

CHARTERED SECRETARY

THE JOURNAL FOR CORPORATE PROFESSIONALS



**THE INSTITUTE OF
Company Secretaries of India**

IN PURSUIT OF PROFESSIONAL EXCELLENCE

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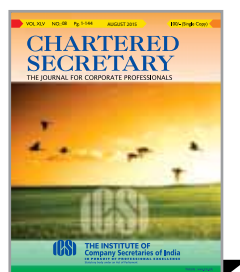
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01 >>> ICSI – PG College of Law, Osmania University, Hyderabad joint National Research Seminar on Corporate Laws and Challenges to the New Governments - Sitting from Left: Prof. M Rama Rao (Dean, Faculty of Law, OU) Sri S L Bunker (Member, CCI) Prof. K.V.S. Sarma (Former Registrar NALSAR University of Law), Prof G B Reddy (Senior Faculty, OU), Justice R Subhash Reddy (Judge, High Court of Judicature at Hyderabad for the State of Telangana & AP), CS Ahalada Rao V, CS Issac Raj P G, CS Venkata Ramana R, Dr. G Vinod Kumar (Principal, PG College of Law, OU) and CS Atul H Mehta.

02 >>> NIRC - Inauguration of 44th Foundation Day Month-long Celebrations - From Left: CS Mamta Bhargava, CS NPS Chawla, CS Manish Gupta, CS Atul H Mehta, CS (Dr.) G B Rao, CS Monika Kohli, CS Saurabh Kalia and CS Deepak Kukreja.

03 >>> NIRC - Seminar on Ease of Doing Business –Aligning Companies Act – Sitting on the dais from Left: CS Manish Aggarwal, CS Satwinder Singh, A K Chaturvedi (RD, MCA), Jitesh Khosla (IAS, Chief Secretary (Retd.), Govt. of Assam), CS NPS Chawla, CS Ranjeet Pandey and CS Manish Gupta.

04 >>> National Seminar on Secretarial Standards held at Chennai – Standing on the dais from Left: Sarah Arokiaswamy, CS A.Mohankumar, CS Nagendra D Rao, CS Ahalada Rao, CS G.P. Madaan, CS Mamta Binani, CS Pavan Kumar Vijay, CS C. Ramasubramaniam, CS Alka Kapoor and CS S. Dhanapal.

05 >>> National Conference on Competition Law Compliances by Enterprises – CS S K Agarwala addressing. Others sitting from Left: CS Sutanu Sinha, CS Mamta Binani, CS M S Sahoo (Member, CCI) and Sunil Kanoria (Sr. VP, ASSOCHAM & Vice Chairman, SREI Infrastructure Finance Ltd.).

06 >>> EIRC - Half Day Workshop on New Exemptions to Private Limited Companies under the Companies Act,2013, E-Voting & Risk Management –Vibhor Tandon (Regional Head & AVP – Business Development, Multi Commodity Exchange of India, addressing). Others sitting from Left: CS Rupanjana De, CS Ashok Purohit and Moly Biswas (Regional Manager, Central Depository Services (India) Limited).

07 >>> SIRC – Kochi Chapter – Programme on Foreign Exchange Management Act (FEMA) – Inauguration – Standing from Left: CS Mithun B Shenoy, Chief Guest U Chiranjeevi (General Manager, RBI), CS P.C.Jose, CS Jayan K and CS Arun K Kamalolbhan.

08 >>> NIRC- Kanpur Chapter – Full Day Seminar on Secretarial Standards - S. P. Kumar (RoC, UP, Utrakhand addressing). Others sitting from Left: CS Vaibhav Shukla, CS Kaushal Saxena, CS Ankur Srivastava, CS Ranjeet Pandey and CS Amit Gupta.





Articles

P-09

Requirements as to Notice of Board Meeting and Agenda under Companies Act and Secretarial Standards

» P-09

Dr. K. R. Chandratre

A company secretary has to ensure compliance with numerous legal requirements in the domain of company and securities laws, in relation to board and committee meetings, such as Companies Act, Rules made under Companies Act, Listing Agreement and Secretarial Standards, and also innumerable circulars issued by MCA and SEBI. These provisions often pose difficulties as they invariably conflict with the company management's expectations of fast decision making and ease of doing things. There has been a plethora of Indian and English judgments on various aspects of board meetings and sometimes courts interpret a provision different than what a legal provision requires to comply with, because courts often look at a provision not only from the point of view of compliance, but the purpose of the provision and the effect and consequences of non-compliance. This article presents a brief synopsis of the statutory and case laws relating to notice and agenda of board meetings.

To Make NCLT and NCLAT Operational, another Round of Amendments Necessary in the Companies Act, 2013.

» P-19

Delep Goswami & Anirrud Goswami

Earlier, the Supreme Court vide its judgement delivered in 2010, also upheld the Constitutional validity of the NCLT and NCLAT in the context of the Companies Act, 1956 as amended by the Companies (Second Amendment) Act, 2002, but then the Supreme Court directed the Central Government to amend, inter-alia, several clauses of the old Act, 1956 in so far as it related to the appointment of the members of the NCLT and the NCLAT; the tenure of their office; who could be appointed as Technical Members and also on the composition of the Selection Committee to select the members of the NCLT and NCLAT. Though some of these directions were incorporated in the Companies Act, 2013, there still remained some areas which did not conform to the Supreme Court's 2010 directives. The recent judgement dated 14.5.2015 by the Supreme Court relates to examination of the compliance with the 2010 directions, some of which are yet to be done by the Central Government and can be done only by amending the Companies Act, 2013.

Principal employer not liable for PF Dues of Contractor

» P-24

H.L. Kumar

Globalisation and liberalisation of economy has brought about a sea-change in the business and industrial scenario. High level and aggressive competition among multinational and national organisations have necessitated re-orientation of business and industry. Production is not only to be enhanced but has to be cost effective also which needs flexibility of manpower and labour deployment. Thus, outsourcing and need for certain activities has assumed greater importance. Accordingly, employment of contract labour through the contractor for some work which may be casual, temporary or even regular, is very common.

The employment of contract labour through the intermediary contractors on the premises of an undertaking is a common scene in almost all industries - be it public or private sector. The principal employers always prefer to engage only those contractors who have their own code number under Employees' Provident Funds & Miscellaneous Provisions Act. The contractors generally default in depositing the contributions of their employees with their provident fund authorities and the principal employers are made liable for payment which is to be made by the contractors. This article based on the case law clarifies that the provident fund authorities cannot make the principal employer liable for the provident fund dues which are to be paid by the contractor.

Whether Managerial Remuneration provisions in Section 197 of the Companies Act 2013 are applicable to Private Companies?

» P-28

Vijay Krishnamurthy

Due to poor drafting in section 197 of the Companies Act 2013 dealing with remuneration provisions and the absence of an explicit provision therein that it does not apply to private companies, there was confusion on its applicability to private companies. Rule 7(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014 exempt private companies from the remuneration ceilings but this Rule seems to go beyond section 197(3) and hence *ultra vires*. Central Govt. recently issued notification dated 5th June 2015 exempting several provisions of the Companies Act 2013 for private companies. Serial No. 16 thereof exempts private companies from section 196(4) dealing with appointment and remuneration of managerial personnel but which is subject to section 197 and Schedule V. Hence, there is a doubt whether



at a Glance

remuneration provisions of section 197 and Schedule V continue to apply to private companies.

Board Report is now Broad Report

» P-35

Shuchi Sharma

The Companies Act, 2013 has enhanced the scope of Board's Report and made it a broader report. Unlike Companies Act, 1956 wherein the only section dealing with Board's Report was Section 217, in Companies Act 2013, a lot of sections prescribe many mandatory disclosures to be mentioned in the Board's Report. Besides Companies Act, revised Clause 49 of Listing Agreement also specifies certain disclosures to be made in Board's Report of Listed Companies. Since the quantum of disclosure and the penalty for non-compliance is huge, the Board has to be very cautious in preparation of the Board's report and this will definitely require the expertise of professionals.

Introduction of Insider Trading Regulations 2015: Will the paper tiger really bite this time?

» P-41

Swetha Subramanian

Earlier this year, the Securities and Exchanges Board of India (SEBI) made amendments to the Regulations put in place by the Board to prohibit insider trading, something that was a long time coming. Ridden with gaping holes, the Securities and Exchanges Board of India (Prohibition of Insider Trading) Regulations, 1992 were replaced by the Securities and Exchanges Board of India (Prohibition of Insider Trading) Regulations, 2015 which came into effect on May 15, 2015. In this article the author has looked at the changes that have been made and how these changes are likely to affect not only the people involved but also the rate of such offences being committed. The author touches upon the new regulations being harsh on the insider and how the new seemingly stricter rules have faced much criticism from trade analysts and the media alike.

Legal World

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► LW: 064:08:2015 SC imposes exemplary costs on Vijay Mallya for deliberately not appearing before the enforcement authorities. ► LW: 065:08:2015 CCI passed cease and desist order against 13 suppliers who formed cartel for the supply of material to ordnance factory. ► LW: 066:08:2015 The ONGC had given a contract to the respondent. The ONGC had never entered into any contract with the appellant and therefore, it did not rely upon any certification or any statement made by the appellant in relation to quantum of work done by the appellant. This fact also shows that the ONGC was concerned with the work which had been approved by the respondent and instead of

making payment to the respondent, the ONGC had made payment to the appellant on behalf of the respondent, though there was no legal obligation on the part of the ONGC to make such a payment to the appellant.[SC] ► LW: 067:08:2015 In our opinion, the provisions of section 62 of the Copyright Act and section 134 of the Trade Marks Act have to be interpreted in the purposive manner. No doubt about it that a suit can be filed by the plaintiff at a place where he is residing or carrying on business or personally works for gain. He need not travel to file a suit to a place where defendant is residing or cause of action wholly or in part arises. However, if the plaintiff is residing or carrying on business etc. at a place where cause of action, wholly or in part, has also arisen, he has to file a suit at that place.[SC] ► LW: 068:08:2015 Merely because the venue of arbitration is in Delhi, this Court would not have territorial jurisdiction.[Del] ► LW: 069:08:2015 ESI Court did not have the jurisdiction to consider the question of grant of exemption, order passed by the ESI Court granting exemption and consequently setting aside the demand notices is non-est.[SC] ► LW: 070:08:2015 It is apparent that the suspension could not be the subject matter of an industrial dispute under the Act. Reference dated 18.12.1998 which relates to the suspension of the claimant, was an invalid reference.[Del] ► LW: 071:08:2015 In the instant circumstances limitation period will be calculated from 31.07.2009, which is specified in the termination letter dated 01.07.2009 and not from the date of communication of the termination letter.[Del].

From the Government

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- Clarification with regard to circulation and filing of financial statement under relevant provisions of the Companies Act, 2013-reg.
- Relaxation of additional fees and extension of last date of in filing of forms MGT-7 (Annual Return) and AOC-4 (Financial Statement) under the Companies Act, 2013-reg.
- Constitution of CLB Benches for exercising and discharging the Board's Powers and Functions
- Shifting of Regional Director (SER), Hyderabad from Kendriya Sadan Sultan Bazar, Koti to 3rd Floor, Corporate Bhavan, Bandla Guda, Tattianaram Village, Hayatnagar Mandal, Rangareddy Dist Pin – 500068. – Regarding
- SEBI (Prohibition on Raising Further Capital From Public and Transfer of Securities of Suspended Companies) Order, 2015. Under section 11A read with section 11 of the Securities and Exchange Board of India Act 1992
- Policy for annulment of trades undertaken on stock exchanges
- Securities and Exchange Board of India (Issue and Listing of Debt Securities by Municipalities) Regulations, 2015
- Requirements specified under the SEBI (Share Based Employee Benefits) Regulations, 2014
- Exchange Traded Cash Settled Interest Rate Futures (IRF) on 6 year, 10 year and 13 year Government of India (Gol) Security

Other Highlights

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- Members Admitted / Restored
- Certificate of Practice Issued / Cancelled
- Licentiate ICSI Admitted
- Company Secretaries Benevolent Fund
- Our Members



Dear Professional Colleagues,

“Excellence is a continuous process and not an accident.” These are the words of our beloved former President late Dr. Avul Pakir Jainulabdeen Abdul Kalam popularly known as Dr. A.P.J. Abdul Kalam. He has been a lot more than just a political figure and a scientist. He was a great thinker and a leader in true sense and will always be remembered.

The ICSI pays homage to Dr. A. P. J. Abdul Kalam, Former President of India - a visionary, an extraordinary human being who is fondly remembered as People’s President, The Missile Man, his sudden demise has grieved the Nation. We fondly remember his speech and interaction at the ICSI Symposium on Vision 2020 held at New Delhi 9th January, 2008 where he said, “Since the 11th plan is targeting to have a GDP growth of over 10% per annum, there is a need for the entire industrial and business establishment being serviced by the company secretaries to increase their present rate of growth and sustain it for at least a decade”.

Every person has some inborn strengths, which he hones over his lifetime with learning and experiences, these inner strengths, and experiences, cannot be lost or taken away. Exploring these inner strengths and applying them to a challenging task reaps true success. As the saying goes “Nothing can dim the light which shines from within”.

You are aware that the Companies Law Committee constituted to make suggestions on the issues arising out of implementation of Companies Act, 2013 had sought comments through the portal of Ministry of Corporate Affairs. The Ministry had asked the institutes/ business chambers to collate suggestions from their members and present the same to the Ministry. Accordingly, the Institute had sought the suggestions from the members and received an overwhelming response. I wish to place on record my sincere appreciation and thank all the members for their views / comments and suggestions. I am glad to inform that the Institute has submitted all the policy related suggestions received from the members to the Ministry.

The Secretarial Standard on Meetings of the Board of Directors and Secretarial Standard on General Meetings came into effect from July 1, 2015. I appeal to all members to follow the standards in true letter and spirit to reap the governance benefits anticipated by law. Further, taking note of the requirement to understand the magnitude and implications of these standards for ensuring compliance and with a view to provide guidance on the implementation, queries related to SS-1 and SS-2 were invited from Stakeholders. In response to which a large number of queries were received and duly considered and responded to individually.

