML Rules, the definition of a Designated Director reads as under:

"Designated Director means a person designated by the reporting entity to ensure overall compliance with the obligations imposed under chapter IV of the Act and the Rules and includes —

- (i) the Managing Director or a Whole-time Director duly authorized by the Board of Directors if the reporting entity is a company,
 - (ii) the managing partner if the reporting entity is a partnership firm,
 - (iii) the proprietor if the reporting entity is a proprietorship concern,
 - (iv) the managing trustee if the reporting entity is a trust,
 - (v) a person or individual, as the case may be, who controls and manages the affairs of the reporting entity if the reporting entity is an unincorporated association or a body of individuals, and
 - (vi) such other person or class of persons as may be notified by the Government if the reporting entity does not fall in any of the categories above."
- ii. In terms of Section 13 (2) of the PML Act (as amended by the Prevention of Money-laundering (Amendment) Act, 2012), the Director, FIU-IND can take appropriate action, including levying monetary penalty, on the Designated Director for failure of the intermediary to comply with any of its AML/CFT obligations.
 - iii. Registered intermediaries shall communicate the details of the Designated Director, such as, name, designation and address to the Office of the Director, FIU-IND.

3. Registered intermediaries are directed to review their AML/CFT policies and procedures and make changes to the same

accordingly. The other provisions specified in the SEBI Master Circular dated December 31, 2010 remain the same.

4. The Stock Exchanges and Depositories are directed to:
 - a. bring the provisions of this Circular to the notice of the Stock Brokers and Depository Participants, as the case may be, and also disseminate the same on their websites;
 - b. make amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision in co-ordination with one another, as considered necessary;
 - c. monitor the compliance of this Circular through half-yearly internal audits and inspections; and
 - d. communicate to SEBI, the status of the implementation of the provisions of this Circular.
5. In case of Mutual Funds, compliance of this Circular shall be monitored by the Boards of the Asset Management Companies and the Trustees and in case of other intermediaries, by their Board of Directors.
6. This Circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 and the Prevention of Money- laundering (Maintenance of Records) Rules, 2005 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
5. This Circular is available on the SEBI website (www.sebi.gov.in) under the section **SEBI Home > Legal Framework > Circulars**.

Krishnanand Raghavan
General Manager

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

[Issued by the Securities and Exchange Board of India vide CIR/ MRD/DP/ 09 /2014, dated 11.03.2014.]

1. It is observed from the information provided by the depositories that the companies listed in Annexure 'A' have established connectivity with both the depositories.



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

Maninder Cheema
Deputy General Manager

Annexure A

Sr. No.	Name of the Company	ISIN
1.	Oseaspre Consultants Limited	INE880P01015
2.	Technojet Consultants Limited	INE881P01013
3.	Ojas Asset Reconstruction Company Ltd	INE457P01012
4.	Amarnath Securities Limited	INE745P01010
5.	Dhyana Finstock Limited	INE774P01010
6.	Quasar India Limited	INE855P01017
7.	Achal Investments Limited	INE860P01017
8.	Boston Leasing and Finance Limited	INE962P01011
9.	Triveni Enterprises Limited	INE916P01017
10.	Birdhi Chand Pannalal Agencies Limited	INE795P01015
11.	Crown Tours Limited	INE969E01010
12.	Creative Merchants Limited	INE896P01011

10 FIMMDA's Trade Reporting and Confirmation platform for OTC transactions in Corporate Bonds and Securitized Debt Instruments

[Issued by the Securities and Exchange Board of India vide No. IDMD.PCD. 10/14.03.06/2013-14, dated 24.02.2014.]

Please refer to our circular IDMD.530/03.64.00/2007-08 dated July 31, 2007, and IDMD.PCD. 06/14.03.06/2013-14 dated August

26, 2013 on the captioned subject. Currently, the OTC trades in Corporate Bonds and Securitized Debt Instruments are being reported on FIMMDA's Trade Reporting and Confirmation platform.

2. It has now been decided that all entities regulated by the Reserve Bank should report their secondary market OTC trades in Corporate Bonds and Securitized Debt Instruments within 15 minutes of the trade on any of the stock exchanges (NSE, BSE and MCX-SX). These trades may be cleared and settled through any of the clearing corporations (NSCCL, ICCL and MCX-SX CCL).
3. This circular is effective from April 01, 2014.

K.K. Vohra
Principal Chief General Manager



Banking Laws

11 Foreign investment in India by SEBI registered FII, QFI and long term investors in Corporate Debt

[Issued by the Reserve Bank of India vide A.P. (DIR Series) Circular No.104, dated 14.02.2014.]

Attention of Authorized Dealer Category-I (AD Category-I) banks is invited to Schedule 5 to the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 notified vide Notification No. FEMA.20/2000-RB dated May 3, 2000, as amended from time to time, in terms of which SEBI registered Foreign Institutional Investors (FIIs), SEBI registered Qualified Foreign Investors (QFIs) and long term investors registered with SEBI may purchase, on repatriation basis Government securities and non- convertible debentures (NCDs) / bonds issued by an Indian company subject to such terms and conditions as mentioned therein and limits as prescribed for the same by RBI and SEBI from time to time.

2. Attention of AD Category-I banks is also invited to A.P. (DIR Series) Circular No.94 dated April 1, 2013, in terms of which the present limit for investment by SEBI registered FIIs, QFIs and long term investors in Corporate debt stands at USD 51





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billion. Out of the above limit of USD 51 billion, a sub-limit of USD 3.5 billion is available for investment by eligible investors in Commercial Paper (CP). This sub-limit is being presently utilised only to the extent of around 58% of the limit put in place by SEBI.

- On a review, to encourage long term investors, it has now been decided, to reduce, with immediate effect, the existing Commercial Paper sub-limit of USD 3.5 billion by USD 1.5 billion to USD 2 billion. The balance USD 1.5 billion shall, however, continue to be part of the total Corporate debt limit of USD 51 billion and will be available to eligible foreign investors for investment in Corporate debt.

The revised position is given below:

Instruments	Limit	Eligible Investors	Remarks
Corporate Debt including Commercial Papers	USD 51 Billion	FIIIs, QFIIs and Long terms investors registered with SEBI – Sovereign Wealth Funds (SWFs), Multilateral Agencies, Pension/ Insurance/ Endowment Funds, Foreign Central Banks.	Eligible Investors may invest in Commercial Papers only upto USD 2 billion within the limit of USD 51 billion.

- The operational guidelines in this regard will be issued by SEBI.
- All other existing conditions for investment in Corporate debt remain unchanged.
- AD Category – I banks may bring the contents of this circular to the notice of their constituents and customers concerned.
- The directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Rudra Narayan Kar
Chief General Manager-in-Charge

12 Foreign Direct Investment (FDI) into a Small Scale Industrial Undertakings (SSI) / Micro & Small Enterprises (MSE) and in Industrial Undertaking manufacturing items reserved for SSI/MSE

[Issued by the Reserve Bank of India vide A.P. (DIR Series) Circular No.107, dated 20.02.2014.]

Attention of Authorised Dealer Category – I (AD Category-I) banks is invited to Schedule 1 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 notified by the Reserve Bank vide Notification No. FEMA. 20/2000-RB dated 3rd May 2000, as amended from time to time.

- In terms of the Schedule 1 of the Notification, ibid, an Indian company which is a small scale industrial unit and which is not engaged in any activity or in manufacture of items included in Annex A, may issue shares or convertible debentures to a person resident outside India, to the extent of 24% of its paid-up capital provided that such company may issue shares in excess of 24% of its capital if:
 - it has given up its small scale status,
 - it is not engaged or does not propose to engage in manufacture of items reserved for small scale sector, and
 - it complies with the ceilings specified in Annex B to Schedule I of the Notification.
- With the promulgation of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, the extant policy for foreign direct investment (FDI) in Small Scale Industrial unit and in a company which has de-registered its small scale industry status and is not engaged or does not propose to engage in manufacture of items reserved for small scale sector, has since been reviewed and it has been decided that;
 - a company which is reckoned as Micro and Small Enterprises (MSE) (earlier Small Scale Industries) in terms of MSMED Act, 2006 and not engaged in any activity/sector mentioned in Annex A to schedule 1 to the Notification, ibid may issue shares or convertible debentures to a person resident outside India, subject to the limits prescribed in Annex B to schedule 1, in accordance with the entry routes specified therein and the provision of Foreign Direct Investment Policy,



as notified by the Ministry of Commerce & Industry, Government of India, from time to time.

- (ii) any Industrial undertaking, with or without FDI, which is not an MSE, having an industrial license under the provisions of the Industries (Development & Regulation) Act, 1951 for manufacturing items reserved for manufacture in the MSE sector may issue shares in excess of 24 per cent of its paid up capital with prior approval of the Foreign Investment Promotion Board of the Government of India.
4. Further, in terms of the provisions of MSMED Act, (i) in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry specified in the first schedule to the Industries (Development and Regulation) Act, 1951, a micro enterprise means where the investment in plant and machinery does not exceed twenty five lakh rupees; a small enterprise means where the investment in plant and machinery is more than twenty five lakh rupees but does not exceed five crore rupees; (ii) in the case of the enterprises engaged in providing or rendering services, a micro enterprise means where the investment in equipment does not exceed ten lakh rupees; a small enterprise means where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees.
5. Copy of Press Note No. 6(2009) dated September 4, 2009 issued by Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce & Industry, Government of India in this regard is enclosed.
6. AD Category - I banks may bring the contents of the circular to the notice of their customers/constituents concerned.
7. Reserve Bank has since amended the Regulations and notified vide Notification No. FEMA. 230/2012-RB dated May 29, 2012, notified vide. G.S.R. No.797(E) dated October 30, 2012 read with Corrigendum dated September 10, 2013 notified vide. G.S.R. No.624(E) dated September 12, 2013 .
8. The directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Rudra Narayan Kar
Chief General Manager In-Charge

Government of India
Ministry of Commerce & Industry
Department of Industrial Policy & Promotion (FC Section)

Press Note No.6 (2009)

Foreign Direct Investment (FDI) into a Small Scale Industrial Undertaking (SSI)/ Micro & Small Enterprises (MSE) and in Industrial Undertaking manufacturing items reserved for SSI MSE - clarification.

1.0 FDI into SSI/MSE

- 1.1 A Small Scale industrial undertaking (SSI) was defined in terms of: (i) investment in fixed assets in plant and machinery and (ii) equity participation (both domestic and foreign) in the SSI, by other industrial undertakings prior to 2006.
- 1.2 Vide Press Note 18 (1997), it was further notified that, for cases of foreign collaborations, since the maximum equity participation allowed for in small scale units was 24%, proposals for induction of foreign equity more than 24% would be subject to the condition that: (i) the company would get itself de-registered as a small scale unit and (ii) obtain industrial licence or file Industrial Entrepreneur Memorandum with SIA, as per prescribed policy and procedure.
- 1.3 With the promulgation of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, the ceiling for equity participation (both domestic and foreign) in the micro and small enterprises, by other enterprises, was removed and Micro and Small Enterprises (MSE) (earlier small scale industries) were defined solely on the basis of investment in plant & machinery (for micro and small enterprise engaged in manufacturing) and equipment (for micro and small enterprise engaged in providing or rendering of services). Accordingly, this change was notified by Notification No. S.O. 563(E) dated 27th February 2009 of Department of Industrial Policy & Promotion, Ministry of Commerce & Industry.
- 1.4 Thus the present policy on FDI in MSE permits FDI subject only to the sectoral equity caps, entry routes and other relevant sectoral regulations.
- 1.5 Press Note 18 (1997 series) stands modified to the above extent.

2.0 FDI in Industrial Undertaking manufacturing items reserved for SSIIMSE

- 2.1 Vide Press Note 14 (1997), it was notified that Industrial Undertakings manufacturing items reserved for small scale sector were not eligible for automatic approval for induction of foreign investment.
- 2.2 Accordingly, the FDI policy notified vide Press Note 2 (2000) prescribed prior approval of Government where foreign investment was more than 24% in the equity capital of units manufacturing items reserved for small



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scale industries. This was reiterated in the Annex to Press Note 4 (2006) and at Para III (ii) of Annex to Press Note 7 (2008).

- 2.3 Thus, any industrial undertaking, with or without FDI, which is not a MSE, manufacturing items reserved for manufacture in the MSE sector (presently 21 items) as per the Industrial Policy, would require an Industrial License under the Industries (Development & Regulation) Act, 1951, for such manufacture. The issue of the Industrial Licence will be subject to a few general conditions and the specific condition that the undertaking shall undertake to 'export a minimum of 50% of the new or additional annual production of the MSE reserved items to be achieved within a maximum period of three years. The export obligation would be applicable from the date of commencement of commercial production'. Such an industrial undertaking would also require prior approval of the Government (FIPB) where foreign investment is more than 24% in the equity capital.

Gopal Krishna

Joint Secretary to the Government of India

F. No. 5(10)/2009-FC

Dated 04/09/2009

Rudra Narayan Kar

Chief General Manager-in-Charge

13 Foreign investment in India by SEBI registered Long term investors in Government dated Securities

[Issued by the Reserve Bank of India vide A.P. (DIR Series) Circular No.99, dated 29.01.2014.]

Attention of Authorized Dealer Category-I (AD Category-I) banks is invited to Schedule 5 to the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 notified vide Notification No. FEMA.20/2000-RB dated May 3, 2000, as amended from time to time, in terms of which SEBI registered Foreign Institutional Investors (FIIs), SEBI registered Qualified Foreign Investors (QFIs) and long term investors registered with SEBI may purchase, on repatriation basis Government securities and non-convertible debentures (NCDs) / bonds issued by an Indian company subject to such terms and conditions as mentioned therein and limits as prescribed for the same by RBI and SEBI from time to time.

2. Attention of AD Category-I banks is also invited to A.P.(DIR Series) Circular No.111 dated June 12, 2013 in terms of which the present limit for investments by FIIs, QFIs and long term investors in Government securities stands at USD 30 billion, out of which a sub-limit of USD 5 billion is available for investment by long term investors in Government dated securities.

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9th INTERNATIONAL CONFERENCE

at

MALAYSIA

Theme & Sub-Themes (tentative)

Theme

"Convergence of Company Law and Corporate Governance – Recent Trends"

Sub - Themes

- Development of Company Law in Asian Region
- Intersection between Company Law & Corporate Governance
- CSR issues addressed under the new Company Law
- Role of ethics in governance
- Role of Governance Professionals under new regulatory dispensation

*The details are being finalized and will be available on the ICSI website www.icsi.edu shortly.



Institute News

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S. No.	Name	Membership No.	Region
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2	Mr. M Alagar	FCS - 7488	SIRC
3	Ms. Jaswinder Kaur Mission	FCS - 7489	WIRC
4	Sh. Ashok Kumar Purohit	FCS - 7490	EIRC
5	Sh. Sanjay Kumar Singh	FCS - 7491	NIRC
6	Mr. Braj Mohan Prasad	FCS - 7492	NIRC
7	Ms. Soniya Gupta	FCS - 7493	NIRC
8	Sh. Ajay Kumar	FCS - 7494	NIRC
9	Sh. Rajesh Upadhyaya	FCS - 7495	EIRC
10	Sh Nitesh Kumar	FCS - 7496	EIRC
11	Sh. Shashi Prakash Jha	FCS - 7497	WIRC
12	Sh. Sanjeev Churiwala	FCS - 7498	WIRC
13	Sh. Nitin Avinash Kulkarni	FCS - 7499	WIRC
14	Ms. Monica Suri	FCS - 7500	NIRC
15	Ms. Shikha Singhal	FCS - 7501	NIRC
16	Ms. Preeti Vijay Pachariwala	FCS - 7502	WIRC
17	Sh. S Gnanasekharan	FCS - 7503	SIRC
18	Ms. Rani Jain	FCS - 7504	WIRC
19	Sh. Jackson David Chervathoor	FCS - 7505	SIRC
20	Ms. Kamini Gupta	FCS - 7506	NIRC
21	Ms. Neha Gupta	FCS - 7507	NIRC
22	Sh. Gajendra Pratap Singh	FCS - 7508	NIRC
23	Sh Aditya Singh Yadav	FCS - 7509	NIRC
24	Mrs. Rashmi Saurakhia	FCS - 7510	NIRC
25	Ms. Pragya Jhunjunwala	FCS - 7511	EIRC
Associates*			
1	Ms. Neha Singh	ACS - 35018	EIRC
2	Mr. Jairaj Vikas Verma	ACS - 35019	NIRC
3	Ms. Reena	ACS - 35020	NIRC
4	Mr. Akshat Maheshwari	ACS - 35021	NIRC

5	Ms. Annam C P	ACS - 35022	SIRC
6	Ms. Neelam Narendrakumar Tekwani	ACS - 35023	WIRC
7	Mr. Parth Bharat Shah	ACS - 35024	WIRC
8	Ms. Kamna Tomar	ACS - 35025	NIRC
9	Mr. Nishant Garud	ACS - 35026	NIRC
10	Mr. Nishant Harilal Kotak	ACS - 35027	WIRC
11	Mr. Niranjana Mukund Kulkarni	ACS - 35028	WIRC
12	Mr. Dipak Kadel	ACS - 35029	EIRC
13	Mr. Vijender Kumar Jain	ACS - 35030	NIRC
14	Mr. Shikhar Goel	ACS - 35031	NIRC
15	Ms. Neha Kumar	ACS - 35032	NIRC
16	Ms. Ketki Chandrashekhar Bhogle	ACS - 35033	WIRC
17	Mr. Lekh Raj Agarwal	ACS - 35034	EIRC
18	Ms. Dhanshree Srivastava	ACS - 35035	NIRC
19	Ms. Foram Pravinkumar Desai	ACS - 35036	WIRC
20	Mr. Ankit Choudhary	ACS - 35037	EIRC
21	Ms. Sneha Bardia	ACS - 35038	EIRC
22	Ms. Shweta Agarwal	ACS - 35039	EIRC
23	Ms. Pritee Agarwal	ACS - 35040	EIRC
24	Mr. Prakash Modi	ACS - 35041	EIRC
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26	Mr. Gursat Singh Vachher	ACS - 35043	NIRC
27	Ms. Nidhi Tiwari	ACS - 35044	NIRC
28	Mr. Abhishek Ranjan	ACS - 35045	NIRC
29	Mr. Darga Mabu Basha	ACS - 35046	SIRC
30	Mr. Rajender Kumar	ACS - 35047	NIRC
31	Mr. Nitin Sharma	ACS - 35048	NIRC
32	Ms. Pooja Balooni	ACS - 35049	NIRC
33	Ms. Swati Bakshi	ACS - 35050	NIRC
34	Ms. Arpita Rajawat	ACS - 35051	NIRC
35	Ms. Ramneet Kaur	ACS - 35052	NIRC
36	Mr. Ankit Jain	ACS - 35053	NIRC
37	Ms. Nikita Bhura	ACS - 35054	NIRC
38	Mr. R Sivakumar	ACS - 35055	SIRC
39	Mr. Sudhir A	ACS - 35056	SIRC
40	Ms. Sitara Unnithan	ACS - 35057	SIRC
41	Mr. Shakil Ahmed Choudhury	ACS - 35058	SIRC
42	Mr. Bhasker Kushwaha	ACS - 35059	WIRC
43	Ms. Niti Nilesh Jain	ACS - 35060	WIRC
44	Ms. Christine Gregory Mendonca	ACS - 35061	WIRC
45	Mr. Vaibhav Ashokkumar Gandhi	ACS - 35062	WIRC
46	Ms. Riya Jagdish Gujrathi	ACS - 35063	WIRC
47	Ms. Mudrika Diptesh Desai	ACS - 35064	WIRC
48	Ms. Shradha Mahesh Lakhota	ACS - 35065	WIRC
49	Ms. Devayani Pradeep Sane	ACS - 35066	WIRC
50	Ms. Manisha Shashikant Arekar	ACS - 35067	WIRC
51	Mrs. Gayatri Shripad Vaikar	ACS - 35068	WIRC
52	Ms. Mahima Bathwal	ACS - 35069	WIRC
53	Mr. Abinash Singh	ACS - 35070	EIRC
54	Mr. Sumeet Kumar	ACS - 35071	EIRC
55	Mr. Mohit Kumar Bhati	ACS - 35072	EIRC

* Admitted on 20th February 2014, 28th February 2014 and 10th March 2014



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59	Mr. Gopal Mohta	ACS - 35076	EIRC	110	Ms. Renu Goel	ACS - 35127	NIRC
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62	Ms. Neha Gupta	ACS - 35079	EIRC	113	Ms. Divya Arora	ACS - 35130	NIRC
63	Ms. Sweety Sharma	ACS - 35080	EIRC	114	Ms. Unnati Rajesh Kanani	ACS - 35131	WIRC
64	Mr. Rahul Kumar Singh	ACS - 35081	EIRC	115	Mr. Parag Ramakant Javeri	ACS - 35132	WIRC
65	Ms. Ranjana Kumari	ACS - 35082	NIRC	116	Ms. Jhanvi U	ACS - 35133	SIRC
66	Ms. Priti Aggarwal	ACS - 35083	NIRC	117	Mr. Narayana Desai	ACS - 35134	SIRC
67	Mr. Kuldeep Kumar	ACS - 35084	NIRC	118	Ms. Karuna Kamal Kumar Jain	ACS - 35135	WIRC
68	Mr. Tajender Kumar Juneja	ACS - 35085	NIRC	119	Ms. Elizabeth George	ACS - 35136	SIRC
69	Mrs. Ritu Poddar	ACS - 35086	NIRC	120	Mr. Kapil Kumar Chawla	ACS - 35137	NIRC
70	Ms. Akanksha Garg	ACS - 35087	NIRC	121	Ms. Prativa Ranjan Maharana	ACS - 35138	EIRC
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72	Ms. Jyoti Dhamija	ACS - 35089	WIRC	123	Ms. Usha N	ACS - 35140	SIRC
73	Ms. Neha Garg	ACS - 35090	NIRC	124	Ms. Varsha Joshi	ACS - 35141	NIRC
74	Ms. Meenal Bansal	ACS - 35091	NIRC	125	Ms. Deepika Garg	ACS - 35142	NIRC
75	Ms. Bhavya Pandey	ACS - 35092	NIRC	126	Mr. Bhagwat Kumar Azad	ACS - 35143	NIRC
76	Ms. Shweta Jain	ACS - 35093	NIRC	127	Ms. Suchitra Kumari Singh	ACS - 35144	NIRC
77	Ms. Jyotsna	ACS - 35094	NIRC	128	Ms. Megha Agarwal	ACS - 35145	EIRC
78	Mr. Sidharth Yadav	ACS - 35095	NIRC	129	Mr. Prem Munjal	ACS - 35146	NIRC
79	Ms. Mona Singhal	ACS - 35096	NIRC	130	Ms. Laxmi Agarwal	ACS - 35147	EIRC
80	Mr. Sagar Nitinkumar Sheth	ACS - 35097	WIRC	131	Ms. Puja Sharma	ACS - 35148	EIRC
81	Ms. Monica Singh	ACS - 35098	NIRC	132	Mr. K V Radhakrishnan	ACS - 35149	NIRC
82	Ms. Deepika Raghav	ACS - 35099	NIRC	133	Mr. Narasimha B K	ACS - 35150	SIRC
83	Mr. N V Raman	ACS - 35100	SIRC	134	Ms. M Uma	ACS - 35151	SIRC
84	Ms. Ahana Gautam Ramchandani	ACS - 35101	SIRC	135	Mr. Rajeev V P	ACS - 35152	SIRC
85	Ms. Sini P G	ACS - 35102	SIRC	136	Ms. Ritika Verma	ACS - 35153	NIRC
86	Mr. Kunal R Doshi	ACS - 35103	SIRC	137	Ms. Rehana Anna Rajan	ACS - 35154	WIRC
87	Mr. V Hariharan	ACS - 35104	SIRC	138	Mr. Janak Bathiya	ACS - 35155	WIRC
88	Ms. S Saranya	ACS - 35105	SIRC	139	Ms. Ramanjot Kaur	ACS - 35156	NIRC
89	Ms. Hetal Umesh Bhuwa	ACS - 35106	WIRC	140	Ms. Aditi Jain	ACS - 35157	EIRC
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91	Mr. S Arrun	ACS - 35108	WIRC	142	Ms. Jyoti Amlekar	ACS - 35159	WIRC
92	Ms. Meeta Narendrakumar Vyas	ACS - 35109	WIRC	143	Mr. Sohanlal Sarda	ACS - 35160	WIRC
93	Ms. Rasika Satish Govekar	ACS - 35110	WIRC	144	Ms. Kamana Sushil Khetan	ACS - 35161	WIRC
94	Ms. Kavita Jasmin Shah	ACS - 35111	WIRC	145	Ms. Kirti Modi	ACS - 35162	WIRC
95	Mr. Prabhu Kannan Chettiyyar	ACS - 35112	WIRC	146	Ms. Sakshi Rajendra Bakshi	ACS - 35163	WIRC
96	Mr. Swaminathan Chandrasekhar	ACS - 35113	SIRC	147	Mr. Avinash Gupta	ACS - 35164	EIRC
97	Ms. Anshu Gupta	ACS - 35114	NIRC	148	Ms. Khosboo Agarwal	ACS - 35165	EIRC
98	Ms. Meenakshi N	ACS - 35115	SIRC	149	Ms. Bina Bhageria	ACS - 35166	EIRC
99	Mrs. Vijay Luxmi Sarawagi	ACS - 35116	WIRC	150	Ms. Shubhica Agrawal	ACS - 35167	NIRC
100	Mr. Dilip Kumar Senapati	ACS - 35117	SIRC	151	Mr. Sachin Saini	ACS - 35168	NIRC
101	Ms. Alka Srivastava	ACS - 35118	NIRC	152	Mr. Vivek Ranjan Sahu	ACS - 35169	NIRC
102	Mr. Kunal Aggarwal	ACS - 35119	NIRC	153	Ms. Akansha Rastogi	ACS - 35170	NIRC
103	Ms. Gunjan Bagla	ACS - 35120	EIRC	154	Mr. Rajan Kumar Pandey	ACS - 35171	NIRC
104	Mr. Arun K V	ACS - 35121	SIRC	155	Mr. Shibu Sukumaran	ACS - 35172	SIRC
105	Mr. Ronak Gupta	ACS - 35122	EIRC	156	Mr. Pankaj Kumar Agarwal	ACS - 35173	EIRC
106	Ms. S Piramma Rajakumari	ACS - 35123	SIRC	157	Mr. Pradeep Kumar Gaur	ACS - 35174	NIRC

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161	Ms. Drishti Sidhwa	ACS - 35178	NIRC
162	Ms. Vasudhi Gupta	ACS - 35179	NIRC
163	Mr. Tarun Singhvi	ACS - 35180	NIRC
164	Ms. Shabnam Parveen	ACS - 35181	EIRC
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166	Ms. Adurkar Reshma Shivaji	ACS - 35183	WIRC
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173	Ms. Ankita Damani	ACS - 35190	EIRC
174	Ms. Preeti Keshri	ACS - 35191	EIRC
175	Mr. Prashant Kumar Rai	ACS - 35192	NIRC
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178	Ms. Nileema Bucha	ACS - 35195	NIRC
179	Mr. Saurabh Mago	ACS - 35196	NIRC
180	Ms. Nitisha Anand	ACS - 35197	NIRC
181	Ms. Mitesh Pravinkumar Darji	ACS - 35198	WIRC
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183	Ms. Rima Harichandra Ahir	ACS - 35200	WIRC
184	Ms. Anuja Subhash Bissa	ACS - 35201	WIRC
185	Ms. Namrata Pramod Mathkar	ACS - 35202	WIRC
186	Mr. Kshitij Mohan Samant	ACS - 35203	WIRC
187	Ms. Akansha Pithaliya	ACS - 35204	WIRC
188	Ms. Neha Virendra Surana	ACS - 35205	WIRC
189	Mrs. Khushboo Upadhya	ACS - 35206	NIRC
190	Ms. Smriti Rani Bagla	ACS - 35207	EIRC
191	Mr. Debesh Mohanty	ACS - 35208	EIRC
192	Ms. Neeti Agrawal	ACS - 35209	NIRC
193	Mr. Nirmal Tiwari	ACS - 35210	WIRC
194	Ms. Surabhi Gupta	ACS - 35211	NIRC
195	Ms. Isha Gupta	ACS - 35212	NIRC
196	Mr. Kunal Agrawal	ACS - 35213	NIRC
197	Ms. Navita Khunteta	ACS - 35214	NIRC
198	Ms. Shweta Vashishtha	ACS - 35215	NIRC
199	Ms. Divya Rai	ACS - 35216	NIRC
200	Ms. Surbhi Jain	ACS - 35217	NIRC
201	Ms. Neha Dharewa	ACS - 35218	NIRC
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203	Mr. Pratik Ghansham Naik	ACS - 35220	WIRC
204	Ms. Devanshi Dinesh Sanghvi	ACS - 35221	WIRC
205	Mr. Tejas Satish Wagh	ACS - 35222	WIRC
206	Mr. Vikas Shankar Gaikwad	ACS - 35223	WIRC
207	Mr. Bhavesh Ashok Singh	ACS - 35224	WIRC
208	Ms. Shilpi Singh	ACS - 35225	WIRC

209	Ms. Archana Mahesh Joshi	ACS - 35226	WIRC
210	Mr. Bhavik Kantilal Sudra	ACS - 35227	WIRC
211	Ms. Sana Zubair Saudagar	ACS - 35228	WIRC
212	Mr. Darshil Pankaj Shah	ACS - 35229	WIRC
213	Ms. Hirvita Rajeshbhai Shah	ACS - 35230	WIRC
214	Ms. Ruby Singhania	ACS - 35231	EIRC
215	Mrs. Ruchika Gulati	ACS - 35232	NIRC
216	Mr. Vivek Kumar Adukia	ACS - 35233	NIRC

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1	Dr. Nirmal Jain	ACS - 15553	NIRC
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3	Mr. Amit Kumar Garg	ACS - 31567	NIRC
4	Mr. Prasanta Kumar Sahoo	ACS - 16877	SIRC
5	Mr. Sajan Aggarwal	ACS - 18269	EIRC
6	Ms. RajaniNangalia	ACS - 23374	EIRC
7	Ms. Rimjhim Lath	ACS - 30570	EIRC
8	Ms. Sneha Gupta	ACS - 30754	EIRC
9	Mr. Dharendra Kumar Asri	ACS - 19821	NIRC
10	Ms. Reeba Varghese	ACS - 24030	SIRC
11	Mr. Ruchira Tiwari	ACS - 26427	NIRC
12	Mr. DipakRavindranath Desai	ACS - 2336	WIRC
13	Mr. SanjeevDahiya	ACS - 17028	NIRC
14	Mr. Milan P Shah	ACS - 5958	WIRC
15	Mr. Pragadesh Pankaj Thakkar	ACS - 18874	WIRC
16	Mr. ParthVikrambhaiModi	ACS - 28984	WIRC
17	Mr. Binu Sharma	ACS - 20338	NIRC
18	Mr. Sumit Gupta	ACS - 17001	NIRC
19	Mr. Shailesh Suresh Shinde	ACS - 28902	WIRC
20	Mr. Sandeep Gupta	ACS - 15740	NIRC
21	Mr. Ram Chandra Shah	ACS - 1998	EIRC
22	Mr. AshishLakhotia	ACS - 19675	NIRC
23	Mr. K.S Suresh	ACS - 9566	SIRC
24	Mr. L.RSubramaniam	ACS - 7985	SIRC
25	Mr. Ashok Kumar Jain	ACS - 10396	NIRC
26	Mr. MurugeshRajanlyer	ACS - 21107	WIRC
27	Ms. Karishma Desai	ACS - 22698	WIRC
28	Ms. Preeti Bhatt	ACS - 24118	NIRC
29	Mr. Sharad Aggarwal	ACS - 13488	NIRC
30	Ms. Aparna Sharma	ACS - 24399	NIRC
31	Mr. Gagnish Arora	ACS - 14821	NIRC
32	Mr. AmitWalia	ACS - 17880	NIRC
33	Mr. DeepakWalia	ACS - 29655	NIRC
34	Ms. Payal M Puri	ACS - 16068	NIRC
35	Ms. Meenakshi Dash	ACS - 24508	EIRC
36	Mr. ShyamsunderTaparia	ACS - 13349	NIRC
37	Mr. Rajesh Kr Verma	ACS - 21229	NIRC
38	Mr. Girraj Kr Gupta	ACS - 18081	NIRC
39	Ms. Prachi Vijay Manekar	ACS - 24222	NIRC
40	Ms. Nidhi Agrawal	ACS - 31591	WIRC