In this regard, Frequently Asked Questions (FAQs) have also been placed on the website for the reference of the stakeholders. The same would be updated from time-to-time as and when additional queries are received. The replies to these queries are also being integrated in the Guidance Notes on Board Meetings and General Meetings. A series of webinars have been planned to provide Guidance on Secretarial Standards. The third webinar of this series was conducted on 8th July, 2015 wherein the queries of the stakeholders were addressed; the video recording of the webinar has been uploaded on the website of the Institute for the reference of the members. In addition to these initiatives, seminars and conferences are also being organized through the Chapters/ Regional Councils across India.

A National Seminar on Secretarial Audit was conducted at Chennai on 18th July 2015. Further, National Seminars are scheduled to be held in New Delhi and Kolkata on August 8, 2015 and August 22, 2015 respectively. I urge upon the professional fraternity to participate in the seminars in huge numbers and enrich themselves through the deliberations by the experts in their chosen subjects.

The portfolio of services being provided by the Company Secretaries both in practice and in employment is expanding and the role of Company Secretary is undergoing a significant transformation and they



From the President

are expected to deal with various laws other than the company law. The Institute has been taking several initiatives with a view to build capabilities of members in niche areas. One such area being Competition Law. The Institute has planned a series of National Conferences in Competition Law in association with the Competition Commission of India. The first Conference was organized at Mumbai. The second conference in the series was organized at Kolkata on the theme "Compliance of Competition Law by Enterprises" on 20th July, 2015. While Mr. M. S. Sahoo, Member, Competition Commission of India was the Chief Guest, distinguished speakers at the programme included Mr. Sunil Kanoria, Sr. Vice President, ASSOCHAM, Mr. G. R. Bhatia, Partner, Luthra and Luthra Law Offices; Mr. Ved Prakash Mishra, Director, Competition Commission of India; Mr. Shouvik Kumar Guha, Assistant Professor, The WB National University of Juridical Sciences; Professor (Dr.) P. IshwaraBhat, Vice-Chancellor, The WB National University of Juridical Sciences; Mr. Tarun Mathur, Manager, Ernst and Young; Mr. K. K. Sharma, Advocate, Former Director General, CCI & Commissioner of Income Tax.

I am glad to inform you that the MoU between Central Board of Excise and Customs and the ICSI for setting up ACES Certified Facilitation Centres has been extended till 31st March, 2017 for the benefit of the members. Members fulfilling the criteria for setting up ACES Certified Facilitation Centres may take benefit under the MoU and render services such as Digitisation and/or E-filing of Central Excise and Service Tax Documents, online registration, amendment to the registration form, filing various claims, intimations, and permissions, refund claim, request for provisional assessment and export related documents in addition to filing replies to show cause notices and appeals to Commissioners (Appeals).

The Peer Review Board of the Institute has also planned a series of training programmes for Peer Reviewers to be organised throughout the country. I am pleased to inform you that the Institute has so far organised ten Peer Reviewers' Training Programmes. I am sure, keeping in view the overwhelming response from the members the number of Peer Reviewers empanelled by the Board will soon reach the milestone of 500. With a view to further strengthen the Peer Review mechanism more awareness programmes have been planned in the coming months. I have been informed that the Peer Review Board has set a target of completing the peer review in respect of 1000 practice units during the year. There is no doubt that peer review is a mechanism to further enhance the quality of professional services being rendered by our professionals, the entire exercise helps in developing and improving the systems and procedures in place in a Practice Unit which is engaged in rendering attestation assignments. I call upon all practicing members to voluntarily offer their Practice Units for being peer reviewed.

The institute jointly with PG College of Law, Osmania University, Hyderabad organised a Two Day National Research Seminar on "Corporate Laws & Challenges To The New Governments" on July 25-26, 2015 at Hyderabad. Over 400 members and students of the Institute participated in the two day event. This is one of the new initiatives taken by the ICSI under the leadership of Mr. Ahalada Rao, Council Member of the Institute. I would also like to thank the Hyderabad Chapter for taking lead in this regard.

I am pleased to inform you that as part of creating awareness for

CSR, the Hyderabad Chapter of ICSI is organizing CSR 5K Walk for Social Responsibility on August 9, 2015 starting from Necklace Road. I invite all members and students to participate in this social cause in large number.

As part of Corporate Governance initiative of the Institute, this year the Institute will be presenting the prestigious 15th ICSI National Awards for Excellence in Corporate Governance, to recognize and encourage the adoption of best governance norms and practices by Indian corporates. The Institute's mission and vision statements echo our commitment for promotion of corporate governance. This year awards will be given in four categories, i.e., Two Best Governed listed Central Public Sector Companies; Two Best Governed Listed banks; Two Best Governed Listed SMEs; and Two Best Governed Listed companies. The questionnaires are developed through an open, transparent and consultative process and the draft Questionnaire for all the four categories was uploaded on ICSI website for comments from various stakeholders. The Questionnaires and the evaluation methodologies are finalized by an Expert Group constituted for the purpose. The meeting of the Expert Group is scheduled in August. I urge upon the members to encourage the companies to participate in the awards and make this initiative of your Institute a true success.

The 16th Annual congregation of practising members the National Conference of Practising Company Secretaries is scheduled to be held on August 13-14, 2015 at Bolgatty Palace & Island Resort, Kochi on the theme "PCS-Calibrating Competence for Achieving Excellence". This mega event will provide an opportunity to the participants to explore new opportunities in niche areas of practice, build professional network and share knowledge apart from rejuvenating and relaxing in God's own country - Kerala. The details of the Conference have been hosted on the Institute's website. I hope you must have by now booked your tickets and registered for the conference. In view of the overwhelming response from the members for attending the conference alternative accommodation arrangements have been made for residential delegates at Taj Gateway hotel in close proximity to the venue of the conference.

The much awaited 43rd National Convention of Company Secretaries is scheduled to be held at Kempinski Ambience Hotel, Delhi during 17-19 December, 2015. I request all the members to block these dates in their diary and to be part of this mega event of the Institute.

Dear Colleagues, it is now time to concentrate on capacity building which includes excelling in the core area, exploring new opportunities and carving out the niche areas. I would appeal to the members especially the younger ones to have courage to think differently and traverse the unexplored path without fear. Our inner strengths are to be reinforced with the commitment. To conclude let me quote the words of wisdom by Marcus Aurelius, "You have power over your mind - not outside events. Realize this, and you will find strength."

With kind regards,

July 29, 2015.

Yours sincerely,

(CS ATUL H MEHTA)
president@icsi.edu



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Requirements as to Notice of Board Meeting and Agenda under Companies Act and Secretarial Standards

- A company secretary ought to be conversant not only with the provisions of laws but also important court decisions and advise the management accordingly. No doubt, in normal circumstances compliance with the letter of the law must be given prime importance, but when an extraordinary circumstance makes it difficult to comply with the letter of law and the company has to take some action or decision, in such extraordinary circumstances he has to be guided by the courts decisions. Company secretaries would do well to know the interpretation placed and principles evolved by the courts, when they find themselves in a situation of conflict between compliance and validity.

INTRODUCTION

Today's company secretary of a listed company is experiencing compliance explosion in India, inasmuch as a company secretary has to ensure compliance with numerous legal requirements in the domain of company and securities laws, in relation to board and committee meetings, such as Companies Act, Rules made under Companies Act, Listing Agreement and Secretarial Standards, and also innumerable circulars issued by MCA and SEBI, most often confusing and complicating already confusing and complicated provisions.

These provisions often pose difficulties as they invariably conflict with the company management's expectations of fast decision



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





Article

Requirements as to Notice of Board Meeting and Agenda under Companies Act and Secretarial Standards

making and ease of doing things. Furthermore, these provisions are not free from ambiguities and some of them have internal contradictions. Sometimes it becomes impossible to comply with some of them due to particular circumstances, whether regarding notice, agenda, quorum or physical attendance at the meeting. Unfortunately, however, the way law is being made and implemented leaves little leeway to comply.

There has been a plethora of Indian and English judgments on various aspects of board and committee meetings and sometimes courts interpret a provision different than what a legal provision requires to comply with, because courts often look at a provision not only from the point of view of compliance, but the purpose of the provision and the effect and consequences of non-compliance. A company secretary has, therefore, to be conversant with not only provisions of laws but also with important court decisions and advise the management accordingly. No doubt, in normal circumstances compliance with the letter of the law must be given prime importance, but when a particular extraordinary circumstance makes it difficult to comply with the letter of law and the company has to take some action or decision, in such extraordinary circumstances he has to be guided by the law laid down by the courts.

STATUTORY PROVISIONS AS TO NOTICE OF BOARD MEETING

Section 173(3) of the Companies Act, 2013 provides that a meeting of the Board shall be called by giving not less than seven days' notice in writing to every director at his address registered with the company and such notice shall be sent by hand delivery or by post or by electronic means. But according to the first proviso, a meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting. According to the second proviso, in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director, if any.

Not complying with any of the above mentioned provisions would not invalidate decisions taken and resolutions passed at the relevant board meeting but it will amount to a 'default' under this provision and make (under subsection (4) of section 173) every officer of the company whose duty is to give notice under this section and who fails to do so shall be liable to a penalty of twenty-five thousand rupees.

STATUTORY PROVISIONS AS TO SECRETARIAL STANDARDS

Section 118(10) of the Companies Act, 2013 provides that "Every company shall observe secretarial standards with respect to

general and Board meetings specified by the Institute of Company Secretaries of India constituted under section 3 of the Company Secretaries Act, 1980 (56 of 1980), and approved as such by the Central Government."

Not complying with any of the above mentioned provisions would not invalidate decisions taken and resolutions passed at the relevant board meeting but it will amount to a 'default' under this provision and make (under subsection (11) of section 118) the company liable to a penalty of twenty-five thousand rupees and every officer of the company who is in default to a penalty of five thousand rupees.

Section 205 enjoins on the company secretary a duty, among other things, to ensure that the company complies with the applicable secretarial standards, and according to the *Explanation* appended to section 205, the expression "secretarial standards" means secretarial standards issued by the Institute of Company Secretaries of India constituted under section 3 of the Company Secretaries Act, 1980 and approved by the Central Government.

SS-1 defines its scope as follows: "This Standard is applicable to the Meetings of Board of Directors of all companies incorporated under the Act except One Person Company (OPC) in which there is only one Director on its Board. The principles enunciated in this Standard for Meetings of the Board of Directors are also applicable to Meetings of Committee (s) of the Board, unless otherwise stated herein or stipulated by any other applicable Guidelines, Rules or Regulations. This Standard is in conformity with the provisions of the Act. However, if, due to subsequent changes in the Act, a particular Standard or any part thereof becomes inconsistent with the Act, the provisions of the Act shall prevail."

The Companies Act or Table F does not define the term 'committee' but SS-1 defines it thus: "*Committee*" means a Committee of Directors constituted by the Board." Obviously, this definition poses a difficulty because apart from committees statutorily required to be constituted under Companies Act or Listing Agreement, often





there are several non-statutory committees constituted by the Board and some of their members are officers of the company who are not directors. Going by the literal interpretation rule, therefore, the requirements under SS-1 would apply to every committee constituted by the Board.

PROVISIONS OF SS-1 CONCERNING NOTICE AND AGENDA

“1.3 Notice

- 1.3.1 Notice in writing of every Meeting shall be given to every Director by hand or by speed post or by registered post or by courier or by facsimile or by e-mail or by any other electronic means.
- 1.3.2 Notice shall be issued by the Company Secretary or where there is no Company Secretary, any Director or any other person authorised by the Board for the purpose.
- 1.3.3 The Notice shall specify the serial number, day, date, time and full address of the venue of the Meeting.
- 1.3.4 In case the facility of participation through Electronic Mode is being made available, the Notice shall inform the Directors about the availability of such facility, and provide them necessary information to avail such facility.
- 1.3.5 The Notice of a Meeting shall be given even if Meetings are held on pre-determined dates or at pre-determined intervals.
- 1.3.6 Notice convening a Meeting shall be given at least seven days before the date of the Meeting, unless the Articles prescribe a longer period.
- 1.3.7 The Agenda, setting out the business to be transacted at the Meeting, and Notes on Agenda shall be given to the Directors at least seven days before the date of the Meeting, unless the Articles prescribe a longer period.
- 1.3.8 Each item of business requiring approval at the Meeting shall be supported by a note setting out the details of the proposal, relevant material facts that enable the Directors to understand the meaning, scope and implications of the proposal and the nature of concern or interest, if any, of any Director in the proposal, which the Director had earlier disclosed.
- 1.3.9 Each item of business to be taken up at the Meeting shall be serially numbered.
- 1.3.10 Any item not included in the Agenda may be taken up for consideration with the permission of the Chairman and with the consent of a majority of the Directors present in

the Meeting, which shall include at least one Independent Director, if any.

- 1.3.11 To transact urgent business, the Notice, Agenda and Notes on Agenda may be given at shorter period of time than stated above, if at least one Independent Director, if any, shall be present at such Meeting. If no Independent Director is present, decisions taken at such a Meeting shall be circulated to all the Directors and shall be final only on ratification thereof by at least one Independent Director, if any. In case the company does not have an Independent Director, the decisions shall be final only on ratification thereof by a majority of the Directors of the company, unless such decisions were approved at the Meeting itself by a majority of Directors of the company”.

JUDICIAL VIEWS

While the Companies Act contains provisions concerning notice and agenda, SS-1 prescribes a set of principles for convening and conducting Meetings of the Board of Directors and matters related thereto.” Indisputably, both are mandatory in character going by their terms, since while Companies Act is a legislation having force of law, the 2013 Companies Act makes SS-1 mandatory as it itself rightly proclaims: “Adherence by a company to this Secretarial Standard is mandatory, as per the provisions of the Companies Act, 2013.” Accordingly, non-compliance with either of them would amount to contravention or default and may lead to penal consequences to the company and its officers who are in default. Moreover, companies which are subject to secretarial audit might face the problem of “qualification or observation or other remarks” made by the secretarial auditor. [see section 204(2)] The question that may, however, arise as to whether such contravention or default would invalidate the proceedings of the relevant meeting and decisions taken or resolutions passed at it and how would a





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court of law look at it. Take just a simple example: a notice of a board meeting must be given a prescribed number of days before the meeting to each director. Would the proceedings of a meeting of which notice has not been given to one of the directors or given at a shorter length invalidate the entire proceedings of the meeting?

Courts have dealt with the subjects of notice and agenda concerning board meetings in several cases. The provisions of the Companies Act and Secretarial Standards must no doubt be complied with by the companies as applicable to them and any non-compliance with them would amount to contravention or default liable to penal consequences as applicable under the Act.

However, company secretaries would do well to know the interpretation placed and principles evolved by the courts, when they find themselves in a situation of conflict between compliance and validity; in other words, when a company secretary is called upon to advise the management as to whether a particular act or action of the board is valid despite that it is not in compliance with a particular provision of the Companies Act, Secretarial Standard or Articles of Association of the company. For example, section 173(3) provides that a meeting of the Board shall be called by giving not less than seven days' notice in writing to every director. Will resolutions passed at a meeting of which no notice was given be valid or will a resolution passed be valid if it was taken up at the meeting without a prior notice in the agenda, in case in both cases all directors of the company consent to it?

NOTICE MUST BE GIVEN TO EVERY DIRECTOR

For being treated as a valid decision taken at a board meeting, it is a must to give notice of the meeting to all directors. A meeting held without giving notice, or by giving unreasonably short notice, is invalid.¹ It was ruled that apart from the statutory requirement, a meeting of the directors to be effective must be duly convened by proper notice to each director.² It is well settled that notice of a board meeting must be given to all the directors, otherwise the proceedings of the meeting and the resolutions passed thereat may be declared invalid by the court of law, when challenged on the ground of absence or inadequacy of the notice.³ In other words, a meeting of directors is not duly convened unless due notice has been given to all directors and the business put through at a meeting not duly convened is invalid and any business or resolution passed at such an invalid meeting would itself be invalid. When the allotment of shares is made by a director elected at an invalid meeting such allotment is invalid.⁴ Likewise, a transfer of shares approved at a board meeting of which no notice was given to one

of the directors and yet he was shown to be present, is invalid.⁵

A meeting of which no notice is given to all those who are entitled to it is invalid even though the omission to give notice is accidental or due to the fact that the director had informed the officer whose duty it was to serve the notice that he need not serve a notice on him.⁶ A meeting of which no due notice has been given will be irregular, and in such a case, an adjourned meeting also will be irregular.

In Re Consolidated Copper Minies Ltd,⁷ an application was made for shares in a company and on the same day there was a meeting of two out of four directors, the other two not having been given sufficient notice. The meeting resolved that the two directors should form a quorum, and allotted shares. They adjourned the meeting until the next day. On that day, the allottee withdrew his application and the meeting was again adjourned to the following day. On this third occasion three directors were present; the one who had previously been absent approved the resolution relating to the quorum and the meeting confirmed the allotment. The fourth director on the same day wrote approving the quorum and his letter was received on the next day. The Court of Appeal held that as there had been no notice of the original meeting none of the subsequent meetings was valid, and the allotment was, therefore, bad.

In Re Homer District Consolidated Gold Mines ex parte Smith,⁸ an application was invited by a company for 106,000 preference shares. At a meeting of all the directors, five in number, it was resolved not to allot till 14,000 shares were applied for; at a meeting of two directors, which was a quorum, held shortly afterwards it was resolved that the previous resolution was cancelled, and that the shares then applied for, about 3000, should be allotted. The



1 *Sikkim Bank Ltd v RS Choudhury* [2003] 5 Comp LJ 111 (Cal).
2 *Browne v La Trinidad* (1888) 37 Ch D 1; *Harben v Phillips* (1888) 23 Ch D 14; *Re Homer District Consolidated Gold Mines, Ex parte Smith* (1888) 39 Ch D 546.
3 *Parmeshwari Prasad Gupta v Union of India* [1974] 44 Comp Cas 1 (SC).
4 *Eastern Linkers Pvt Ltd v Dina Nath Sodhi* [1982] 2 Comp LJ 669 (Del); see also *D Ramakrishna Rao v LRR Hatcheries Pvt Ltd* [2000] 99 Comp Cas 327 (CLB).

5 *Rashmi Seth v Tillsoil Farms Pvt Ltd* [1992] 3 Comp LJ 126 (CLB).
6 *PS Offshore Inter Land Services Pvt Ltd v Bombay Offshore Suppliers and Services Ltd* [1992] 75 Comp Cas 583, [1991] 5 CLA 376, [1994] 2 Comp LJ 407 (Bom); see also *Pushpa Prabhudas Vora v Voras Exclusive Tools Pvt Ltd* [2000] 36 CLA 377 (CLB); *Kamal Kumar Aggarwal v Ravinder Kumar Aggarwal* [2007] 140 Comp Cas 392 (CLB).
7 (1889) 42 Ch D 160.
8 (1888) 39 Ch D 546.



➤ Although, the proceedings at a meeting of which proper notice had not been given would be invalid, the judicial view seems to be in favour of the proposition that an infirmity or defect in regard to the giving of notice of a meeting is merely an irregularity which is capable of being rectified by ratifying the decisions taken at such a meeting by holding another properly convened defect free meeting. Thus, an irregularity in convening a directors' meeting with regard to the notice is not fatal to the proceedings of the meeting.

meeting was held at two o'clock, on a few hours' notice to two of the directors who did not attend, of whom one did not receive his notice till the next day, and the other had informed that he could not attend till three; the fifth director was abroad, and no notice was sent to him. The court held that the allotments made under the later resolution were void. North J observed:

"No doubt a bare quorum is capable to act and bind the company at a meeting duly convened, with proper notice given to the other directors, at which therefore all the other directors may, if they please, be present; but these two directors met, having abstained from telling the others what they intended to do, and proceeded to pass these resolutions in the full belief and knowledge that if the others had notice and been able to be there they would have objected; and further than that, with notice as to one that he would be there at three, they proceeded to pass their resolution at two. They ought certainly to have waited."

In *HM Ebrahim Sait v South Indian Industries Ltd*⁹ a suit was filed by the managing director on behalf of the company against another director to recover a sum of money due from the latter to the company. The managing director was authorised by a resolution of the board of directors to file a suit for the recovery of the amount. The question was whether the suit had been properly filed on behalf of the company inasmuch as notice of the meeting at which the resolution was passed was not given to the director against whom the suit was filed. The Madras High Court held that, in law, a meeting of directors is not duly convened, unless due notice has been given to all the directors and if this is so, the resolution cannot be called in aid to support the position that the suit was properly filed.

9 [1938] 8 Comp Cas 308 (Mad).

A director who has not attended a meeting of which due notice was not given or was inadequate, may successfully avoid the disqualification of vacation of office which attaches to a director on account of absence from three consecutive meetings of the board, or from all meetings for a continuous period of three months, without obtaining leave of absence from the board under section 164(1)(b) of the Companies Act 2013 [corresponding to 283(1)(g) of the Companies Act 1956].¹⁰ Thus, a requisite and adequate notice of a board meeting to all directors in the manner prescribed by the Act is essential.

It should be noted that where the validity of a meeting of directors is challenged on the ground that notice was not given to all the directors, the burden is upon the director who alleges non-service to prove it. The court is entitled to assume that everything was done regularly.¹¹ But where it is *prima facie* proved that no due notice has been sent to all the directors, it will be for the company to prove that due notice was given.

WAIVER OF NOTICE AND RATIFICATION

Despite that for being treated as a valid decision taken at a board meeting, it is a must to give notice of the meeting to all directors, the courts have taken a view that the directors can waive the notice of a meeting, expressly or impliedly, and validate the omission to give a prior notice. Where no grievance had been made by any of the directors, it was held that the meeting which objected to for non-receipt of notice could not be upheld.¹²

Although, the proceedings at a meeting of which proper notice had not been given would be invalid, the judicial view seems to be in favour of the proposition that an infirmity or defect in regard to the giving of notice of a meeting is merely an irregularity which is capable of being rectified by ratifying the decisions taken at such a meeting by holding another properly convened defect free meeting. Thus, an irregularity in convening a directors' meeting with regard to the notice is not fatal to the proceedings of the meeting. They can be afterwards cured by ratification at another meeting of which proper notice has been given. As far back as 1889 it was held that an irregular allotment of shares can be afterwards ratified by the directors.¹³ An irregularity in convening a general meeting is curable.¹⁴ The directors may ratify acts of a committee outside its powers.¹⁵

Despite the statutory mandate, that notice of every meeting must be in writing and given to every director, the directors may unanimously waive the notice and hold a meeting without a notice having been previously given. Reasonable notice should be given;

10 *Sunder Lal Jain v Sandeep Paper Mills P Ltd* [1986] 60 Comp Cas 77, [1995] 1 Comp LJ 356 (P&H).

11 *Re Penninsular Life Assurance Co* [1936] 6 Comp Cas 32 (Bom).

12 *Sunder Lal Jain v Sandeep Paper Mills P Ltd* [1986] 60 Comp Cas 77, [1995] 1 Comp LJ 356 (P&H).

13 *Re Portuguese Consolidated Copper Mines Ltd* (1889) 42 Ch D 160.

14 *Bentley Stevens v Jones* [1974] 2 All ER 653 (Ch D).

15 *Bolton v Lambert* [1889] 41 Ch D 295; *Hooper v Kerr, Steward & Co* [1900] 83 LT 729 and *Re City Equitable Fire Insurance Co* [1925] 1 Ch 407.



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but where very short notice is given to a director, and he does not at once object, he may be taken to waive any objection.¹⁶

Sometimes a meeting would be deemed to be valid even if an irregularity has not been formally ratified. For example, Seven members of a company, holding among them such proportion of the issued capital as was required by statute, sent a signed requisition in writing to the directors of a company, requiring them to convene an extraordinary general meeting of the company for considering if it should be voluntarily wound up. A meeting was subsequently convened and the resolutions passed after a notice of the meeting, signed by the secretary without any authority from the directors, had been sent to the shareholders. The validity of the winding-up was challenged on the ground that the meeting was convened without the authority of the board, and such irregular act had not been ratified by the board. It was held that though the meeting had been attended by a large number of shareholders and all the requisitionists and many shareholders were present at the meeting made no difference, because there had not been full knowledge of the irregularity and the directors had not done anything to regularise the act of the secretary as their act.¹⁷

RATIFICATION

Even an informal notice would be sufficient compliance with the law. In *Sunder Lal Jain v Sandeep Paper Mills P Ltd*¹⁸ a resolution passed by the board was challenged on the ground that no proper notice of the meeting was given. There the directors were informally requested to attend the meeting to discuss the future of the company and to pay tributes to a deceased director (the letter also requested the directors to bring their wives and have lunch). Certain resolutions were, however, passed at the meeting and no other director had objected to the notice or the resolutions passed. The court held that although the notice appeared to be of an informal type, it could not be said that there was no proper notice. The learned judge observed:

“It is true that the notice appears to be of an informal type. However, it has not been brought to my notice that the notice is to be served in a particular form. Section 286(1) of the (1956) Act provides that notice of a meeting of the board of directors of the company shall be given in writing to every director. The purpose of sending a notice to a director is to inform him about the time and date of the meeting. No grievance has been made by any of the directors that they could not be present because of non-service of the notice. In the circumstances it cannot be held that the meeting ... was not a properly convened meeting.”

Moreover, an irregularity in convening a directors' meeting with regard to the notice is not fatal to the proceedings of the meeting and incurable. It can be afterwards cured by ratification at another

meeting of which proper notice has been given. To ratify means to confirm by expressing consent, approval, or formal sanction. Ratification, thus, is confirmation of an act. Although, usually the term 'ratification' is used to refer to an act by a legally incompetent authority which is invalid, but which has been subsequently 'rectified' by ratification by the competent authority. Ratification by definition means the making valid of an act already done. The concept of ratification has generally been upheld by courts. An act by a legally incompetent authority is invalid, but such an invalid act can be subsequently 'rectified' by ratification by the competent authority. Ratification by definition means the making valid of an act already done.¹⁹

A company being an incorporated artificial person created by law, has to abide by its own rules and regulations, besides the law. As a general rule, Board of Directors of a company ought to function as a single body at duly convened and properly constituted Board meeting and take decisions by passing formal resolutions, except where Board is permitted to act *via* circular resolutions. However, in an unforeseen event of any act having been done by the company *sans* an authority from the Board by a resolution, the Board may resort to post-action ratification of the action. The Companies Act does not provide for regularisation of an act not at all brought before the Board or of an irregular resolution passed at a meeting. But the courts have evolved certain principles in this regard. In the context of law and practice of meeting, the term 'ratification' denotes the act of ratifying; confirmation; sanction. To ratify means to confirm by expressing consent, approval, or formal sanction. Ratification, thus, is confirmation of an act. If, for example, X contracts with Y as agent for Z, but has in fact no authority to do so, Z may nevertheless adopt the contract by subsequent ratification. In the



¹⁶ *Browne v La Trinidad* (1888) 37 Ch D 1.

¹⁷ *Re Haycraft Gold Reduction and Mining Co* [1900] 2 Ch 300; *fold in Re State of Wyoming Syndicate* [1900] 2 Ch 431.

¹⁸ [1986] 60 Comp Cas 77; [1995] 1 Comp LJ 356 (P&H).

¹⁹ *Maharashtra State Mining Corporation Ltd v Sunil* [2006] 73 CLA 145 (SC)



➤ A standing (permanent) notice of meeting of the board will be sufficient compliance of the requirement under the law. Thus, a provision in the articles of a company or an intimation given to the directors, after passing a resolution by the board, that in future the meetings of the board will be held on a specified day, say, the last Saturday of every month, will be a valid notice.

context of a resolution passed at a meeting, ratification means a resolution of a meeting sanctioning some irregularity.

Although, the proceedings at meeting of which proper notice had not been given would be invalid, the judicial view seems to be in favour of the proposition that an infirmity or defect in regard to the giving of notice of a meeting is merely an irregularity which is capable of being rectified by ratifying the decisions taken at such a meeting by holding another properly convened defect free meeting. Thus, an irregularity in convening a directors' meeting with regard to the notice is not fatal to the proceedings of the meeting and incurable. They can be afterwards cured by ratification at another meeting of which proper notice has been given. As far back as 1889 it was held in *Re Portuguese Consolidated Copper Mines Ltd* (1889) 42 Ch D 160 that an irregular allotment of shares can be afterwards ratified by the directors. In *Bentley Stevens v Jones* [1974] 2 All ER 653 it was held that an irregularity in convening a general meeting was curable.