* Restored From 21/02/2014 to 20/03/2014



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42	Mr. Devarajan Raman	ACS - 5034	WIRC	93	Ms. SuparnaChakraborty	ACS - 12976	EIRC
43	Mr. Santosh Kumar M S	ACS - 30947	SIRC	94	Ms. BhaktiJinal Shah	ACS - 17244	WIRC
44	Mr. HemangShashikantSheth	ACS - 14678	WIRC	95	Mr. Nitin Sharma	ACS - 21191	NIRC
45	Ms. Maya P	ACS - 31270	WIRC	96	Mr. Alok Kr Ghosh	ACS - 30171	WIRC
46	Mr. V. Ramanathan	ACS - 10676	SIRC	97	Ms. Deepali Jain	ACS - 14066	NIRC
47	Mr. GChalapathi Rao	ACS - 20955	WIRC	98	Ms. Sonia Bansal	ACS - 23389	NIRC
48	Ms. SharmilaMoreshwarKulkarni	ACS - 28811	WIRC	99	Mr. SanjivakumarKaddu	ACS - 28255	SIRC
49	Ms. Urvashi Rath	ACS - 21874	NIRC	100	Mr. Ravindra Aggarwal	FCS - 3899	WIRC
50	Mr. Hemant Kr Shukla	ACS - 6141	WIRC	101	Mr. Ashok Kumar	FCS - 3692	WIRC
51	Ms. PragyaSahal	ACS - 17167	WIRC	102	Mr. Pankaj Aggarwal	FCS - 3448	NIRC
52	Ms. PoonamSampoornand Shukla	ACS - 31924	WIRC	103	Mr. SachidannadMohanty	FCS - 3434	WIRC
53	Ms. Anita Kothari	ACS - 27410	SIRC	104	Ms. Mamta Jain	FCS - 2794	NIRC
54	Ms. Pooja Gupta	ACS - 17136	NIRC	105	Mr. Karun Jain	FCS - 2441	NIRC
55	Mr. VishalDilipbhai Shah	ACS - 18641	WIRC	106	Mr. AViswanath Reddy	FCS - 1576	SIRC
56	Ms. Deveena Raj Kumar	ACS - 12767	WIRC	107	Mr. PremBatra	FCS - 1129	NIRC
57	Mr. J Y Gadkari	ACS - 6460	WIRC	108	Mr. S T Rangarajan	FCS - 729	SIRC
58	Mr. GhanshyamBasudeo Singh	ACS - 26526	WIRC	109	Mr. Ramesh Chandra	FCS - 343	WIRC
59	Mr. Durga Prasad Saini	ACS - 24183	NIRC	110	Mr. HukamrajSajjanrajKumbhat	FCS - 230	EIRC
60	Mr. Vivek Chatter	ACS - 19890	NIRC	111	Ms. SandhyaKedia	FCS - 6634	NIRC
61	Ms. SuganVarshney	ACS - 12049	NIRC	112	Mr. Ravindrakr Singh	FCS - 5541	WIRC
62	Mr. Manish Kumar Pal	ACS - 26440	NIRC	113	Ms. MonikaKalia	FCS - 5482	WIRC
63	Mr. Alok Tandon	ACS - 12931	NIRC	114	Ms. Saroj Kr Panigrahi	FCS - 5115	WIRC
64	Mr. Sunil Malik	ACS - 25837	NIRC	115	Mr. Krishan Kr Nagpal	FCS - 5035	NIRC
65	Mr. Sanjay Kr Singhal	ACS - 13140	NIRC	116	Mr. DiwakarRamkrishnaParanjpe	FCS - 5904	NIRC
66	Mr. K P Kartikeyan	ACS - 32131	SIRC	117	Mr. Sushil Kr Agrawal	FCS - 4808	EIRC
67	Mr. Pratikkantkar	ACS - 23459	WIRC	118	Mr. Vinod Kr Mehrotra	FCS - 4303	NIRC
68	Mr. VJankiraman	ACS - 12186	WIRC	119	Ms. Pratibha James	FCS - 4008	SIRC
69	Mr. Emani V Reddy	ACS - 19321	SIRC	120	Mr. Rajesh Kr Surana	FCS - 6106	EIRC
70	Ms. V Rojarani	ACS - 15131	SIRC	121	Mr. ManojTibrewal	FCS - 4174	NIRC
71	Ms. ArunaNandigama	ACS - 27063	SIRC	122	Mr. Sudhir Chopra	FCS - 2190	NIRC
72	Mr. Ganesh Kr Pallikonda	ACS - 32076	SIRC	123	Mr. J Jawaharlal	FCS - 1777	SIRC
73	Mr. RSaratha	ACS - 15915	SIRC	124	Mr. Dhan Raj Baid	FCS - 707	NIRC
74	Ms. VijayalakshmiKarur	ACS - 26780	SIRC	125	Mr. Sunil Kr Shah	ACS - 31843	EIRC
75	Mr. RajendraJayprakash Bora	ACS - 14283	WIRC	126	Ms. Vishakha Kumar	ACS - 13352	EIRC
76	Mr. Pawan Kumar	ACS - 22767	WIRC	127	Mr. Sushil Kumar Rath	ACS - 12960	EIRC
77	Mr. JayeshVasudev Dave	ACS - 5975	WIRC	128	Mr. Anil Kr Mohta	ACS - 11602	EIRC
78	Mr. Hiren S Mahadevia	ACS - 7183	WIRC	129	Mr. SunilSaraogi	ACS - 16305	EIRC
79	Mr. Anuj Gupta	ACS - 31025	NIRC	130	Mr. Priyanka Sharma	ACS - 31578	EIRC
80	Mr. DineshNarang	ACS - 6654	NIRC	131	Mr. Ashish Bajaj	ACS - 19303	EIRC
81	Mr. Deepak Kr Tyagi	ACS - 14741	NIRC	132	Mr. Roopendra Narayan Roy	ACS - 664	EIRC
82	Mr. D K Govindraj	ACS - 2668	SIRC	133	Mr. DJagannathan	ACS - 5291	SIRC
83	Mr. ShivalingamArumugamPillai	ACS - 19935	WIRC	134	Mr. Venkateshwara Rao T	ACS - 12989	SIRC
84	Mr. Niraj Kumar	ACS - 19752	NIRC	135	Mr. T S Krishnan	ACS - 26781	SIRC
85	Mr. SandeepKakkar	ACS - 19933	NIRC	136	Mr. RajeshBagga	ACS - 12900	WIRC
86	Ms. Shubhi Srivastava	ACS - 27120	NIRC	137	Mr. AGurudutt	ACS - 9062	SIRC
87	Ms. Poonam Rajesh Bedichandani	ACS - 17715	WIRC	138	Ms. NiveditaHiremath	ACS - 14264	WIRC
88	Ms. GeetaBhalla	ACS - 9475	NIRC	139	Mr. JKrishnamohan	ACS - 12599	SIRC
89	Mr. KunjBihari Dave	ACS - 18482	NIRC	140	Mr. Parbodh Kr Gupta	ACS - 12299	SIRC
90	Ms. KavitaShivraj	ACS - 15372	NIRC	141	Mr. Pramod Kr Gupta	ACS - 4171	WIRC
91	Mr. S A Vasudevan	ACS - 12115	SIRC	142	Mr. SriramVenkiteswaranlyer	ACS - 14664	WIRC



143	Ms. EtiSuri	ACS - 23642	NIRC
144	Mr. Ashwani Kr. Sood	ACS - 3694	NIRC
145	Mr. P Suresh Babu	ACS - 15196	SIRC
146	Ms. Anita Sunil Nair	ACS - 19014	SIRC
147	Ms. Kumud Goel	ACS - 18832	WIRC
148	Mr. Siddhartha Panda	ACS - 17945	WIRC
149	Ms. RozeenaBhudar Ali Rayani	ACS - 28013	WIRC
150	Mr. Vidya Sagar Soma	ACS - 7225	SIRC
151	Ms. Bharathi R	ACS - 24166	SIRC
152	Mr. VBalakrishnan	ACS - 11763	SIRC
153	Mr. GRaghavan	ACS - 9205	SIRC
154	Ms. TanujaJaydeepSardesai	ACS - 20436	WIRC
155	Mr. SRadhakrishnan	ACS - 4008	WIRC
156	Mr. R Sridharan	ACS - 3113	SIRC
157	Ms. Ketki Vijay Buddhisagar	ACS - 17543	WIRC
158	Mr. RakeshTuteja	ACS - 11064	NIRC
159	Mr. MaheshMansinghka	ACS - 20679	NIRC
160	Mr. VikashDugar	ACS - 18242	NIRC
161	Ms. DishaRustagi	ACS - 24174	NIRC
162	Mr. Jai Shankar Prasad Bansal	ACS - 4612	WIRC
163	Mr. Anupam Jain	ACS - 13953	EIRC
164	Mr. AshwiniKhandlikar	ACS - 19301	SIRC
165	Ms. PriyaRastogi	ACS - 18636	NIRC
166	Mr. SandeepVasantWalawdkar	ACS - 16646	WIRC
167	Mr. RajShri Prasad	ACS - 26923	WIRC
168	Mr. Rajiv Kr Agarwal	ACS - 11591	NIRC
169	Mr. Rajesh Kr Singhania	ACS - 12952	EIRC

16	Ms. Nikita Kumari Kedia	ACS - 34788	12929 EIRC
17	Ms. Navneet Kaur Chandok	ACS - 34857	12930 NIRC
18	Mr. Amey Ashok Borkar	ACS - 34742	12931 WIRC
19	Ms. Rimjhim Lath	ACS - 30570	12932 EIRC
20	Mr. Ronak Murlidharbhai Khanvani	ACS - 34836	12933 WIRC
21	Mr. Mayank Bansal	ACS - 34865	12934 NIRC
22	Ms. Priti Kedia	ACS - 33367	12935 EIRC
23	Mr. Anay Nitin Kembhavi	ACS - 34890	12936 WIRC
24	Sh. Udayan Chakrabarti	ACS - 2417	12937 EIRC
25	Ms. Nidhi Damani	ACS - 25473	12938 EIRC
26	Mr. Srinivasa Ramanujan G	ACS - 34715	12939 SIRC
27	Mrs. Aditi Mrugendra Mandke	ACS - 32051	12940 WIRC
28	Sh. Hemendra Nath Banerjee	FCS - 508	12941 EIRC
29	Mr. Swapnil Jayant Dixit	ACS - 34739	12942 WIRC
30	Sh. Hardikkumar Rajendrakumar Bhatt	ACS - 21889	12943 WIRC
31	Mr. Anup Vijay Kulkarni	ACS - 34316	12944 SIRC
32	Mr. Amosh Barnavas Archapelli	ACS - 34761	12945 WIRC
33	Ms. Sugandha Garg	ACS - 34812	12946 NIRC
34	Ms. Isha Shankar	ACS - 29051	12947 NIRC
35	Ms. Karpakam Sundararajan	ACS - 34669	12948 SIRC
36	Ms. Tanisha Yadav	ACS - 34870	12949 NIRC
37	Ms. Varinda Rani	ACS - 34239	12950 NIRC
38	Mr. Ratnesh Kumar Pandey	ACS - 33772	12951 WIRC
39	Ms. Rachna Bhasin	ACS - 23539	12952 NIRC
40	Mr. Akhilesh Kewalram Kharabe	ACS - 35006	12953 WIRC
41	Mr. Yogesh Agarwal	ACS - 34979	12954 NIRC
42	Mr. Vijay Kumar	ACS - 34779	12955 NIRC
43	Ms. Khushboo Jain	ACS - 34663	12956 WIRC
44	Mr. D K D Prasad	ACS - 34820	12957 SIRC
45	Mr. Imran Hussain W	ACS - 33999	12958 SIRC
46	Ms. Purvee Gautam Jain	ACS - 33181	12959 WIRC
47	Mr. Kamlesh Purviya	ACS - 34895	12960 WIRC
48	Ms. Basuli Dasgupta	ACS - 32536	12961 EIRC
49	Mr. Karan Vir Bindra	ACS - 34928	12962 NIRC
50	Mr. Murari Pasayat	ACS - 32664	12963 EIRC
51	Mr. Shantanu Pramod Jog	ACS - 27894	12964 WIRC
52	Ms. Richa Tewari	ACS - 32555	12965 NIRC
53	Mrs. Sweta Jitendra Jain	FCS - 6110	12966 WIRC
54	Ms. Preeti Jindal	ACS - 27258	12967 NIRC
55	Mrs. Preeti Bhavik Mehta	ACS - 26328	12968 WIRC
56	Ms. Yoginee Suhas Chaukar	ACS - 28862	12969 WIRC
57	Sh. S Uma Shankar	FCS - 3496	12970 SIRC
58	Sh. Abhijaat A. Sinha	ACS - 13519	12971 WIRC
59	Ms. Khan Rehana Kamil	ACS - 34833	12972 WIRC
60	Mr. Dharmendra Sharma	ACS - 29317	12973 NIRC
61	Sh. V Shankar	ACS - 12080	12974 SIRC
62	Ms. Bhumi Vipul Shah	ACS - 34894	12975 WIRC
63	Sh. Lincoln Babu Are	ACS - 19447	12976 SIRC
64	Ms. Shailza Malhotra	ACS - 34621	12977 NIRC

Certificate of Practice

S. No	Name	ACS/FCS No.	CP No.	Region
Issued*				
1	Ms. Renu Brijlal Bang	ACS - 33682	12913	WIRC
2	Ms. Vriti Arora	ACS - 34658	12914	EIRC
3	Ms. Sonavane Nalanda Govind	ACS - 30280	12915	WIRC
4	Mr. Manish Prajapati	ACS - 34385	12916	NIRC
5	Ms. Riddhita Rajkumar Agrawal	ACS - 34625	12917	WIRC
6	Ms. Neha Kedia	ACS - 34660	12918	EIRC
7	Ms. Veena B	ACS - 32405	12919	SIRC
8	Mrs. Shikha Singhania	ACS - 22932	12920	WIRC
9	Mr. Nandkumar Dadaso Patil	ACS - 34904	12922	WIRC
10	Ms. Seethal R	ACS - 30742	12923	SIRC
11	Mr. Kiran Bhimappa Desai	ACS - 34875	12924	SIRC
12	Mr. Mukesh Prakashkumar Pamnani	ACS - 34357	12925	WIRC
13	Ms. Anjana Dahyabhai Prajapati	ACS - 34318	12926	WIRC
14	Mr. Jatinder Kapoor	ACS - 33276	12927	NIRC
15	Ms. Priyanka Dwivedi	ACS - 34763	12928	NIRC

* Issued During the Month of February, 2014



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News From the Institute

65	Mr. Mahavir Kumar Jain	ACS - 29019	12978 SIRC
66	Mr. Chakravarthy Phani Nadupalle	ACS - 32380	12979 SIRC
67	Ms. Priya Hiralal Agrawal	ACS - 34838	12980 WIRC
68	Mr. Prasanjitkumar Ajit Baul	ACS - 34347	12981 WIRC
69	Mrs. Swapna Abhaysingh Chavan	ACS - 26076	12982 WIRC
70	Sh. Prem Batra	FCS - 1129	12983 WIRC
71	Ms. Swati Bansal	ACS - 32757	12984 NIRC
72	Ms. Sunistha Singh	ACS - 34166	12985 NIRC
73	Mr. Anup Ajit More	ACS - 34346	12986 WIRC
74	Mr. Kunal Sharma	ACS - 34708	12987 WIRC
75	Mr. Chetan	ACS - 34805	12988 NIRC
76	Mr. Ashish Jain	ACS - 34816	12989 NIRC
77	Ms. Neha Saraf	ACS - 34973	12990 EIRC
78	Ms. Niti Nilesh Jain	ACS - 35060	12991 WIRC
79	Ms. Riya Jagdish Gujrathi	ACS - 35063	12992 WIRC
80	Mr. Kuldeep Kumar	ACS - 35084	12993 NIRC
81	Mr. Sachin Kumar Jain	ACS - 31181	12994 NIRC
82	Mr. Manish Jain	ACS - 33758	12995 NIRC
83	Sh. Ashok Kumar Shukla	ACS - 29673	12996 NIRC
84	Mr. Ram Krishna Banerjee	ACS - 27558	12997 EIRC
85	Mr. Abhishek Ranjan	ACS - 35045	12998 NIRC
86	Mrs. Ayushi Gupta	ACS - 28438	12999 NIRC
87	Mrs. Jyoti Chettri	ACS - 34902	13000 EIRC
88	Ms. Payal Narayan Purohit	ACS - 31210	13001 WIRC
89	Ms. Megha Jain	ACS - 34892	13002 WIRC
90	Ms. Rachita Manoj Arya	ACS - 32050	13003 WIRC
91	Mr. Md Tanveer Alam	ACS - 34856	13004 NIRC
92	Mr. Nikhilesh Chandrakant Joshi	ACS - 33158	13005 WIRC
93	Mr. Mandar Subhash Palav	ACS - 27695	13006 WIRC
94	Mr. Krishnamoorthy S	ACS - 31130	13007 SIRC
95	Ms. Ekta Kishor Pandya	ACS - 31372	13008 WIRC
96	Ms. Ankita Navneet Daga	ACS - 34728	13009 WIRC
97	Mr. Kamran Khan	ACS - 34818	13010 NIRC
98	Mr. Kushal Bharat Bagadia	ACS - 35077	13011 EIRC

Cancelled*

1	Mr. Prince Mathew	ACS 29439	10633 SIRC
2	Mr. Dinesh Kumar	FCS 4726	12228 NIRC
3	Ms. Kriti Jain	ACS 31979	11856 NIRC
4	Mr. Girdhari Lal Soni	FCS 5616	5136 WIRC
5	Ms. Ekta Shankar Rajpurohit	ACS 22414	9960 WIRC
6	Ms. Rupa Joshi	ACS 17395	7837 WIRC
7	Mr. Arun Kumar Sharma	ACS 31519	11588 NIRC
8	Mr. Vinod Chandra Mamgai	ACS 30118	11071 NIRC
9	Ms. Mitali Pradeep Oza	ACS 31757	11941 WIRC
10	Ms. Chandni Patel	ACS 33270	12429 EIRC
11	Ms. Rosy Ohri	ACS 28416	10733 NIRC
12	Ms. Swati Shankarlal Sharda	ACS 31278	12193 WIRC

* Cancelled During the Month of February, 2014

13	Mr. Hardik Ashok Shah	ACS 34254	12703 WIRC
14	Mr. K Viswanathan Murugan	ACS 24886	9560 SIRC
15	Mr. K P Kutty	ACS 2783	9763 WIRC
16	Ms. Akriti Mahajan	ACS 26131	9379 NIRC
17	Mr. Gaurav Jeswani	ACS 30979	11389 WIRC
18	Mr. Pawan Rajendrasingh Yadav	ACS 33326	12359 WIRC
19	Ms. Archana Madas	AS 15658	10228 SIRC
20	Mrs. Rashmi Patkar	ACS 26876	9946 WIRC
21	Mr. Lalit Narayan Dwivedi	ACS 31636	12711 NIRC
22	Ms. Ramadevi R Iyer	FCS 4592	10823 WIRC
23	Mr. Manoranjan Kumar	ACS 33630	12663 EIRC
24	Ms. Ashwini Sharadkumar Shah	ACS 26104	11528 WIRC
25	Mr. Rakesh Kumar Gupta	ACS 32018	12104 EIRC
26	Ms. Krishna Panda	ACS 31573	11640 EIRC
27	Mr. Maniksh Dasgupta	ACS 31325	11922 EIRC
28	Mr. Ajai Kumar Gupta	ACS 23709	12335 NIRC
29	Ms. Amita Gola	FCS 5318	12824 NIRC
30	Mr. Chintan Kumar Mahendra Bhai Patel	ACS 29326	11189 WIRC

Licentiate ICSI

S. No	Name	Licentiate No.	Region
Admitted*			
1	Ms. Akanksha Gupta	6609	WIRC
2	Ms. Nidhi Kedardas Mohota	6610	WIRC
3	Mr. Kalidas P S	6611	SIRC
4	Mr. R Husthana	6612	SIRC
5	Mr. Nishant Sureshbhai Patel	6613	WIRC
6	Ms. Aishwarya M	6614	SIRC
7	Ms. Subhashree Guhan	6615	SIRC
8	Ms. M.R Yashaswini	6616	SIRC
9	Mr. Meit Vikram Sampat	6617	WIRC
10	Mr. R Manikandan	6618	SIRC
11	Mr. Prince Mohan Sinha	6619	NIRC
12	Ms. Aishwarya Sarma	6620	SIRC
13	Mr. Aman Jain	6621	WIRC
14	Ms. Aarthi Balasubramanian	6622	SIRC
15	Mr. Ashwin G.R	6623	SIRC
16	Mr. Punith Kumar Sahu	6624	WIRC
17	Mr. Saket Singhania	6625	EIRC
18	Ms. Ruchi Singh	6626	NIRC
19	Mr. Shashank Shekhar	6627	EIRC

* Admitted During the Month of February, 2014



**LIST OF LICENTIATES WHO HAVE BEEN
DISENTITLED TO USE THE DESCRIPTIVE
LETTERS "LICENTIATE - ICSI" W.E.F. 1ST
SEPTEMBER, 2013 DUE TO NON PAYMENT
OF ANNUAL SUBSCRIPTION FOR 2013-14
(AS ON 25.03.2014)**

S.No	Name Of Licentiate	Licentiate No
1	Jayesh Mansukhlal	5869
2	Richa Rameshchandra Gandhi	5871
3	Lokesh Keswani	5872
4	Mukti Jayeshkumar Raval	5873
5	Shubha Shandilya	5875
6	Shilpi Sharma	5876
7	Vasundra Veni K J	5877
8	Rajesh Sethi	5878
9	T N Ramamurthy	5880
10	Abhishek Sureka	5881
11	Sohil Keshavani	5883
12	Sriram S	5885
13	Seema Anmol Chhoriya	5886
14	Manivannan Gokulakrishnan	5891
15	Pradyumna Prabhanjan Vengurlekar	5892
16	Vijayagiri E	5894
17	Balasaheb Ekatpure	5895
18	Vijay Santosh	5896
19	Swati Mittal	5898
20	Mitulkumar Shah	5899
21	Ritesh Raj Pariyani	5900
22	Tushar Patel	5901
23	Ananthakrishnan P R	5903
24	Ganesh B	5904
25	Subramanian Balajee	5905
26	Sudarsan Shanmugam	5906
27	Punit Shah	5907
28	Pawan Bhagwandas Lohiya	5908
29	Gopal Prasad Gupta	5909
30	Lokesh Kanwar	5910
31	Ishwar Haswani	5911

32	Amol Kabra	5912
33	Vivek Vijay	5914
34	K R Sindhu	5915
35	Umang Someshwar	5916
36	Rajkumar Agarwal	5917
37	Hemant Patni	5918
38	Gurunath Huchappa Gaddadavara	5919
39	Garima Jain	5920
40	Sujam R	5921
41	Amit Goyal	5924
42	Prateek Deshlahra	5925
43	Abhishek Shah	5930
44	Arun Purohit	5932
45	Shobhit Bansal	5933
46	Nawal Ankit	5935
47	Bharat Zanvar	5936
48	Richa Khatri K	5937
49	Bishnoi Pratap Bagruram	5938
50	Om Prakash Kasera	5941
51	Vikas Gupta	5942
52	Sachin Aggarwal	5943
53	Ashish Dodiya	5948
54	Shuvodip Paul	5949
55	Ulhas Shivnath Borse	5952
56	B Chandra Sekhar	5954
57	Shubham Girish Chand Goyal	5957
58	Vijay Kalani	5960
59	Virendra Digambar Firake	5962
60	Ankit Gupta	5965
61	Ankit Dangayach	5967
62	Ajay Jain	5970
63	Shah Pratik Gunvantkumar	5973
64	S Hemanth	5974
65	Nikhil Jaju	5977
66	Hoshedar Homi Wadia	5979
67	Sureshkumar Kanabar	5980
68	Diptee Parag Wagle	5981
69	Pankaj Agrawal	5984
70	Nikita Bokadia	5985





News From the Institute

List of Licentiatees who have been disentitled to use the descriptive letters "Licentiate - ICSI"

71	Manish Kumar Agarwal	5990	111	Nishith Kirit Doshi	6072
72	Chaitanya Josyula	5994	112	Mohit Agarwal	6073
73	Shyam Sundar Agarwal	5995	113	Rajeshwari H M	6074
74	Vimal Bharatkumar Pandya	5997	114	Girish Nirmal Nagpal	6076
75	Jaimin Himanshubhai Desai	5998	115	Jagdish Prasad Sharma	6077
76	Patel Kushal Yogeshkumar	5999	116	Niveetha S	6079
77	B Karthik	6004	117	Mohanraj P	6083
78	Harsh Kumar Dhanuka	6005	118	Neha Ganeriwal	6084
79	Gautam Kumar Malchandka	6010	119	Rahul Garg	6085
80	Shruti Gupta	6011	120	Sujata Kumari	6086
81	Dharmendra Singh Mohta	6012	121	Suresh Saini	6090
82	Subachandran M	6013	122	Mangesh Madhukar Sabne	6091
83	Akash Jain	6015	123	Piyush Arvind Bothra	6095
84	Senthilkumar S	6016	124	Niranjan Babu R	6097
85	D Satish Kumar	6017	125	Arvind Kumar Ray	6098
86	Krishnam Raju Adavi	6020	126	Sujata Shiv Prabhakar	6100
87	Nisha Choudhary	6026	127	Ratan Dhirajlal Chawda	6107
88	Gourav Mehta	6027	128	Niranjan Shreerang Gohad	6111
89	Samridhi Kothari	6032	129	Malaya Kumar Sahoo	6113
90	Jitendra Rameshbhai Sanghani	6033	130	Subrata Shankar Bose	6115
91	Sourabh Suresh Kulkarni	6035	131	Anup Kumar Biswal	6117
92	Arun Ajit Bafna	6037	132	Abhiram S	6119
93	Dhiraj Ramnath Bhandari	6039	133	Srinivasan R	6120
95	Sneha Sumtilal Katariya	6041	134	Nishant Siddheshwar Hawa	6121
96	Abhishek Vikrambhai Patel	6042	135	Aruna Natarajan	6122
97	S Vijayaraghavan	6046	136	Manish Hareshkumar Khemani	6129
98	Arvind Giriraj	6048	137	Jeetender Kumar	6131
99	Rohit Kumar Jain S	6050	138	Vicky Rajandas Adwani	6133
100	Anamika Sarswat	6052	139	G Aditya	6140
101	Shahaji Shivaji Mohite	6055	140	Mitresh Kiranbhai Modi	6147
102	Moitrayee Bhattacharya	6056	141	Shipra Gupta	6148
103	Gaurav Bhardwaj	6057	142	Yash Agarwal	6150
104	T Uma	6058	143	Gaurav Sukumar Deshpande	6155
105	Ravi Wadhawan	6059	144	Jigar Jatinkumar Shah	6156
106	Naina Chitlangia	6065	145	Devendu Paul	6157
107	Sumit Bansal	6066	146	Sadhana I	6159
108	Manasi Achyut Gokhale	6067	147	Neha Vijay	6162
109	Naveen Purba	6070	148	Harshil Bhupeshkuma Mehta	6163
110	S Sree Madavan	6071	149	Trisha Bedi	6165

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List of Licentiatees who have been disentitled to use the descriptive letters "Licentiate - ICSI"

150	Neeraj Kumar	6166	189	N K Rajesh	6240
151	Shally Bansal	6171	190	Krishna Priya H	6241
152	Jaya Parvathi V M	6173	191	Shreya Mahesh Shah	6246
153	Rathin Amishbhai Majmudar	6174	192	Ramani Arthy	6249
154	Sumit Rustogi	6175	193	Manisha Sohanlal Sikaria	6253
155	Ravi Kumar Gumber	6176	194	S Sreshta	6254
156	Ajay G Prasad	6177	195	Jason Dias	6255
157	Shoukat Ganiso Kalot	6179	196	Ghazali Shadab	6256
158	Akhilesh Kangsia	6180	197	Sahil Chandramohan Grover	6261
159	Kumaran K C	6182	198	V P Muthukumaran	6263
160	Garima Garg	6183	199	Meenakshi Venkataraman	6266
161	Nitin Madhusudanji Mantri	6185	200	S Krithika	6267
162	Vinay Kumar Anand Prabhu	6188	201	Ankit Jain	6268
163	Jagdeep	6189	202	Sandip Vishnu Patil	6270
164	Hina Rawat	6194	203	Hiten Keshavji Dedhia	6274
165	Arpit Somani	6195	204	Preet Deep Singh	6275
166	Baljit Singh	6196	205	Neeraj Agarwal	6279
167	Udai Bhan Singh Saini	6199	206	Shalu Jaichand Jain	6280
168	Vinod Narayanan	6201	207	Darshan Kiranraj Jain	6281
169	Umang Ramesh Chandr Kadia	6204	208	Kajal Suresh Agrawal	6288
170	Dipen Kumar Shah	6205	209	Ambika Prasad Senapati	6292
171	Shantanu Purushotta Kulkarni	6206	210	Debesh Mohanty	6294
172	Ganesh J	6212	211	Apoorva Nandkishor Bhagawat	6297
173	Anand Mukesh Trivedi	6215	212	Aishwaryaa V	6299
174	Praveen Narayanan	6216	213	Ankit Patwari	6302
175	Atul Dnyanesh Talekar	6218	214	Pramod Agarwal	6307
176	Puja Singhania	6220	215	Anshul Anil Agrawal	6309
177	Subhomoy Das	6221	216	Shravan Guduthur	6313
178	Mothi V Hareesh	6223	217	Nilesh Laghate	6314
179	Anupama M Achuthan	6224	218	Gaurav Sharma	6315
180	Shrikant Arvind Doijode	6228	219	Sagar Rajendra Chordiya	6316
181	Nikhil Savio D Souza	6229	220	Mohit Kumar Bansal	6317
182	Ankit Garg	6230	221	Amritha E R	6318
183	Ankur Garg	6231	222	Shradha Bhamashah Gupta	6320
184	Sangeetha W P	6232	223	Sumit Nandkishor Agrawal	6321
185	Karan Bhandari	6233	224	Amit Karansinh Tomar	6324
186	J Kaushik	6235	225	Aishwarya Ramani	6328
187	Patel Bhavin Bharatkumar	6236	226	Parul Mehra	6335
188	Vishal Bhupendra Gosalia	6237	227	Rahul Shripad Katakhar	6342



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List of Licentiatees who have been disintitled to use the descriptive letters "Licentiate - ICSI"