In India, the Supreme Court's ruling in *Parmeshwari Prasad Gupta v Union of India* (1974) 44 Comp. Cas. 1 (SC) a prominent case on ratification. The services of the appellant, general manager of the company, were terminated by a resolution passed at a board meeting. The intimation of the termination of the services was given to the appellant by the Chairman of the Board by a telegram and, subsequently, by a letter which was sent in pursuance of the said resolution passed at the meeting held on December 16, 1953, the notice of which was not given to one of the directors. The allegation of the appellant was that his services had not been validly terminated for the irregularity in giving the notice of the said meeting. The resolution passed by the Board and the Chairman's action were, however, confirmed by a meeting of the Board held subsequently on December 23, 1953. The Supreme Court observed that as notice to all the directors of a meeting of the Board of directors was essential for the validity of any resolution passed at the meeting, and as, admittedly, no notice was given to one of the directors, the resolution passed terminating the services of the appellant was invalid. Moreover, confirmation of the minutes of the

meeting of December 16, 1953 at the meeting held on December 23 did not amount to adopting the resolution passed on December 16. However though the telegram and the letter of the chairman terminating the services of the appellant were in pursuance of an invalid resolution, the resolution passed by the board on December 23 confirming the action of the chairman amounted to ratification by the board of the action of the chairman. Ratification related back to the date of the act ratified, and the services of the appellant were, therefore, validly terminated on December 17.

In *High Court of Judicature for Rajasthan v P P Singh* [2003] 4 SCC 239 an employee of a company was dismissed by its managing director who was not competent (and the Board of directors only was competent); however, the managing director's order was ratified by the Board subsequently. The Supreme Court held that the ratification related back to the date of the order and validated it. Where the initial action is illegal, the same can be ratified by a body competent therefor. The Supreme Court observed: "The High Court was right when it held that an act by a legally incompetent authority is invalid. But it was entirely wrong in holding that such an invalid act cannot be subsequently 'rectified' by ratification of the competent authority. The principle is derived from the Latin maxim *Ratihabitio priori mandato aequiparatur* (a subsequent ratification of an act is equivalent to a prior authority to perform such act). Therefore ratification assumes an invalid act which is retrospectively validated."

Ratification is an exception, not a rule. Hence it has to be done in a proper way. If ratification violates any rule in the company's articles of association, it would be branded as improper and invalid. For example, in one case, under rule 47 of the rules of the salary scheme of a company, the rules could be amended at any time by resolution of the board of the company with the concurrence of the trustees. By article 66 of the company's articles a resolution could be passed at a duly convened meeting of the board or by a written resolution signed by all the directors. The proposed amendment of the rules and a draft resolution to effect the amendment were circulated to the directors inviting their comments; five of the seven directors orally indicated their agreement to the proposed resolution, the other two abstaining from expressing a view but did not object to it.²⁰

In conclusion, ratification of an act done or power exercised in an irregular way or non-compliance with a mandatory requirement can cure the irregularity and validate the act or power, with the consent of all directors of the company.

NOTICE MUST BE OF A REASONABLE LENGTH OF TIME

As a rule, a notice of a reasonable length must be given to the directors. It was held that the absence of a statutory requirement as to the length of notice should not be taken to mean that even

²⁰ *Municipal Mutual Insurance Ltd v Harrop and others* (1998) 2 BCLC 540 (Ch D).



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too short a notice of a meeting would not invalidate the business transacted at the meeting.²¹ A resolution was held to be invalid where it was passed at a meeting of which too short a notice was given and which did not state the purpose of the meeting, the motive being to hold it in the absence of those directors who would have objected to the proposal.²²

Members of the board are entitled to reasonable notice. The period of notice given to convene a board meeting need not be longer than is reasonable to enable directors to attend. Even five minutes' notice was held reasonable, where the director in question was free to attend and close at hand.²³ A notice of 2 days or 3 days cannot be said to be reasonable on account of shortness of time.²⁴ But notice of four weeks to a foreign director is a notice of reasonable length.²⁵

However, merely because a director received a notice of a board meeting two days before the date of the meeting, it cannot be held that the meeting was held without a reasonable notice. The best course for the concerned director is to attend the meeting and question the reasonableness of the notice.²⁶

Although section 173 of the 2013 Act now requires a seven day's notice or a shorter notice subject to certain conditions as specified in subsection (3), giving a shorter notice without complying with those conditions would not invalidate the proceedings of the meeting if subsequently all directors consent to it.

STANDING NOTICE

A standing (permanent) notice of meeting of the board will be sufficient compliance of the requirement under the law. Thus, a provision in the articles of a company or an intimation given to the directors, after passing a resolution by the board, that in future the meetings of the board will be held on a specified day, say, the last Saturday of every month, will be a valid notice.

In *AL AR Arunachalam Chettiar Firm v. Kaleswarar Mills Ltd.*²⁷ by two resolutions of the board it was decided that the directors' meetings should be held on the first Saturday of every month at 10.30 am and those resolutions were duly served on the director who had challenged his ceasing to be a director by reason of not attending three consecutive board meetings, on the ground that he had not been given the notice of the meetings. The Madras High Court has held that section 286 of the 1956 Act does not prescribe the form of the notice or the mode of its service and, therefore, if the directors are duly informed that in future the meetings would be held on the first Saturday of every month, there is no reason why it should not be sufficient compliance of the statute.

21 Section 173 of the 2013 Act now requires a seven day's notice or a shorter notice subject to certain conditions as specified in subsection (3).

22 *Re Homer District Consolidated Gold Mines ex parte Smith* (1888) 39 Ch D 546.

23 *Browne v La Trinidad* (1888) 37 Ch D 1.

24 *NR Murthy v Industrial Development Corp'n of Orissa Ltd* [1977] 47 Comp Cas 389 (Ori).

25 *Boiron v SBL Ltd* [1998] 30 CLA 21 (CLB).

26 *ICICI Ltd v Parasrampuriah Synthetics Ltd* [1998] 28 CLA 141 (Del).

27 [1956] 26 Comp Cas 431 (Mad).

INFORMAL MEETING MAY BE TREATED AS A FORMAL MEETING

A meeting of directors can be held under informal circumstances, but the casual meeting of two directors at a railway station or even at the office of the company cannot be treated as a board meeting at the option of one against the will and intention of the other, and it makes no difference that a notice convening a board meeting has been sent by the one to the other if such notice has not in fact been received by the other.²⁸

In *Smith v. Paringa Mines*,²⁹ there were only two directors of the company and one of them did not attend a properly convened meeting (because a proper notice of meeting had been given), but was met in a passage outside the place of the meeting, who proposed a resolution for the appointment of a third director and carried it with his casting vote, it was held that the resolution was duly passed and hence the appointment was valid.

In *Barron v. Potter*,³⁰ the company consisted of two directors, Barron and Potter, and not being able to agree as to the conduct of the business they refused to meet each other in board meeting. Barron requisitioned a general meeting for the purpose of approving resolutions removing Potter from the board and for appointing additional directors. The day before the general meeting, Barron replied that he had nothing to say and continued towards his taxi, but Potter as chairman of the company gave his casting vote and declared the resolution carried. Realising that this might not have been good enough Potter went up to Barron in the office before the general meeting and proposed certain additional directors. Barron made a non-committal answer, but Potter again exercised his casting vote and declared them elected. It was held that these were not board meetings. The court ruled that a board meeting of directors can be held under informal circumstances, but the casual meeting of two directors even at the office of the company cannot be treated as a board meeting at the option of one against the will and intention of the other, and it makes no difference that a notice convening a board meeting has been sent by the one to the other if such notice has not in fact been received by the other. If directors are willing to hold a meeting they may do so under any circumstances, but one of them cannot be made to attend a meeting or convert a casual meeting into a board meeting.

It should be noted that waiver of notice or an informal meeting without a prior notice to be treated as a formal meeting must be consented to by all directors of the company and even if one of them objects or does not consent to it, the meeting will be invalid and resolutions passed at such a meeting would be void, because, as noted earlier, the directors must, *prima facie*, act by resolution at a board meeting duly convened and constituted meeting³¹ or

28 *Barron v Potter* (1914) 1 Ch 895.

29 (1906) 2 Ch 193.

30 (1914) 1 Ch 895.

31 *Niclot's case* (1885) 3 D & J 440; *Re Haycraft, etc, Mining Co* (1900) 2 Ch 230; *Re Cawley & Co* (1889) 42 Ch D 209; *Re State of Wyoming Syndicate* [1901] 2 Ch 431.



by unanimous decision arrived at informally.³²

AGENDA

The term 'agenda' means a programme of things to be done; a list of things to be dealt with at a meeting. It is the list of items to be discussed at a business meeting. 'Things to be done,' is the plural of the Latin gerund *agendum* and is used today in the sense 'a plan or list of matters to be acted upon.' In that sense it is treated as a singular noun; its plural is usually *agendas*. The function of the agenda is to disseminate information relating to the business to be discussed at the meeting. As we have seen, the notice of the meeting should state with sufficient fullness the purpose of the meeting. If, as is common, the agenda is sent with the notice, or forms part of the same document, then this requirement is observed.³³

There was no rule enacted under the Act that the notice of business to be transacted at a board meeting should be given in or along with the notice of the meeting, although it has been customary and a good corporate practice to do that. On this point, Lindley LJ has observed³⁴ as follows:

The great point is whether, when a directors' meeting is to be held, it is necessary to give a notice not only of the meeting, but of the business to be transacted at the meeting. I am not prepared to say as a matter of law that it is necessary. As a matter of prudence it is very often done, and it is a very wise thing to do it; but it strikes me, as it struck Lord Tenterden in *Rex v. Pulsford* (8B & C350), that there is an immense difference between meetings of shareholders or corporators and meetings of those whose business it is to attend to the transaction of the affairs of the company or corporation. It is not uncommon for directors conducting a company's business to meet on stated days without any previous notice being given either of the day or of what they are going to do. Being paid for their services, as they generally are, it is their duty to go when there is any business to be done, and to attend to that business whatever it is; and I cannot now say for the first time that as a matter of law the business conducted at a directors' meeting is invalid if the directors have had no notice of the kind of business which is to come before them. Such a rule would be extremely embarrassing in the transaction of the business of companies.

Kay LJ said:

To say that it is absolutely imperative, and that without a notice that such and such a business will be transacted at a meeting of the directors the business cannot be transacted is not according to law, and would establish a most inconvenient rule, and one which would hamper in an unprecedented way the business of directors of joint stock companies.

³² *Collie's Claim* (1871) 12 Eq 246; *Ex p Kennedy* (1890) 44 Ch D 472.

³³ *Shackleton on the Law & Practice of Meetings*, eighth edn, p 42.

³⁴ *La Compagnie De Mayville v Whitley* (1896) 1 Ch 788.

The Bombay High Court has held that under section 286 of the 1956 Act, the notice for a board meeting is not required to be accompanied by the agenda though the articles of association of company provides that such notice shall contain, *inter alia*, an agenda. Where the notices as contemplated under the articles of association could be waived, surely, the agenda could also be waived as it is only a part of the notice. Even otherwise, the provision in the article that the notice of the meeting should contain agenda was directory, and not mandatory. Thus, the agenda is not essential for a board meeting and the board can always discuss a matter even if it is not on the agenda.³⁵

The law does not require, as a general rule, agenda for the meetings of the directors and, therefore, a meeting of which no agenda was given could not be held to be an irregular meeting.³⁶ A lacuna in the procedure, eg, a failure to forward the agenda to directors, is not fatal to the proceedings of the meeting.³⁷ In any event, it was curable. Even if there is any irregularity in transacting a business at a board meeting, it can be rectified by the board.³⁸

Absence of agenda may, however, be viewed with a different angle when it comes to a complaint of minority oppression. For example, it was held that including allotment of shares and appointment of nominees in agenda was necessary for the board meeting. The CLB held that allotment of majority shares to a single entity and appointment of a large number of its nominees as additional directors on the board of the respondent company were important items on which decisions could not have been taken without including it in the agenda; the matter should have been included in the agenda to enable the directors to make an informed decision. The allotment of the shares held to be null and void and the nominees ceased to be the additional directors of the respondent company.³⁹

So not giving agenda to directors may, in the circumstances of case, may be held to be having effect of invalidating a decision taken at the meeting, particularly where the decision is challenged in a petition under Section 397. A board meeting convened at a day's notice without any agenda proposing the removal of the petitioner as the managing director was held to be invalid.⁴⁰

ANY OTHER BUSINESS WITH THE PERMISSION OF THE CHAIR

³⁵ *Maharashtra Power Development Corporation Ltd v Dabhol Power Co* [2004] 120 Comp Cas 560 (Bom), [2004] 3 Comp LJ 58 (Bom).

³⁶ *Abnash Kaur v Lord Krishna Sugar Mills Ltd* [1974] 44 Comp Cas 390 (Del), relied on in *Banoo J Koyaji v Shanta GP Parulekar* [1995] 84 Comp Cas 534 (Bom); see also *Ferruccio Sias v Jai Manga Ram Mukhi* [1993] 12 CLA 212, [1993] 1 Comp LJ 345, [2000] 93 Comp Cas 750 (Del); *Sunil Dev v Delhi & District Cricket Association* [1994] 80 Comp Cas 174 (Del).

³⁷ *PS Offshore Inter Land Services Pvt Ltd v Bombay Offshore Suppliers and Services Ltd* [1991] 5 CLA 376, [1992] 75 Comp Cas 583, [1994] 2 Comp LJ 407 (Bom); *Sunil Dev v Delhi & District Cricket Association* [1994] 80 Comp Cas 174 (Del).

³⁸ *Bentley-Stevens v Jones* [1974] 2 All ER 653; *Joginder Singh Palta v Time Travels Pvt Ltd* [1984] 56 Comp Cas 103; *Sunil Dev v Delhi & District Cricket Association* [1994] 80 Comp Cas 174 (Del).

³⁹ *ABP Pvt Ltd v United News of India (UNI)* [2008] 142 Comp Cas 688 (CLB).

⁴⁰ *Gurmit Singh v Polymer Papers Ltd* [2005] 123 Comp Cas 486 (CLB).



Article

Requirements as to Notice of Board Meeting and Agenda under Companies Act and Secretarial Standards

It is customary to include as the last item in the agenda the omnibus residuary item: 'Any other business with the permission of the chair.' As a general principle, there cannot be objection to the inclusion of such item and of transacting any business and passing of any resolution except those which by law are required to be previously notified to the directors. This mode of conducting business at a board meeting has been duly recognised by judicial decisions.⁴¹ The board of directors can consider a business though it is not included in the agenda for the meeting.⁴²

Although it is usual and not inconsistent with law to include in the agenda the item 'Any other business' and there is no limit to what can be discussed and decided under it. However, there exists a view that only 'matters of an informal or unimportant nature' could be transacted under this heading. The chairman should not however permit a matter of major importance to be raised under this item unless it is urgent, ie, that action needs to be taken before the next meeting. He should be vigilant to ensure that those whose main interest lies in the passing of resolutions do not use 'other business' to bounce a resolution through a meeting.⁴³

The Supreme Court's judgment in *Needle Industries (India) Ltd v. Needle Industries Newey (India) Holding Ltd*⁴⁴ is a landmark case in this regard. The appointment by the board of an additional director was challenged on the ground that the relevant resolution was invalid since there was no item on the agenda of the meeting for the appointment of an additional director. The Supreme Court did not consider this challenge from the point of view of the absence of a statutory requirement as to agenda to be sent along with the notice of a meeting. It, however, rejected the challenge as being 'without substance' by holding that the issue of appointment of an additional director could not have been foreseen before the date of the concerned board meeting in view of the peculiar facts and circumstances of the case, and that occasion arose only at the board meeting, and it was for this reason that the subject of the appointment could not have, in the state of facts, formed a part of the agenda; the appointment was, therefore, not open to challenge on the ground of want of agenda on that subject.

It may however be noted that the question of *bona fides* would come into play where any matter of which no previous notice has been given was passed by the board if all the directors were not present at that meeting and those who were not present challenge it on the grounds of mala fides. A resolution passed without a previous notice would be declared invalid if it is found that the resolution was passed with mala fide motives. A resolution was held to be invalid where it was passed at a meeting of which too short a notice was given and which did not state the purpose of the meeting, the motive being to hold it in the absence of those directors who would have objected to the proposal.⁴⁵

In *TM Paul v. City Hospital Pvt Ltd*,⁴⁶ the notice of a board meeting had not specified certain matters which were passed at the meeting, which could not be attended by two of the directors. On facts it was found by the court that the second defendant (chairman of the board) had taken advantage of the absence of the directors and decided to call the meeting, without disclosing the real agenda and in the absence of the plaintiffs, and got all the resolutions passed with the help of other directors who were siding with him. The court held that there is no provision for issuance of an agenda for meetings of the board of directors. Matters not included in the agenda can be considered in the meeting of the board of directors with the permission of the chairman under the residuary clause in the agenda. But if the director had convened the meeting with the object of getting the resolutions passed, but deliberately omitted to include them in the agenda, it will amount to active concealment of a fact by one having knowledge or belief of the fact, and will amount to fraud. The endeavour to alter other persons' rights and to one's own advantage by deception constitutes fraud. Holding the meeting and passing the resolutions must be held to be invalid for want of notice to the second plaintiff and also as adoption of these resolutions, without including them in the agenda in the background and circumstances of the case, amounted to fraud.

In one case, the CLB held that as increase in the authorised capital of a company would require amendment to the memorandum of the company, it is an important item which should be transacted only as an agenda item and cannot normally be transacted as 'other business'. The meeting of the board was invalid because the agenda sent along with the notice did not contain the item of increase of the authorised share capital; only one group of shareholders was represented at that meeting and it was resolved to offer shares only to that group; this indicated that the purpose of increasing the authorised capital was only for the allotment of shares to the second respondent and not for the benefit of the company.⁴⁷ But such cases are decided in the proceedings under section 397 as these instances are viewed to be instances of oppressive conduct of the majority and the minority does not consent to the decision of the board.

Recently, the Supreme Court in *Board of Control for Cricket in India v. Cricket Association of Bihar* 2015 AIR SCW 2258, held that an amendment to the articles of association duly approved at a meeting was not invalid so long as the forum where the matter was taken-up, discussed and a resolution passed was competent to deal with the subject, and *procedural deficiencies which do not affect the competence of the authority do not matter much*. The Supreme Court rejected the contention that the amendment was bad because the same came up all too suddenly for discussion, without any real research or other work to support it and without adequate notice to the members to think about and usefully contribute to the deliberations. CS

41 *Sunil Dev v Delhi & District Cricket Association* [1994] 80 Comp Cas 174 (Del).

42 *Kashinath Tapuria v Incab Industries Ltd* [1995] 6 SCL 201, [1996] 20 CLA 19, [1998] 93 Comp Cas 725 (Cal).

43 *Shackleton on the Law & Practice of Meetings*, eighth edn, p 42.

44 [1981] 51 Comp Cas 743 (SC).

45 *Re Homer District Consolidated Gold Mines* (1888) 39 Ch D 546.

46 [1999] 97 Comp Cas 216 (Ker).

47 *Martin Castelino v Alpha Omega Shipmanagement Pvt Ltd* [2001] 104 Comp Cas 687 (CLB).



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To Make NCLT and NCLAT Operational, another round of amendments necessary in the Companies Act, 2013

- The Supreme Court vide its judgement delivered in 2010, upheld the Constitutional validity of the NCLT and NCLAT in the context of the Companies Act, 1956 as amended by the Companies (Second Amendment) Act, 2002, but directed the Central Government to amend, *inter-alia*, several provisions of the Act, 1956 in so far as it related to the appointment of the members of the NCLT and the NCLAT; the tenure of their office; who could be appointed as Technical Members and also on the composition of the Selection Committee to select the members of the NCLT and NCLAT. Though some of these directions were incorporated in the Companies Act, 2013, there still remained some areas which did not conform to the Supreme Court's 2010 directives. The recent judgement dated 14.5.2015 by the Supreme Court relates to examination of the compliance with the 2010 directions, some of which are yet to be done by the Central Government and can be done only by amending the Companies Act, 2013.

The recent judgement dated 14th May, 2015 of the Supreme Court of India with regard to the Constitutional validity of the National Company Law Tribunal (NCLT) and its Appellate Authority viz. National Company Law Appellate Authority (NCLAT) and their functioning has generated tremendous euphoria amongst the professionals, the corporate sector and the professional bodies. It has tremendous implications for the growth and development of the professionals of the Institute of Company Secretaries of India (ICSI); the Institute of

Chartered Accountants of India (ICAI) and the Institute of Cost Accountants of India (ICoAI). In this article, an attempt has been made to study the implications of the recent Supreme Court judgement dated 14.5.2015 and how the matter reached to the Supreme Court for its decision with regard to the setting up of NCLT and NCLAT.

As is known, the Central Government, vide the Companies (Second amendment) Act, 2002 to the Companies Act, 1956 ("the old



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To Make Nclt and Nclat Operational, another Round of Amendments Necessary in the Companies Act, 2013.

➤ In the 2010 Judgement, while upholding the Constitutional validity for creation of NCLT and NCLAT and vesting in them the powers and jurisdiction exercised by the High court in regard to company law matters were declared not unconstitutional. But the Court held that Parts 1B and IC of the old Act as then structured were unconstitutional as stated in its judgement and may be made operational by making suitable amendments.

Act”) introduced certain provisions in the old Act and mooted the proposal for setting up of NCLT and NCLAT where, many of the jurisdictions exercised by the High Courts, *inter-alia*, in the areas of merger/amalgamation of companies; winding up of companies and some other provisions were to be transferred to the NCLT and appeals therefrom could be filed before the NCLAT. The provisions of the said 2002 amendments to the old Act were challenged by the Madras Bar Association through its President R. Gandhi and the Madras High Court examined the contentions of the petitioner as well as that of the Central Government and vide its judgement dated 30.3.2004 *held that vesting the powers hitherto exercised by the High Courts and the Company Law Board (“CLB”) in the said NCLT was not unconstitutional.*

However, at the same time, the Madras HC pointed out certain defects in various provisions in Part 1B and Part IC of the old Act declaring that those provisions, as existed, offended the basic Constitutional scheme of separation of powers and it was *held that unless those provisions were appropriately amended by removing the defects which were specifically spelled out, it would be unconstitutional to constitute NCLT and NCLAT to exercise the jurisdiction which is being exercised by the High Court or the CLB.*

Both the Union of India as well as the Petitioner filed appeals in the Supreme Court against the said judgement of the Madras HC. Those appeals were disposed of by the Supreme Court in *Union of India v. R. Gandhi, President, Madras Bar Association (2010-11-SCC-1)* (hereinafter referred to as “the 2010 judgement”) and *the Constitution Bench vide the said judgement put its stamp of approval in so far as the Constitutional validity of NCLT and NCLAT is concerned and undertook the exercise of going through the provisions of Parts 1B and IC of the old Act and in substantial measure agreed with the Madras HC finding, finding various defects in those provisions.* Those defects were listed by the Supreme Court in para 120 of the 2010 judgement.

In that para 120 of the 2010 judgement, the Supreme Court observed : “As the NCLT takes over the functions of the High Court, the members should as nearly as possible have the same position and status as High Court judges. This can be achieved, not by giving the salary and perks of a High Court Judge to be members, but by ensuring that persons who are as nearly equal in rank, experience or competence to High Court Judges are appointed as members. Therefore, only officers who are holding the ranks of Secretaries or Additional Secretaries alone can be considered for appointment as Technical Members of the NCLT” and thus it held that clauses (c) and (d) of sub-section (2) and clauses (a) and (b) of sub-section (3) of section 10FD were held to be invalid. The Supreme Court went on to state that “persons having ability, integrity, standing and special knowledge and professional experience of not less than fifteen (15) years in industrial finance, industrial management, industrial re-construction, investment and accountancy, may however be considered as persons having expertise in rehabilitation/revival of companies and therefore, eligible for being considered for appointment as “technical members”.

With regard to Selection Committee for selecting members of NCLT and NCLAT, the Supreme Court directed that it should be –

- (a) The Chief Justice of India or his Nominee – Chairperson (with a casting vote);
- (b) A Senior Judge of the Supreme Court or Chief Justice of High Court – Member;
- (c) Secretary in the Ministry of Finance and Company Affairs – Member; and
- (d) Secretary in the Ministry of Law and Justice – Member.

The Supreme Court also held that with regard to the term of office of the members of NCLT be changed from 3 (three) years to seven or five years, subject to eligibility for appointment for one more term. It also commented therein that “the said term of three





years with the retirement age of 65 years is perceived as having been tailor-made for persons who have retired or shortly to retire and encourages these Tribunals to be treated as post-retirement havens. If these Tribunals are to function effectively and efficiently, they should be able to attract younger members who will have a reasonable period of service.” Therein, the Court also held that “two-Member Benches of the Tribunal should always have a Judicial Member. Whenever any larger or special benches are constituted, the number of Technical Members shall not exceed the Judicial Members.”

Thus, in the 2010 Judgement, while upholding the Constitutional validity for creation of NCLT and NCLAT and vesting in them the powers and jurisdiction exercised by the High court in regard to company law matters were declared not unconstitutional. But the Court held that Parts 1B and IC of the old Act as then structured were unconstitutional as stated in its judgement and may be made operational by making suitable amendments.

Though the Supreme Court verdict came in 2010, yet NCLT and NCLAT could not be created and made functional immediately thereafter and the matter got stuck in imbroglia of one kind or the other and those became the subject matter of a Writ Petition No.277/2012 which writ petition is pending consideration and was deferred awaiting response of the Union of India. However, the Madras Bar Association in Civil Writ Petition No.1072 of 2013 challenged the constitutional validity of creation of NCLT and NCLAT keeping in view the provisions of the newly enacted Companies Act, 2013 (in short “the 2013 Act”) on the allegations, *inter-alia*, that notwithstanding various directions given in the 2010 Judgement, the new provisions of the 2013 Act are almost on the same lines as were incorporated in the old Act, 1956 and therefore, those provisions suffer from the vice of unconstitutionality as well as on the application of the ratio in 2010 judgement. The Petitioner contended that the provisions in sections 408, 409, 411(3), 412, 413, 425, 431 and 434 of the Act, 2013 are *ultra vires* the provisions of Article 14 of the Constitution and therefore warrant to be struck down as unconstitutional. Though the Petitioners, in the prayer clause, also challenged the constitutional validity of sections 415, 418, 424, 426, 431 and 434 of the Act, 2013, but at the time of arguments, the Petitioner did not address any arguments and hence these clauses were not taken up for consideration by the Supreme Court in its May 14, 2015 judgement. The Five Judge Constitutional Bench of the Supreme Court vide its judgement dated 14th May, 2015 dealt with the challenges made by the Madras Bar Association. The Supreme Court categorised the challenges in three compartments, as under:-

CHALLENGE TO THE VALIDITY OF THE CONSTITUTION OF NCLT AND NCLAT

The Supreme Court noted that section 408 of the Act, 2013 deals with the constitution of NCLT which would consist of President and

such number of Judicial and technical Members, as the Central Government may deem necessary, to be appointed by it and that by Notification dated 12.9.2013, the Central Government has constituted the NCLT. Likewise, section 410 of the Act, 2013 the Central Government is armed with powers to constitute NCLAT by notification. The NCLAT is to consist of a Chairman and such number of Judicial and Technical Members, not exceeding eleven (11) as the Central Government may deem fit, to be appointed by notification. By its aforesaid notification dated 12.9.2013, the Central Government also constituted the NCLAT.

In its judgement, the Supreme Court noted that though petitioner challenged the vires of section 408, but conspicuously omitted section 410 and thus in essence there was no challenge to the constitution of NCLAT. In so far as the constitution of NCLT is concerned, the petitioner conceded that validity thereof stands upheld in the 2010 judgement and there is not much to argue. Though the petitioner also conceded the validity of constitution of NCLAT in the aforesaid 2010 judgement, it contended that there was no discussion in the entire judgement on NCLAT and therefore conclusion in the said judgement at the end should not be treated as binding or to be taken as decided this issue. The petitioner also referred to decision of *Madras Bar Association v. Union of India* concerning the National Tax Tribunal (NTT) and pleaded that in respect of NCLAT, the rationale of the said NTT judgement be followed. The Supreme Court rejected the said argument holding that though in the 2010 judgement most of the discussions contained in its paragraphs 107 to 119 related to NCLT, yet those eloquently bear it out to be inclusive of NCLAT as well. Para 121 of the 2010 judgement affirmed the decision of the Madras HC which held that creation of NCLT and NCLAT was not unconstitutional and in view of this, it is not open to the petitioner even to argue this issue, as it clearly operate as *res-judicata*.