228	Shyam Sundar S	6345	267	Pratyush Sharma	6427
229	Jagdish Hemantkumar Trivedi	6346	268	Sachin Ashok Kuma Sharma	6428
230	Rahul Nirmal Jain	6348	269	Ashish Kumar Tiwari	6429
231	Sagar Sanjay Wazarkar	6349	270	Sunil Choudhary	6430
232	Pushpa S V	6350	271	Himanshu Patel	6431
233	Chandrashekara Acharya	6354	272	Mohit Kumar Jha	6433
234	Sanjay Jain	6355	273	Ms. Velidhi Vasa Mounika	6434
235	Sanjay Premchand Sangtani	6356	274	Harish Ashok Mathariya	6436
236	Abhishek Kumar	6358	275	Sudheesh Kumar K	6445
237	Vikram U	6360	276	Ms. Ekta Bhargava	6452
238	Atulkumar Kirtibhai Siddhpura	6364	277	Ms. Mahima Keswani	6453
239	Harini Vijayakumar	6370	278	Ms. Sikha Modi	6454
240	Ankit Mittal	6372	279	Kaushik Seshadri	6455
241	Lovneesh Sachdeva	6375	280	Pranay Vijaykumar Jhavar	6456
242	M Kalichamy M	6376	281	Bharath Sundar Raman	6457
243	Anil Agarwal	6377	282	Ankit Kumar Kantilal Thakker	6462
244	Pankaj Kumar Agarwal	6379	283	Ms. Mamta Agarwal	6465
245	Solomon B	6381	284	Dhananjay Pratap Singhvi	6467
246	Rakesh Kailas	6387	285	Ms. Nikita Goel	6468
247	Payal Bafna	6388	286	Ajeet Kumar	6471
248	Azmim Naeem Khan	6390	287	Ms. Rumki Manna	6479
249	Minal B Mittal	6394	288	Ashish Gopinadhan Pillai	6485
250	Mudra Sitaram Dadhich	6395	289	Ms. Nikita Agarwal	6489
251	Dushyanth Kumar Modhi	6398	290	Amit Kumar	6492
252	Vijay Raj Singh Rathore	6403	291	Ms. Meera Shrivastav	6494
253	Sriram C	6404	292	N Srivatsan	6495
254	Ayush Garg	6407	293	Shankar Raj M.V.	6498
255	Deepak Agarwal	6409	294	Ranjan Kumar Prusty	6500
256	Prachi Anil Poddar	6410	295	Akshay Chandrashekhar Rathi	6502
257	Vandana Periwal	6412	296	Parveen Bansal	6505
258	Dhiraj Gupta	6413	297	N Rohit	6507
259	Rahul Shivkumar Dharne	6414	298	Ms. Kritika Killa	6508
260	Isha Modi	6415	299	Ms. Ramya Suresh	6509
261	Nikhil Singhal	6417	300	M Mohit	6510
262	Priyanka Gupta	6418	301	Ranjit B Sangaonkar	6511
263	Akashdeep Singhal	6419	302	Ms. Nidhi Grover	6515
264	Amit Dahiya	6420	303	Abdullah Rashid Fakih	6516
265	Ms. Rohini Mukherjee	6423			
266	Ramesh Kumar Singh	6426			

For clarificaton/information if any, please write at email id meena.bisht@icsi.edu or contact at mobile no.9868128682



Company Secretaries Benevolent Fund

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COMPANY SECRETARIES BENEVOLENT FUND



Region	LM No.	Name	Member Number	City
EIRC				
	1	10224 Sh. Premasis Bhaumik	ACS - 27624	Kolkata
	2	10231 Mr. Dillip Khadenga	ACS - 30294	Bhubaneswar
NIRC				
	3	10218 Ms. Shalu Singhal	ACS - 32682	Delhi
	4	10220 Mr. Dinesh Kumar	ACS - 27618	Jodhpur
	5	10222 Mr. Tribhuvan Aggarwal	ACS - 33771	Ghaziabad
	6	10228 Mr. Saurabh Mago	ACS - 35196	Chandigarh
	7	10230 Sh. Raghuvansh Mani	FCS - 6211	New Delhi
SIRC				
	8	10219 Mr. Sivadasan C P	ACS - 32387	Kozhikode
	9	10226 Ms. Usha N	ACS - 35140	Hyderabad
	10	10229 Ms. Sneha S Jain	ACS - 33310	Bangalore

Region	LM No.	Name	Member Number	City
	11	10232 Mr. Raveendra Babu Mannem	ACS - 34409	Hyderabad
	12	10233 Sh. Dattatraya Anant Hegde	FCS - 5711	Bangalore
	13	10234 Mr. Harshavardhan Boratti	ACS - 31152	Bangalore
	14	10235 Mr. Jitendra Kumar Dash	ACS - 34746	Chennai
WIRC				
	15	10221 Mr. Niranjan Madhukar Date	ACS - 33339	Dombivli (West)
	16	10223 Mr. Sanil Ganesh Dhayalkar	ACS - 31036	Thane West
	17	10225 Mr. Parag Ramakant Javeri	ACS - 35132	Nashik
	18	10227 Mr. Vikas Shankar Gaikwad	ACS - 35223	Sangli Distt

* Enrolled during the period from 21st February 2014 to 20th March 2014.



CHARTERED SECRETARY



News From the Institute



List of Companies Registered for Imparting Training During the Month of February 2014

Region	Training Period	Stipend
Eastern		
Shri Nilanchal Pradhan Managing Director G U Financial Service Pvt. Ltd., Plot No. 4709/5012 Gajapati Nagar Near Sainik School Bhubaneswar 751006	15 Months	Suitable
Shri AnujJalan Compliance Officer SaumyaAgrotech Private Limited 29 A,Weston Street, 3rdFloor, Room No.C-5 Kolkata-700012	15 Months	Suitable
Shri Aditya Director Bhawani Constructions Private Limited Ramdulari Enclave 269,G.T.Road, Howrah -711204	15 Months	Suitable
Ms. Renu Dhanuka Director Haralalka Commercial Private Limited Centre Point, 21,HemantaBasuSarani, Room No.-419 Kolkata - 700001	15 Months	Suitable
The Director Terai Tea Company Limited 10,Government Place(East) Kolkata - 700069	15 Months	Suitable
The Director Intellect Stock Broking Limited 23A,Giri Babu Lane, 4th Floor, Kolkata -700012	15 Months	Suitable

The Director ShriGorakhnath Food Private Limited 156A,LeninSarani, R.No.2136, 2nd Floor, Kolkata -700013	15 Months	Suitable
Shri Anuja Jalan Company Secretary Polymac Thermo Formers Limited 29A, Weston Street, 3rd Floor, Room No:C-5 Kolkata - 700012	15 Months	Suitable
Shri Ronak Jain Director CMJ Breweries Private Limited CMJ House,Ferndale Complex Block -III,Keating Road, Shillong-793001	15 Months	Suitable
Northern		
Shri Ashish Middha Senior Partner 'LCA Legal' Law Firm FE 20/21 Shivaji Enclave Basement New Delhi 110027	15 Months	Suitable
The Director Kayem Food Inds. Pvt. Ltd E 1 Mahajan House NDSE II New Delhi 110049	15 Months	Suitable
Shri Manoj Kumar Dhariwal Company Secretary DerewalaJewellery Industries Limited 2nd Floor,E-74, Bhagat Singh Marg, C-Scheme, Jaipur- 302001	15 Months	Suitable
Shri Surjit Singh Virdi Managing Director Mold2 Specs Plastics Private Limited 23/20 B IInd Floor Tilak Nagar New Delhi-110018	15 Months	Suitable
Shri Banna Lal Jat Director Banna Lal Jat Constructions private limited Near Bus Stand, Village – Jahazpur Bilwara (Rajasthan)-311001	15 Months	Suitable

News From the Institute



Shri Durga Prasad Agarwal Director Mojika Appliances Private Limited D-89 A, MeeraMarg Bani Park Rajasthan	15 Months	Suitable	Shri Sameet Gambhir Company Secretary Schneider Electric Infrastructure Limited 4-7Floor, Tower -3,IGL Complex, Plot No.2 B, Sector-126 Noida -201304	15 Months	Suitable
Shri Bhag Chand Jain Director PadmavatiAgrico (India) Private Limited 1st,Ground Floor, SurajMension, Anand Nagar Ajmer Rajasthan - 305001	15 Months	Suitable	Shri Bablu Director Green value Agrofarms limited 119,M J Shopping Center 3, Veer Savarkar Block Shakarpur Delhi-110092	15 Months	Suitable
Shri Shailender Pandey Company Secretary PeareyLall& Sons (E.P) Limited 21- A Janpath (Near Le Meridian Hotel) Canaught Place New Delhi-10001	15 Months	Suitable	Shri Satpreet Kaur Company Secretary Yashita Finance Private Limited 4AC,4thFloor,JeMerriott Hotel, Hospitality District, Aerocity, New Delhi-110037	15 Months	Suitable
Shri Kamalapati Kashyap Comapany Secretary Smart Global Ventures Private Limited Global knowledge Park, Plot No.19A& B, Sector -125 Noida - 201301	15 Months	Suitable	Shri Ramesh Kumar Agarwal Managing Director Jammu Pigments Limited House No.217, Gururam Das Nagar, Gali No.2 Mangal Bazar Gali, Laxmi Nagar-110092	15/03 Months	Suitable
Ramesh Kumar DGM-Commercial Merino Panel Products Limited 44,K.M.Stone Delhi-Rohtak Road,Rohad Jhajjar Haryana - 124501	15 Months	Suitable	Shri Ashok Dugar Director Herbicides (India) Limited 12, Industrial Area, Jhotwara Jaipur -302012	15 Months	Suitable
Shri Azad Shaw Finance Head Hindustan Zinc Limited YashadBhavan YashadGarh, Udaipur (Rajasthan)-313004	15 Months	Suitable	Shri Ashok Dugar Director Tetenal India Limited 14,Prakash Apartments, 5 –Ansari Road, Darya Ganj New Delhi- 110002	15 Months	Suitable
Shri Anil K Mittal Company Secretary HB Stock Holdings Ltd Plot no 31, Echelon Institutional Area Sector -32, Gurgaon-122001	15 Months	Suitable	Shri P K Mittal Chief Advisor/Senior Partner PKMG Law Chambers 171 ChitraVihar Delhi - 110092	15 Months 15 days	Suitable
Shri Mukesh Sood Company Secretary Nahar Industrial Enterprises Limited Focal Point, Ludhiana-141010	15 Months	Suitable	Shri S Kumar Lawmax Associates Advocates & Solicitors C-119/ First Floor Lajpat Nagar –II New Delhi -110024	15 Months	Suitable



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Shri Pradeep Kumar Arora Partner R&P Legal Advocates & Legal Consultants 40/219, Chittaranjan Park, New Delhi -110019	15 Months	Suitable	Mr/MsParvati K.R Company Secretary SREE LGP (P) Limited 230, Sharada Complex, 1stMain, Gokulam 2nd Stage, Mysore-570002	15 Months	Suitable
Shri Subramanian Sridhar Company Secretary Corning Technologies India Private Limited 2nd Floor, DLF Building 9B DLF Cyber City Phase-III Gurgaon-122002,	15 Months	Suitable	Shri Ashok Dugar Director Haileyburia Tea Estates Limited 24/432, Marar Road, Willingdon Island Cochin -682003(Kerala)	15 Months	Suitable
Shri Rakesh Bhargava Director Rakmo Press Private Limited C-59,OkhlaIndustrial.Area, Phase-I New Delhi Delhi-110020	15 Months	Suitable	Ms Ekta Gandhi Thakurel Company Secretary Camson Bio Technologies Limited Sy NO.132, MadhureHobli, Doddaballapu Bangalore - 561203	15 Months	Suitable
Southern Shri Tapas Rudrapatna The Director We Retail Services Pvt. Ltd., Ozone Manay Tech Park B Block, 9th Floor Survey No. 56/18 & 55/9 Garvebhavipalya Hosur Road Bangalore 560 068	15 Months	Suitable	Shri Suryanarayanan N S Company Secretary Tata Coffee Limited 57 Railway Parallel Road Kumara park West Bengaluru-560020	15 Months	Suitable
Shri Tapas Rudrapatna Director WS Retail Service Private Limited Ozone Manay Tech Park, B Block, 9th Floor, Survey No.56/18 & 55/9 Garvebhavipalya, Hosur Road Bangalore- 560068	15 Months	Suitable	Western The Director John Energy Ltd. 101 Shapath III 1st Floor, Sarkhej-Gandhinagar Highway Near GNFC Tower Ahmedabad 54	15 Months	Suitable
Shri Atluri Ramesh Company Secretary Rajvir Industries Limited Surya Tower, 1st Floor,105, Sardar Patel Road, Secunderabad - 500003	15 Months	Suitable	The Director Rajshree Dyeing & Printing Mills Pvt. Ltd. Block 302, 303 Tantitheya Bardoll Road Tal - Palsana Dist. Surat (Gujarat)	15 Months	Suitable
Shri Rajesh Kumar Jain Company Secretary HIL Limited Sanat Nagar Hyderabad-500018	15/3 Months	Suitable	Shri Ashish Roongta Future Group Office Future Corporate Resources Limited Knowledge House Shyam Nagar Off. Jogesheari - vikhroli Link Road Jogeshweari Mumbai-400060	15 Months	Suitable
			Shri Deepak Bhat Company Secretary JSW Holdings Limited JSW Centre, BandraKurlaComplex, Bandra (East), Mumbai- 40005	15 Months	Suitable

News From the Institute



Ms. Aarti Kamath Company Secretary L&T General Insurance Company Limited 7th Floor, City 2, Plot No 177, CST Road, Kalina, Santacruz (E) Mumbai-400098	15 Months	Suitable	29 SenapatiBapatMarg, Dadar (West) Mumbai-400028
Shri Nilesh R. Makadia Director Hi-Can Industries Private Llimited Plot No.2621/22, Gate No.1, Road D-2, Lodhika GIDC, Kalawad Road, P.O. Metoda,Tal :Lodhika Rajkot - 360021	15 Months	Suitable	The Director Parixit Industries Limited Survey No.214/1,214/2, Vipura Bus Stop ,P.O.Lyava, Taluka-Sanand, Ahmedabad-382170
Shri Niraj Bajaj Director Sanraj Nayan Investments Private Limited Bajaj Bhavan, 2nd Floor, Jamnalal Bajaj Marg, 226,Nariman Point Mumbai – 400021	15 Months	Suitable	Shri Sudhir Jain Managing Director Samyak International Limited A/12-10 Apurva L.B.S Marg, Mulund (W) Mumbai-40008
Shri Mahesh Solanki Director Systematix Corporate Service Limited 206-207,Bansi Trade Centre, 585/581,M.G. Road, Indore -452001	15 Months	Suitable	Shri Rajiv K Bhatt Chief Finance Officer Kohinoor Techno Engineers Limited Kohinoor House,Plot No.1, Gajera Industrial Estate, Opp .I.C.Gandhi Mill, A.K.Road Surat-395006
Shri K. M. Antani Company Secretary Madhya Gujarat VijCompany Limited Sardar Patel Vidhya Bhavan, Race Coures, Vadodara-390007	15/3 Months	Suitable	Shri Girdhari Lal Soni Company Secretary Abis Exports (India) Private Limited Indamara, Post-Pendri Rajnadgaon-491441(Chhattisgarh)
Shri Jay Prakash Sharma Company Secretary Schreiber Dynamix Dairies Limited A 306/307, Dynasty Business Park, 58, AndheriKurla Road, Andheri (E), Mumbai-400059	15 Months	Suitable	Shri Shriram Darbha Head –Human Resources Bombay Stock Exchange Limited 25th Floor P J Towers, Dalal Street,, Mumbai- 400001
Shri S.Y.Sankhe Company Secretary Aspire Home Finance Corporation Limited Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai-400064	15 Months	Suitable	Shri Gaurav Agrawal Company Secretary Utility Powertech Limited H Block,1st Floor, DhirubhaiAmbani Knowledge City, Thane Belapur Road Navi Mumbai- 400064
The Authorized Signator Ernst & Young Merchant Banking Service Private Limited The Ruby,14th Floor	15/03 Months	Suitable	Shri Sanjay Sawant Partner Metropolis Corporate Advisory A-19,Dattani Centre, 1stFloor, Above Sandeep Hotel, Opp.RailwayStation,Kandivali (E), Mumbai-400101





News From the Institute



List of Practising Members Registered for the Purpose of Imparting Training During the Month of February, 2014

CS AMIT SIKRI

Company Secretary in Practice
497/5, Mahaveer Block,
S. No. 2, Bhola Nath Nagar,
Shahdara
Delhi-110 032

PCSA - 3845

CS SAMIR KUMAR GHOSH

Company Secretary in Practice
AB-198 Salt Lake Sector I,
Kolkata-700 064

PCSA - 3846

CS ANKIT KUMAR KANTILAL

Company Secretary in Practice
Plot No. 57/3, Sector 8 B
Subhash Nagar
Gandhidham-370 201

PCSA - 3847

CS DR. PRAMOD VISHNU JOGDEO

Company Secretary in Practice
Dipak Apartment,
720/18, Navi Peth,
Pune-411 030

PCSA - 3848

CS ANISHA SHARMA

Company Secretary in Practice
96/97, Meer Market, 3rd Floor,
Kamarpaty,
Guwahati-781 001

PCSA - 3849

CS ABHINAV SHRIVASTAVA

Company Secretary in Practice
Plot No 25, Rock Roof Apartment
R.No. 12, Banjara Hills
Hyderabad-500 034

PCSA - 3850

CS SAURABH ARORA

Company Secretary in Practice
33307, South Patel Nagar,
New Delhi-110 008

PCSA - 3851

CS MAULIK JAGDISHBHAI SHETH

Company Secretary in Practice
"Pitru Ashish", 5/3,
Gaytri Nagar,
Rajkot-360 002

PCSA - 3852

CS PONAM SOMANI

Company Secretary in Practice
703, A Wing, Building II,
White Lotus, Meera Road (E),
Thane-401 107

PCSA - 3853

CS PAWAN BALMUKUNDJI RANDAD

Company Secretary in Practice
Office No. 305, Vidyadhar Heights,
Near Kulkarni Petrol Pump,
Garud Ganpati Chowk,
Laxmi Road,
Pune-411 030

PCSA - 3854

CS PRATIK SHRIKANT DHOLE

Company Secretary in Practice
Manodnya-A-25,
Prabhuraj Vasahat,
Near Sahayog Nagar,
Vishrambag,
Sangli-416 415

PCSA - 3855

CS SHAMBHU DAYAL AGARWAL

Company Secretary in Practice
13 Bipin Behari Ganguly ST,
Room No. 401,
4th Floor, Near Lal Bazar,
Kolkata-700 012

PCSA - 3856

CS GUNJAN GUPTA

Company Secretary in Practice
214, C.R. Avenue Girish Park, Beside
Petrol Pump 3rd Floor, Room No. 3A,
Kolkata-700 006

PCSA - 3857

CS DEEPAK SHARMA

Company Secretary in Practice
G-1076, 1st Floor, Shakurpur,
Near Poonam Gas Agency
New Delhi-110 034

PCSA - 3858



CS MADHU ARORA

Company Secretary in Practice
5/32, Vikram Vihar,
Lajpat Nagar-IV,
New Delhi-110 024

PCSA - 3859

CS PRIYANKA

Company Secretary in Practice
109, Ara Centre
Jhandewalan Extn.
New Delhi-110 055

PCSA - 3860

CS AMIT VOHRA

Company Secretary in Practice
11/5, East Patel Nagar,
New Delhi-110 008

PCSA - 3861

CS SUNITA MANISH AGARWAL

Company Secretary in Practice
B-406, Barsana Bldg
Salasar Chs Temba Road
Opp. Maxus Mall
Bhyander (West)
Thane-401 101

PCSA - 3862

CS VANDNA JAIN

Company Secretary in Practice
5C/97 2nd Floor, New Rohtak Road
Delhi-110 005

PCSA - 3863

CS ANIMESH SUTHAR

Company Secretary in Practice
2-D-99, JNV Colony
Bikaner-334 001
Rajasthan

PCSA - 3864

CS LUV SHARMA

Company Secretary in Practice
180, State Bank Nagar, Paschim Vihar
New Delhi-110 063

PCSA - 3865

CS SAGAR RAMRAO DEO

Company Secretary in Practice
"22", "Renuka", Near Ganpati Mandir
Vyankatesh Colony
Chetak Ghoda
Aurangabad-431 005

PCSA - 3866

CS MANSI AGARWAL

Company Secretary in Practice
M-17, Income Tax Colony
Tonk Road, Durgapura
Jaipur-302 018

PCSA - 3867

CS SNEHA PRATIK KANITKAR

Company Secretary in Practice
B-31, Smitanjali Bldg
Kosamgo Nagar
S.V. Road, Borivali (West)
Mumbai-400 092

PCSA - 3868

CS RAJKIRAN PARSHURAM PHADATARE

Company Secretary in Practice
Plot No. 7, Gadkar Ali
Satara-415 002

PCSA - 3869

CS DEEPAK RASTOGI

Company Secretary in Practice
Near Radha Krishan Mandir
Deputy Gunj
Moradabad-244 009

PCSA - 3870

CS MONISHA GUPTA

Company Secretary in Practice
21-2-579, Urdu Galli Patel
Market, Charkaman
Hyderabad

PCSA - 3871

CS S .K. PANDEY

Company Secretary in Practice
Raja Bahadur Bldg.,
First Floor, 45 Tamarind Lane Fort
Mumbai-400 001

PCSA - 3872

CS ANKIT GUPTA

Company Secretary in Practice
H.P-8, Pitampura
New Delhi-110 032

PCSA - 3873

CS AVI SANGAL

Company Secretary in Practice
409 International Trade Tower
Nehru Place
New Delhi-110 019

PCSA - 3874

CS JAYANTI SHARMA

Company Secretary in Practice
D-176, Lower Ground Floor
Defence Colony
New Delhi -110 024

PCSA - 3875

CS PRATITI MOULIK

Company Secretary in Practice
2/8, Wib(M) Phase II
Golf Green
Kolkata-700 095

PCSA - 3876





News From the Institute

CS SURESH T. VISWANATHAN

Company Secretary in Practice
A-403, Kukreja Centre
Sector 11,
CBD Belapur
Navi Mumbai-400 614

PCSA - 3877

CS SUGANDHA GARG

Company Secretary in Practice
WZ -1514
Rani Bagh
New Delhi-110 034

PCSA - 3885

CS A. M SRIDHARAN

Company Secretary in Practice
II Floor, 24,
Thambaiah Reddy Road,
West Mambalam
Chennai-600 033

PCSA - 3878

CS ROSHAN RAIKAR

Company Secretary in Practice
H.No. 1143,
Srarapur Saraf Galli
Belgaun
Karnataka - 570 003

PCSA - 3886

CS V. SHANKAR

Company Secretary in Practice
II Floor, 24,
Thambaiah Reddy Road,
West Mambalam
Chennai-600 033

PCSA - 3879

CS SWAPNIL BHIMRAO PATOLE

Company Secretary in Practice
448, A Ward
Shivaji Peth
Kolhapur-416 012

PCSA - 3887

CS MOHD VASEEM AZAM

Company Secretary in Practice
H-254,
Sector 12
Pratap Vihar
Ghaziabad-201 009

PCSA - 3880

CS PRATIK KALSARIYA

Company Secretary in Practice
T-1, Krishna Bhuvan
Dadi Seth Road
Nr. Rotary Eye Hospital
Malad (West)
Mumbai-400 064

PCSA - 3888

CS MANUPREET SINGH BATRA

Company Secretary in Practice
J7/62,
IIInd Floor
Rajouri Garden
New Delhi-110 027

PCSA - 3881

CS RISHABH BAID

Company Secretary in Practice
106, Kiran Chandra Singha Road
Ganges Garden,
Block B1-B2
Shibpur
Howrah-711 102

PCSA - 3889

CS RUBI PAWAN CHOUDHARY

Company Secretary in Practice
204, Shiv Darshan Building
Thakurwar Charni Road (East)
Mumbai -400 007

PCSA - 3882

CS PANKAJ KUMAR AGGARWAL

Company Secretary in Practice
G-55, Royal Palace,
203-IIInd Floor
Vikas Marg,
Laxmi Nagar
New Delhi -110 092

PCSA - 3890

CS HIMANSHU SHARMA

Company Secretary in Practice
GF -466,
Krishna Gali
Kotla Mubarakpur
New Delhi-110 003

PCSA - 3883

CS SUSHMA

Company Secretary In Practice
D-6, Main Market
Shakarpur
Delhi -110 092

PCSA - 3891

CS SWETHA BHANDARI

Company Secretary in Practice
64 3rd Cross, 1st Main Road
2nd Floor
Sudhamanagar
Bangalore-560 027

PCSA - 3884



News From the Regions

» Eastern India Regional Council

Interaction of ICSI President and Vice President with Members, Students, Press Conference and Holi Meet

On 19.3.2014 at the above programme organised by the Regional Council at EIRC-House and Relax Banquet Hall, Kolkata CS Arun Kumar Khandelwa in his welcome address stated the structure of the programme. CS Sutanu Sinha, Chief Executive, The ICSI highlighted his views on new areas, technical competencies and personal traits of company secretaries to the students. CS Ashok Pareek, Council member, the ICSI in his address said that we have to be global leader in good corporate governance and corporate social responsibility with all ability and quality to meet the expectation of the trade and industry in terms of value added services. CS Anil Murarka, Councilmember, The ICSI highlighted the student related problems. He added that students should have dedication, interest, to dream big and grow. He gave interesting and relevant examples like Dhirubhai Ambani and his literature, about Great Cricketer Sachin Tendulkar and his struggles to achieve the position, etc. HE said that dedication, discipline and practice build people. Recognition and appearance also matters. He also explored his knowledge about grievances of the students.

CS Vikas Y. Khare, Vice President, The ICSI started by saying Kolkata is a city of joy and provided his advance wishes to MSOP students in the profession of Company Secretaries. He said that though today's generation is very smart their smartness is also required in the corporate world. He chanted few Sanskrit *Slokas* and described the meaning by saying desired to learn, worship to get knowledge without meeting these all one cannot be perfect in profession. Superficial knowledge is not enough. Method of getting knowledge is learning through Guru, books and through colleague. CS Khare said after completion of MSOP you need to retrieve these in your profession. He also talked on new service tax, service law etc. He also said that after completion of MSOP your life will become different, you become professional so you have to be perfect in knowledge of the new laws because after becoming CS you have to make your existence very strong. At last he gave mantra of happiness for whole life and said always love your work.

CS R. Sridharan, President, The ICSI briefly described the history

of ICSI and said that ICSI first originated in Kolkata and afterwards shifted to Delhi. Now around 4 Lakh 50 thousand students are perusing the company secretaries course. In Companies Act, 2013 applicability of some of the sections have been notified and some yet to be notified. We should take pride about this Act. He discussed the difference between the Companies Act, 1956 and Companies Act, 2013. He talked on compliance certificates, section 203, share compliances, key mergers, perfect CEO and CFO. He said that the Companies Act, 2013 define the role of CS. He also talked on financial law, economic law, audit report, section 143, section 92, etc. CS Sridharan stated that every year the number of CS is increasing by around 5000 and hence opportunities will also have to be increased for the profession. He gave examples of famous actor Rajnikant, Bill Gates, Abraham Lincoln, Dhirubhai Ambani and their struggle for getting success. He shared Life is not what you are not able to do so far you only have to change your mindset. We have to make a mission as respect of governance for that one should have leadership quality, knowledge will only give us result. Think big in macro level not in micro level, be specialized in a particular area.

Thereafter a press meet was organised which was attended by a large number of media people with their rounds of queries for the President, Vice President, Chief Executive and Chairman, EIRC

The dignitaries in the evening interacted with Associate and Fellow Members and replied their queries. They then celebrated the festive Holi.

Half-day Workshop on Three Important Aspects of Corporate Governance for Listed Companies

On 1.3.2014 the Regional Council organized a Half-Day Workshop on the above topic at its premises. The programme was chaired by CS Anjan Kumar Roy, Secretary & Treasurer of EIRC who in his address discussed SSEBI, Companies Act, 2013, Role of CS in Government as well as Private Sectors, Stock Exchange, Role of Audit Committee etc.

CS Ranjan Mukherjee, Senior Consultant (Corporate Compliance), Tata Consultancy Services Limited with their respective topics. Roy discussed on SSEBI, New Company Act, Role of CS in Government Sectors as well as Private Sectors, Stock exchange, Role of Audit Committee etc.

CS Aniruddha Sen, Company Secretary, Berger Paints India Limited shared his views on Role of Audit Committee, the responsibilities of audit committee, when the Chief Executive decides to vary the functions of the audit committee, his or her decision should be documented, and the full functions of the committee to be set out in its charter. The Audit Committee's responsibilities will also be affected by whether the entity has established a separate committee(s) to undertake particular responsibilities, for example a 'risk', 'fraud' or 'security' committee. In such cases the Chief Executive/Board should determine whether





News From the Institute & Regions

the Audit Committee's role will include a review role in relation to the activities of these committees.

CS T. B. Chatterjee, Sr. Executive Vice-President (Corporate Affairs & Legal) & Company Secretary, DIC India Limited discussed Role of Nominee Directors v. Role of Independent Director and covered appointment of directors, explorations of opportunities. He said that a director can be considered as an independent only if s/he does not provide other service to the company and receive any other compensation than her/his board fees. This means that the director has no commercial or professional link to the management and controlling shareholders. This includes that the director is a non-executive, outside director who has never been employed by the company. He said that IFC Nominee Directors are paid by IFC, IFC can ask the Nominee Director to resign at any time.

CS Ranjan Mukherjee, Senior Consultant (Corporate Compliance), Tata Consultancy Services Limited while addressing on Whistle Blower Mechanism, covered the backdrop, Decision of SEBI Board – 13.2.2014, Whistleblower mechanism – SEBI's decision and other interesting points. The mechanism must provide for adequate safeguards against victimization of employees who avail of the mechanism, How intra-nets could be made useful, how awareness drives could be initiated? Games/Quiz/Puzzles/Circulation of FAQs, how different languages could be understood, How the information could be submitted without disclosing name/identity of the person reporting (whistleblower), how this can work on 24 x 7 basis to ensure prompt action, back office efficiency with whistleblower information, the Audit Committee must periodically review the existence and functioning of the mechanism etc. There was floor participation where speakers replied the queries raised by the participants.

Full-Day Seminar on Indirect Tax, Schedule – III of the Companies Act, 2013 and Intellectual Property Management

On 15.3.2014 the EIRC of the ICSI organized a Full-day Seminar on the above topic at Kolkata. The seminar was inaugurated by CS (Dr.) Navrang Saini, Regional Director (ER) Ministry of Corporate Affairs. CS Arun Kumar Khandelia, EIRC Chairman, CS Anjan Kumar Roy, Secretary & Treasurer, and Utpal Mukherjee, Executive Officer of the Regional Office were present.

CS (Dr.) Navrang Saini provided an overview of time period, e-forms and penalties for payment of indirect taxes. He also spoke on the essentials of Financial Statement as per the Companies Act, 2013 and importance of Intellectual Property Management to understand the needs. CS Anjan Kumar Roy, Secretary and Treasurer, EIRC in his address explained the compliances under the Companies Act, 2013 related with the topic and also levy of indirect taxes with respect to Accounting Standards.

First Technical Session: Speaker CA Arun Agarwal started his

address with a brief description in the overall service tax levy for e.g. earlier it was positive list in which taxable services were there but at present there are negative list and mega exemption list except that all other services are liable to service tax. He gave definition of services, and discussed other relevant points like exempted services, penalty, reverse charge mechanism and prosecution details. During the meet the queries raised by the participants were replied satisfactorily.