The Supreme Court in its 14th May, 2015 judgement noted that NCLT is the first forum in the hierarchy of quasi-judicial for a set up in the Act, 2013 and that NCLT would thus not only deal with





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➤ The Court referred to para 112 of its 2010 judgement and held that section 409(3) (a) and (c) of 2013 Act are invalid as these provisions suffer from same vice pointed out in its 2010 judgement. Likewise, section 411(3) as worded, provided for qualifications of technical members is also held to be invalid.

the question of law in a given case coming before it, but would be called upon to thrash out the factual disputes/aspects as well. In this scenario, NCLAT which is the first appellate forum provided in the Act, 2013 to examine the validity of the orders passed by NCLT, will have to revisit the factual as well as legal issues. The jurisdiction of NCLAT, as stipulated in section 410 of the Act, 2013 is not circumscribed by any limitations of any nature whatsoever and the implication thereof is that appeal would lie both on the questions of facts as well as on questions of law. Likewise, section 421(4) of the Act, 2013 states that the NCLAT after hearing the parties can pass such orders thereon as it thinks fit, forming, modifying or set aside the order of NCLT appealed against and that further appeal is provided in Section 423 from NCLAT to the Supreme Court of India. For these reasons the Supreme Court did not find merit on the first issue.

QUESTION ON THE QUALIFICATIONS OF THE PRESIDENT AND OTHER MEMBERS OF THE NCLT

The qualifications of the President and members of the NCLT are mentioned in section 409 of the Companies Act, 2013 and that of the Chairperson and Members of NCLAT are stipulated in section 411 of the said Act. The Petitioner only contended their objections to the qualifications of the Technical Members of the NCLT and NCLAT and contended that the same provisions of section 409(3) of the Act, 2013 are not in accordance with para 108 of the 2010 judgement which held therein that the Technical Members of the NCLT/NCLAT should be selected from amongst only those officers who hold rank of Secretaries or Additional Secretaries and



have technical expertise. In para 120 of its 2010 judgement, the Supreme Court pointed out the corrections which were required to be made to remove those anomalies pointed out. However, notwithstanding the defects and anomalies pointed out by the Supreme Court, section 409(3) of the 2013 Act again makes the Joint Secretary of the Government of India eligible for appointment with 15 years of relevant experience.

The Supreme Court pointed out that there was one very compelling factor in the mind of the Court viz. gradual erosion of independence of judiciary, which was perceived as a matter of concern, as it pointed out gradual dilution of the standards which were earlier decided by the High Court. The Court referred to para 112 of its 2010 judgement and held that section 409(3)(a) and (c) of 2013 Act are invalid as these provisions suffer from same vice pointed out in its 2010 judgement. Likewise, section 411(3) as worded, provided for qualifications of technical members is also held to be invalid. The Court held that for appointment of Technical Members of NCLT, the directions contained in sub-para (ii), (iii), (iv) and (v) of para 120 of the 2010 judgement will have to be scrupulously followed and these corrections are required to be made in section 409(3) to set right the defects contained therein. This will thus necessitate amendment to the 2013 Act.

CONSTITUTION OF SELECTION COMMITTEE FOR SELECTING MEMBERS OF NCLT AND NCLAT

Provisions in respect of Selection Committee for selecting Members of NCLT and NCLAT are contained in section 412 of the Act, 2013. Provision in this behalf which was contained in Section 10FX of the old Act, validity whereof was questioned in the 2010 Judgement and the Supreme Court found the said structure of the Selection Committee faulty and the Court specifically remarked that instead of 5 members Selection Committee, it should be 4 members Selection Committee and even the composition of such a Selection Committee was mandated in Direction No.(viii) of para 120 of the 2010 judgement. However, while examining the provisions of Act, 2013 in this regard, the Court noted that notwithstanding the above, there is a deviation in the composition of the Selection Committee prescribed under section 412(2) of the Act, 2013 and Chairperson has not been given the power of a casting vote and the composition of the Selection Committee in the impugned provision is that of 5 (five) members. The Court also pointed out that in clause (c) of sub-para (vii) of para 120 of the 2010 judgement there was a typographical mistake and instead of “or” with regard to inclusion of the Secretary in the Ministry of Finance or in the Company Affairs, it was mentioned as “and”. The Court noted that in the proposed Selection Committee as per section 412(2) consisting of 5 (five) members would result in predominant say of the members from administrative branch/bureaucracy, and this was a deviation from the 2010 judgement. After detailed examination of the arguments advanced by the Union



of India, the Court held that provisions of section 412(2) of the Act, 2013 are not valid and issued directions to remove the defect by bringing this provision in accordance with sub-para (viii) of para 120 of the 2010 judgement.

ADDITIONAL ISSUES

In addition, the following two other issues got highlighted in the Supreme Court judgement.

POWER TO PUNISH FOR CONTEMPT AND CONSTITUTION OF BENCHES BY THE CENTRAL GOVERNMENT

The Supreme Court did not find favour with the petitioner's objection that power to punish for contempt as given to the NCLT and NCLAT under section 425 of the Act, 2013 is not healthy and should be done away with. Also, the petitioner objected that the power given to the Central Government to constitute the Benches is again impermissible because such power should rest with the President of NCLT or the Chairman of NCLAT. However, the Court hardly found any legal strength in these arguments and kept in mind that these provisions are contained in a Statute enacted by the Parliament and the Petitioner could not point out as to how such provisions are unconstitutional.

URGENCY TO START FUNCTIONING OF THE NCLT AND NCLAT

The Supreme Court referred to the affidavit dated May 7th, 2015 filed by the Central Government about the various steps, including framing of relevant Rules etc., already initiated by it to make the NCLT and NCLAT functional and the only steps left were to appoint the President and Members of NCLT and the Chairperson and Members of NCLAT. The Supreme Court noted that since the functioning of NCLT and NCLAT has not started so far and it is high time that these Tribunals start functioning now, it hoped that the Central Government shall take, at the earliest, remedial measures as per directions contained in the 14th May, 2015 judgement so that the NCLT and NCLAT are adequately manned and start functioning in near future.

IMPLICATIONS AND THE NEXT STEPS

With the Central Government laying tremendous stress on "ease in doing business" in India and with the operationalisation of the 2013 Act, a lot of euphoria has been generated that at long last the cumbersome unproductive systems and procedures in the functioning of the corporate sector will be eliminated and improved positively. The 2013 Act also emphasises, inter-alia, on importance of the role of professionals associated with the

companies; transparency in corporate functioning; accountability and elaboration of duties and responsibilities of Company Directors and stresses the importance of corporate social responsibility. In this context, it is necessary to appreciate that since the judgement dated 14th May, 2015 paves the way for functioning of the NCLT and NCLAT, it is to be seen as to how soon the Government takes steps to amend the 2013 Act to comply with the directions given by the Supreme Court.

Further, since the 2013 Act mandates that once the NCLT and NCLAT become functional, it will take over the work being performed by the Board for Industrial and Financial Reconstruction (BIFR) and its Appellate Authority viz. AAIFR; as also the major functions of the High Court in the areas, mainly of, winding up of companies; merger/amalgamations etc. and that of the CLB in the areas, mainly of, oppression/mismanagement, disputes relating to transfer of shares and other relevant provisions of the 2013 Act, the role and prospects of professionals like Practising Company Secretaries; Chartered Accountants and Cost Accountants and of course the lawyers dealing with corporate litigations will be widened tremendously and unless the professionals gear themselves up quickly to understand the changes, the opportunities now opened up for them, will be lost. [CS](#)

Appointment

REQUIRED COMPANY SECRETARY

A full time qualified Company Secretary proficient in English and well acquainted with Company Law and legal matter including FEMA compliances with minimum experience of 3 years, is required for a Private Limited Company.

Interested candidates may send in their applications with detailed resume giving information about professional experience.

Interested candidates may please mail resume on following address:

Email Id: careers@finegral.com

The HR Manager,
Finegral Consulting and Services LLP
 Office No 7, Kunal Puram Commercial Complex
 Opp to Atlas Copco Ltd, Mumbai Pune Road
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Principal Employer not liable for PF Dues of Contractor

- On allotment of independent code number (after complying with the prescribed conditions) and submitting the list of 20 or more employees, a contractor acquires the status of 'establishment' and becomes responsible for deposit of Employees Provident Fund contributions and also administrative charges to be paid to the EPFO. The establishment of the contractor maintains records of the employees, submits nomination forms, returns and complies with other formalities like maintenance of inspection book, etc. etc. It is intriguing as to why a principal employer should be held liable for the default in payment of contributions or delaying the same by the establishment of the contractor.

The Employees' Provident Fund Organisation (EPFO) was conceptualized to take care of the employees but not to let loose the reign of 'Inspector Raj' on the employers. It is a sad commentary on the EPFO's functioning that instead of simplifying the provisions of the Employees' Provident Funds & Miscellaneous Provisions Act and its Schemes for the benefits of the employees and employers, it has often created the labyrinthine of the Byzantine complexity. A perception is gaining ground across the country particularly among the employers that the EPFO believes in circular made laws. This is really a travesty of justice and the administrative dispensation. Although circulars, which are against the grains of the statutory provisions or judicial pronouncements have no sanctity, yet they certainly have the potentiality to cause damage to peace and tranquility of the employers. Holding principal employers liable for the dues of the contractors having

independent code numbers is not only fallacious but the deliberate mischief of the EPFO.



He is also Chief Editor, Labour Law Reporter. Views and opinions expressed in the article are strictly the personal views of the author.



➤ **The Employees' Provident Fund Organisation shows swiftness in issuing those circulars, which have the possibility to be misinterpreted but it becomes slack and lethargic in conveying those decisions, which are succinct and contain no ambiguity. It will, thus, be seen that as and when there is a favourable judgment for the Employees' Provident Fund Organisation, circular or clarification is issued without any loss of time but if the position is otherwise, no such clarifications are circulated.**

With globalization of the economy engaging of contract workers has not only become a necessity but almost inevitable. High level and aggressive competition among multinationals and national organisations have necessitated reorientation of business and industry. In the present circumstances, production is not only to be enhanced but has to be cost-effective and, therefore, outsourcing of certain services has become a necessity.

So far as the implications under Employees' Provident Funds & Miscellaneous Provisions Act, (hereinafter referred to as Provident Fund Act) are concerned, it has undergone a sea change over the last, decade. Till 22nd March, 2001 the contractors were not allotted independent code numbers under Provident Fund Act and, as such, their workers were covered on the code number of the principal employers. The Scheme of Provident Fund Act provides that a code number is to be allotted to an establishment only then it will be entitled to deduct and deposit the contributions of the employees and the employer. While allotting code number, every establishment including a contractor has to comply with following requirements :-

1. Application Proforma for Coverage duly complete. (on Company letter head)
2. Copy of Memorandum / Partnership Deed etc., whatever applicable.
3. List of present Employees with salary break-up details and dates of appointment and parentage etc.
4. Chart showing number of employees, month wise from the date of start of business.
5. Chart showing number of employees, month wise, engaged through contractor(s).
6. Date of commencement of business.
7. Copy of first invoice, if any.
8. List of Directors / Partners, i.e., Names, parentage, addresses, etc.

9. Proof of residences of Directors.
10. Identification document of Directors.
11. Particulars of the Bank Account of the Company
12. One blank cancelled cheque leaf.
13. Pan number of the Company.
14. Pan numbers of Directors/Partners/Proprietor.
15. Proof of ownership / tenancy, etc. of the premises.
16. Board Resolution / Authority.
17. Copy of Aadhar card (though not required immediately, but start obtaining from employees).

When a contractor has got an independent code number, his or her liabilities get increased *vis-à-vis* the employees. On allotment of code number, the Provident Fund Authorities recognize the contractor as 'establishment' since it has complied with all the prescribed conditions. A principal employer cannot be held responsible for the omissions and commissions of the contractor's employees. The Scheme of the Contract Labour (Regulation & Abolition) Act stipulates that the principal employer will not be supervising the workers of the contractor otherwise the contract labour system will be rendered as sham, ruse and camouflage as held in *Steel Authority of India Ltd. v. National Union Water Front Workers*, 2001 LLR 961 (SC).

In *Pardeep Kumar v. Presiding Officer and another*, 2015 LLR 726, the Punjab and Haryana High Court has held that employer-employee relationship, in respect of principal employer, would not exist if the contractor, engaged in supply of man-power, is having a valid licence under the Contract Labour (Regulation and Abolition) Act, 1970, records of payment of wages and attendance show payments made by the contractor, EPF Employee Code number allotted to the workman is through the firm of the Contractor.

Despite allotment of code number under the Provident Fund Act, some of the contractors default in depositing the contributions of





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Principal employer not liable for PF Dues of Contractor

their workers or delay in timely depositing the same. As and when such contractors default, the Provident Fund Authorities hold the principal employer liable for the dues. A question arises as to whether the principal employer can be held liable to pay Provident Fund dues payable by the contractor. When asked about the justification of such demand, the Authorities under the Provident Fund Act refer to paragraph 30(3) of Employees' Provident Fund Scheme, 1952 providing that "it shall be the responsibility of the principal employer to pay both the contributions payable by himself in respect of the employer directly employed by him and also in respect of the employees employed by or through a contractor and also administrative charges". It is pertinent to state here that paragraph 30 of the Scheme could be relevant only till 22nd March, 2001 when the contractors were not allotted code numbers under the Provident Fund Act. However, for the applicability of Provident Fund Act, a contractor is treated as an establishment when code number is allotted after satisfying about completion of all the formalities. As an independent establishment, it is responsible for payment of EPF contributions and other dues payable under Provident Fund Act, the principal employer cannot be asked by the Provident Fund Authorities in case a contractor holding independent code number defaults the Provident Fund dues. It is pertinent to state here, that the contractor in the capacity of an employer of its 'establishment' pays 0.85% towards administrative charges in addition to its matching contribution which is termed as 'employer's share' of EPF contributions.

The Employees' Provident Fund Act and the Scheme stipulate that as and when there have been default of payment of contributions by establishment, the Provident Fund Authority has to initiate proceedings under section 7A of the Provident Fund Act only then the liability for payment can be fastened upon the employer.

In a landmark judgment *Food Corporation of India v. The Provident Fund Commissioner and ors.*, 1990 LLR 64 the Supreme Court has observed that "it is indeed a large amount for the determination of which the Commissioner has only depended upon the lists furnished by the workers Union. It is no doubt true that the employer and contractors are both liable to maintain registers in respect of the workers employed. But the Corporation seems to have some problems in collating the lists of all workers engaged in depots scattered at different places. It has requested the Commissioner to summon the contractors to produce the respective lists of workers engaged by them. The Commissioner did not summon the Contractors or the lists maintained by them. He has stated that the Corporation has failed to produce the evidence. While allowing the appeal that the powers of the Civil Court under section 7A of the Act to be the determining authority under Provident Fund Act was given by law. This power was given to the Commissioner to decide not abstract questions of law, but only to determine actual concrete differences in payment of contribution and other dues by identifying the workmen. Despite above, the Provident Fund Authorities keep on fastening the liability for the default of the contractors upon the principal employer.

In *Group 4 Securitas Guarding Ltd. & Another v. Employees' Provident Fund Appellate Tribunal & Ors.*, 2012 LLR 22 the Delhi High Court has held that where the contractor, being employer providing services of man-power, is having control over the personnel being supplied by him to the establishments by way of issuance of appointment letters, making payment of wages and other allowances, taking disciplinary actions, effecting their placement, transfer and termination of services, the relationship between such a contractor and the establishment where the man-power is supplied by him would be of 'principal to principal' and not that of employer-contractor.

In the *Madurai District Central Co-operative Bank Ltd. rep. by its Special Officer v. Employees' Provident Fund Organisation*, 2012 LLR 702, the Madras High Court has held that when a separate code number was allotted, the employees of the contractor, by no stretch of imagination can be treated to be employees of the principal employer. After hearing the arguments on behalf of the parties (Employees' Provident Fund Organisation as respondent), the Court held as under :

"With respect to the contractors, who are registered with the Provident Fund Department, having independent code number, they are to be treated as 'independent employer'. The petitioner, therefore, cannot be treated to be 'principal employer' for the purposes of those contractors".

In *Brakes India Ltd. (Brakes Division), Sholinghur-631 102, rep. by its Vice-President (Pers. & HRD) v. Employees' Provident Fund Organisation, Vellore rep. by its Regional Provident Funds Organisation*, 2015 LLR 635, the Madras High Court buttressed the same point in holding that the Employees' Provident Fund Authority is not entitled to recover either Provident Fund contribution or damages from the principal employer in respect of employees engaged through contractors, registered with the PF Department, having independent code number. The Court concluded :

"In the case on hand, the Contractor was allotted with EPF allotment number vide No.TN/VLR/38789/SDC.2013 in the year 2003 itself. As per the ratio laid down in the judgment of this Court, the Contractor viz., Mr. A. Govindaraj should be treated as an independent employer."

While Departmental circulars are meant to bring about clarity and to remove the mist but the Employees' Provident Fund Organisation that has been issuing circulars on the drop of the hat to create more confusions among the employers and employees. It may not be out of place to mention here that only a few years back a circular dated 30th November, 2011 issued by the Employees' Provident Fund Organisation had created so much hullabaloo that the then Minister had to come out to clarify the confusion. Earlier also, a circular No.Coord/4(6)2003/clarification/Vol.II/7394 dated 23rd May, 2011 was kept in abeyance.

With a corpus of Rs.2,55,645.43 crores over 7,95,827



establishments as covered with membership of over 11,78,13,454 (prior to enhancement of wage ceiling increase from Rs.6,500 to Rs.15,000 w.e.f. 1.9.2014), if the Employees' Provident Fund Organisation does not paint the right picture before them, then there is bound to be the cloud of confusion. It is also very intriguing as to why the Employees' Provident Fund Organisation does not issue the circular when a judgment of a High Court or the Supreme Court is pronounced settling certain laws. Since there are not one but three judgments of the High Courts now clarifying that no responsibility for provident fund dues can be fastened on the principal employer for the defaulting contractor, the appropriate instructions based on the ratio of the judgments as referred above would reduce the litigation as the dockets of the courts are already

choking with surfeit of cases. It is, therefore, regrettable indeed that the Employees' Provident Fund Organisation is evolving its own methodology, which is anathema to simplification of rules.

Thus, it becomes obvious that either the Employees' Provident Fund Organisation is still frozen in time warp and does not want to keep pace with the time or it has completely lost its understanding of maintaining the conducive and harmonious ambience for the welfare of employees and peace of the employers. Be that as it may, the government and the industry, both will have to make concerted efforts to stop the Organisation usually going berserk. The reasons are not far to seek for such aberrations in the Employees' Provident Fund Organisation. CS

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Whether Managerial Remuneration provisions in Section 197 of the Companies Act 2013 are applicable to Private Companies?

- In this article, the author has elaborated and justified the proposition that Section 197 is not applicable to private companies and these companies, whether with adequate or inadequate or nil profits, can pay any amount to their managerial personnel without Central Government approval.

CONTROVERSY AND WELL-MEANING BUT BADLY CRAFTED EXEMPTION

There is a controversy whether the provisions relating to payment of managerial remuneration contained in Section 197 and Schedule V of the Companies Act 2013 apply to a private company, since there is no specific mention anywhere in that Section that it shall not apply to private companies and compounded by the conflict between the provisions of Section-197(1) and Section-197(3) regarding the coverage of the Section. Whereas there was a specific mention in Section-309 (9) of the predecessor Companies Act 1956 that the remuneration provisions contained in Section-309 (and Schedule XIII) applied only to public companies and not private companies.

While the recent notification GSR 464(E) dated 5th June 2015 provides exemption to private companies from, *inter alia*, the provisions of Section-196(4) and (5) (vide Sr. No. 16 of

the notification), it is not clear thereby to what extent private companies are exempted from the provisions of Section-197 (since Section-196(4) expressly states that it is subject to Section-197 and Schedule V). Consequently, Sr. No. 16 of the exemption notification can take legitimate credit for spawning another





parallel controversy viz. whether by granting exemption to private companies from Section-196(4) and (5), private companies are also exempted from Section-197(1) which specifies the various ceilings on remuneration of managerial personnel and Section-197 (3) which refers to Schedule V? In other words, by exempting private companies from the provisions of Section-196(4), does that mean that private companies are *ipso facto* also exempted totally or partly (and to what extent) from the provisions of Section-197? If exemption from Section-196(4) confers automatic liberation from Section-197, then the relationship and interplay between these two sections has to be apparent. However, on a plain reading, it is not very clear what provisions of Section-197 are subservient to Section-196(4) or is it that Section-196(4) is subservient to certain provisions of Section-197 (which provisions)? Only in the former case (underlined), can the exemption given to private companies from Section-196(4) liberate these companies from the relevant provisions of Section-197. In the latter case which appears to be the correct legislative arrangement (i.e. provisions of Section-196(4) are subservient/subject to Section-197), an exemption given to private companies from Section-196(4) will not liberate them from the relevant provisions of Section-197.

FOCUS OF THE ARTICLE

In this article, the author has elaborated and justified the proposition that Section-197 is not applicable to private companies and these companies, whether with adequate or inadequate or nil profits, can pay any amount to their managerial personnel without central government approval. This conclusion is independent of the apparent exemption to private companies from Section-197 conferred by the aforesaid notification. Additionally in this article, the author has highlighted the process to be followed by public companies having nil or inadequate profits which want to pay managerial remuneration in excess of 11% of the net profits.

ORIGIN OF THE CONTROVERSY

For the purpose of this article, it will be useful to start with the heading of Section-197 and brief extracts of Section-197(1) and Section-197(3), from where the controversy originates as to whether managerial remuneration provisions are applicable to private companies viz.

"197 -Overall maximum managerial remuneration and managerial remuneration in case of absence or inadequacy of profits",

"197 (1) - The total managerial remuneration payable by a **public company**, to its directors, including managing director and whole-time director, and its manager in respect of any financial year shall not exceed eleven per cent. of the net profits of that company for that financial year computed in the"

"Section-197(3) - Notwithstanding anything contained in sub-

sections (1) and (2), but subject to the provisions of Schedule V, if, in any financial year, a **company** has no profits or its profits are inadequate, the company shall not pay to its directors, including any managing or whole- time director or manager, by way of remuneration any sum exclusive of any fees payable to directors under sub-section (5) hereunder except in accordance with the provisions of Schedule V and if it is not able to comply with such provisions, with the previous approval of the Central Government".
(emphasis added)

It is also necessary to note that the heading of Section-197 does not give any indication regarding the type of company to which the section applies.

While Section-197(1) expressly applies only to a public company (and hence a private company is not covered i.e. exempted), Section-197(3) applies to "a company", which means both public and private companies and overrides Section-197(1) due to the *non obstante* clause in Section-197(3) (which starts with "Notwithstanding anything contained in sub-sections (1) and (2) but....."). Thus, on an apparent reading, the concession given by Section-197(1) to a private company to pay remuneration to its managerial persons beyond 11% of its net profits is taken away by Section-197(3) which requires a company (both public and private) having nil or inadequate profits to pay remuneration only as per the amounts mentioned/specified in Schedule V and obtain the central government's permission if it wants to pay any higher amount. This confusion has been created due to the poor drafting and unfortunate use of the term "inadequate profits" without defining it (in an earlier April 2015 Chartered Secretary article, the author had interpreted the term "inadequate profits" to mean the profits of a company where the total remuneration to managerial persons exceeds 11% of such net profits of a financial year).

RESOLUTION OF THE CONTROVERSY BY RELYING ON RULE 7(2) AND LIMITATION OF THAT APPROACH

The question and doubt has therefore arisen whether the remuneration ceilings in Section-197 apply to a private company. One way to resolve this doubt is to rely on the aforesaid notification dealing with exemption to private companies from Section-196(4) but that notification leads to another doubt viz. whether Section-197(1) [dealing with payment of remuneration by a company with adequate profits] and Section-197 (3) [dealing with payment of remuneration by a company with inadequate profits] are subject to Section-196(4) or whether Section-196(4) is subject to Section-197(1) and (3)? Hence, reliance on that notification for solving this doubt may not help (for reasons which will be elaborated later in this article). Rather, an alternate and less doubtful solution would need to be found and the following analysis, while not ideal (for reasons to be elaborated therein), appears to be preferable viz.



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Whether Managerial Remuneration provisions in Section 197 of the Companies Act 2013 are applicable to Private Companies?

- If the intention was to include private companies, then Section-197 (1) should have omitted the word "public" from its opening words i.e. "The total managerial remuneration payable by a public company, to its directors"
- If the intention was to exclude private companies, then "public" should have been inserted in Section-197(3) i.e. "Notwithstanding anything contained in sub-sections (1) and (2), but subject to the provisions of Schedule V, if, in any financial year, a public company has no profits or its profits....."
- If either of the above two had been done i.e. omission of "public" in Section-197(1) or addition of "public" in Section-197(3), then the Section would have applied, in the former case, to all companies (i.e. including private companies) and in the latter case, only to public companies (i.e. excluding private companies) and there would have been no conflict between Section-197(1) and Section-197(3). Whereas currently, the concession provided in Section-197(1) of permitting private companies to pay remuneration in excess of 11% of their net profits is taken away by Section-197(3) (i.e. by bringing it on par with public companies to whom this ceiling applies) in such a case and made subject to Schedule V (or central government approval if not in accordance with Schedule V). This then begs the obvious question i.e. why give the concession to private companies in Section-197(1) if it was not intended?
- This is obviously a drafting error (and which is sought to be set right by the aforesaid notification which unfortunately suffers from a conceptually weak foundation viz. it seeks to give exemption to private companies from the provisions of

Section-197(1) and (3) by exempting them from the provisions of Section-196(4) whereas on a plain reading, Section-196(4) is subject to Section-197(1) and (3) and Schedule V, which are the overriding provisions);

- In the absence of consistency between Section-197(1) and Section-197 (3), regard should be had to the **Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Rule 7 (2) thereof states as follows:**

"7(2) The companies **other than listed companies and subsidiary of a listed company may without Central Government approval pay remuneration to its managerial personnel, in the event of no profit or inadequate profit beyond ceiling specified in Section II, Part II of Schedule V, subject to complying with the following conditions namely:-**

- (i) payment of remuneration is approved by a resolution passed by the Board and, in the case of a company covered under sub-section (1) of section 178 also by the Nomination and Remuneration Committee, if any, and while doing so record in writing the clear reason and justification for payment of remuneration beyond the said limit;
- (ii) the company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon, preference shares and dividend on preference shares for a continuous period of thirty days in the preceding financial year before the date of payment to such managerial personnel;
- (iii) the approval of shareholders by way of a special resolution at a general meeting of the company for payment of remuneration for a period not exceeding three years;
- (iv) a statement along-with a notice calling the general meeting referred to in clause (iii) of sub-rule (2) above, shall contain the information as per sub clause (iv) of second proviso to clause (B) of section II of part-II of Schedule V of the Act including reasons and justification for payment of remuneration beyond the said limit;
- (v) the company has filed Balance Sheet and Annual Return which are due to be filed with the Registrar of Companies.

(3) Every such application seeking approval shall be made to the Central Government within a period of ninety days from the date of such appointment."

- Rule 7(2) consequently permits a private company to pay remuneration of any amount without central govt. approval subject to the conditions specified therein viz. special resolution, restricted maximum term of three years, disclosure





of specified information and justification for the remunerations, no default in loan repayment etc.

While there is sanction under the aforesaid Rule, on another note, it is legally weak and an invalid proposition that a Rule can provide a concession that is not permitted in the Section i.e. when Section 197(3) (which forms part of an Act of Parliament) says that in the event of nil or inadequate profits of a company, remuneration can be paid only in accordance with Schedule V and if not in accordance with Schedule V, only with the permission of the central government, then Rule 7(2) (which is a delegated legislation, subordinate and meant to give effect to Section-197(3)) cannot permit any category of company with nil or inadequate profits to pay remuneration beyond the ceilings specified in Schedule V without central government permission, notwithstanding that the Rule imposes certain conditions that need to be complied with to avail this concession.

Consequently, as the position now prevails, private companies can claim exemption from the ceiling on managerial remuneration either under the aforesaid notification or the aforesaid Rule, both of which are however legally weak. Having elaborated on the infirmities that the Rule based approach suffers from, it will now be worthwhile to elaborate on the infirmities that the notification based approach suffers from viz.