Speaker CA Rohit Surana talked about levy of central excise by defining the Transaction Value as per section 4. He discussed several Supreme Court judgements in order to clear the concept of assessable value which is calculated accordingly for e.g. in the case of Fiat India it was found that in order to penetrate in the market they sell their cars at a loss for 5 years and also paying excise duty on the same. He also stated judgements of other cases like CCE v. M/S Super Synotex (India) Ltd., SKODA Auto India Pvt. Ltd. v. CCE. The details of small scale industries and its exemption under excise were enumerated by him at the end.

Second Technical Session: Speaker CA Rajendra Kumar Vyas started his address by defining the term "Financial Statement" as per Schedule III of the Companies Act, 2013. He stated that under the new provisions One Person Co. (OPC), Dormant Companies, Small Companies may not attach cash flow statement under financial statement but other companies are mandated to attach the same. He gave comparative statement between the old and new provisions for financial statements under the Companies Act, 1956 and 2013 respectively. He also discussed in detail new provisions of NFRA & NFRAA, CSR and AS-3.

Speaker Dr. Dhanpat Ram Agarwal discussed "Intellectual Property Management" by defining Intellectual Property (IP). He also stated that all tangible wealth constitutes only 20% other 80% is intangible for e.g. if a mobile costs Rs. 12,000 then only Rs. 1,000 is for its tangible property remaining is for brand and the modern software (programmes) used. IP becomes Intellectual Property Right when it goes through legislation or registration of the same. He discussed IP Ecosystem, IP Activity-Value Chain, and IP System-Holistic Approach, IP Awareness.

Full Day Seminar on the Companies Act, 2013 & the Sexual Harassment of Women at Workplace Act, 2013.

On 22.2.2014 the Regional Council organized a Full Day seminar on the above topic Kolkata. The programme was inaugurated by the Chief Guest CS Debasish Bandopadhyay, Registrar of Companies (West Bengal), Ministry of Corporate Affairs, Government of India with all dignitaries present CS Arun Kumar Khandelia, EIRC Chairman, CS Anjan Kumar Roy, Secretary & Treasurer, CS Vinod Kothari, Past Chairman and CS (Dr) Navrang Saini, RD (East), Ministry of Corporate Affairs, Government of India. In his address CS Bandopadhyay stated that once the National Company Law Tribunal comes into force the scope of



practising company secretaries would be enormous. He also shared his views about Vishaka Guidelines. CS must take a crucial role to implement the guidelines.

Earlier CS Anjan Kumar Roy, Secretary & Treasurer ICSI-EIRC, while introducing the theme highlighted the dynamic laws of the Companies Act, 2013 and mentioned a good gender balance is promulgated in the CS profession than the other. It is our joint effort how to prevent the issue of Sexual Harassment.

There were two topics in the first Technical Session. CS Vinod Kothari, Past Chairman, ICSI-EIRC, Practising Company Secretary dealt with the topic Detailed Analysis of Loans & Investments by Companies & Related Party Transaction. CS Kothari mentioned the duties, roles, responsibilities & power of Independent Directors in the present Act. Related Party transactions are there under the new Law. He also informed if Company is large and Contract value is large then only Special resolution will take place. He also described MCS draft rules.

CS Debasish Mitra, Past Chairman, EIRC of ICAI, Practicing Chartered Accountant spoke on Audit, Director's Report & Loan to Directors. He informed that advance as of now is not covered under section 185 unless it is a nature of loan. New Act is full of confusion most unlikely to Professional CS. He informed about Penal Consequences and imprisonment mentioned in the new Act. He touched upon the duties of Directors where they should take independent judgments. The existing auditors are not eligible for reappointment for five years from completion of term. Majority of Partners of LLP would be CS. Cash flow statement came into force. Reporting to fraud, need to report within 30 days by speed post to Govt. of India. Non-reporting fraud, penalty is Rs. 1 Lakh to 2 Lakh which may extend to 25 Lakh.

The topic of the post Lunch Session was Impact of The Companies Act, 2013 on Industry & on the Profession of Company Secretaries. The Moderator was CS Anjan Kumar Roy, Secretary & Treasurer & Past Chairman, ICSI-EIRC. CS Anjan Kumar Roy in his address informed how it will affect the operational aspect in the industry. As a professional, the new Act will depend on the attitude, how we all take it. Long due recognition came, huge responsibility is under CS professional.

The Panelists were CS Maloy Kumar Gupta, PCS & Compliance Officer, Bata India Limited, CS Girish Bhatia, Magma Fincorp Limited & CS Manisha Saraf, PCS. CS Manisha Saraf informed the new Act is full of thorn, she thought that MSME will face problems, there are lots of differences between Public and Pvt. Limited Companies, lots of penalties are there. CS needs to take huge responsibilities, Secretarial audit and order is mandatory for all listed companies. The companies need to restructure the shareholder patterns, then to accept New Companies Act.

CS Maloy Gupta informed the impact of new Act. For the new Act the cost of compliances will go up. Quality of Information needs to

be evaluated. The duties of Board of Directors have been rectified. Now CS can attend the board of Directors' meeting. Lastly he said that CS should raise the bar and take the new Act as a challenge, need to educate management and them.

CS Girish Bhatia informed that the situation can be tackled, some scary and negative points are there. In Section 185 some negative impacts are there for MSME. Exemption withdrawn to Pvt. limited companies, so how long the Pvt. Ltd. Co will run. Section 111 and 179 mentioned lots of filings need to be sent to ROC within 30 days. Board report needs to be sent to ROC while filing. He informed PCS needs to be consulted, MIS report needs to be prepared, etc. He agreed in a point that Company Secretaries are capable of compliance, they can take the challenge.

CS Kaushik Mukherjee, Company Secretary & General Manager, Philips Carbon Black Limited, covered the topic "Sexual Harassment of Women at Workplace". In his address he informed many important points on the topic. The purpose of the law is prevention, prohibition and protection. No false allegation can be made; else the same punishment is applicable for the woman employee. He defined new law of Sexual Harassment and type of circumstances considered as Sexual Harassments. Lots of penalties are there for the victim. Aggrieved woman gets a lot of power in this new Act. He also touched upon Interim relief, Mental Trauma and obligations. Lastly informed Awareness is important, and the matter is our values. There was floor participation where speakers replied the queries raised by the participants.

Investor Awareness Programmes

The Ministry of Corporate Affairs decision to mainstream the investor awareness programme as a national agenda for the last few years and with a view to convert the investor education and awareness programme of the Ministry into a mass movement the EIRC of the ICSI organised Investor Awareness Programmes as under:

On 21.3.2014 the EIRC of the ICSI organized an Investor Awareness Programme (IAP) in association with Institute of Business Management & Research (IBMR), a premier Management learning Centre at Seminar Hall of IBMR, Kolkata. Prof. Pallab Pyne, Assistant Professor and Organizing Secretary of the event proceeded with the key note address on Investor Awareness, how to make an effective investment plan to sail through life. Dr Ashish Kumar Sana, Associate Professor, Department of Commerce, University of Calcutta was invited as resource person. Dr. Tapas Roy, Education officer, EIRC of the ICSI in his address mainly focused on the Company Secretary Course and the prospects thereon. He also highlighted basic pros and cons to be considered before taking any investment decision and suggested the gathering to visit the site watchoutinvestor.com at an interval to get better understanding about the different policies of Ministry of Corporate Affairs towards common investors.

Dr. Sana threw glimpses on the various modes of investment,





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Dos and Don'ts of investment, impact of incorrect investments decisions, risk measurement methodology and elaborated them with various illustrations. These illustrations were truly useful for our day to day investment plans, where we usually invest without proper knowledge of the products. The seminar was short and interactive. For two hours, each participant was completely involved with discussion and suggestions made by the resource person. Dr. Sana provided a clear view on Indian Economy and its growth. He also suggested various stages, when and what amount to invest depending upon the risk appetite of the investors.

After deliberation a 'Question - Answer Session' of students, teachers and professionals were conducted and Dr. Sana cleared their doubts. On 8.3.2014 the Investor Awareness Programme was held at College Square Swimming Club, College Street, Kolkata. The guest speakers were Dr. Ashish Kumar Sana, Professor of Department of Commerce, University of Calcutta. Bhaskar Ghosh (WBCS-Retd.), Vice-President of College Square Swimming Club chaired the programme. Bhaskar Ghosh gave a small introduction regarding the need of Investor Awareness Programme throughout the nation and the role of Government in spreading the awareness amongst general public.

Dr. Tapas Kumar Roy delivered a short but effective speech starting with a very humble connotation and stressed the need of savings and investments in life of every person in the society. He set the mood of the participants for the programme with brief idea about the importance of personal investments in various avenues available.

Dr. Ashish Kumar Sana, in his lucid and penetrative presentation started with the need of opening savings account for every child in our country since this very sense of savings would transform into the consciousness for investment in future. He spoke on the dos and don'ts of investing in various investment options and the risks they carried. He spoke on the role of SEBI, equity market, mutual funds, debentures, bonds, etc. His session was interactive. The Programme was attended by 103 persons from different walks of life consisting of local businessmen, students, house-wives, retired persons, insurance agents and others of the locality. Feedbacks were taken from the participants who found the programme useful. On 16.2.2014 the Investor Awareness Programme was held at Athletic Club, Anarpur, Madhyamgram, Kolkata wherein CS Arun Khandelia, EIRC Chairman explained the objective of the programme and said about the proper investment procedures of fund and the verification process of the organization where the fund needs to be invested. He also suggested that lots of chit funds committee had come in the meantime, but preference should be given only after proper investigation.

Dr. Tapas Kumar Roy discussed in brief the dos and don'ts for taking investment designs and provided basic ideas by which investor can protect their funds. Dr. Ashish Sana in his address explained with examples the different ways in which investors are generally misguided. He suggested to go through proper

investigation before investing fund in any organization. He also suggested the best ways of making investment in financial institutions. A large number of persons from different strata of life attended the programme including those who are not even able to read & write and are getting cheated by various illegal and unauthorized financial entities/chit funds. Secretary of Anarpur Club appreciated the awareness programme and requested to organise such programmes for villagers in future also. On 9.2.2014 three Investor Awareness Programmes were held at VIP Enclave, Barasat and Bangur Avenue, Kolkata where in CS Arun Kumar Khandelia, Chairman EIRC discussed in detail the different investment avenues with brief explanations in each and every segment. His address contained clearing and settlement process, best ways of investment, process of grievance redressal, etc. Gaurav Gautam, Assistant Registrar of Companies, West Bengal, focused on the need in the present day of Investor Awareness Programme and highlighted basic areas where the general investors are required to check. He also suggested the investors to visit the websites of Ministry of Corporate Affairs for various investment and protection related information. At the end of the programme there was a question answer session where the speakers replied the queries raised by the participants with regard to Investors grievances. A large number of students were present on the occasion. Again on 24.1.2014 the Investor Awareness Programme was held at Indian Chamber of Commerce, Kolkata where in CS Arun Kumar Khandelia, Chairman EIRC in his address explained the Banking segment investment and how to verify the valid and proper investment. He also covered critical areas with regard to Capital Market which investors should know. CS Debasish Bandopadhyay, Registrar of Companies (West Bengal), Ministry of Corporate Affairs, Government of India in his address talked on Company Secretary protection norms, No need to approach the high court only government approval is required which give relief from unnecessary harassment, electronic voting, resigning of director and if it is not accepted by organization he can file a notice to registrar of companies to educate investors regarding financial irregularities, how to deal with legislation, etc. At the end of the programme there was a question answer session where both the speakers replied the queries raised by the participants with regard to Investor grievances. A large number of students were present on the said occasion.

BHUBANESWAR CHAPTER Investor Awareness programme

The Chapter conducted two Investor Awareness Programmes. On 19.2.2014 a programme was conducted at FM University, Balasore and the other programme was held at hotel Yasoda, Bhadrak, Odisha. These programmes were conducted under the aegis of IEPF, MCA, Govt. of India. Guidance and support from RD (E), ROC, Cuttack, MCA and the HQ as well as the EIRC of the ICSI for the success of all these programmes. Investors/ general public, school/college teachers, retired persons, members of Mahila Samiti of rural areas, housewives, advocates, members of the Institute



and students, small traders and businessmen attended in large numbers at the above programmes. Investor related information booklet, writing kits & other relevant information were provided to the investors in all the programmes free of cost. There was a question hour session for the investors in each of the programmes wherein various queries raised by the participants were replied by the speakers of the programme. Necessary feedback was collected from the participating investors at all the programmes.

Prof. Kumar B. Das, Vice Chancellor and Dr. Bhagaban Das, Head, Department of Business Management addressed the investors at the programme held at Balasore. CS A. Acharya, Chairman, CS D. Mohapatra, Vice Chairman, CS P. Nayak, Treasurer & Secretary, CS J.B. Das, Member of the Managing Committee of the Chapter attended and also addressed at the above places. In addition to the above CS Amar Kumar Nayak, PCS, Bhadrak also addressed at the programmes held at Bhadrak.

Career Awareness Programmes

In the month of February 2014 the Chapter organized six Career Awareness Programmes in different schools/colleges of Odisha. The details of which are given below: On 19.2.2014 at Fakir Mohan University, Balasore; on 21.2.2014 at U.N. College, Soro, Balasore, Department of Business Management, FM University, Balasore and Department of Commerce, Brahmani College, Kendrapara; on 24.2.2014 the Career Awareness Programme was held at Department of Science, Brahmani College, Kendrapara. On 21.2.2014 Dr. (CS) PVS Jagan Mohan Rao, Past President, the ICSI addressed students of M. Com & MBA at Fakir Mohan University, Balasore. Dr. Rao also distributed books to the students and the faculties on personality development by Swami Vivekananda. CS A. Acharya, Chairman, CS P. Nayak, Secretary & Treasurer and CS J.B. Das, Past Chairman of the Chapter attended and addressed at the above programmes held on 19.2.2014 at Balasore and on 21.2.2014 & 24.2.2014 under Kendrapada district of Odisha. Dr. Bhagaban Das, HOD, Business Management, FM University, Prahlada Pati, Principal, U.N. College, Soro and Principal, Brhamani College & S.K. Pradhan, Lecturer-in-Chemistry, Kendrapada also contributed a lot for the success of the above programmes. Career leaflets, posters, brochures were distributed amongst the students and they were apprised about the CS course, its career prospects, syllabus and fee structures and examination patterns and online services of the ICSI for various activities. Further the speakers apprised the students about the placement facilities, library & other programmes of the ICSI. During these programmes, various queries were raised by the students about the CS course which were ably replied by the speakers. Teachers' kits were presented to the above Institutions. U.C. Mishra, Office-in-charge of the Chapter provided all logistic and administrative support to these programmes.

Interactive Session cum Faculty Meeting

On 22.2.2014 the Chapter organized an interactive session cum faculty meeting on CS course at RD Women's Autonomous College, Bhubaneswar. Dr. PVS Jagan Mohan Rao, Past President, the ICSI, in the presence of CS A. Acharya, Chairman, apprised the faculties and the HODs about CS course contents, career prospects of the profession. Career pamphlets, teachers kits, Institute journals were displayed amongst the faculties during the meeting. The meeting was participating and highly interactive.

One Day Workshop on Enabling Service Tax Practice

On 22.2.2014 the Chapter organized its 2nd series of workshop on Service Tax Practice at its premises. The notable speakers were Sanjay Grover, Advocate, New Delhi, J.K. Mittal, Advocate & Legal Consultant, New Delhi and D.N. Panda, Judicial Member, Central Excise & Service Tax Appellate Tribunal, New Delhi. While addressing at the inaugural session of the programme Dr. PVS Jagan Mohan Rao, Past President, the ICSI said that the Company Secretaries are the ultimate Corporate Governance Professionals. He also touched upon some highlights of service tax and central excise. In his address Dr. Rao also distributed books to the delegates on personality development by Swami Vivekananda. SanjayGrover said that Service Tax brought as a part of Finance Act, 1994 was introduced in the year 2002. He also spoke on the MODVAT, Central Excise Rule, GTO and works contract etc. He also elaborated various service taxes applicable in manufacturing units, plants and machinery and electricity units etc. J.K. Mittal and D.N. Panda talked about the practical aspects of service Tax with regard to liability and determination of liability with respect to classification, permissible abatement and reverse charge mechanism and Notification benefits. The one day workshop was attended by around 55 executives of various Companies dealing with service tax & other taxes, members of the ICSI and professional programme students, etc. The workshop was divided into two Technical Sessions followed by floor participation in each session. While welcoming all the distinguished dignitaries and participants of the programme CS A Acharya, Chapter Chairman said that the Chapter is organized such programme so that our members can have exposure in the respective subjects. Further he said that, the Chapter is receiving support from the corporate sectors for organizing more and more programmes for updating the knowledge of the professionals by inviting experienced speakers.

Meeting on Companies Act, 2013

On 22.2.2014 the Chapter organized an interactive session-cum-evening talk on Companies Act, 2013 with focus on Directors Challenges, Role and Responsibilities (1. A meeting on Directors (2) Company Secretary, Leadership, Governance & Sunderkand-



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Ramayana). Dr. PVS Jagan Mohan Rao, Past President, the ICSI was the Chief Guest and the main speaker of the evening. In his address he nicely compared the role and duties of company secretary to the ethics and corporate governance with the Sunderkand. The meaning of Independent Director and its concept was also explained with respect to the Sunderkand of Ramayan. He said that Company Secretary must dedicate to his service, duties to the corporate world as well as the society. He has to follow the truthfulness, ethics, sanctity and leadership quality while discharging his/her duties as governance professional. He also briefed about the New Companies Act, 2013 and its salient features. A large number of members and students attended the programme. Dr. PVS Jagan Mohan Rao circulated books to all participants of the evening on personality development by Swami Vivekananda.

Joint Seminar cum Career Awareness Programmes

On 24.2.2014 the Chapter jointly with the Department of Commerce, R.D. Women's Autonomous College, Bhubaneswar organised a seminar on Career As a Company Secretary. IN his address Dr. PVS Jagan Mohan Rao, Past President, the ICSI said Company Secretary profession is the profession wherein a CS even at the age of 21-22 have an opportunity for entering into the Board Room of a Government or a Private sector company. CS is a confidential person, he is a governance professional. He is the board room executive, and key management person of the Company. Further he said that, a Company Secretary with one or two years of post qualification experience has bright and challenging future in companies including bluechip companies. Further he said that now a days the Corporate Community is looking for youth professionals and a CS is drawing handsome salary in each of the companies. Dr. Rao distributed books to all the students and the faculties of the department on personality development by Swami Vivekananda. CS Arabinda Acharya, Chapter Chairman while speaking on the occasion elaborated the procedure for joining into the CS course. He also explained the examination pattern and various fee structure of the Institute. He said that the Bhubaneswar Chapter is organizing similar programmes throughout the state for the students about the course at 10+2 levels. He further said that a student can complete this course within 3 years' time depending on his success in each stage of the examinations. The Chapter is also providing coaching and library facilities throughout the year to the students and also organizing various professional development programmes for updating the knowledge of its students and members. Leaflets and brochures were distributed amongst the participating students and faculties. The seminar ended with a question hour session wherein the speakers clarified/replied the doubts/queries raised by the students about the CS course. Around 150 students attended the programme. The proceedings of the programme were well reported in local newspapers with photographs.

HOOGHLY CHAPTER Career Awareness Programmes

The Chapter organised a number of Career Awareness Programmes asunder: On 8.2.2014 the career awareness programme was held at Rishra Vidyapith, Unit-I. Mahua Banerjee and Mohit Sharma explained the career prospects and registration formalities of Company Secretaryship Course. Around 50 students were present on the occasion. On 10.12.2014 at Rishra Vidyapith, Unit – II. Mohit Sharma and Mohit Saluja conducted the programme and shared the course content, career prospects, registration formalities about the CS course. Around 80 students attended the session. On 11.2.2014 at Serampore College. Mohit Sharma and Deepak Gupta explained about the CS course. Around 100 students were present on the occasion. On 24.2.2014 at Rishra Swatantra Hindi Vidyalaya. Deepak Gupta and Mohit Sharma explained various opportunities available to the profession of CS. Around 135 students of class XI and XII of Commerce and Arts Stream were present on the occasion. On the same day another Career Awareness Programme was held at Konnagar Sri Arabinda Vidyapith. Mahua Banerjee explained the CS course content, career opportunities and registration formalities. Approximately 90 students attended the programme. In each session of the programmes the queries raised by the students were also replied by the speakers.

Full Day Workshop

On 23.2.2014 a full day workshop was organized by the Chapter at Rishra Sevak Sangh, Rishra, Hooghly. The topics were Impact of Recent Changes in Corporate Governance on Listed Companies and Decoding the SEBI Takeover Code. In the morning session, CS Anup Sharma was the guest speaker who explained on the topic Discussion on Recent Changes in SEBI Corporate Governance. The session was very lively and interactive. In the afternoon session, CS Jayabrata Mukherjee took the session of A Practical approach to SEBI Insider Trading and Takeover Regulations. Approximately 125 participants were present. Chapter Secretary CS Sonesh Jain coordinated the programme.

Full Day Workshop on the Companies Act, 2013

On 2.3.2014 a full day workshop on the Companies Act, 2013 was organized by the Chapter at CMA Bhawan, Howrah. In the morning session, CS Manoj Banthia was the guest speaker. He explained 'Related Party Transactions under the Companies Act, 2013' and stated various features of the topic vividly and the session was very lively and informative. In the afternoon session, CS Ravi Varma was the speaker. A total of 108 participants attended the programme. Chapter Secretary CS Sonesh Jain, coordinated the programme.

Foundation Day

On 8.3.2014 the Chapter celebrated its 6th Foundation Day. Chapter Chairman CS Jamshed Alam, CS Ashok Purohit and CS Rajesh



Ghorawat, Past-Chairmen of the Chapter honoured the students for their all India ranking in the December 2013 Examination from the Chapter Centres. The students of the Chapter took tremendous effort and enthusiasm to make the programme a grand success. Mohit Sharma, Deepak Gupta and Shekhar Mishra, students of the Chapter hosted the programme and around 50 participants enjoyed the slide show which was basically a college activity of the Chapter (produced by Mohit Sharma).

Full Day Workshop

On 9.3.2014 a full day workshop was organized by the Chapter at Pushkarna Brahma Bagicha, Howrah. The topic for the workshop was "Slave your Habits and master your World & Stress Management."

CS Jamshed Alam, Chapter Chairman, in his welcome address said that now a days the world is full of stress, tension and pressure and all of us are more or less burdened with mental agony and stress. So we have to find out the right path through which we can lead a stress free life. In the morning session, CS Rajesh Chura was the Guest Speaker who shared his views on the topic "Slave your Habits and master your World". He explained how to form good habits and how it guides us to be dynamic and lead a peaceful life. In the afternoon session, BK Sourav Dutta took the session on "Stress Management". He explained very nicely that, day by day the stress is increasing like anything and we cannot have any control to eliminate outer stress. But we can increase our inner strength by way of meditation to face all those outer stress. At the end of the programme participants all celebrated Holi with full excitement. A total of 108 participants were present on the occasion. Chapter Secretary CS Sonesh Jain coordinated the programme.

Investor Awareness Programmes

The Chapter conducted Investor Awareness Programmes asunder: On 25.1.2014 at Talsur, Harish chandrapur, Kumedpur, Harish chandpur and Maliour, Harish chandrapur. On 26.1.2014 at Bhaluka, Sultan Nagar, Khursida, Madhurapur and Tulsihatta. On 15.2.2014 at Panchananpur, Amrity and Malda. On 16.2.2014 at Raigunj, Telta, Chanchal, Mothabari and Samsi. On 8.3.2014 the Investor Awareness Programme was held at Rishra Conference Hall. A total of 828 participants were present in the above programmes.

>> Northern India Regional Council

One Day Workshop on the Companies Act, 2013

On 15.2.2014 at the One Day Workshop on the Companies Act, 2013 CS Ajay Garg, Corporate Adviser and CS Pankaj Tewari, PricewaterhouseCoopers were the speakers.

West Delhi Study Group Meeting on Prevention of Sexual Harassment at Work Place

On 15.2.2014 at the West Delhi Study Group Meeting on Prevention of Sexual Harassment at Work CS Rajesh Arora, Vice President- Legal and Company Secretary, NIIT Limited & CS Vandana Bhatia were the speakers.

Study Circle Meeting on Highlights of the Interim Budget 2014 & Open House on Issues Relating to Service Tax

On 21.2.2014 at the Study Circle Meeting on Highlights of the Interim Budget 2014 & Open House on Issues Relating to Service Tax, CS Bimal Jain was the speaker.

One Day Seminar on Preparedness by the Company Secretaries - Companies Act, 2013 (Specific Focus on How to Manage the Transition for Private, Multinational and Public Companies)

On 22.2.2014 at the One Day Seminar on above topic CS Dhan Raj (Member, CLB) was the Chief Guest. CS R Krishnan (Past President, the ICSI) was the Guest of Honour. CS B Murli, Senior Vice President -Legal and Company Secretary, Nestle India Limited; CS (Dr.) Sanjeev Gemawat, Senior Vice President, DLF Group and Sandip Khetan, Partner, Financial Accounting Advisory Services, Ernst & Young; Praveen Sharma, Director, Wiz Craft; CS S. Ramaswamy, Vice President, Group General Counsel, Escorts Ltd. And CS (Dr.) S Chandrasekaran, Senior Partner, Chandrasekaran Associates were the Chairmen and speakers of the session.

East Delhi Study Group Meeting on Meetings under the Companies Act, 2013

On 22.2.2014 at the East Delhi Study Group Meeting on Meetings under the Companies Act, 2013 CS P.K. Rustagi, VP (Corp. Laws) & Company Secretary, J.K. Tyre & Industries Ltd. was the speaker.

Meeting of Company Secretaries in Practice on Secretarial Audit

On 24.2.2014 at the Meeting of Company Secretaries in Practice on Secretarial Audit CS (Dr.) S. Chandrasekaran was the speaker.

One Day Workshop on the Companies Act, 2013

On 1.3.2014 at the one day seminar on the above topic CS Lalit Kumar (Partner, J Sagar Associates, Advocates & Solicitors) &





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CS Ilam C Kamboj (Associate Vice-President Legal and Company Secretary, Hero Motocorp Ltd.) were the speakers.

Valedictory Session of 186th MSOP

On 15.2.2014 at the Valedictory Session of 186th MSOP S.P. Kumar, ROC, Kanpur was the speaker.

Inauguration of 187th MSOP

On 17.2.2014 at the Inauguration of 187th MSOP CS Shyam Agrawal Chairman, NIRC was the speaker.

Inauguration of 188th MSOP

On 28.2.2014 at the Inauguration of 187th MSOP Avdhesh Goel, MD, Earth Infrastructure Ltd. was the Chief Guest.

CHANDIGARH CHAPTER

Visit of the President and the Vice President of ICSI to the Chapter Office and GGDSD College

On 21.3.2014 CS R Sridharan, President and CS Vikas Y Khare, Vice President, the ICSI at the request of the Managing Committee of the Chapter visited the Chapter Office. The Chapter Managing Committee welcomed the President and the Vice-President. Thereafter, a meeting of the Managing Committee was held with the President and the Vice-President wherein following discussions were held: CS K V Singhal, Chairman, Chandigarh Chapter informed that the Chapter is providing various services to the students and members of Mohali, Kharar, Ropar, Dera Bassi, Rajpura, Patiala, Nangal in the State of Punjab, Una, Amb, Parwanoo, Baddi, Nalagarh, Solan, Hamirpur, Kangra, Mandi in the State of Himachal Pradesh and Punchkula, Ambala, Yamunanagar, Kaithal, Hisar, Shahbad, Kurukshetra, Kalka, Jagadari in the State of Haryana. The Chairman requested the President that the jurisdiction of the Chandigarh Chapter be extended as a special case and a special grant be sanctioned to the Chapter to provide services to these areas efficiently. The Chairman apprised the President and the Vice-President about the activities of the Chapter and informed that the Chapter has to hire space for conducting all the programmes such as EDP/SIP/Oral Coaching Classes which is very costly and it will be a great help to the Chapter for conducting various meeting and programmes if the Institute purchase its own building/its property in Chandigarh. The Chairman also discussed various proposals obtained from different builders for the same. The President advised the Managing Committee to conduct a survey in the market and a presentation on best available options may be sent to the Headquarters through NIRC for approval of the Council. The President assured the Managing Committee that all support from the Headquarters will be provided to the Chapter Managing Committee for development of the profession and advised that the Chapter should strictly adhere to the Guidelines laid down by the Council /Committees of the Council.

Meeting with the Principal and Academic Staff of GGDSD College

On 21.3.2014 at the invitation of the Principal and the Management of GGDSD College, the President and the Vice-President visited the office of the GGDSD College. The meeting was held in the Committee Room of GGDSD College where the Principal and 10 members of the Academic staff of GGDSD College were present in addition to the Managing Committee Members of the Chandigarh Chapter. B K Sharma, Principal, GGDSD College who is also a Fellow Member of the Institute welcomed the President and the Vice-President and thereafter in the presence of the Managing Committee of Chandigarh Chapter and Academic Staff of GGDSD College discussions were held which included the following: GGDSD College offered academic support to the Institute with regard to faculty etc. GGDSD College offered its auditorium having capacity of 1200 seats free of cost to the Institute for conducting national level programmes/conference/meetings. The Principal informed that the GGDSD College is one of the best colleges in the region and that it has five colleges in the region and the possibilities can be explored to share the various facilities available at the campus of GGDSD Colleges. The Principal requested the President and the Vice-President to sign an MOU with GGDSD College for organizing various joint academic activities. It was also decided to explore possibilities to permit the CS Students to use the library facilities of GGDSD College. The college will allocate separate corner for the same under the logo of ICSI. ICSI offered that atleast five sets of Institute's publications will be sent to GGDSD College for its libraries in all the five colleges.

Thereafter the President and the Vice-President along with all present visited the campus of GGDSD College and its auditorium.

The President and the Vice-President proposed to hold a National Level Programme on the Companies Act, 2013 in the campus of the GGDSD College.

GHAZIABAD CHAPTER

First Management Skills Orientation Programme

On 1.3.2014, the Chapter organized its 1st Management Skills Orientation Programme and a One Day Seminar at INMANTEC Institutions, Ghaziabad. Shyam Agrawal, Chairman NIRC graced and inaugurated the event. He stressed on the need of Company Secretaries to develop strong professional skills as well as presentation and oratory skills. He offered a platform to the audience to directly interact with him. The students and members came up with lots of queries which were satisfactorily addressed.

The First Technical Session was addressed by Ranjeet Pandey, Past Chairman NIRC on "Take Over Code". Pandey explained in detail the critical and practical aspects to be followed in Takeover Code. His session was very informative, detailed and



was applauded by the strength of more than 70 members and students present.

The Second Technical Session was addressed by Ashok Tyagi, a reputed practising CS based in Delhi. He gave practical tips for company incorporation. His session was very well received by the students and members who directly interacted with him and came up with lots of queries.

On 15.03.2014 at the Valedictory session the dignitaries present included Nesar Ahmed, Past President, The ICSI, S.K. Aggrawal, Past Chairman, NIRC.

During the course of the 15 days programme, practical sessions like Interpretation of financial statements, Legal drafting, Moot court, Resume writing, Project presentations, Industrial visit, Life skills etc. were conducted. The participants also prepared project report on latest topics like Enforcement of IPR in Digital Economy, Companies Act, 2013 *vis-a-vis* Global Economy, Emerging Dimensions of Accounting and Role of Company Secretary in Internal Control and Risk Management with focus on COSO. Eminent faculties, experts in the respective subject addressed the participants and the sessions were very interactive and knowledgeable.

Chief Guest Nesar Ahmed, in his address provided guidance to the participants as they transform from student to Professionals and enlightened them with the fundamental lessons which he learnt during his decades of experience. He emphasised on the thorough understanding of today's scenario that demands the professionals to stay updated. S.K. Aggrawal also addressed the students and threw light on the need of developing entrepreneurial skills. Thereafter, CS Deepa Singhal, Chapter Chairperson congratulated the participants for successfully completing the last stage of the programme and distributed certificates and medals. Certain awards like "Best project Group", "Best Project Content", "Best Presenter", "Best Participant", "Mr.&MS MSOP", Mr. Punctual, "Ms. Professional", "Ms. Smiley" were presented to the participants.

GURGAON CHAPTER **Half Day Seminar on Secretarial Audit under the Companies Act, 2013 (with detailed analysis of respective Draft Rules)**

On 27.2.2014 the Chapter organized a Half Day Seminar on the above topic at its premises. The speakers were CS Suchitta Koley and CS Vishal Lochan Aggarwal.

Sixteenth MSOP - Valedictory Programme

The Dignitaries present at the valedictory programme of 16th MSOP were Chapter Chairman CS Santosh Sharma, CS Punit Handa, and

Chairman TEFS Committee of the Chapter, CS Dhananjay Shukla, Treasurer, NIRC and CS K K Singh, Chairman, PDC Committee. CS Punit Handa apprised the students about their value in the corporate world. CS Santosh Sharma briefed the students about their role upon acquiring membership.

Seventeenth MSOP

From 1.3.2014 the Chapter organized its 17th MSOP. The Dignitaries present on this occasion were CS Punit Handa, Chairman TEFS Committee of the Chapter, CS D K Sharma, Past Chairman of the Chapter (Chief Guest) and CS Dhananjay Shukla, Treasurer, NIRC. CS Punit Handa welcomed the students and shared his experience with them. CS D K Sharma shared his knowledge with the students and enlightened them about the importance of MSOP training. This was followed by a speech by CS Dhananjay Shukla who also shared his experience with the MSOP participants.

On 15.3.2014 at the valedictory session dignitaries present were CS Santosh Kumar Sharma, Chapter Chairman, CS Punit Handa, Chairman TEFS Committee, Gurgaon Chapter, CS Shyam Agrawal, Chairman NIRC-ICSI (Chief Guest), CS Dhananjay Shukla, Treasurer, NIRC, CS K K Singh, Chairman, PDC Committee and CS Pankaj Keshari, Treasurer of the Chapter. The Dignitaries welcomed them in the prestigious profession and wished them best of luck. CS Punit Handa addressed the students and informed them about their role in the corporate world. CS Shyam Agrawal then shared his wealth of experience with the students. Certificates to all the participants were distributed. Best participant award went to Kulbhushan Verma for male and Nidhi Bhardwaj in female category.

Study Circle Meeting on Class Action Suits

On 7.3.2014 the Chapter organized a Study Circle Meeting on Class Action Suits at its premises. CS S Kumar was the speaker.

Full Day Seminar on Companies Act, 2013

On 14.3.2014 the Chapter organized a Full Day Seminar on Deliberation on Companies Act, 2013 at Hotel Pllazio, Gurgaon. The sub topics covered under this were Inspection, Enquiry and Investigation, Special Court, NCLT, KMP and its Remuneration and Meeting of Board and Shareholders. The Chief Guest on the occasion was Praveen Kumar, Commissioner of Gurgaon Municipal Corporation while Guest of Honour was Devashish Dasgupta, Director (Corporate Affairs), Yum! Restaurants (I) Pvt. Ltd.

The First Technical Session was addressed by CS Sanjeev Gemawat, Sr. Vice President, DLF Cybercity Developers Ltd. on New Horizon for CS under Companies Act, 2013. The next session was addressed by CS K K Singh, Managing Partner, K K Singh and Associates on Inspection, Enquiry and Investigation (Section





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206 to Section 229). The last session before lunch was addressed by CS Pranav Kumar, Sr. Partner, Pranav Kumar and Associates on KMP and its effectiveness (Section 196 to 205).

The first half of the Second Technical Session was addressed by CS Satvinder Singh, Past Chairman, NIRC on Meeting of Board & Shareholders and its Powers (Section 173 to 195). The next session was addressed by CS B. K. Sharma, Past Chairman, NIRC on KMP and Managerial Remuneration. The Seminar was attended by a good number of members and students.

JAIPUR CHAPTER Ninth Management Skill Orientation Programme

From 27.2.2014 to 14.3.2014 the Chapter organized its 9th MSOP at its premises. Gopesh Kumbhaj, President, The District Bar Association, Jaipur inaugurated the programme. Chapter Chairman Dr. Girish Goyal in his welcome address informed about the various new initiative taken by the Chapter. He also briefed about achievement of the Chapter during the year 2013-14. He said that they are entering the profession when it is well known to everybody and there is no doubt in the minds of people regarding CS, earlier for people it was difficult to differentiate between personal Secretary and Company Secretary. Vimal Gupta, Vice Chairman of the Chapter in his address described about the programme, its importance and advised them to make best use of the programme and to be more interactive with the resource persons of the programme.

Gopesh Kumbhaj advised the participants to improve the communication skills as the same are equally important for professional growth. He also advised them to follow ethics and take oath to serve the profession and nation in a better way.

CS Shyam Agrawal, Chairman, NIRC congratulated the participants for having successfully completing of CS Course and Trainings. He also informed about the initiative taken by the ICSI for improving the profession of CS.

Rajesh Gupta, Executive Officer while congratulating all the participants said that the MSOP training programme is designed to hone the skills of qualified professionals and acquaint them to work in corporate environment.

The resource persons for the programme included A R Khandelwal, Yash Dadda, Mayank Sharma, V K Jain, Rajan Arora, Varun Khandelwal, Shaswat Purohit, Puneet More, Anubhav Lamba, S P Paliwal, Harsha Rohit, Susshil Daga and other academicians and industry representatives.

On 14.03.2014 at the Valedictory session organized at the Chapter premises, CS Girish Goyal in his welcome address said that the participants should learn the implications of the new law. He also

suggested that one should prepare in advance for facing the upcoming competition.

CS Shyam Agrawal, Chairman NIRC of the ICSI stated that in this competitive era the participants should always be updated with key changes. He said that Companies Act, 2013 is one of the lengthiest legislation and role of CS is also defined in the Act. He suggested the participants to diversify their Areas of work and not to be restricted only to the Companies Act.

CS Anshul Jain, Treasurer, Jaipur Chapter said that world is converting into global arena and there are many cyber avenues available for CS in IT, BPO, KPO etc. and we should diversify our core area.

CS Neetu Maheshwari, Chapter Secretary explained that there is stiff competition out there and in order to cope up with the competition, commitment and consistency is a must.

Rajesh Gupta, Executive Officer concluded the 9th MSOP valedictory session. At the End of the programme the successful participants were given away certificate and various awards.

Management Conclave

From 8-12.3.2014 the Jaipur Chapter Organized a Management Conclave on the theme Emerging Trend for CS: Mapping the Way Ahead at Jaipur. The Subtheme of Day one was "Business Valuation, Merger & Amalgamation".

Inaugural Session: CS Dhanraj, Member, Company Law Board inaugurated the Management Conclave. While addressing the gathering CS Dhanraj said that the Companies Act, 2013 created various opportunities for the CS professionals but at the same time the role of CLB also increased in terms of Non-Compliance of Law. Under the new Act the benefit of advocacy are being made available for our practicing members.

Dr. Girish Goyal, Chapter Chairman in his welcome address informed about the various new initiative taken by the Chapter. He also briefed about the achievement of Jaipur Chapter during the year 2013-14. He said that capacity building is the need of hour for the CS professionals. He briefly informed the coverage of the programme and said that after the end of the programme we all will be aware of the challenges created because of the changes in the legislation.

In The Technical Session Rajesh Mittal, Founder & MD, Alamak Capital, New Delhi spoke about the Valuation of Business and Practical Aspects of Merger & Amalgamation. He also spoke on Due Diligence Aspects in Merger and Acquisitions with practical example of TATA Motors & Jaguar deal.

The Subtheme of Day Two was "Companies Act, 2013. In the Opening Plenary Satish Batra, Motivational Speaker motivated the participant about seven aspects of Life.



In The Technical Session Lalit Kumar, Partner, J Sagar & Associates, Advocate & Solicitors, New Delhi spoke on Transition Issues for Private Companies under Companies Act, 2013 and Fund Raising, Frauds & Role of Company Secretary.

Lalit Kumar made a very lucid presentation on the topic and the relevant provision of the Companies Act, 2013 by citing High Courts and Supreme Court judgments. He also highlighted the different types of companies with their implication on various aspects of law on shares, voting rights and applicability of various sections on private companies.

The Subtheme of the Third Day was “Corporate Restructuring”. In the Opening Plenary S P Paliwal, Motivational Speaker motivated the participants about Life Skills.

In The Technical Session Pankaj Jain, Company Secretary, New Delhi spoke on the issues of Corporate Restructuring and Administrative authorities under the Companies Act, 2013. He explained the practical approach to Amalgamation and Mergers. The Programme enabled the participants to obtain an understanding of the methods for creating value through restructuring.

The Subtheme of Fourth Day was “Disclosure and CSR”. In the Opening Plenary Pankaj Prabhat, Director, Jaipuria Institute of Management, Jaipur spoke on the Current economic Scenario of the Indian Economy.

In the First Technical session Ilam C Kamboj, Associate Vice President, Hero Motocorp, New Delhi spoke about the Board Disclosures and CSR issues. Kamboj said that Companies Act, 2013 provide for the enhanced disclosures & transparency requirements, Corporate Governance norms, independent Directors accountability, strict enforcement process. He beautifully explained the term responsibility by analysing it in a very explanatory way according to which responsibility means the ability to respond to the society without expecting anything in return.

In the Second Technical Session Ravish Bhateja motivated the participants on “Positive Thinking”.

The Subtheme of Fifth Day was MSME & FDIs.

The First Technical Session was taken by Anupam Malik, Additional Labour Commissioner, Govt. of Haryana on “Labour Law”. Malik explained the labour problems and their solutions. He also focused on ambit of labour law in India.

The Second Technical Session was taken by Heemadri Mukherjea, Senior Vice President, Sobhagya Capital Options Ltd., New Delhi. Mukerjea spoke about the SME IPOs & Allied Issues.

In the Third Technical Session addressed by Manvinder Singh, Partner J Sagar & Associates, Advocate & Solicitors, New Delhi

focused on the issue of doing Business in the India, Investment Opportunities & Regulatory Framework.

In the Valedictory Session CS Shyam Agrawal, Chairman, NIRC said that as a professional we should regularly update our knowledge with the changing laws and also suggested them to remain sincere in the Job.

VARANASI CHAPTER Career Awareness Programmes

On 15.2.2014 the Chapter conducted the Career Awareness Programme at Faculty of Law, Banaras Hindu University for LLB and LLM students. CS Sushil Kumar Kandoi, Chapter Chairman detailed the students regarding qualification, duration, structures, employment, importance, prospects of the CS Course and role of Company Secretaries. After his detailed explanation about career as a Company Secretary, Dr. S.P. Rai, Faculty of Law, Banaras Hindu University, also addressed on role of Company Secretaries in India.

Ashish Kumar Tiwari, Chapter Official explained about online Registration in the CS Course and also the activities of the Institute and Chapters. He also clarified the queries raised by the students during the interactive session.

> Southern India Regional Council

Study Circle Meeting on Beyond Professional Responsibility

On 1.2.2014 CA G Subramanian, Social Activist was the speaker for the Study Circle Meeting. CS Rd. Baiju Ramachandran, SIRC Chairman in his address requested the members to look beyond the professional responsibilities and contribute towards the society.

In his appealing speech, Subramanian emphasized the members that the professionals should try to give back something to the society in whatever way possible. Subramanian observed that there is a difference between sympathy and empathy and hence sympathy should not be mixed with empathy. The speaker opined that the status is a double edged weapon and it should be made useful to the society. The speaker observed that many diseases are spreading at an alarming rate, hence the corporates and professionals should put effort to spread awareness on various diseases. The speaker also appealed to the members to donate blood and organs. The speaker advised the members to maintain the work life balance and lead a stress free life. He informed that he had donated blood 81 times and concluded by appealing the members to be humane to fellow humans.



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Valedictory session of the 18th Management Skills Orientation Programme

On 7.2.2014 R Venkata Subramanyam, President & Chief Operating Officer, Kumaran Systems Private Limited, Chennai delivered the valedictory address. Earlier Sarah Arokiaswamy, Joint Director, SIRO welcomed the dignitaries and participants. In his address, CS Dr. B Ravi, Member, SIRC advised the participants to update themselves with various laws pertaining to the profession. He also advised them to be the member of CSBF.

In his address Venkata Subramanyam advised the participants to be continuous learners. He also opined that, a CS should not only focus on the corporate social responsibility, but should also practice individual social responsibility. He observed that India is yet to progress more in the right direction and it will be possible only if the professionals contribute more to the growth of the corporates in which they are employed, by following good ethics.

The participants gave their feedback about the programme. Certificates of participation were distributed to them.

Group Reading Programmes

The ICSI – SIRC organized the First Group Reading Programme from 10- 12.2.2014 with the objective of reading the provisions of the Companies Act 2013 in groups, which would help the group to jointly discover whether a particular provision is *status quo* from the Companies Act, 1956 or has undergone a change from the Present Act. The topic was 'Appointment and Qualification of Directors'. CS Eshwar S, Company Secretary in Practice led the group reading. The members discussed Appointment of Additional, Alternate Director and Director in casual vacancy, Right of person other than retiring Director to stand for election and regarding the number of Directorships. The programme was well appreciated by the members. The members actively participated in the group reading and exchanged their views on the appointment and qualification of directors.

Again the second group reading programme was conducted by SIRC from 17-19.2.2014 on Chapter 12 of the Companies Act 2013– Meetings of the Board. CS Dhanapal S, Company Secretary in Practice, Chennai led the programme. The members discussed the circular resolution, loans to directors and the related party transactions also.

Yet again From 24-26.2.2014 the third group reading programme was organized by the Regional Council on Chapter 7 of the Companies Act, 2013 on Management and Administration. CS Sridharan A M, Company Secretary in Practice, Chennai led the programme on the first day and the next two days was led by CS Eshwar S, Company Secretary in Practice, Chennai who led the group reading in a diligent manner and members present actively participated in the programme.

Live Session on Union Budget 2014

On 17.2.2014 the live session on Union Budget 2014 was jointly organized by the ICSI – SIRC and FICCI Tamilnadu State Council at ICSI – SIRC House, Chennai. In his welcome address. CS Dr. Baiju Ramachandran, Chairman, ICSI-SIRC thanked the FICCI Tamilnadu State Council for jointly organizing this programme. He observed that the market participants will try to understand the tax proposals, which will determine the size of market. M Rafeeqe Ahmed, Chairman, FICCI Tamil Nadu State Council observed that we cannot expect much from interim Budget. He said that Fiscal Deficit of 4.6% have been achieved this year against Fiscal Deficit projected at 4.1% of GDP in 2014-15. He opined that the manufacturing sector will create more jobs.

M. R. Sivaraman, IAS, (Retd.), Former Revenue Secretary, Government of India said that this is an interim Budget which will be valid for 3 to 4 months as we will get the final budget by June or July 2014 and hence it is not fair to expect major announcements. He also mentioned that the Finance Minister highlighted the achievements of the Government for the last 10 years and it is to be noted that there has been substantial progress in the food grains, pulses, oil seeds and even sugarcane. The optimum level though 400 million tons the present level is 260 million tons which is commendable. He said that there has been good improvement in the power sector also though could have been better with better coordination and cooperation from the state governments which will be a task for the New Prime Minister.

He felt that the Fiscal deficit contained at 4.1% but no mention was made about the components which contributed to this Inflation he said at 8 percent was high compared to other countries along with High interest rates as compared to other countries.

He mentioned that the government had cut the planned expenditure by Rs. 79,000 crores and how the Nirbhaya fund gets additional Rs.1,000 crores in this Budget. He informed reduction in excise duty for cap goods from 12% to 10%. This will be more effective for corporates in cap goods saving on expenditure but will be more effective for the economy if those cash savings are used for purchase of capital goods.

S. Rajaratnam, IRS, (Retired.), Senior Advocate & Eminent Tax Management Consultant, Former Member IT Appellate Tribunal & Popular Columnist said that service tax exemption for rice and paddy conversion was given but he mentioned that he was disappointed with the total ignorance towards black money controlling, GST, Direct tax code and mention about coordination with state governments before taking major policy decisions.

J Chandramouli, Convenor, Finance & Taxation Panel, FICCI Tamilnadu State Council stated that we cannot expect much from the interim Budget nevertheless we need adequate reforms to bolster the economy.



Meet the Regulator Programme on Role & Responsibilities of Professionals under the Food Safety and Standards Act

On 19.2.2014 the Regional Council organised 'Meet the Regulator Programme' wherein the officials of various departments were invited to address the members. Dr. G Srinivasan, Deputy Director, Food Safety and Standards Authority of India, Southern Region, Chennai addressed the members on "Role & Responsibilities of Professionals under the Food Safety and Standards Act". CS Dr. Baiju Ramachandran, SIRC Chairman welcomed the members and introduced the speaker. In his address, the Chairman briefed the members in nutshell about the Act.

Dr. G Srinivasan highlighted the significant provisions of the FSSAI Act. He explained the members that change in the food habits, food handling processes, changing products, processes, etc. and globalization of trade in food were the reasons for concerns about food safety. He narrated the role of Government in food safety and the requirement of regulations in food supply chain. The various legal actions that can be taken against the food adulteration were also explained by him. He also threw light on the role and responsibilities of professionals under the Act. The members actively interacted with the speaker.

Interaction with RD (SR), MCA and RoC, Tamilnadu

On 19.2.2014 to provide a platform to interact with the regulators, the ICSI – SIRC organized an interaction meeting of members with B K Bansal, Regional Director, Southern Region, Ministry of Corporate Affairs, Chennai and Dr. M Manuneethi Cholan, Registrar of Companies, Tamilnadu, Chennai.

Earlier, CS Dr. Baiju Ramachandran, SIRC Chairman in his welcome address highlighted the importance of these type of interaction meetings and requested the members to make best use of the meetings.

The Registrar of Companies, in his address, complimented that Company Secretaries are maintaining high dignity of the profession and also observed that more opportunities are open to the members in the Companies Act, 2013. He requested the members to offer suggestions to improve the services of the Office of the RoC, Chennai. B K Bansal, Regional Director, MCA and also a member of the ICSI explained the members about various initiatives taken by the Ministry. He spoke on Corporate Governance and Corporate Social Responsibility, where the role of CS is very vital. The members actively interacted with the Regional Director.

Central Excise Day Celebrations – Half Day Seminar on Statutory Compliances under Central Excise Laws

On 24.2.2014 as a part of the Central Excise Day Celebrations, the ICSI – SIRC organized a Half Day Seminar on Statutory Compliances under Central Excise Laws. R Shakuntala, IRS, Chief Commissioner of Central Excise, Central Board of Excise, Customs & Service Tax, Ministry of Finance, Government of India inaugurated the seminar.

Earlier, CS Dr. Baiju Ramachandran, Chairman, SIRC in his welcome address highlighted the opportunities available to the members in areas of indirect taxes.

IN her address the Chief Commissioner complimented the SIRC for celebrating the Central Excise Day. She observed that Central Excise Law is complex and complicated, but an important tax law. She added that the MODVAT [Modified Value Added Tax] was replaced by CENVAT [Central Value Added Tax] with effect from 1.4.2000. While commenting that the globalization has benefited the Indian economy, she observed that tax regulations over the years have been the source of income to the government. The Service Tax, over a period of time has also become important. She added that the Central Excise officers are given the responsibilities to collect duties and the tax administration is the hallmark of the department.

V P Manavalan, Chartered Accountant, Chennai the speaker for the seminar on 'Statutory Compliance under Central Excise' made an elaborate presentation on the central excise with case studies. Manavalan acquainted everybody on the registration under the central excise, exemptions from registration and the registration certificate. He also listed the documents required and the records to be maintained for central excise registration. Manavalan explained the members about the monthly/quarterly/annual excise returns under Rule 12[1] of Central Excise Rules.

Joint Conference on Companies Act, 2013

On 22.2.2014 the SIRC, FICCI – Tamilnadu State Council and Hindustan Chamber of Commerce jointly organized a conference on Companies Act, 2013 on 'A New Law for a New Start'. G Balakrishnan, Chairman, Corporate Affairs Committee, Hindustan Chamber of Commerce introduced the theme of the conference. In his address he mentioned that the Companies Act, 2013 is contemporaneous and is based on 'trust, but verify approach'.

B K Bansal, Regional Director, Southern Region, Ministry of Corporate Affairs, Government of India, in his inaugural address highlighted the efforts taken by the MCA in bringing the Act. Bansal pointed out the important provisions in the Act relating to the CSR,



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One Person Company and independent directors and asked all the three organizers to represent to the MCA with suggestions on the Act. The Regional Director concluded his address by stating that the Companies Act, 2013 is a combination of old and new wine in a new bottle.

R Thyagarajan, Founder, Shriram Group, Chennai was the Chief Guest at the inaugural session. He lauded the efforts of the organizers in conducting the seminar at the right time. Thyagarajan made a brief comparison between the old and new Companies Act. He advised that the professionals should be updated with the changing provisions so as to serve the employers and clients in an efficient manner.

CS Dr. Baiju Ramachandran, Chairman, SIRC in his keynote address opined that the Act places India on par with the corporate laws of the rest of the globe. Dr. Baiju explained that the Parliament's nod is also reflective of the collective national conscience to trust CS both in employment and in practice to become the custodians of good governance in the companies they engage with.

P Murari, IAS, [Retd.], Adviser to President, FICCI, summed up the discussions of the dignitaries of the inaugural session and gave his concluding remarks.

The First Technical Session was addressed by CS K Sethuraman, Group Company Secretary & Chief Compliance Officer, Reliance Group, Mumbai on 'Accounts & Audits and Party Related Transactions'. Sethuraman explained that NFRA [National Financial Reporting Authority] has been formed in the Companies Act, 2013 to monitor the Accounting Professionals. He explained that appointment of internal auditor has been mandatory under the Act under section 138. He also focused on the appointment, removal, resignation, powers and duties of the auditors under the Companies Act, 2013. He also explained Related Party Transactions.

G M Ramamurthy, Former Executive Director, IDBI spoke on 'KMP Including Independent Directors, Inter Corporate Loans & CSR' in the Second Technical Session. Ramamurthy explained the term KMP, requirement for appointment of KMP, procedure and remuneration of KMP and the rights, duties and functions of KMP. The speaker explained that "Independent Director" means an independent director referred to in section 149 (5) of the Act and the selection and appointment of independent director and his term of office. Ramamurthy mentioned the applicability of the provisions relating to Inter-corporate Loans and Investments.

The Third Technical Session was handled by P H Arvinth Pandian, Additional Advocate General of Tamilnadu on 'Mergers and Amalgamations'. Arvinth Pandian explained the Clauses 230 to 240 of the Companies Act, 2013 which provides for provisions in respect of compromise, arrangements and amalgamations. He added that the application can be made by the Company or any

of its creditors or members of the Company or in case a company is being wound up, by the liquidator. He explained the delegates on the disclosures prescribed under Section 230(2)(a) on an application being made, disclosures if there is Corporate Debt Restructuring Scheme and Notice for meeting under section 230 (3) and notice to Statutory Authorities – 230 (5) and Rule 15.4. He further explained in detail Section 232 of the Companies Act, 2013 which facilitates a scheme of reconstruction of the company or companies involving merger or amalgamation.

Sanjay Mehta, Head – Corporate, Surana & Surana International Attorneys was the speaker for the Fourth Technical Session on 'NFRI, NCLT, Minorities Rights and Class Action Suits'. Mehta explained that class action lawsuit is filed on behalf of a group of people who have been in some way injured by the actions of a company. He explained various reliefs available and the penalties imposed under the suit.

Press Meet of ICSI President

On 20.2.2014 CS Sridharan R, President of the ICSI addressed the press meet. CS Vikas Y. Khare, Vice President, The ICSI, CS M S Sahoo, Secretary, The ICSI and CS Dr. Baiju Ramachandran, Chairman, SIRC were also present at the meet.

In his address, Sridharan explained the media on the Companies Act, 2013, complete switchover to online registration from 1.1.2014, computer based examination for foundation programme with effect from June 2014 and introduction of open book examination in elective subjects of the professional programme from June 2014. The President also informed that, a major e-initiative of the Institute is the uploading of 'ICSI Primer on the Companies Act 2013' on 'YouTube' Channel, which covers most of the Chapters covered in the Companies Act, 2013. Sridharan also highlighted the other initiatives of the Institute.

CS Vikash Y. Khare, Vice President of the ICSI addressed media on the multifaceted role and responsibilities of a Company Secretary in employment and the areas of practice available to the Company Secretaries in Practice, Secretarial Audit and Corporate Social Responsibility. In his address to the media, CS M S Sahoo spoke on the recognition of CS as a Key Managerial Personnel along with the Chief Executive Officer, Managing Director, Whole-time Director and Chief Financial Officer under section 203 of the Companies Act, 2013. The President replied all the queries raised by the press representatives.

A total of 15 media attended the press meet. The Doordarshan, Sun TV, Raj TV and Win TV recorded the press meet of the President and telecast in their respective channels.

ICSI President's Meet with HoDs of Colleges

On 20.2.2014 CS Sridharan R, President of the ICSI addressed at the meeting with the Heads of the Department of Colleges. CS



Vikas Y. Khare, Vice President, The ICSI, CS M S Sahoo, Secretary, The ICSI and CS Dr. Baiju Ramachandran, Chairman, SIRC were also present at the meet. In his address, the President apprised the faculty members about the Institute and CS course and the role of Company Secretary in employment and in practice. The President also highlighted the important provisions of the Companies Act, 2013. The President requested the faculty members to be associated with the ICSI by registering themselves as faculty for oral coaching classes of the Institute and becoming question paper setters and examiners for the examinations of the ICSI.

CS Vikas Y. Khare, Vice President of the Institute spoke on the various initiatives of the institute pertaining to the course. The Vice President requested the faculty members to highlight the CS course to their students. CS M S Sahoo, Secretary, The ICSI explained in brief the initiatives of the ICSI in promoting the CS course. The Secretary also apprised them about open book examinations, e-library and the recent tie-ups and MOUs with other Institutes and Associations.

CS Dr. Baiju Ramachandran, Chairman, ICSI – SIRC, in his address requested the faculty members to organize career awareness programmes about the CS course in their colleges. The faculty members actively interacted with the dignitaries.

One Day Seminar on Practical Aspects of Companies Act, 2013

On 20.2.2014 the SIRC organized a one day seminar on the Practical Aspects of Companies Act 2013. CS Sridharan R, President, The ICSI inaugurated the seminar.

CS M S Sahoo, Secretary, ICSI, in his address, emphasized the members to be updated with the changing laws. He advised the members to ensure compliance with the secretarial standards. The Companies Act, 2013 has opened more opportunities, but equally more responsibilities also, he added.

In his inaugural address, CS Sridharan R, President, The ICSI, elaborated the members on the initiatives taken by the ICSI in development of the Profession and students. The President spoke on the opportunities for CS in the Companies Act, 2013. He advised the members to be continuously updated to provide valuable services to the employers/ clients and to follow good ethics in the profession.

In the First Session, CS Sriraman Parthasarathy, Partner, Deloitte Haskins & Sells, Chennai addressed the members on 'Accounting & Auditing under the Companies Act 2013 – New Perspective & Approach'. Sriraman explained the members on the books of accounts (Section 128), Financial Statements (Section 129), Director's Responsibility Statement (Section 134) and National Financial Reporting Authority (NFRA) (Section 132). He observed that the Companies Act, 2013 has enhanced the role of CFO and entrusted greater responsibilities and spoke elaborately on the Audit and Auditors.

CS Atul Mehta, Central Council Member, the ICSI spoke on 'Enhanced Disclosures, Signing and Certification of Annual Return'. He observed that the requirement for enhanced disclosures in prospectus has been incorporated in the Companies Act, 2013 and explained the provisions relating to the signing and certification under the Companies Act, 2013.

The Third Session was addressed by CS Narayan Shankar, Senior Vice President & Company Secretary, Mahindra Group of Companies, Mumbai. CS Narayan Shankar addressed the members on Loans & Investments, Related Party Transactions, Matters pertaining to Directors, Managerial Remuneration, Disclosure of Interests, Register of Contracts etc. of the Companies Act, 2013.

ICSI President's Interaction with Members

On 20.2.2014 CS Dr. Baiju Ramachandran, Chairman, SIRC welcomed the President, the Vice President and CS Atul Mehta, Council Member of the Institute, CS M S Sahoo, Secretary, The ICSI and CS Sutanu Sinha, Chief Executive, The ICSI. CS Ramasubramaniam C, Secretary, ICSI – SIRC was also present on the occasion.

CS R Ravi, Past President, The ICSI, CS K Chandrasekaran, Past Chairman, SIRC, CS Amarnadh, PCS, CS S Ananthanarayanan, PCS and CS Dr. B Ravi, Member, SIRC honoured the President.

In his address, CS M S Sahoo, Secretary, The ICSI spoke on the changing landscape of the profession of company secretaries under the Companies Act, 2013 and on the need to adapt to the changing environment. Machines could be programmed to do the mechanical work being done by Company Secretaries, he observed. CS Vikas Y Khare, Vice President, The ICSI, and CS Sutanu Sinha, Chief Executive, The ICSI also spoke on the occasion.

In his address and interaction with the members, CS Sridharan R, President, The ICSI highlighted the growing role and responsibilities of CS. He also highlighted the initiatives of the ICSI.

Investor Awareness Programmes

During the month of February 2014 the Regional Council organised Career Awareness Programmes as under:

On 3.2.2014 the programme was held at Queen Mary's College and on 6.2.2014 at School of Management Studies, Saveetha Engineering College, Thandalam, Chennai. A R Vasudevan, Regional Manager, Central Depository Services Limited, Chennai was the Resource person. On 8.2.2014 at Vivekananda College of Arts & Science for Women, Thiruchengode. Ravi G, Vice President & Head – Sales, Ambalal Shares & Stocks Pvt. Ltd., Vellore was the Resource person. On 18.2.2014 at Government Arts & Science College [Autonomous], Karur and Annai College of Arts & Science. Dr. T K Sridhar, Cost Accountant, Trichy was the Resource person.





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On 24.2.2014 at Department of Business Administration, Idhaya College for Women and Management Studies, Sastra University, Kumbakonam. A R Vasudevan, Regional Manager, Central Depository Services Limited, Chennai was the Resource person.

Career Awareness Programmes

The Regional Council organised various Career Awareness programmes as under:

On 5.2.2014 at PG Department of Commerce, Hindu College, Chennai. CS Dr. B. Ravi, Member, SIRC and Dr. Balaji, AEO, SIRO conducted the programme. On 6.2.2014 at the Department of Management Studies, Saveetha Engineering College, Thandalam, Chennai; on 8.2.2014 at Department of Commerce, Vivekanandha College of Arts & Sciences for Women, Thiruchengodu; on 14.2.2014 at Department of Corporate Secretaryship, GSS Jain College for Women, Vepery, Chennai; on 17.2.2014 at PG & Research Department of Commerce, Periyar EVR College, and Department of Management Studies, Oxford Engineering College Trichy; on 18.2.2014 at Department of Commerce, Government Arts College (Autonomous) and Annai Women's College, Karur; on 24.2.2014 at Department Business Administration, Idhaya College for Women and Department of Commerce & Management Studies, SASTRA University, Kumbakonam and on 25.2.2014 at Department of Corporate Secretaryship, the New College, Chennai. The programmes were conducted by Dr. V. Balaji, AEO, SIRO.

CALICUT CHAPTER Tenth Residential Programme

From 28.2.2014 to 2.3.2014 the Calicut Chapter of SIRC of the ICSI conducted its 10th Residential Programme on "The Companies Act, 2013" at Club Mahindra Resorts, Madikeri, Coorg. CSR. Sridharan, President of ICSI inaugurated the Programme. During his inaugural address, he stressed on improving the quality of work to be delivered by CS Professionals. He took a session on the wide opportunities and avenues opened to CS professionals under the New Companies Act, 2013. He briefed on the importance of attending professional Development Programmes by the members of the ICSI, which will help them in gaining academic as well as practical knowledge on various new initiatives under the Companies Act and other laws as applicable. CS Dr. Baiju Ramachandran, Chairman SIRC of the ICSI informed about the initiatives by SIRC to help the members interpret and understand the provisions of Companies Act, 2013 including group reading sessions planned for the coming months at SIRC premises. Dr. K. S. Ravichandran handled a session covering matters like Investigation, Directors Report, Annual Return compliances under Companies Act, 2013. Soy Joseph took a session detailing the provisions of the Companies Act, 2013 applicable to Private Limited Companies especially the exemptions which have been done away with. Ahalada Rao, from Hyderabad, took a session on valuation of assets- avenues for professionals. He also covered

the provisions applicable to One Person Company. The programme concluded with a Valedictory Session wherein participants shared their views and suggestions.

COIMBATORE CHAPTER Study Circle Meeting on An Insight on Special Economic Zone

On 7.2.2014 a Study Circle Meeting on An Insight on Special Economic Zone was conducted at the Chapter premises. CS R Maheswaran, Vice President – Finance & Infrastructure, Coimbatore Hitech Infrastructure Private Limited (Special Economic Zone for Electronic Hardware and Software including ITES) was the speaker who in his address explained the concept, fundamentals and advantages available in Special Economic Zone (SEZ). He highlighted the developments of SEZ in India and that of China with Power Point presentation. The session was highly informative and lively, interacted nearly by 35 members and 50 students. A questions and answers session was also conducted before conclusion of the programme.

Sixteenth Residential Programme on Companies Act, 2013- A New Avathar

On 21, 22 and 23.2.2014 the Chapter conducted its 16th Residential Programme on the theme "Companies Act, 2013- A New Avathar" at Ooty, Tamilnadu. The three days programme was well attended by about 120 participants, including spouse and children.

On 21.2.2014, Chapter Chairman CSR. Dhanasekaran inaugurated the programme.

CS R. Sridharan, President of ICSI, while delivering his address stated that the theme "Companies Act 2013 - A New Avathar" is very relevant and suitable at this juncture. He elaborated the evolution of the Companies Act (Act) from 1956 to 2013 and the efforts taken by ICSI for the effective implementation of the Act. He made a comparative analysis of the Companies Act 1956 v. Companies Act 2013. He highlighted the new concepts which have been introduced for the first time in the Act which will facilitate a clear meaning to the vital provisions. He said that there are tremendous opportunities in employment as well as in practice for CS in the New Act. He highlighted that Company Secretary is the only qualification prescribed for the appointment of KMP [Key Managerial Person]. CS R. Sridharan further elaborated Secretarial Standards and the initiative taken by ICSI in introducing New Secretarial Standards. He advised the members to take efforts to understand the concept of New Act including the rule for proper implementation and also highlighted responsibilities of Company Secretaries on Secretarial Audit, under the new Act. He requested the members to make enough preparation and to be ready for facing challenges for the proper implementation of Secretarial Audit. He informed that ICSI is in the process of preparation for 'Series of Publications' on the theme "New Companies Act 2013" and advised the Coimbatore Chapter for organizing more and



more seminars and study circle meetings for detailed deliberation on this new Act.

K Krishnakumar, Chairman, Sree Saradhambal Automobiles (P) Ltd.(Groups), inaugurated the programme and in his address emphasized the need for the new legislations in the changed scenario of our country.

On 22.2.2014 Vidhya Shankar, a leading Advocate from Coimbatore and dealing mostly with Corporate matters, in the First Technical Session, explained the various points to be considered while preparing schemes for Compromise and Arrangements through NCLT and also gave an analytical and comparative study on provisions contained, with respect to Compromise and Arrangements, in the Companies Act, 1956 as well as in Companies Act, 2013. The session was very informative and the session concluded with questions and answers, the queries of the members were aptly replied by the speaker.

The Second Technical Session was handled by V Sreeraman, Chartered Accountant from Salem on the subject of Audit and Auditors under Companies Act, 2013. He narrated the relevance of various provisions of the Act, under the existing situation and specially referred the ethics and integrity that every professional must exercise while discharging his duties. The session was well admired by the participants.

In the Third Technical Session, N Senthil Kumar and his team demonstrated the importance of various modern Management theories, through various Management Games. The programme was well enjoyed by the participants with high motivation.

In the Fourth Technical Session, CS. AhaladaRao, Practicing Company Secretary from Hyderabad, explained the basic concepts of One Person Company and the various opportunities available for entrepreneurs as well as professionals. He also gave some ideas about how this new vehicle can be used effectively. The session was very informative.

On 23.2.2014 CSM.R.Thiagarajan, Practicing Company Secretary from Coimbatore, in his address explained elaborately, the provisions of Related Party Transactions, Board of Directors and Corresponding Provisions thereon with practical examples. This well-known speaker's delivery of the subject was well appreciated by all the participants.

In the Last Technical Session, a power full motivational talk by MarabinMainthanMuthiah, created a new enthusiasm among participants by his powerful address.

The valedictory session was addressed by Dr. BaijuRamachandran, Chairman, SIRC of the ICSI. In his address, while congratulating the Chapter for conducting Residential programme continuously, he explained various steps that are being taken by SIRC for the development of members as well as students. He also highlighted the various forthcoming programmes of SIRC. Apart

from various technical sessions, the events like sightseeing, magic show, etc.; rejuvenated all the participants. The Chapter has received enthusiastic appreciation and complimentary notes from participants of the programme.

Professional Development Programme on Corporate Governance and the Role of Company Secretary

On 25.2.2014, Coimbatore Chapter of SIRC of the ICSI organized a Professional Development Programme on Corporate Governance and the Role of Company Secretary at CO-INDIA, Siema Building, Coimbatore.

R Bandyopadhyay, IAS (Retd), Former Secretary, Ministry of Corporate Affairs, Government of India, was the Chief Guest and Speaker who in his address elaborated various initiatives taken by the Ministry of Corporate Affairs for implementation of New Companies Act during his tenure. He also highlighted the initiative for launching the "Corporate Governance & Corporate Social Responsibility Voluntary Guidelines 2009" in the presence of the Hon'ble President of India. He explained the New Concepts in the Companies Act 2013 such as One Person Company, Key Managerial Person, Independent Directors, Woman Director, Duties of Directors, Functions of CS, Rotation of Auditors, E-Governance, Corporate Social Responsibility, Enhanced Disclosures etc.

The queries raised by the members were replied by the Chief Guest. The session was highly informative. Around 75 members and students attended the programme.

Study Circle Meeting on An introduction to Internal and External Frauds and its Deterrence

On 8.3.2014 a Study Circle Meeting on An introduction to Internal and External Frauds and its Deterrence was held at its premises. CS V Guruprasad, from Bangalore was the speaker. In his address he explained, how and why internal and external frauds occurred in day to day life and in Corporate Sectors in particular and the ways for its deterrence, with the support of power point presentation. The session was attended by 40 participants, including 25 members and 15 students and the session carried one programme credit hour for members. The speaker replied the queries raised by the participants.

HYDERABAD CHAPTER Half-day Seminar on Role of Company Secretary under Companies Act, 2014

On 15.2.2014 the Chapter organised half-a-day Seminar on "Role of CS under Companies Act, 2013" at Hyderabad. CA Ganesh Balakrishnan, Partner, Deloitte Haskins and CS Rashida Adenwala, Partner, R&A Associates were the speakers for the programme.





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Chapter Chairman CS Vasudeva Rao Devaki, while welcoming the speakers and the participants for the Seminar urged the audience to utilize the opportunity to clarify their doubts and queries regarding the Companies Act, 2013.

CA Ganesh Balakrishnan addressed the First Technical Session on “Role of Company Secretary under Companies Act, 2013” and explained in detail about various sections of the Companies Act, 2013 where Company Secretary should focus and to have in depth knowledge to avoid unnecessary complications and penalties.

CS Rashida Adenwala addressed the gathering in the Second Technical Session on Responsibilities of a Company Secretary and how a company secretary should carry out the due diligence and how to make the documentation or presentation before various authorities on behalf of the company.

Members who attended the seminar interacted with the speakers and clarified their doubts relating to Companies Act, 2013 and the Role of Company Secretary in the corporate world.

Half-day Seminar on Compounding of Offences and How to deal with Penalties under the Companies Act, 2013

On 22.2.2014 the Chapter organized a half-day Seminar on “Compounding of Offences and how to deal with Penalties under the Companies Act, 2013” at Hyderabad.K. Lakshmi Prasad, ICLS and Asst. Director, RD office of SE Region and CS S Chidambaram, Practising Company Secretary were the speakers of the programme.

Chapter Chairman CS Vasudeva Rao Devaki, in his address mentioned the significance of the Company Secretaries Benevolent Fund and the noble cause for which it was formed. He further requested all the members who are yet to become members of CSBF to enroll themselves at the earliest so that it can provide a security umbrella for the ICSI family members. He also said that everyone who attended the programme should utilize the opportunity to clarify their doubts and queries in relation to the Compounding of Offences under the Companies Act, 1956 and 2013.

K Lakshmi Prasad spoke in the First Technical Session on Compounding of Offences under Companies Act, 1956 and Compounding of Offences under Companies Act, 2013. He elucidated the offences which were compoundable and which were not compoundable under both the Acts, i.e. 1956 and 2013. He explained about the Compounding fees and various sections of the Companies Act, 2013 where Company Secretary can take defense and protect the company from violation of the different sections. He further advised the members to focus on relevant sections of Companies Act and SEBI Regulations.

CS Chidambaram addressed the gathering in the Second Technical Session on “Compounding of Offences and how to deal with Penalties under the Companies Act, 2013 and 1956”. He further explained that responsibility of a Company Secretary in identifying the offences and how to appear before the various authorities on behalf of companies. He emphasized that Company Secretary should be thorough with all the Acts which are applicable to the Company and should take care to comply with the legal procedures so that offences will not take place. In case of any contravention or violation of sections then a Company Secretary should identify the offences at the earliest and make the application for compounding the Offences. Members who attended the seminar interacted with the speakers and clarified their doubts.

KOCHI CHAPTER One Day Seminar on Governance, Professionalism and Social Responsibility - The GPS of the Companies Act, 2013

On 1.3.2014 the Kochi Chapter partnered with the Cochin Chamber of Commerce and Industry (CCCI) and the Institute of Cost Accountants of India Cochin Chapter in organizing a one day seminar on “Governance, Professionalism and Social responsibility – The GPS of the Companies Act, 2013” at Kochi.

The Seminar was inaugurated by Justice Jayasankaran Nambiar, Hon'ble Justice of High Court of Kerala who in his address opined that the laws in a democratic society should get rejuvenated and refreshed according to the requirements of time, for the courts to discharge their duties effectively. He further pointed out that many of the laws of India, the Judiciary, Executive and the Society deal with on a day to day basis and are unable to address the needs of the changing time. At the same time, it is important for the three limbs of the constitution – the legislature, executive and judiciary – to function in synchronization, he added. The new Companies Act in that sense is a very welcoming initiative and he expressed confidence that the new Companies Act would be able to resolve many long pending issues and enable the corporates to function with more confidence.

The Seminar was held to apprise the participants, of the three major ideals on which the Companies Act, 2013 is based, namely Governance, Professionalism and Social Responsibility. The technical sessions were led by Arvind P. Datar, Senior Advocate, Chennai, Prince Asirvatham, Chartered Accountant, President, Checks and Balances, Bengaluru and C. A. Sreeraman Venkatesan, Senior Chartered Accountant, Chennai. The seminar threw light on the critical areas for corporates and professionals in the new Act, the challenges they face from the perspective of litigation and also discussed various provisions introduced in the Act. The speakers weighed their views on the positioning of professionals with respect to Corporate Social Responsibility.



The one day Seminar was well attended by professionals and representatives of corporates and trade associations. The programme was well covered by print media.

An interactive session with President, ICSI

On 8.3.2014 the Chapter organized an interactive session with the newly elected President of ICSI CS R. Sridharan and other dignitaries of ICSI with the members of the Chapter at the newly acquired ICSI House, Kochi. The President was accompanied by CS Vikas Y Khare, Vice President, CS Sudhir C Babu, Central Council Member, CS MS Sahoo, Secretary and CS Sutanu Sinha, Chief Executive. Senior Members and students of Kochi Chapter actively participated in the open interaction. The Programme was organized to give an opportunity to the members and students to interact with the top officials and council members of ICSI, to submit their suggestions on various aspects and to clarify the doubts in relation to their profession and career. The session also provided a platform for detailed discussions on the Companies Act, 2013.

CS R. Sridharan, President, opined that the members should come forward to have effective and powerful deliberations to further elevate the profession. He appreciated team ICSI Kochi for their committed effort towards developing the Kochi Chapter to a vibrant platform for members and students.

CS Vikas Y Khare, Vice-President, CS Sudhir Babu C, Central Council Member, CS MS Sahoo, Secretary and CS Sutanu Sinha, Chief Executive also addressed the gathering. The suggestions given by various members were well received.

President's Meeting with Chairmen of Regional Council and all Chapters under the Jurisdiction of SIRC

On 9.3.2014 a President's meeting with Chairmen of Regional Council and all Chapters under the jurisdiction of SIRC for the year 2014 was held at the newly acquired ICSI House, Kochi. The state of Kerala witnessed this annual strategic meeting for the first time. The forum was momentous with the presence of the Council Members of ICSI including President CS R Sridharan, Vice President CS Vikas Y Khare, Central Council Member CS Sudhir C Babu, Secretary CS M S Sahoo, Chief Executive CS Sutanu Sinha, Chairman of SIRC CS Dr. Baiju Ramachandran, Vice Chairman, SIRC CS D Nagendra Rao, Secretary, SIRC CS Ramasubramaniam C., Treasurer SIRC CS A.V. Rao, Joint Director, SIRC Sarah Arokiaswamy, Chairmen and staff members of various Chapters under the SIRC.

It was indeed an honour for the Kochi Chapter to host this meeting that developed deep into the Strategic Action Plan for the year 2014 and various other deliberations. All the Chapters were given the opportunity to present their plan of action for the year 2014, share their views and comments on the Strategic Action Plan and

submit their requests for any support required from Regional Office and Head Quarters. The President, Vice President, Central Council Member, Secretary and Chief Executive analysed the presentations and commented intensively on each of them.

The discussions extended to the whole day and was rewarding to all the attendees. All the delegates appreciated the efforts of Kochi Chapter in organizing this strategic meeting so efficiently.

MANGALORE CHAPTER Seminar on Recent Changes in Service Tax

On 1.3.2014 the Mangalore Chapter of SIRC of the ICSI organised a seminar on the above topic at its premises. Guest Speaker Ganesh Hegde, Superintendent of Department of Central Excise and Service Tax addressed the origin of Service Tax in India and the charging sections of Service Tax. He later explained the various changes in service tax from its introduction in the year 1994. He explained that the government had moved away from its list of 119 taxable services to introducing a list of negative Services in the recent years. He gave a list of exempted services and negative services and also explained about the exemption notification. He also explained about the various compliances a practising professional has to observe in relation to Service Tax. He further explained that in its recent Budget the government has also introduced prosecution provisions for non-compliance with payment and evasion of Service Tax. He also talked about the Voluntary Compliance Encouragement Scheme of Service Tax which ended on 31.12.2013 and the implications of non-compliance after the said period. He also explained the reverse charge in Service Tax with practical illustrations and the importance of determining point of taxation. He further explained various points of litigation arising in the present structure of Service Tax. He concluded his presentation by explaining the growing prospects of Service Tax in India as the revenue collected this year through Service Tax has increased considerably. After his presentation the Guest speaker invited queries from the audience which were replied satisfactorily by him.

SALEM CHAPTER Members and Students Meet

On 26.1.2014 a workshop was organised at its premises. The topics discussed were (1) "A comparative study about Directors" both in the Companies Act, 2013 and the Companies Act, 1956 (2) "Life Cycle Product Theory" and (3) "Overview of Merger and Amalgamation" and the topics were dealt by K.M. Kokila Rani, T. Thulasi Raman and T.S. Jawahar, professional programme students. A brief discussion regarding the topics and views of the members and student members were exchanged.

Career Awareness Programme

On 27.1.2014 the Chapter organised a Career Awareness





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Programme which was held at Vysya College, Ayodhyapattinam, Salem for PG and Research Department of Commerce students. CS Shanmugam R.S, Chief Finance Officer & Company Secretary explained about the Company Secretaryship course. CS Gnanasekharan. S, Vice – Chairman of the Chapter, delivered briefly about the duration of the Course, employment opportunities, scope of Company Secretaries in Practice. The queries raised by the students were clarified by the speakers.

Investor Awareness Programmes

On 27.1.2014 an Investor Awareness Programme was conducted by the Chapter at Vysya College, Salem under the aegis of the Ministry of Corporate Affairs, New Delhi. Dr. P. Venkatesan, Principal, Vysya College presided over the programme in which nearly 100 Post Graduate and Research students of Department of Commerce participated. CS Shanmugam R.S, Chief Financial Officer & Company Secretary, Sambandam Spinning Mills Ltd., Salem; CS Solaiyappan S, Chapter Chairman, CS Santhanam N, Secretary of the Chapter addressed about the methods to be adopted for a Safe Investment. At the Interactive session, queries raised by the students on the subject were replied suitably. B. Iyeswarya Devi, Head of the Department and V. Prabhu, Asst. Professor of Commerce of Vysya College made all the arrangements for the programme.

Again on 8.2.2014 an Investor Awareness Programme was organised jointly with Salem Branch of SIRC of ICAI at Sivaraj Holiday Inn, Salem under the aegis of the Ministry of Corporate Affairs, New Delhi for the benefit of Investors. Nearly 120 delegates participated which included the professionals from the Institutes of Chartered Accountants and Company Secretaries. V. Badri from NSE, Chennai delivered a brief address on recent developments in Capital Markets and CA R. Raghunathan, Technical Member of IGRP, NSE, Chennai addressed on Investor Service & Grievance Resolution available at NSE. At the Interaction session, queries raised by the delegates on the subject were clarified.

Yet again on 15.2.2014 an Investor Awareness Programme was conducted under the aegis of the Ministry of Corporate Affairs, New Delhi in association with the Salem Productivity Council at Salem. P Mariappan, President, Salem Productivity Council inaugurated the programme and in his address stressed on the precautions to be taken care of while investing and narrated the precautions. CA V Sreeraman, Practising Chartered Accountant, Salem in his Key Note Address on the topic "Securities Market - Present and Future" highlighted the present scenario of the Securities Market with particular reference to the liberalization of Indian economy and projected how the Securities Market could be in future. He drew statistics from the Reserve Bank of India's Monthly Bulletins and the Government policies, the response of the general public and the corporates. He cautioned the investors to be vigil while investing in securities by using their own judgment instead of being guided by someone else.

P Mani, Stock Analyst, Salem in his Special Address on Intra-day

transactions, deliberated on his own analysis of the scrip for a specific period and observed that the price fluctuations of scrips follow a certain pattern and once one has mastery over it could not lose any money but only gain. He emphasized that his predictions and the results almost matched. The programme was attended by more than 100 participants.

THRISSUR CHAPTER

Full Day Seminar on Companies Act, 2013 – Opportunities & Compliances

On 21.02.2014, the Chapter organised a Seminar on Companies Act, 2013 – Opportunities & Compliances at Ammu Regency, Thrissur. The inaugural session was addressed by the Chief Guest of the Seminar, Dr. Baiju Ramachandran, Chairman, SIRC of ICSI. The speakers for the programme were CS Soy Joseph, PCS, Chennai; CS Sony George PCS Chennai; CS Vinoth. S, PCS, Chennai and CS Bikash Prasad, PCS, Chennai.

The technical Sessions of the seminar discussed the following topics: Private Companies v. Public Companies; Role and Responsibilities of Company Secretaries, Chartered Accountants and Cost Accountants under the Companies Act, 2013; Meetings of Board, its Powers and General Meetings; Secretarial Audit, Statutory Audit and Cost Audit. The programme received an overwhelming response and was well received by the participants.

Programme in Honour of Chairman, SIRC

The Chapter organized a programme in honour of CS Dr. R Baiju Ramachandran, Chairman, SIRC. Chapter Chairman CS Vasudevam M presided over the function and CS Keralavarma, a senior member in Kerala congratulated CS Baiju Ramachandran for his election as chairman of SIRC.

Western India Regional Council

Seminar on Governance Professional (CS) as Independent Directors – Independence Redefined

On 22.2.2014 the ICSI-WIRC organized a Seminar at Courtyard Marriott, Andheri (East), on the theme "Governance Professional (CS) as Independent Directors – Independence Redefined". Inauguration was carried out by Ananta Barua, Executive Director of SEBI, Keyoor Bakshi, Past President, ICSI and Ragini Chokshi, Chairperson ICSI – WIRC. They gave their introductory remarks on the topic and threw light on the position of an Independent Director under the Companies Act, 2013 and recent SEBI Notifications.

The First Technical Session was addressed by Pearl Tiwari,



Joint President (CSR), Ambuja Cements Limited who has been associated with the urban and rural development sector for 20 years and also has more than 10 years of experience at large NGOs specializing in Children's rights and disabilities. She gave an overview about the contributions that can be made by an Independent Director towards Corporate Social Responsibility and the Importance of an Independent Director in the CSR Committee.

The Second Technical Session was addressed by Sachin Paranjape, Senior Director, Deloitte Touche Tohmatsu India Private Ltd, who is a certified trainer by IFC on Corporate Governance, who gave an insight on the contributions made by an Independent Director to the Audit Committee.

The Third Technical Session was taken by Naina Desai, Company Secretary, L & T Power Development Ltd. She shared with the participants, various new requirements under the Companies Act, 2013 relating to redefined Independence and the required skill set by Independent Directors.

The Fourth Technical Session was addressed by Leheri Koosai, who is heading KPMG's accounting advisory services in Mumbai. He discussed the Impact of the Companies Act, 2013 on the Financial Reporting Framework and Related Party Transactions by Corporates and the role of Independent Directors in the Related Party Transactions.

Post Lunch, G Hariharan, Advocate enlightened the participants on various contributions made by Independent directors to the Board which includes ensuring legal and ethical behavior at the company and helping the company to survive, grow and prosper over time.

The last session was a panel discussion on Independent Directors where the panelists including S.N. Ananthasubramanian, Past President of ICSI, B L Taparia, Company Secretary, Ambuja Cements, Rakesh Puri, Director, Exact Advisors & Consulting Pvt. Ltd., and others gave the participants an in-depth insight on Independent Directors, their Role & Responsibility, their Importance, liability, remuneration and various provisions in the New Companies Act, 2013. The Panel Discussion was very interactive and well appreciated. All the queries put forth by the participants were well addressed by the speakers.

Programme on NBFC

On 1.3.2014 the ICSI-WIRC organized a Programme on NBFC at its premises at Nariman Point. Three eminent speakers deliberated on various aspects of NBFC during the course of the programme.

Ragini Chokshi, Chairperson welcomed the participants and requested the members to actively participate in various activities of the institute. She briefly touched upon the scope of Company Secretaries in NBFC. Hitesh Kothari, Chairman, Professional Development Committee spoke on the significance of the topic and the changing scope for professionals. He introduced the membership scheme for the year 2014 and requested all the members to enroll in large numbers.

Rajesh Doshi, Founder, Steer Advisory Services Private Ltd. gave an overview on NBFC, V Srinivasan, Former General Manager, Punjab National Bank spoke on regulatory and rating framework. Kamal Ahuja, Executive Vice President- Internal Audit & Compliance, India Infoline Asset Management Co. Ltd spoke on various compliances under NBFC. The programme was well attended by members. Queries raised by the participants were appropriately responded by the speakers.

Programme on What a Company Secretary should Know about IPR

On 8.3.2014 ICSI-WIRC organized a Programme on What a Company Secretary should know about IPR. The speakers for the Programme were Sanjay Kher, Nayan Rawal, and Subramaniam Vutha, all Advocates from Mumbai. Sanjay Kher gave an overview on IPR and the role of professionals. Nayan Rawal spoke on IP as Asset Management while Subramaniam Vutha addressed the participants on e-commerce and IPR. The speakers deliberated on various recent judgments on the topic and discussed various case studies pertaining to the topic. The participants raised a number of queries which were ably responded by the speakers.

Special Investor Awareness Programme on Women's Day in Thakur Village

On 8.3.2014 ICSI-WIRC organised a Special Investor Awareness Programme at Janupada, Thakur Village at Kandivali East. The Programme was attended by around 150 women from the village. Prof. Megha Juvekar introduced the theme of the programme and said that savings is an integral aspect of women as they play a crucial role in maintaining the family. Citing various examples from the field of banking, insurance, nursing and social welfare, she said that women are competent to handle various cardinal positions in the society. Prof. Megha also opined that women should excel in identifying self-employment opportunities and develop entrepreneurial traits.

Vanita Sawant who was the second speaker during the programme said that women should plan their finance properly and should develop thrift habit amongst them and should inculcate the same in the younger generation. She said women always have a great role to play in grooming the younger generation and should regularly impart saving habits among them. She gave an overview on various savings mechanisms and how the stock market operates. She stressed on the significance of being a long term investor and opined that a long term investors will always gain prolific returns.

In conclusion Prof. Megha Juvekar appealed all the participants to put in practice all the suggestions they received from the programme. The participants had excellent take away from the programme and they requested to have more such programmes at regular intervals.





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Two Day Seminar on Companies Act, 2013 and SEBI regulations at Valsad

On 14 and 15.3.2014 ICSI-WIRC organised a Two Day Seminar on Companies Act, 2013 and SEBI regulations at Valsad which was attended by members from across the Western Region. The Seminar has witnessed vibrant and healthy discussions. A galaxy of speakers from various walks addressed the participants. On 14.3.2014 CS Ragini Chokshi, Chairperson, ICSI-WIRC during her address welcomed all the delegates and opined that the theme opted for the Seminar is of immense topical relevance. She said WIRC in the days to come has planned many such programmes with the purpose of providing a proper grip to the members on the new Act. She also briefly mentioned about the novel initiatives of WIRC and appealed all the members to extend their support.

CS Prakash K Pandya, Regional Council Member and Chairman of Professional Development Committee introduced the theme of the seminar. He thanked the Chairperson for all the support she extended for organising the seminar. He said that the seminar is witnessing a rare combination of excellent speakers who have proven their mettle in their respective fields and requested the delegates to take utmost benefit of the speakers.

The Guest of Honour for the programme was Bhagirath Merchant, Former President, BSE who spoke on Corporate Governance. He said that the commencing point of Governance is self and then only it can be extended to the Universe. He opined that reaching can only be ensured through teaching. Merchant mentioned that the new Act is more precise and has immense clarity and has defined various aspects including Fraud. He cited various examples from the corporate world and responded to all the queries raised by the participants out of this rich experience.

The Second Technical Session was of Robert Pavrey who gave a snapshot presentation on Incorporation as per the new Act. During the Last Technical Session on 14.3.2014 Kalidas Vanjpe, Practising Company Secretary, Thane spoke on various provisions on Private Limited Companies as per the new Act.

On 15.3.2014 Smitesh Amul Desai, Practising Company Secretary, Valsad, in his brief talk gave an overview on Service tax citing various examples and recent Budget. Prakash K Pandya spoke on CSR and acceptance of deposits. Mahavir Lunawat, Group Managing Director, Pantomath Advisory Services Group & Former Chairman, ICSI-WIRC spoke on Capital Issues of Corporate Reserves under the New Act and Umesh Ved, Practising Company Secretary, Ahmedabad and Council Member spoke on Company Secretaries under the New Regime of Company Law. The delegates experienced immense satisfaction on the various topics deliberated and requested for many such residential seminars during the course of the year.

AHMEDABAD CHAPTER Two Days Residential Seminar

On 22-23.3.2014 the Chapter organized a two days Residential Seminar at Gandhinagar, Gujarat on "Value Creation

Through Governance" in which more than 130 members actively participated. The Inauguration and Welcome Address was given by CS Rajesh Tarpara, Chairman Ahmedabad Chapter, CS Ashish Doshi, Vice Chairman, WIRC and CS Rutul Shukla, Secretary & Chairman PDC, Ahmedabad Chapter briefed the participants about the theme and deliberations during various sessions in two days. The opening session of the seminar was addressed by CS Mahesh Athavale, Past President of the ICSI on "CS as value creator in view of Emerging Areas under Companies Act, 2013".

The Second Session was deliberated by Nehal Sheth and Sukrut Mehta, Director, B S R and Co. on "Value Addition through Corporate Restructuring and Significant Aspects relating to Accounting & Auditing under Companies Act, 2013".

The Third Session was addressed by Snehal Desai, Associated General Manager, Adani Group on "Value Creation Through Creative Destruction".

The Fourth Session of the seminar was again addressed by CS Mahesh Athavale, Past President of the ICSI on "CS as value creator in view of Emerging Areas under Companies Act, 2013".

The second day of the seminar began with the President's Meet. CS Umesh Ved, Council member, the ICSI addressed the participants with his occasional speech. The session was interactive for all the participants with CS R Sridharan, President and CS M S Sahoo, Secretary. Thereafter CS M S Sahoo spoke on "Moving from Company Secretary to Governance Professional".

The next session of the second day was on 'Emerging Role of Professional in Economy & Society' taken by Prithvi Haldea, Director, Prime Database Group.

The session on "Role of Professional: SEBI perspective". was taken by Sandip Ghose, Director, National Institute of Securities Market (NISM).

The last session of the second day was addressed by Swami Prataparudra Dasa on topic "Professionalism and Spirituality".

Sixth National Conference on Companies Act, 2013

On 14.2.2014 in view of the emerging issues and key developments, ASSOCHAM in association with ICSI as Academic Partner, organized a full day 6th National Conference on "Companies Act, 2013 - New Rules of the Game" at Ahmedabad for mounting larger awareness among the corporates.

The First Technical Session was taken by S. K. Agarwal, Regional Director, Ministry of Corporate Affairs on Corporate Social Responsibility, CS Ashish Doshi, Vice Chairman, Western India Regional Council of ICSI deliberated on an Overview of New Companies Act, CS Chirag Shah, Past Chairman of Ahmedabad Chapter of WIRC of ICSI and Practising Company Secretary spoke on Corporate Governance, Independent Directors.

The Second Technical Session began in valuable presence of Chairperson S. N. Misra, RoC, Ahmedabad. The session was



taken by Hitesh Buch, Proprietor Hitesh Buch & Associates on Empowered SFIO. Vishal Gada, Partner, KPMG in India deliberated on M & A related issues under the Act. Sukrut Mehta – Director, KPMG in India spoke on Accounting & Auditing Standards and Silpi Thapar, Proprietor, Silpi Thapar & Associates spoke on Class Action Suits. The seminar had participation of thirteen CS Members with eligibility for 04 PCH.

Blood Donation Camp

On 16.2.2014 the Chapter of WIRC of ICSI in association with Act of Kindness (AOK) and Red Cross Society organized a Blood Donation Camp at Satellite, Ahmedabad under the coordination of CS Aanal Satyawadi. The Blood Donation Camp was based on the theme “Light up a lamp of life by donating Blood”. CS Rajesh Tarpara, Chapter Chairman, CS Ravi Kapoor, Past Chairman of the Chapter, CS Suresh Gondalia along with few CS students participated actively in the Blood Donation Camp.

Study Circle meeting

On 8.2.2014 the Chapter organized a Study Circle Meeting on An Overview of Service Tax & its implications on Professionals at its premises. The meeting was addressed by Jigar Shah – Advocate, Gujarat High Court, Ahmedabad who has a wide experience and exposure in the field of Service Tax. The meeting was full of knowledge for all participants including Members and Students. A total of 154 Member & Students attended the programme.

INDORE CHAPTER Women's Day Celebration

On 9.3.2014 the Chapter organized Women's Day at Indore. The Seminar was inaugurated in the presence of CS Ragini Chokshi, Chairperson, WIRC, Chapter Chairman CS Ashish Karodia, Chapter Secretary CS Priti Kumath, Former Chairmen of the Chapter CS Ritesh Gupta, CS Dinesh Kumar Gupta and CS Kamlesh Joshi, members and students of the Institute. CS Ragini Chokshi talked about women empowerment and also educated the women members about the provisions of Companies Act, 2013 relating to Women Director and Corporate Social Responsibility.

Chapter Chairman CS Ashish Karodia, CS Priti Kumath, CS Dipika Kataria, CS Manisha Jhumrani, CS Pallavi Parivar, CS Jyoti Jain, CS Shruti Jain spoke on empowerment of Women.

Study Circle Meeting on Corporate Social Responsibility under Companies Act - 2013

On 2.3.2014 the Indore Chapter of WIRC of ICSI organized a Study Circle Meeting on Corporate Social Responsibility under Companies Act - 2013 at its premises. The Study Circle Meeting was inaugurated in the presence of CS Ashish Karodia, Chapter Chairman and CS Mukesh Garg, Guest Faculty. CS Mukesh Garg in his address explained the topic to the members of ICSI in very simple language. He explained various provisions of the Companies Act, 2013 relating to Corporate Social Responsibility.

Study Circle Meeting on Compliance of Balance Sheet under Companies Act, 2013

On 1.3.2014 the Chapter organized a Study Circle Meeting on Compliance of Balance Sheet under Companies Act, 2013 at its premises. The Study Circle Meeting was inaugurated in the presence of CS Ashish Karodia, Chapter Chairman and CS (Dr.) D.K. Jain, Guest Faculty. CS (Dr.) D.K. Jain in his address explained the topic to the members of ICSI in a very simple language. He explained various provisions of the Companies Act, 2013 relating to Compliance of Balance Sheet.

Full Day Seminar on Master Class on Companies Act, 2013

On 16.2.2014 the Indore Chapter of WIRC of ICSI organized Full Day Seminar on “Master Class on Companies Act, 2013” at Indore. The Seminar was inaugurated among others in the presence of CS (Dr.) K.R. Chandratre, Past President, ICSI; CS Makarand Lele, Chapter Chairman CS Ashish Karodia, CS D.K. Sharma, Vice Chairman, CS Priti Kumath, Chapter Secretary, Members of the Managing Committee, Secretary, WIRC and members & students of the Institute. After the Inauguration Chapter Chairman CS Ashish Karodia, introduced the theme of the programme and invited everyone for the Inauguration of the theme “Connect Together”, release of Brochure of Oral Teaching Center, release of ready reckoner of Companies Act, 2013. Members of Managing Committee of the Chapter addressed one by one.

CS (Dr.) K.R. Chandratre took 2 sessions - pre and post Lunch. In technical sessions he explained the topic in a very simple language along with lots of example and presentation.

He explained various Provisions of Chapter XI, XII, XIII of the Companies Act, 2013 including newly introduced Definitions, Appointment of Directors, Independent Directors, Key Managerial Personnel, Meeting of Board and its powers, Audit Committee, Loans to Directors, Investment, Loans, Guarantees, Securities, Secretarial Audit and Duties of Company Secretaries.

In the Second Technical Session CS Makarand Lele explained the topic in very simple Language along with lots of example and presentation. He explained various provisions and definitions of Companies Act, 2013 including Associate Company, Control, Body Corporate, Foreign Company, Holding Company, Subsidiary, Deposit, Issue of Shares, Interested Directors, Related Party Transactions, Powers of the Board, Commencement of Business, Shadow Directors, One Person Company, Annual Return, etc. The queries raised by the members and students were resolved by the faculties.





ICSI - CCGRT

Two Days Programme on Compliance of Listing Agreement and SEBI Updates

ICSI-CCGRT conducted a two days programme on Compliance of Listing Agreement and SEBI Updates at Navi Mumbai on 28.2.2014 & 1.3.2014. The speakers of the programme were Smitesh Desai, Practising Company Secretary, Valsad; Shailashri Bhaskar, Practising Company Secretary, Mumbai & Former Deputy General Manager, SEBI; Shashikala Rao, Practising Company Secretary, Mumbai and B Renganathan, Vice President, Corporate Affairs & Company Secretary, Edelweiss Corporate Centre, Mumbai.

Smitesh Desai took a session on Listing of SMEs and Compliance of SME Listing Agreement. He discussed the forms of business organization, type of organizations and scale of business. He then elucidated the listing procedure for SME which included preliminary steps and pre-listing formalities for SME. He threw light on various formalities which included IPO to open as per the schedule, to track the progress of IPO, IPO to close as per the schedule, to submit IPO reports to SE etc. and also the book building process, where the issuer who is planning an offer nominates lead merchant banker(s) as 'book runners'.

Shailashri Bhaskar covered in detail all important clauses of the Equity listing agreement which included clauses relating to closure of transfer books, Intimation of Board Meeting, change in name, outcome of voting results, e-voting, intimation of events which are price sensitive in nature, Intimation of agreement with media companies and the shareholding pattern and even about the details of nominees of the media companies on the board of issuer companies and other necessary details, qualified annual reports, Shareholding Pattern, Financial Results and deviations & variations.

Shashikala Rao spoke on corporate governance related provisions in the Listing Agreement. She discussed in detail the proposed changes by SEBI in this regard which is soon to be notified and expected to come into effect from October 1st 2014. Such changes include changes relating to Independent Directors w.r.t. criteria, tenure, appointment, remuneration, liabilities, resignation etc., more transparency on related party transactions, Board Committees, Board Diversity, additional disclosures, principles of corporate governance etc.. In this regard, she clearly brought out the comparison between the existing and proposed provisions of Listing Agreement and the provisions of the new Companies Act, 2013.

B Renganathan took the concluding session on other important SEBI Laws. He threw light on the recent updates on the various important SEBI regulations. He covered SEBI (Prevention of Insider Trading) Regulations in detail covering Code of Conduct, Annual Disclosures and Quarterly Disclosures. The company must file Form A on acquiring 5% of the shares of the company, Form C when there is a change by more than 2%, Form D when there is a change in holding by 1% or 25,000 shares or INR 5 lakhs in value. He also updated on the other regulations viz. ICDR Regulations, KYC Regulations, recently amended Delisting Regulations etc. The queries of the participants were well-addressed by the speakers. The programme was well received.

Programme on Demystifying Intellectual Property Rights (IPRs)

On 16.2.2014 the ICSI-CCGRT organised a full day programme on "Demystifying Intellectual Property Rights (IPRs)" at its premises in Navi Mumbai. The speakers of the programme were Bakul Pandya, Advocate, Bombay High Court and Surendra Kanstiya, PCS & Member, INCSOC.

Bakul Pandya spoke in detail on some important aspects of IPRs including Trade Marks, Patents and Copyrights and Surendra Kanstiya discussed Competition Law *vis-a-vis* IPR through various case studies.

Programme on Companies Act, 2013

On 8.2.2014 the ICSI-CCGRT, in continuation of its series of programmes on the subject, conducted one more programme on Companies Act, 2013 (with draft Rules and Forms thereunder) at its premises in Navi Mumbai. The speakers of the programme were Prakash Pandya, PCS, Mumbai, Savithri Parekh, Chief – Legal & Secretarial, Pidilite Industries Ltd and Kalidas Ramaswamy, Company Secretary, Reliance Power Limited, Mumbai.

Prakash Pandya shared his valuable experiences and enlightened the participants about the significant changes in provisions relating to Incorporation, One Person Company, Charges, Secretarial Audit and Annual Returns under the new Act. Savithri Parekh commendably brought out the provisions relating to the Appointment and Qualifications of Directors & Managerial Personnel, Independent Directors, Managerial Remuneration, Loans & Investments by a company, Loans to Directors and Related Party Transactions. Kalidas Ramaswamy, in his unique way, threw light on the new CSR provisions from the legal perspective and pointed out certain Drafting anomalies in the Companies Act, 2013 & the Draft Rules thereunder, which needs to be addressed.

Owing to the overwhelming response to the programme and demand from the participants, ICSI-CCGRT arranged 2 more programmes on the subject at its premises in Navi Mumbai on 21.2.2014 & 9.3.2014.

On 21.2.2014 the speakers of the programme were Dr. K. R. Chandratre, Practising Company Secretary, Pune & Former President of ICSI who conducted an outstanding session on Appointment & Qualification of Directors, Remuneration of Managerial Personnel and Secretarial Audit; Shashikala Rao, Practising Company Secretary, Mumbai, gave an excellent overview of provisions relating to Meetings, Board's Report, Annual Returns, Inter-corporate Loans and Investments and Compromises & Arrangements and P R Barpande, Former Partner, Deloitte Haskins & Sells discussed in a crisp manner the provisions relating to Accounts of Companies, Audit and Auditors under the new Act.

On 9.3.2014 the speakers of the programme were N L Bhatia, Practising Company Secretary, Mumbai who discussed incorporation & matters incidental thereto under new Act as well as provisions relating to Annual Returns; Savithri Parekh spoke on the Secretarial Audit, Board's Report, Deposits and CSR related provisions; Prachi Manekar, Corporate Legal Consultant, Mumbai covered in detail the Class Action Suits, NCLT and Mergers & Amalgamation and Suresh Thakur Desai, Former Chairman, ICSI-WIRC conducted the concluding session on Directors including Independent Directors & Managerial Personnel, Managerial Remuneration and Related Party Transactions. The programmes were very interactive and well appreciated by the participants.



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

CENTRE FOR
CORPORATE
GOVERNANCE,
RESEARCH &
TRAINING (CCGRT)

ANNOUNCES !!!

Annual Membership Scheme (2014 – 2015)

An invitation to attend a variety of Professional Development Programs organized by ICSI-CCGRT

ICSI-CCGRT proposes its new schemes of Annual Membership for the Professional Development / Participative Programs organized by us during the period of 12 months, from October 01, 2013 to September 30, 2014.

The Scheme has been introduced keeping in view the convenience of making payment / taking approval at one time to attend different professional development programs organized during the period.

The New Annual Membership Schemes with its salient features are:

Scheme - I

- Membership @ ₹ 5,600/- *
- Entitled to attend 05 programs at CCGRT
- Validity of 06 Months from the month of registration

Only participants attending the program would be entitled to the background material

Scheme - II

- Membership @ ₹ 11,500/- *
- Entitled to attend 12 programs at CCGRT & Mumbai
- Validity of 12 Months from the month of registration

Scheme - IV

- Only for Outstation Members** i.e. other than Mumbai, Navi Mumbai & Thane
- Membership @ ₹ 9,000/- *
- Entitled to attend 05 programs held at CCGRT
- Validity of 12 months from the month of registration
- Accommodation at CCGRT will be complimentary subject to availability

Any Clarifications, please call Shri D V N S Sarma, Asst Director on – 09869539317

OR

Co-ordinator - 02241021533 / 03

* Including Service Tax @ 12.36%

Membership will commence from the month in which the payment is made

Fees will be accepted by way of Cash, D.D or Local cheque payable at Mumbai to be drawn in favour of "ICSI-CCGRT A/c". Cheque may be sent to Dean, ICSI - CCGRT at the address given below:

ICSI - CENTRE FOR CORPORATE GOVERNANCE, RESEARCH & TRAINING (CCGRT)
Plot No. 101, Sector 15, Institutional Area, CBD Belapur, Navi Mumbai 400 614.

☎: 022 – 2757 7814 /15, 41021515 Fax: 022 – 27574384 ✉:ccgrt@icsi.edu website <http://www.icsi.edu/ccgrt>

Headquarters: ICSI House, 22 Institutional Area, Lodi Road, New Delhi – 110 003 Website: www.icsi.edu





News From the Institute & Regions ICSI - CCGRT



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

Integrated Company Secretaryship Course (Full-Time)

Companies Act, 2013 and various other legislations have cast an arduous responsibility on the Company Secretaries in terms of 'Compliance' and more importantly 'Governance', which is the buzzword today worldwide.

In the light of above, with a view to groom students of CS course to meet the challenges that the Company Secretaries are being called upon to play in the current business scenario, **an Integrated Company Secretaryship Course (Full-Time) is being launched by ICSI-CCGRT.**

➤ **OBJECTIVE :** To develop well rounded niche governance professionals under one roof

➤ **SCOPE :**

1. Entire Company Secretaryship Course
2. Soft Skills, Leadership Traits and other Life Skills
3. Training through Practical Exposure and Internship

➤ **NATURE OF THE COURSE :**

Full Time, Non- residential (In due course of time such programme would also be offered as residential)

➤ **DURATION OF THE COURSE :**

Three years including one year of training (assuming that a student passes the scheduled examination of Institute of Company Secretaries of India in the first attempt).

➤ **BATCH SIZE :** 50 (Fifty)

➤ **FACULTY :**

Mix of Academicians from reputed Institutions, Professionals and Industry Experts.

➤ **PEDAGOGY :**

The Course would be an interactive programme focusing on experiential learning and combining class room lectures, discussions, class exercises, case studies, visits, practice sessions etc. Students would be exposed to real life organisational situations, professional dilemmas etc., to enable them to develop holistic perspective towards decision making and governance.

➤ **VENUE AND CLASSROOM LECTURES :**

ICSI-Centre for Corporate Governance, Research and Training (CCGRT), Plot No. 101, Sector 15, Institutional Area, CBD-Belapur, Navi Mumbai – 400 614 (MH).

➤ **ELIGIBILITY :**

1. Candidates eligible to join CS Executive Programme, and
2. **Age:** Less than 26 years as on **July 01, 2014**

➤ **SELECTION PROCESS :**

(a) **Online Entrance Examination**

Exemption from online entrance examination may be claimed on the basis of scores of recognized tests, namely, CAT, XAT, NMAT, GMAT, SNAP, MH-CET.

(b) **Group Discussion and / or Interview**

On the basis of the performance in the Online Entrance Examination or scores of Recognised tests, whichever is applicable, and Group discussions and/ or Interview, candidates would be selected for admission to the programme.

➤ **ADMISSION :**

Admission for the Course is in progress. **Online Entrance Examination would be held in May 2014.** For details visit: www.icsi.edu/ccgrrt

➤ **COURSE COMMENCEMENT DATE :**

The Course would commence on **1st July 2014.**

➤ **PROSPECTUS :**

The prospectus of the course is available at www.icsi.edu/ccgrrt

ADDITIONAL BENEFITS FOR STUDENTS :

ICSI-CCGRT will facilitate the following for the students of this Course

- Registration and Enrollment with ICSI
- Educational Loans for the Course
- Internship/Training
- Placement Assistance
- Hostel Assistance around CCGRT

For Details & Clarifications, contact:

ICSI-Centre for Corporate Governance, Research & Training (CCGRT)

Plot No. 101, Sector-15, Institutional Area, CBD Belapur, Navi Mumbai- 400 614

Tel: 022-4102 1501/03, Fax: 27574384, E-mail: ccgrrt@icsi.edu, Website: www.icsi.edu/ccgrrt

TRADEMARK CAUTION NOTICE

Chartered Secretary

Trade Mark No. 1633890



Trade Mark Nos. 2158561, 2158562
& 2158563

The Institute of Company Secretaries of India, having its head office at ICSI House, 22, Institutional Area, Lodi Road, New Delhi-110 003, is a statutory body constituted under an Act of Parliament, i.e., the Company Secretaries Act, 1980. It has been formed and established to regulate and develop the profession of Company Secretaries in India.

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

Headquarters

ICSI HOUSE, 22, Institutional Area, Lodi Road, New Delhi-110 003
tel: 011-4534 1000, 4150 4444, fax: +91-11-2462 6727

e-mail: info@icsi.edu website: www.icsi.edu



CHARTERED SECRETARY

513

April 2014

फॉर्म ओ - 2
FORM O-2

भारत सरकार
GOVERNMENT OF INDIA
व्यापार चिन्ह रजिस्ट्री
TRADE MARKS REGISTRY

क्रमांक
No. 918117

व्यापार चिन्ह अधिनियम, 1999
Trade Marks Act, 1999
व्यापार चिन्ह के रजिस्ट्रीकरण का प्रमाणपत्र, धारा 23 (2) नियम 62 (I)
Certificate of Registration of Trade Mark, Section 23 (2), Rule 62 (I)

व्यापार चिन्ह संख्या / Trade Mark No. 1633890 दिनांक / Date 24/12/2007 ज.संख्या / J.No. 1435

यह प्रमाणित किया जाता है कि जिस प्रकार चिन्ह की समाकृति इसके साथ संलग्न है, वह
के बारे में दिनांक नाम से रजिस्ट्रीकृत हो चुका है।

Certified that the Trade Mark / a representation is annexed hereto, has been registered in the name(s) of
THE INSTITUTE OF COMPANY SECRETARIES OF INDIA, A STATUTORY BODY UNDER AN ACT OF PARLIAMENT,
"ICSI House", 22, Institutional Area, Lodhi Road, New Delhi 110003, INDIAN, PUBLISHER & MERCHANT, (Body
Incorporate)

In Class 16 Under No. 1633890 as of the Date 24 December 2007 In respect of
BOOKS, PUBLICATION, JOURNALS, REPORTS, LITERARY WORKS, WRITTEN MATTERS.

As Annexed

मेरे निदेश पर आज 31st मास के January, 2011 के दिन को इस पर मुद्रा लगायी गई।
Sealed at my direction, this day of

व्यापार चिन्ह रजिस्ट्री, DELHI
Trade Marks Registry, Registrar of Trade Marks

रजिस्ट्रीकरण आवेदन की तारीख से 10 वर्ष के लिए है और तबपश्चात् वह 10 वर्ष की कालावधि के लिए और प्रत्येक 10 वर्ष की कालावधि के अवसान पर भी नवीनीकृत किया जा सकता है।
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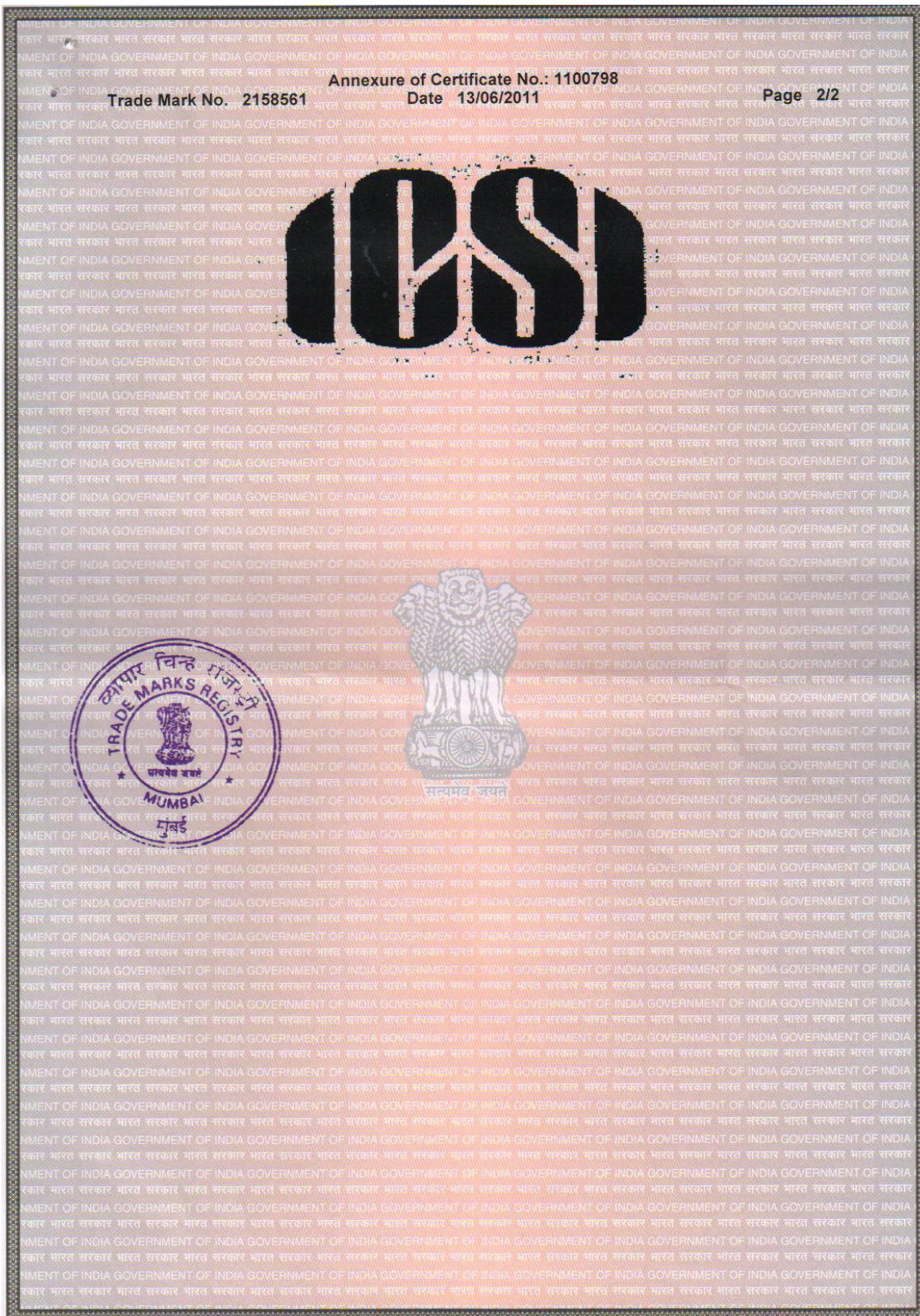
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Chartered Secretary





GOVERNMENT OF INDIA
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TRADE MARKS REGISTRY
व्यापार चिन्ह अधिनियम, 1999
Trade Marks Act, 1999
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DELHI - 110003, MANUFACTURER & MERCHANT, (Body Incorporate)
In Class 16 Under No. 2158561 as of the Date 13 June 2011 in respect of
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CONFERENCES, WORKSHOPS ETC. IN PRINT OR ELECTRONIC MEDIA OR OTHERWISE
Sealed at my direction, this 04th day of June, 2013
व्यापार चिन्ह रजिस्ट्री
Trade Marks Registry, DELHI
व्यापार चिन्ह रजिस्ट्रार
Registrar of Trade Marks
रजिस्ट्रीकरण आवेदन की तारीख से 10 वर्ष के लिए है और तदुपरान्त वह 10 वर्ष की कालावधि के लिए और प्रत्येक 10 वर्ष की कालावधि के अवसान पर भी नवीनीकृत किया जा सकेगा।
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CHARTERED SECRETARY

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April 2014

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FORM O-2

GOVERNMENT OF INDIA

व्यापार चिन्ह रजिस्ट्री

TRADE MARKS REGISTRY

No.

व्यापार चिन्ह अधिनियम, 1999

Trade Marks Act, 1999

व्यापार चिन्ह के रजिस्ट्रेशन का प्रमाणपत्र, धारा 23 (2) नियम 62 (I)

Certificate of Registration of Trade Mark, Section 23 (2), Rule 62 (I)

व्यापार चिन्ह संख्या / Trade Mark No.

दिनांक / Date

ज.संख्या / J.No.

यह प्रमाणित किया जाता है कि जिस प्रकार चिन्ह की समाप्ति इसके साथ संलग्न है, वह

क्रमांक / Serial No.

नमूने के तहत दर्ज किया गया है।

रजिस्ट्रार के नाम पर

Registered in the name of

The Institute of Company Secretaries of India, ICSI House, 22 Institutional Area, Lodi Road, New Delhi - 110003, Service Provider, (Body Incorporated)

In Class Under No.

as of the Date

in respect of

Good Description As Annexed

आवेदनकर्ता का पता

As Announced

MUMBAI मुंबई

मेरे निदेश पर आज के मास के वे दिन को इस पर मद्रा लागू हुई

Sealed at my direction, this day of February, 2014

व्यापार चिन्ह रजिस्ट्री

Trade Marks Registry, DELHI

व्यापार चिन्ह रजिस्ट्रार

Registrar of Trade Marks

रजिस्ट्रेशन आवेदन की तारीख से १० वर्ष के लिए है और तदुपरान्त यह १० वर्ष की कालावधि के लिए और प्रत्येक १० वर्ष की कालावधि के अवसान पर भी नवीनीकृत किया जा सकता है।

Registration is for 10 years from the date of application and may then be renewed for a period of 10 years and also at the expiration of each period of 10 years.

यह प्रमाणपत्र विधि कार्यों में प्रयोग के लिये या विदेश में रजिस्ट्रेशन प्राप्त करने के लिये नहीं है।

This certificate is not for use in legal proceedings or for obtaining Registration abroad.

टिप्पणी - इस व्यापार चिन्ह के स्वामित्व में कोई परिवर्तन होने पर, या कारोबार के मुख्य स्थान के पते में या भारत में तात्मील के लिये पते में परिवर्तन होने पर परिवर्तन के लिफाफे में सूचना देना चाहिये।

Note - Upon any change of ownership of this Trade Mark, or change in address, of the principal place of business or address for service in India a request should AT ONCE be made to register the change.

Annexure of Certificate No.: 1154724

Trade Mark No.: 2158562 Date: 13/06/2011 Page: 2/1

Class: 35

Goods Description: ADVERTISING AND SPONSORSHIPS IN RELATION TO THE COMPANY SECRETARY COURSE OR ANY OTHER DEGREE, DIPLOMA OR CERTIFICATE COURSE INCLUDING TRAINING AND CONTENT BASED SERVICES IN OR IN RELATION TO BOOKS, PUBLICATION, JOURNALS, REPORTS, LITERARY WORKS, WRITTEN MATTERS, SEMINARS, CONFERENCES, WORKSHOPS ETC. IN PRINT OR ELECTRONIC MEDIA OR OTHERWISE

TRADE MARKS REGISTRY

MUMBAI

मुंबई



प्रारूप ओ 2
FORM O-2

भारत सरकार
GOVERNMENT OF INDIA

व्यापार चिन्ह रजिस्ट्री
TRADE MARKS REGISTRY

क्रमांक
No. 1154952

व्यापार चिन्ह अधिनियम, 1999
Trade Marks Act, 1999

व्यापार चिन्ह के रजिस्ट्रीकरण का प्रमाणपत्र, धारा 23 (2) नियम 62 (I)
Certificate of Registration of Trade Mark, Section 23 (2), Rule 62 (1)

व्यापार चिन्ह संख्या/Trade Mark No. 2158563 दिनांक/ Date 13/06/2011 ज संख्या/ J.No. 1600

यह प्रमाणित किया जाता है कि जिस प्रकार चिन्ह की समाप्ति इसके साथ संलग्न है, वह नाम से रजिस्ट्रीकृत हो चुका है।
Certified that the Trade Mark / a representation is annexed hereto, has been registered in the name(s) of

THE INSTITUTE OF COMPANY SECRETARIES OF INDIA, ICSI HOUSE, 22 INSTITUTIONAL AREA, LODI ROAD, NEW DELHI - 110003, SERVICE & PROVIDER, (Body Incorporate)

In Class 41 Under No. 2158563 as of the Date 13 June 2011 in respect of

Good Description As Annexed

व्यापार चिन्ह रजिस्ट्री
TRADE MARKS REGISTRY
MUMBAI

Sealed at my direction, this 05th day of February, 2014

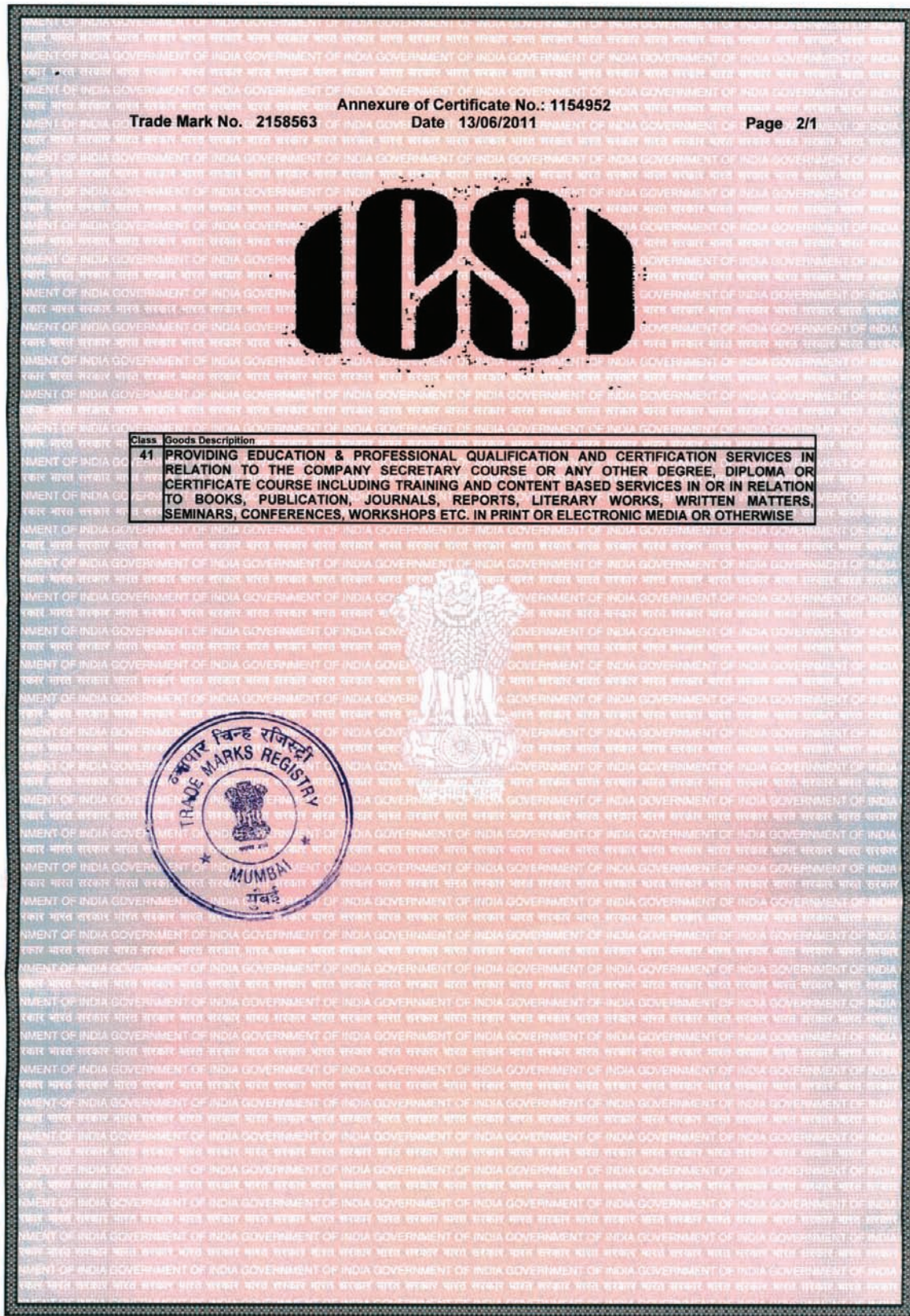
व्यापार चिन्ह रजिस्ट्री
TRADE MARKS REGISTRY
DELHI

व्यापार चिन्ह रजिस्ट्रार
Registrar of Trade Marks

रजिस्ट्रीकरण आवेदन की तारीख से 10 वर्ष के लिए है और तदुपरांत वह 10 वर्ष की कालावधि के लिए और प्रत्येक 10 वर्ष की कालावधि के अवसान पर भी नवीनीकृत किया जा सकेगा।
Registration is for 10 years from the date of application and may then be renewed for a period of 10 years and also at the expiration of each period of 10 years.

यह प्रमाणपत्र सिद्धि कार्यवाहियों में प्रयोग के लिये या विदेश में रजिस्ट्रीकरण अभिप्राय करने के लिये नहीं है।
This certificate is not for use in Legal proceedings or for obtaining Registration abroad.

टिप्पणी - इस व्यापार चिन्ह के स्वामित्व में कोई परिवर्तन होने पर, या कार्यवाह के मुख्य स्थान के पते में या भारत में तामील के लिये पते में परिवर्तन होने पर परिवर्तन के लिये आवेदन तुरन्त किया जाना चाहिये।
Note : Upon any change of ownership of this Trade Mark, or change in address, of the principal place of business or address for service in India a request should AT ONCE be made to register the change.



Annexure of Certificate No.: 1154952

Trade Mark No. 2158563

Date 13/06/2011

Page 2/1

Class	Goods Description
41	PROVIDING EDUCATION & PROFESSIONAL QUALIFICATION AND CERTIFICATION SERVICES IN RELATION TO THE COMPANY SECRETARY COURSE OR ANY OTHER DEGREE, DIPLOMA OR CERTIFICATE COURSE INCLUDING TRAINING AND CONTENT BASED SERVICES IN OR IN RELATION TO BOOKS, PUBLICATION, JOURNALS, REPORTS, LITERARY WORKS, WRITTEN MATTERS, SEMINARS, CONFERENCES, WORKSHOPS ETC. IN PRINT OR ELECTRONIC MEDIA OR OTHERWISE



CHARTERED SECRETARY

521

April 2014

Committees/Boards

THE STANDING AND OTHER COMMITTEES/BOARDS OF THE COUNCIL FOR THE YEAR 2014-2015

Sl. No.	Name	Designation	Place
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1 Executive Committee

1. R. Sridharan	Chairman	Chennai
2. Vikas Y. Khare	Member	Pune
3. S N Ananthasubramanian	Member	Thane
4. Anil Murarka	Member	Kolkata
5. Sanjay Grover	Member	New Delhi
6. Sudhir Babu C.	Member	Hyderabad
7. Renuka Kumar (Mrs.)	Member	New Delhi

2 Finance Committee

1. R. Sridharan	Chairman	Chennai
2. Vikas Y. Khare	Member	Pune
3. Pradeep K. Mittal	Member	Delhi
4. Atul H. Mehta	Member	Mumbai
5. Atul Mittal	Member	Gurgaon
6. Gopalakrishna Hegde	Member	Bangalore
7. P. Sesh Kumar	Member	New Delhi

3 Examination Committee

1. R. Sridharan	Chairman	Chennai
2. Vikas Y. Khare	Member	Pune
3. Arun Balakrishnan	Member	Gurgaon
4. Atul H. Mehta	Member	Mumbai
5. Atul Mittal	Member	Gurgaon
6. B. Narasimhan	Member	Mumbai
7. Sudhir Babu C.	Member	Hyderabad

4 Disciplinary Committee

1. R. Sridharan	Presiding Officer	Chennai
2. Sanjay Grover	Member	New Delhi
3. Sudhir Babu C.	Member	Hyderabad
4. S. Balasubramanian	Member	Gurgaon
5. S. K. Tuteja	Member	Delhi

5 HR Committee

1. R. Sridharan	Chairman	Chennai
2. Vikas Y. Khare	Member	Pune
3. Atul Mittal	Member	Gurgaon
4. Sudhir Babu C.	Member	Hyderabad
5. Pradeep K. Mittal	Member	Delhi

6 Financial Services Committee

1. Atul H. Mehta	Chairman	Mumbai
2. Anil Murarka	Member	Kolkata
3. Ashok K. Pareek	Member	Kolkata
4. Sanjay Grover	Member	New Delhi
5. Sudhir Babu C.	Member	Hyderabad
6. Umesh H. Ved	Member	Ahmedabad
7. Arun Balakrishnan	Member	Gurgaon

7 Corporate Laws and Governance Committee

1. Sanjay Grover	Chairman	New Delhi
2. Anil Murarka	Member	Kolkata
3. Atul H. Mehta	Member	Mumbai
4. Atul Mittal	Member	Gurgaon
5. Gopalakrishna Hegde	Member	Bangalore
6. Pradeep K. Mittal	Member	Delhi
7. Umesh H. Ved	Member	Ahmedabad
8. U D Choubey (Dr.)	Member	Delhi

8 Professional Development Committee

1. R. Sridharan	Chairman	Chennai
2. Gopalakrishna Hegde	Member	Bangalore
3. Anil Murarka	Member	Kolkata
4. S N Ananthasubramanian	Member	Thane
5. Pradeep K. Mittal	Member	Delhi
6. Ardhendu Sen	Member	Gurgaon
7. Renuka Kumar (Mrs.)	Member	New Delhi
8. U D Choubey (Dr.)	Member	Delhi
9. Umesh H. Ved	Member	Ahmedabad

Committees/Boards

9 TEFC

1. Vikas Y. Khare	Chairman	Pune
2. Arun Balakrishnan	Member	Gurgaon
3. Ashok K. Pareek	Member	Kolkata
4. Atul H. Mehta	Member	Mumbai
5. Atul Mittal	Member	Gurgaon
6. B. Narasimhan	Member	Mumbai
7. Sanjay Grover	Member	New Delhi
8. Sudhir Babu C.	Member	Hyderabad
9. P. Sesh Kumar	Member	New Delhi

10 PCS Committee

1. Anil Murarka	Chairman	Kolkata
2. Atul H. Mehta	Member	Mumbai
3. Atul Mittal	Member	Gurgaon
4. B. Narasimhan	Member	Mumbai
5. Sanjay Grover	Member	New Delhi
6. Sudhir Babu C.	Member	Hyderabad
7. Umesh H. Ved	Member	Ahmedabad

11 Information Technology Committee

1. Atul Mittal	Chairman	Gurgaon
2. Ashok K. Pareek	Member	Kolkata
3. Atul H. Mehta	Member	Mumbai
4. Gopalakrishna Hegde	Member	Bangalore
5. B. Narasimhan	Member	Mumbai

12 Peer Review Board

1. Vikas Y. Khare	Chairman	Pune
2. Atul H. Mehta	Member	Mumbai
3. B. Narasimhan	Member	Mumbai
4. Gopalakrishna Hegde	Member	Bangalore
5. Mahesh Anant Athavale	Member	Pune
6. Savithri Parekh (Ms.)	Member	Mumbai
7. V. Sreedharan	Member	Bangalore

13 Placement Committee

1. Ashok K. Pareek	Chairman	Kolkata
2. S N Ananthasubramanian	Member	Thane
3. B. Narasimhan	Member	Mumbai
4. Ardhendu Sen	Member	Gurgaon
5. Atul Mittal	Member	Gurgaon
6. Sudhir Babu C.	Member	Hyderabad

14 Board of Discipline

1. Pradeep K. Mittal	Presiding Officer	Delhi
2. Anil Murarka	Member	Kolkata
3. Sutanu Sinha	Member	Delhi

15 Secretarial Standards Board

1. Pavan Kumar Vijay	Chairman	New Delhi
2. S. V. Subramanian	Adviser	Mumbai
3. Anil Murarka	Member	Kolkata
4. Sanjay Grover	Member	Delhi
5. S.C Vasudeva	Member	Delhi
6. S. H. Rajadhyaksha	Member	Mumbai
7. Suresh Krishnan	Member	Chennai
8. V. Ahalada Rao	Member	Hyderabad
9. Narayan Shankar	Member	Mumbai
10. Subhashis Mitra	Member	Kolkata
11. Sanjeev Agarwal	Member	Jaipur
12. Devendra Bhandari	Member	Mumbai
13. Lalit Jain	Member	Noida
14. Milind B. Kasodekar	Member	Pune
15. Jagannadha Rao	Member	Navi Mumbai
16. M. S. Sahoo	Member	Delhi
17. Representative of MCA	Member	
18. Representative of SEBI	Member	
19. Representative of RBI	Member	
20. Representative of NSE	Member	
21. Representative of CII	Member	
22. Representative of FICCI	Member	
23. Representative of ASSO-CHAM	Member	

16 Expert Advisory Board

1. R. Krishnan	Chairman	Delhi
2. Pradeep K. Mittal	Member	Delhi
3. K. R. Chandratre (Dr.)	Member	Pune
4. L.V.V. Iyer	Member	Hyderabad
5. Sanjeev Kumar (Dr.)	Member	Noida
6. S. Mahadevan	Member	Coimbatore
7. K. S. Ravichandran (Dr.)	Member	Coimbatore
8. S.V. Ramakrishna	Member	Hyderabad
9. Siddhartha Ray	Member	Kolkata
10. Girish Sharma	Member	Kolkata



Committees/Boards

11. B. Ravi (Dr.)	Member	Chennai
12. M. S. Sahoo	Member	Delhi
13. Manoj Thakkar	Member	Mumbai

17 Editorial Advisory Board

1. S. Balasubramanian	Chairman	Gurgaon
2. C.K.G. Nair (Dr.)	Member	Delhi
3. Pradeep K. Mittal	Member	Delhi
4. G. P. Agarwal	Member	Delhi
5. Preeti Malhotra (Ms.)	Member	Delhi
6. Anil Rastogi	Member	Delhi
7. Kapil Taneja	Member	Gurgaon
8. Ilam Kamboj	Member	Delhi
9. R. Ravi	Member	Chennai
10. Sudheendra Putty	Member	Secunderabad
11. Karan J S Jasuja	Member	Delhi
12. S. Srinivasan	Member	Chennai
13. S. K. Dixit (Dr.)	Member	Delhi
14. S. K. Agrawala	Member	Kolkata
15. Mahesh Shah	Member	Kolkata

18 ICSI-CCGRT

1. Vikas Y. Khare	Chairman	Pune
2. Atul H. Mehta	Co-Chairman	Mumbai
3. Sudhir Babu C.	Member	Hyderabad
4. Sanjay Grover	Member	Delhi
5. D. K. Jain (Dr.)	Member	Indore
6. J. Sridhar	Member	Pune
7. Sanjay Gupta	Member	Kolkata
8. Yogesh Chande	Member	Mumbai

19 Quality Review Board

1. U C Nahta	Chairman	Delhi
2. Anil Kumar Bhardwaj	Member	Delhi
3. Harish K Vaid	Member	Delhi
4. Sanjay Grover	Member	Delhi
5. Atreyee Das (Ms.)	Member	Delhi

Nominations on Outside Committees

S. No.	Name of the Committee/Institution	Institute's Nominee(s)
01	National Advisory Committee on Accounting Standards (NACAS) – MCA	CS R. Sridharan President or CS Sanjay Grover, Council Member
02	Accounting Standards Board, ICAI	CS Sanjay Grover Council Member
03	Cost Accounting Standards Board, ICoAI	CS Sudhir Babu C. Council Member
04	Governing Council of the National Foundation for Corporate Governance (NFCG)	CS R. Sridharan President
05	Board of Trustees of the National Foundation for Corporate Governance (NFCG)	CS M.S. Sahoo Secretary
06	Indo – UK Taskforce on Corporate Affairs, MCA	CS Anil Murarka Past President & Council Member
07	Indo – UK Accountancy Task Force, Ministry of Commerce & Industry	CS Atul Mittal Council Member
08	Corporate Secretaries International Association (CSIA)	CS R. Sridharan President
09	The Associated Chambers of Commerce and Industry of India – Merger & Acquisition Council	CS P. K. Mittal Council Member
10	Task Force with regard to the Plan Budget of the MCA for the 12 th Five Year Plan.	CS R. Sridharan President
11	Committee to identify the tax issues arising out of convergence between the Companies Act, 1956, IFRS, DTC and GST and matters related thereto	CS Vikas Y. Khare, Vice President CS Sutanu Sinha, Chief Executive
12	The New India Membership Development Committee of INSOL International	CS M. S. Sahoo Secretary
13	Working Group constituted in the area of Corporate Governance and Corporate Social Responsibility as per provision of LOI signed between India – Netherlands	CS Anil Murarka Past President & Council Member
14	Advisory Group to the GRI Focal Point India	CS M.S. Sahoo Secretary

ICSI CALENDAR OF MAJOR PROGRAMMES 2014			
S.No.	CONTENTS	DATE	PLACE/VENUE
1	Capital Markets Week	May, 2014	New Delhi, Mumbai, Hyderabad, Kolkata, Chennai, Bangalore, Jaipur
2	ICSI-ICRA Joint Programmes	Being organised	Regional Councils/Chapters
3	9 th International Fellowship Development Programme and International Conference	May 23-31, 2014	Malaysia, Singapore - Bali (Indonesia)
4	15th National Conference of Practicing Company Secretaries	June, 2014	WIRC
5	42nd National Convention of Company Secretaries	August 21-22-23, 2014	Kolkata
6	Corporate Governance Award	December, 2014	EIRC
7	ICSI-NSDL Joint Programmes	April - August, 2014	Regional Councils/Chapters
8	Prospective Directors: Master Class	December 18-19-20, 2014	New Delhi
9	National Workshop on Secretarial Audit	May- July- September - November, 2014	Delhi, Mumbai, Kolkata, Chennai, Hyderabad, Bangalore, Coimbatore, Indore, Ahmedabad, Jaipur
10	National Workshop on Annual Return	June- Aug- Oct-Nov, 2014	Delhi, Mumbai, Kolkata, Chennai, Hyderabad, Bangalore, Coimbatore, Indore, Ahmedabad, Jaipur
11	Workshop on Compounding of offences, adjudication of penalties, drafting skills and appearance	September, 2014	Delhi, Mumbai, Kolkata, Chennai
12	Induction Programme for Company Secretaries in Employment	June - November, 2014	Regional Councils/Chapters
13	Programme on Corporate Governance norms of SEBI (Revised Clause 49)	To be announced	Delhi, Mumbai, Kolkata, Chennai
14	Programme on Corporate Restructuring & Insolvency	May-December, 2014	Bhubaneswar, Indore, Jaipur, Delhi, Mumbai, Kolkata, Chennai
15	Programme on Corporate Valuation	June- November, 2014	Regional Councils/CCGRT
16	Programme on Corporate Risk Management jointly with SCOPE	October, 2014	New Delhi
17	Peer Review Training Programmes	Being organised	Regional Councils/Chapters
18	PCS Induction Programme	Being organised	Regional Councils/Chapters
19	National Workshops on Capacity building in Company law	April - September, 2014	Regional Councils/Chapters
20	Class room teaching on Company Law	April - September, 2014	Regional Councils/Chapters

ANNOUNCEMENT

INCREASE IN MINIMUM AMOUNT OF STIPEND PAYABLE TO STUDENTS DURING TRAINING

The Council of the Institute has revised and fixed separately the minimum amount of stipend payable to Executive Pass students and Professional Pass students effective from 1st April, 2014, as under:

Entities	Executive Pass Rs./per month	Professional Pass Rs./per month
Company Secretary in Practice	3000	4000
Companies and other Organisations	4000	5000





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

IRDA-ICSI Seminar on Convergence of Company Law and Insurance Law

Saturday, the April 26, 2014

10.00 am to 5.00 pm

Venue: Taj Deccan, Hyderabad

Registration: 9.30 am

***Delegate Fee: Rs. 1000/- (Inclusive of 12.36%
service tax)***

Four PCH for ICSI Members

The stable and efficient system in the insurance industry support the sustainable economy. The stability of the industry relies on the three main factors viz. (i) the stability and efficiency of the insurance company itself. (ii) the presence of appropriate fundamental environment such as the framework of insurance law and insurance risk management, (iii) the control and monitoring system in compliance role.

The insurance industry is classified as a financial service business that is surrounded in complexity, especially when its products possess different characteristics from other financial products i.e. insurance product is long term in nature and the need for continued relationship with the customer; complexity of products especially unit linked insurance products and the lack of awareness of the need for insurance cover. Based on the above, a key success factor in the insurance business is to create an environment which provides continuous trust and confidence in customers.

In India, till the year 2000, there were no insurance regulations. The entire Insurance industry was governed by the Insurance Act, 1938 and rules made thereunder. In the year 2000, IRDA Act was passed and IRDA issued many regulations facilitating the growth in Insurance sector. Recently, IRDA has expanded the definitions of key persons in Insurance Company and Compliance officer has been included in the definition of key persons. It is also pertinent to note that IRDA has mandated that every insurer shall designate Company Secretary as the Compliance Officer for the purpose of compliance with the Corporate Governance guidelines of IRDA. The Insurance Regulator expects Company Secretaries to play a bigger role in upholding the pillars of Ethics, Compliance and Governance in insurance companies.

The principle of Good Corporate Governance matches the philosophy of a sufficiency economy focusing on maintaining balance and preparedness for rapid change by putting emphasis on thorough knowledge, and cautiousness all of which are in line with the basic principle of Good Corporate Governance. Good Corporate Governance is essential to insurance companies, the existence of an efficient and reliable management system, transparency and accountability, create trust and confidence in shareholders, investors, stakeholders and all related parties.

In this backdrop, The Institute of Company Secretaries of India (ICSI) has joined hands with the Insurance Regulatory Development Authority (IRDA) to organise a Seminar on **Convergence between Company Law and Insurance Law** on Saturday, the April 26, 2014 at Taj Deccan, Hyderabad to deliberate on the intricate issues and dimensions of intersection of Governance and Company Law in respect of insurance sector.

Mr. T. S. Vijayan, Chairman, Insurance Regulatory Development Authority has very kindly consented to be the Chief Guest and to release ICSI publication titled "Insurance Handbook – Guide to aspiring compliance professionals in insurance". Distinguished experts from professional fraternity, regulators and academia will also address on the occasion.

Programme Coverage

- Governance in Insurance Sector
- Compliance & Risk Management
- Stakeholder Protection

Who should attend?

The seminar would be beneficial to Chairmen, CEOs and Managing Directors of Life, Non-Life and Reinsurance Companies, CFOs, CROs and Risk Managers, Company Secretaries, Chartered Accountants, Management Accountants, Insurance Executives from national, regional and international organizations, Academics and institutional leaders, Regulators and Government Policy Leaders and Bancassurance and Financial Services executives

PROGRAMME FEE

- Rs. 1000/- (inclusive of service tax) per participant to cover the cost of Backgrounder, High Tea and Lunch, etc.

PROGRAMME CREDIT HOURS

Members of ICSI attending the full programme will be entitled for grant of FOUR programme credit hours.

PROGRAMME DIRECTOR

CS Sudhir Babu C.
Council Member, ICSI
sudhirinc@yahoo.com
Ph: 9985523338

NOMINATION

For more details please visit Institute's Website : www.icsi.edu

The registration form duly filled alongwith delegate fee may be deposited with:

Hyderabad Chapter of ICSI

#6-3-609/5, ANANDNAGAR COLONY KHAIRATABAD HYDERABAD – 500004

For any clarification, please contact: Mr. J S N Murthy, Tel: 040-23399541, 23396494 Email: hyderabad@icsi.edu

Participants are requested to be in their seats by 9.30 am



OBITUARY



B. P. Dhanuka

With deep sadness we express our heart felt condolences on the untimely demise of Shri B. P. Dhanuka, a Fellow Member and Past President of The Institute of Company Secretaries of India (ICSI) **on Saturday, the 1st March, 2014 at Kolkata.**

Shri Dhanuka a person of vision with passion for professional excellence had experience of more than 40 years in corporate sector. He was the President (Finance) & Company Secretary, Kano-ria Chemicals & Industries Limited. After his retirement from the services, he served as Company Secretary in whole time practice till the last day. Shri Dhanuka served as Council Member of ICSI for 9 years and at Regional Council of EIRC for 7 years. He was the President of ICSI for the year 1998. He was associated with the Eastern India Regional Council of ICSI since its inception and as its Chairman for the year 1984-85. Shri Dhanuka contributed richly towards EIRC's growth and development. He was also the Member of The Institute of Cost & Works Accountants of India and was the President of Calcutta Chapter of The Institute of Internal Auditors in the year 1986.

Shri Dhanuka co-authored a number of Books such as Principles and Practice of Payment of Bonus; Professional Tax in West Bengal; Hand Book on MRTP Act; SEBI Guidelines on Capital Markets, etc. and wrote various articles on Corporate Laws which were published in Business Standard, Financial Express, Company Law Digest, Management Accountant, Auditage and Chartered Secretary.

ICSI pays homage to the departed soul and prays the Almighty to give courage and strength to his wife, daughters, son, other family members and near and dear ones to bear this irreparable loss.

May the departed soul rest in eternal peace.



CHARTERED SECRETARY

Advertisement Tariff

(With Effect from 1st April 2012)

BACK COVER (COLOURED)		COVER II/III (COLOURED)	
Non - Appointment		Non - Appointment	
Per Insertion	₹ 75,000	Per Insertion	₹ 50,000
4 Insertions	₹ 2,70,000	4 Insertions	₹ 1,80,000
6 Insertions	₹ 3,96,000	6 Insertions	₹ 2,64,000
12 Insertions	₹ 7,65,000	12 Insertions	₹ 5,10,000

FULL PAGE (COLOURED)			HALF PAGE (COLOURED)		
	Non-Appointment	Appointment		Non-Appointment	Appointment
Per Insertion	₹ 40,000	₹ 10,000	Per Insertion	₹ 20,000	₹ 5,000
4 Insertions	₹ 1,44,000	₹ 36,000	4 Insertions	₹ 72,000	₹ 18,000
6 Insertions	₹ 2,11,200	₹ 52,800	6 Insertions	₹ 1,05,600	₹ 26,400
12 Insertions	₹ 4,08,000	₹ 1,02,000	12 Insertions	₹ 2,04,000	₹ 51,000

PANEL (QTR PAGE) (COLOURED)		EXTRA BOX NO. CHARGES		
Per Insertion	₹ 10,000	₹ 3,000	For 'Situation Wanted' ads.	₹ 50
(Subject to availability of space)			For Others	₹ 100

MECHANICAL DATA

* Full Page - 18 x 24 cm * Half Page - 9 x 24 cm or 18 x 12 cm * Quarter page - 9 x 12 cm

* The Institute reserves the right not to accept order for any particular advertisement.
 * The journal is published in the 1st week of every month and the advertisement material should be sent in the form of typed manuscript or art pull or open file CD before 20th of any month for inclusion in the next month's issue.

For further information write to:
 The Editor,
 "CHARTERED SECRETARY",
 **THE INSTITUTE OF**
Company Secretaries of India
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament

ICSI House, 22, Institutional Area, Lodi Road, New Delhi 110003
 Tel: 011-45341024, 41504444. Fax: + 91-11-24626727, 24645045
 Email : ak.sil@icsi.edu website : www.icsi.edu



ANNOUNCEMENT

MODIFIED TRAINING STRUCTURE FOR THE STUDENTS OF COMPANY SECRETARYSHIP COURSE

(EFFECTIVE FROM 01ST APRIL, 2014)

The Council, with the approval of Central Government and after following the due process, has published a Notification No. 710/1(M)/1 (1410GI/14) dated 01st April, 2014 in the Gazette of India, Part III, Section 4 (Extraordinary). The Notification is available at the home page on the website of the Institute www.icsi.edu.

The Notification has amended the Company Secretaries Regulations, 1982 to modify the training structure for the students of Company Secretaryship course. The modified training structure shall be applicable to:-

- (i) a student registered to the Executive Programme on or after 1st April 2014; and
- (ii) a student registered to the Executive Programme on or before 31st March 2014, if (s)he opts for the modified training structure in lieu of the earlier structure.

The brief details of the earlier training structure and the modified training structure is as under:

Components of Training	Earlier Training Structure	Modified Training Structure
Computer Training	Seventy hours	Not Applicable
Student Induction Programme	Seven days	Not Applicable
Executive Development Programme	Eight days	Not Applicable
Long Terms Internship with specified entities	Fifteen months (After passing Executive Programme)	Three years on registration to Executive Programme; or Two years after passing the Executive Programme; or One year after passing the Professional Programme.
Professional Development Programme	Twenty-five hours	Not Applicable
Training with specialised agency	Fifteen days	Not Applicable
Management Skills Orientation Programme	Fifteen days	Fifteen days

READERS' WRITE

The erstwhile Points of View column of Chartered Secretary has been re-captioned as Readers' Write. Members are invited to send in their queries and views for consideration for publication in this column for soliciting views/comments from other members of the Institute.

ICSI GRIEVANCE SOLUTIONS CELL

The Institute in its endeavour to improve the service delivery mechanism to the Members, Students and other stakeholders has established a Grievance Solutions Cell. Please send your grievance, if any, at

grievance.solutions@icsi.edu

ICSI - Convocation - 2014

The Institute is organizing Convocation for awarding the certificate of membership to the newly admitted Associate members from 20th April, 2013 to 10th March, 2014 and also to award prizes/ medals to meritorious students (National) and winner students of national level competitions at all the four regions as per schedule given below:-

Region	Date & Reporting Timing	Venue
Western Region	Saturday 5 th April 2014 1.30 P.M.	The Bombay Stock Exchange Limited International Convention Hall 1 st Floor, P.J. Towers, Dalal Street Mumbai- 420001
Southern Region	Wednesday 9 th April, 2014 9.00 A.M.	Dwaraka Auditorium Lions Edifice Hall D. G. Vaishnav College No. 833, EVR Periyar Salai Arumbakkam, Chennai – 600 106
Eastern Region	Sunday 13 th April, 2014 12.00 Noon	Space Circle Clubs & Resorts Pvt. Ltd. VIP Road, Raghunathpur P.O. Airport Kolkata – 700052
Northern Region	Saturday 3 rd May, 2014	Under finalization

Invitation for participation is being sent to the eligible members/students separately. Members/students shall be admitted to the Convocation subject to confirming his/ her participation in the Convocation to the Institute within the specified time.

Any request for change of region for participation in the Convocation shall not be entertained.

Payment of Annual Membership and Certificate of Practice Fee for the Year 2014-15

The annual membership fee and certificate of practice fee for the year 2014-15 became due for payment w.e.f 1st April, 2014. The last date for payment of fee is 30th June, 2014.

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

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

* A member who is of the age of sixty years or above can claim 50% concession and a member who is of the age of seventy years or above can claim 75% concession in the payment of Associate/Fellow Annual Membership fee subject to the furnishing of declaration in writing duly signed that the member is not in any gainful employment or in practice.

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

MODE OF REMITTANCE OF FEE

The fee can be remitted by way of:

- (i) Online mode through payment gateway of the Institute's website (www.icsi.edu)
- (ii) Cash/Cheque at par/Demand draft or Pay order payable at New Delhi (indicating on the reverse name and membership number) drawn in favour of 'The Institute of Company Secretaries of India' at the Institute's Headquarter or Regional/Chapter offices.

For queries, if any, the members may please write to Mr.Saurabh Bansal, Asst. Education Officer at email id saurabh.bansal@icsi.edu.



Our Members

CONGRATULATIONS

Shri Abhijit Mukhopadhyay, FCS, President (Legal), Hinduja Group, London on his becoming an Advisory Board Member of The International Bar Association's LFM Committee, Member of the European Action Committee of The International Institute for Conflict Prevention & Resolution, USA, Joint Editor of Transnational Dispute Management, USA, Member of the Advisory Board of Sharpe & Able, Australia and Member of the CII UK's India Business Forum & Chairman of its Immigration Task Force, UK.

Dr. Rajesh V, ACS, Manager – Legal & Corporate Affairs, S & S Power Switchgear Limited on his being awarded the Ph.D degree by Bharathiar University, Coimbatore, Tamilnadu on the subject "Entrepreneurship in Small Scale Industrial Units - A Study with reference to the successful rate of young entrepreneurs in Chennai City".

Shri Ravi Batra, FCS, Chief Risk Officer, SRL Limited, on his being re-nominated as a Member of FICCI's Corporate Laws Committee 2014 for the Financial Year 2014-15.

42nd NATIONAL CONVENTION OF COMPANY SECRETARIES

Place: Kolkata

Dates: 21-22-23 August, 2014

Suggestions on Theme and Sub-Themes

The 42nd National Convention of Company Secretaries is scheduled to be held at Kolkata. Suggestions are invited from members/readers on the theme and sub-themes to be deliberated at the National Convention.

The person whose theme alongwith its sub-themes is selected shall get exemption from paying the delegate registration fee for the Convention. The decision of the Institute shall be final in all respects. Interested persons may send their suggestions so as to reach by May 01, 2014 to :

Dr. S K Dixit

Director

(Perspective Planning & Professional Development)

The Institute of Company Secretaries of India

ICSI House, 22, Institutional Area
Lodi Road, New Delhi 110 003

E-mail : sudhir.dixit@icsi.edu / saurabh.jain@icsi.edu
Ph : 011-45341035/45341016



A promoter of a listed company owned and held 90% of its equity capital. It diluted 9% of this equity by way of approved QFS Scheme. Subsequent to this the company opted for delisting for valid and genuine reasons. The process was successfully completed. For eligibility for delisting is it necessary for the company to consider its promoter's pre-OFS shareholding?

Conditions

- 1] Answers should not exceed one typed page in double space.
- 2] Last date for receipt of answer is 8th May, 2014.
- 3] Two best answers will be awarded Rs. 1000 each in cash and the names of the contributors and their replies will be published in the journal.
- 4] The envelope should be superscribed 'Prize Query April, 2014 Issue' and addressed to :

Deputy Director (Publications)

The Institute of Company Secretaries
of India, 'ICSI House', 22, Institutional
Area, Lodi Road, New Delhi-110003.

OBITUARIES

"Chartered Secretary" deeply regrets to record the sad demise of the following members:

MR. ANANT VISHNU KARVE (17.05.1955– 04.01.2012), an Associate Member of the Institute from Pune.

MR. AYAZ TAJMOHAMMED SHAIKH (04.07.1952 - 26.07.2012), a Fellow Member of the Institute from Pune.

MR. H C DATTA (10.11.1938 –30.07.2010), a Fellow Member of the Institute from Hooghly.

MR. KRISHNA CHANDRA SHARMA (15.07.1931– 17.09.2011), a Fellow Member of the Institute from Lucknow.

MR. P M SALASKAR (30.12.1940 - 12.06.2013), a Fellow Member of the Institute from Mumbai.

MR. SADANANDA S KAMATH (24.03.1936- 13.01.2013), an Associate Member of the Institute from Udupi.

MR. TAPAS CHATTERJEE (01.09.1932 –01.11.2009), a Fellow Member of the Institute from Kolkata.

MR. VASANT SUKHLAL MODY (10.11.1927- 15.03.2009), an Associate Member of the Institute from Kolkata.

May the almighty give sufficient fortitude to the bereaved family members to withstand the irreparable loss.

May the Departed souls rest in peace.