Resolution of the controversy by relying on the notification and limitation of that approach

Notification GSR 464(E) dated 5th June 2015 states vide Sr. No. 16 thereof that Section-196(4) and (5) shall not apply to private companies. Whereas managerial remuneration provisions are contained in Section-197(1) and (3) and Schedule V. It will be useful now to refer to the heading of Section-196 and provisions of Section-196(4) and (5) which have been extracted below viz.

"Section-196 Appointment of managing director, whole-time director or manager

(4)Subject to the provisions of section 197 and Schedule V, a managing director, whole-time director or manager shall be appointed and the terms and conditions of such appointment and remuneration payable be approved by the Board of Directors at a meeting which shall be subject to approval by a resolution at the next general meeting of the company and by the Central Government in case such appointment is at variance to the conditions specified in that Schedule:

Provided that a notice convening Board or general meeting for considering such appointment shall include the terms and conditions of such appointment, remuneration payable and such other matters including interest, of a director or directors in such appointments, if any:

Provided further that a return in the prescribed form shall be filed

within sixty days of such appointment with the Registrar.

(5) Subject to the provisions of this Act, where an appointment of a managing director, whole-time director or manager is not approved by the company at a general meeting, any act done by him before such approval shall not be deemed to be invalid."

(emphasis supplied)

It is noteworthy that the caption of Section-196 deals with appointment while the caption of Section-197 (earlier referred) deals with remuneration. That means that the appointment of managerial persons has to be in the manner specified in Section-196 and the remuneration of the appointee has to be fixed in the manner provided in Section-197 and Schedule V. **Appointment involves remuneration and what the notification does is to exempt private companies from the appointment provisions and consequently, if there is no appointee, the remuneration provisions, while extant and not exempted, cannot apply when appointment is legally exempted.** This is a practical but not a legally correct manner of conferring exemption from the remuneration provisions. Also, Section-196(4) expressly states that its provisions are subject to the provisions of Section-197 and Schedule V. Since the person appointed under Section-196 would be bound by the remuneration provisions of Section-197, Section-196 is therefore subservient to Section-197. Consequently, exempting private companies from Section-196(4) does not legally mean that Section-197 and Schedule V provisions are also automatically exempted and those provisions would legally continue to apply to private companies. **While a notification can exempt any section and by implication, other sections subservient to it, it is legally doubtful whether the exemption notification can apply to sections that prevail over the exempted section i.e. Section-196(4).** Assuming without admitting that the remuneration related provisions of Section-197 are exempted for private companies, this could lead to disputes regarding whether certain non-remuneration related provisions of Section-197 and Schedule V are applicable when appointing the managing or wholetime director of a private company which is exempted from complying with the provisions of Section-196(4) eg.

- a. Under Part I of Schedule V, a person can be appointed as MD/WTD of any company (whether public or private) only if he has completed 21 years of age and is a resident of India (as defined therein) and has not been convicted of any offence under any of the laws listed therein and for any exception thereto, the central government approval has to be obtained.

However, since the notification exempts private companies from the provisions of Section-196(4) which is subject to the provisions of Section-197 and Schedule V, the question arises whether a person below age of 21 (but above the majority age of 18), or who is not a resident of India or who has been convicted of any offence under any of the laws listed therein, can be appointed as MD/WTD of a private company without central government approval? If remuneration provisions of



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Section-197 and Schedule V do not apply to a person being appointed as MD/WTD of a private company, equally these other non-remuneration related provisions of Section-197 and Schedule V should not apply. However, if the non-remuneration related provisions of Section-197 and Schedule V are meant to apply to the appointment of the MD/WTD of a private company, then on what basis are the remuneration provisions alone to be excluded? **What part of Section-197 and Schedule V are sought to be exempted is not clear. The essential question therefore is what is the exemption (and on what basis) that the aforesaid notification is seeking to provide to private companies when it confers exemption to them from Section-196(4)?**

- b. Can the MD of a private company on his own authority appoint and fix the remuneration of other WTDs without Board approval if the articles are silent in this regard, since private companies are exempted from complying with the Board/shareholders related approval process mentioned in Section-196(4)?
- c. Since part-time directors are not covered by Section-196(4) (which applies only to the MD/WTD of a public/private company), whether the payment of remuneration to the part-time directors of a private company would continue to be governed by the provisions of Section-197 notwithstanding that private companies have been exempted from complying with the provisions of Section-196(4)?

CAN PRIVATE COMPANIES PAY MANAGERIAL REMUNERATION WITHOUT ANY CEILING

If the intention was to provide exemption to private companies from the remuneration provisions of Section-197/Schedule V and permit them to fix their own remuneration without any ceilings, ideally, the notification should have exempted private companies from the provisions of Section-197 (in entirety) and not from the provisions of Section-196(4)/(5). This however has not been done

At a practical level, since both the concession in Rule 7(2) and exemption vide Sr. No. 16 of the notification are beneficial to



the corporate sector and the MCA and Law Dept. officials of the Government of India are bound by the Rule/Notification they have issued (by following the process prescribed under Section-469/Section-462 respectively) **private companies with nil or inadequate profits can pay any remuneration to their managerial personnel without central government approval. However while taking this position, it is better to place reliance on the notification rather than the Rule since there are several conditions to be complied with under the Rule whereas the notification confers a blanket exemption. Hence, the position to take is that private companies are exempted from any ceiling while paying remuneration to their managerial personnel pursuant to the aforesaid notification.**

WHAT IS MEANT BY A COMPANY (PUBLIC/ PRIVATE) WITH INADEQUATE PROFITS

An analysis of the linkage between Section-197(1) and (3) will lead to the conclusion that profits should be regarded as “inadequate” (in the absence of an explicit definition of this term in the Act) when the aggregate managerial remuneration payable in a financial year exceeded 11% of the profits for that year. Thus, inadequacy of profits is not an absolute level of profits but a relative term based on the quantum of managerial remuneration payable. If the profit is 100 and the total managerial remuneration payable (i.e. to the MD, WTD and part-time directors collectively) in that year is more than 11, then the company would be regarded as having inadequate profits. However, if the total managerial remuneration payable is less than 11, then the company would be regarded as having adequate profits based on the same profit figure of 100. Thus, a given quantum of profits is regarded as adequate or inadequate based on the percentage the total managerial remuneration payable bears to such profits in a financial year.

Where a company has adequate profits, the managerial remuneration payable by it is covered by Section-197(1), but where the company has inadequate profits, the managerial remuneration payable by it is covered by Section-197(3). Upto the point where the total managerial remuneration payable in a financial year does not cross 11% of the net profits of that financial year, the payment of the remuneration is governed by Section-197(1), whereas if the total managerial remuneration payable crosses 11% of the net profits in a financial year, payment of such managerial remuneration will be governed by the provisions of Section-197(3). Section-197(3) extends to both public and private company. In the case of inadequate profits of a private company (and public unlisted company), the restrictions on managerial remuneration in Section-197(3) is waived pursuant to Sr. No. 16 of the Notification GSR (E) 464 dated 5th June 2015 and/or Rule 7(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 subject to compliance with certain specified conditions.



PAYMENT OF MANAGERIAL REMUNERATION BY A (PUBLIC/PRIVATE) COMPANY

To summarise, the impact of Section-197 on payment of managerial remuneration would be as follows:

- a. **in the case of a public company having adequate profits** (i.e. total managerial remuneration payable is less than 11% of the net profits in a financial year) - any amount can be paid subject to only Board/shareholders approval;
- b. **in the case of a public company having nil or inadequate profits** (i.e. total managerial remuneration payable is more than 11% of the net profits in a financial year) - the ceiling on managerial remuneration payable to each of the MD/WTD is as specified in Section II of Part II of Schedule V and central government approval is required only if any higher amount is sought to be paid.

However since Schedule V does not contain provisions relating to payment of remuneration to part-time directors, the payment of any remuneration to part-time directors by a public company having nil or inadequate profits, would require central government approval in terms of Section-197(3) (absence of provisions relating to payment of remuneration to part-time directors in the case of a company having nil or inadequate profits and which hence requires central government's approval for such payment, appears to be an inadvertent but significant omission in the drafting of Section-197(3));

- c. **in the case of a private company - whether having adequate or nil or inadequate profits** - any amount can be paid to the MD/WTD without central government approval pursuant to the aforesaid exemption notification and/or subject to compliance with the conditions prescribed therein pursuant to the provisions of Rule 7(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

However payment of sitting fees to any part-time directors by a private company having inadequate profits would require the central government's approval pursuant to Section-197(3) since part-time directors are not covered by Section-196(4) which is exempted for private companies.

PAYMENT OF MANAGERIAL REMUNERATION IN EXCESS OF 11% BY A PUBLIC COMPANY HAVING INADEQUATE PROFITS

Since a private company is permitted (per above analysis) to pay remuneration to its MD/WTD without any ceiling, the following analysis focuses on payment of remuneration by a public company.

Suppose a profitable public company has 3 full time directors i.e.

1 MD and 2 WTD and the remuneration payable to each of them is 5% of the net profits computed in the specified manner i.e. as per Section-198. Consequently, the total managerial remuneration payable to these three managerial persons comes to 15% of the net profits, which is regarded as a case of inadequate profits (since it exceeds the threshold of 11%). The company has two options before it for payment of managerial remuneration viz.

- The public company can apply to the Central Government under Section 197(1) to pay the desired remuneration;
- Alternatively, the public company can, pursuant to Section-197(3), pay remuneration to the MD and the two WTD in accordance with the ceilings specified in Section II of Part II of Schedule V, in which case no central government approval is required. The company can evaluate which of the remuneration options provided in Section II (A) or (B) of Part II of Schedule V is more beneficial to it, and this amount can be doubled with the shareholders approval by special resolution alongwith compliance with the conditions specified in the common portion of Section II (re: disclosure of compensation details of all directors, details of appointee, no default in repayment of loans etc.).
- If the company opts, as an example, for paying remuneration as per Section II (B), then it can pay managerial remuneration of 2.5% (which can be doubled with the shareholders approval by a special resolution) of the current relevant profits subject to compliance with the conditions specified therein. To be eligible for the option in Section II (B), the managerial person should not be holding securities in the company with an aggregate nominal value exceeding Rs.5 L or be an employee, director or relative of a promoter/director during the last two years preceding his appointment as a managerial person. "Current relevant profit" has been defined in Explanation VI to Section IV of Part II of Schedule V to mean the profit as calculated under section 198 but without deducting the excess of expenditure over income referred to in sub-section 4 (I) thereof in respect of those years during which the managerial person was not an employee, director or shareholder of the company or its holding or subsidiary companies;
- Thus, where a company is not loss making but only having inadequate profits (i.e. managerial remuneration is more than 11% of the net profits), the profits computed under Section-198 and the current relevant profits as defined above, will be the same since there is no loss to be deducted as referred to in Section 198(4)(I). Consequently, the above-referred company wanting to pay total managerial remuneration of 15% (i.e. 5% each to the MD and the two WTD's) need not apply to the Central Government under Section 197(1) but can instead avail of the option in Section II (B) of Part II of Schedule V and pay the same 5% each to the MD and the two WTD's without the central government's approval subject to obtaining the shareholders approval by special resolution to doubling



Article

Whether Managerial Remuneration provisions in Section 197 of the Companies Act 2013 are applicable to Private Companies?

the limit of managerial remuneration from 2.5% to 5% and compliance with the other conditions set out in Section II of Part II of Schedule V.

- Thus companies having inadequate or nil profits and which are in a position to comply with the conditions specified in Section II of Part II of Schedule V, and who want to pay total managerial remuneration in excess of 11% of the net profits, should evaluate whether they can achieve this within the framework provided by Section II (A) or (B) without central government approval pursuant to Section-197(3) and only if this is not possible (eg. if there has been a loan default etc.), can considering approaching the Central Government for approval under Section 197(1).

EARLIER CONCESSION UNDER COMPANIES ACT 1956 NOT VALID UNDER COMPANIES ACT 2013

It also needs to be noted that the flexibility and concession provided to public companies (i.e. listed companies and their subsidiaries) with inadequate or nil profits, to pay remuneration exceeding Rs.4L p.m. to managerial persons who are professionally qualified executives and not interested in any of the ways specified under Circular 46/2011 dated 14.7.2011 issued under the Companies Act 1956, no longer continues consequent to a new legal framework being established under the Companies Act 2013 whose provisions alone will now operate.

CONCLUSION

There is ambiguity in respect of the following matters viz.

- i. when a company's profits are to be regarded as "inadequate";
- ii. whether the remuneration provisions of Section-197 and Schedule V apply to a private company?
- iii. whether the non-remuneration provisions of Section-197 and Schedule V apply to a private company?
- iv. whether central government approval is required for payment of remuneration to part-time directors in the case of a company (public/private) having inadequate profits?

Point (i) has been analysed and a conclusion arrived at that, in the absence of any explicit clarity in the Act, profits are to be regarded as inadequate if the managerial remuneration exceeds 11% of the profits.

Point (ii) has been analysed and the balance of convenience and conclusion is that private companies can pay managerial remuneration without any ceiling;

Point (iii) has been analysed and the balance of convenience and conclusion is that if private companies are exempted from the remuneration provisions of S-197 and Schedule V (per above), there is no bar to stopping their exemption from the non-remuneration related provision of S-197 and Schedule V;

Point (iv) has been analysed and the conclusion is that both private and public companies with nil or inadequate profits have to take the Central Government's approval for payment of remuneration to their part-time directors. CS

ATTENTION STUDENTS!

CS EXECUTIVE PROGRAMME

INTRODUCTION OF NEGATIVE MARKING FOR OMR BASED EXAMINATION

The Institute has decided to introduce the criteria of negative marking for wrong answers attempted by the candidates for the three subjects of OMR based examination of the Executive Programme viz., (i) Cost and Management Accounting; (ii) Tax Laws and Practice; and (iii) Industrial, Labour and General Laws papers with effect from December, 2015 Examinations onwards as under:

- Negative marking will be made in the ratio of 1: 4, i.e., deduction of one (1) mark for every four (4) wrong answers or proportion thereof;
- Negative marks would be limited to the extent of marks secured for correct answers so that no candidate shall secure less than zero mark in the above subjects;
- Total marks obtained in fraction would be rounded up to next whole number.

The Time Table and Programme for CS December, 2015 examinations has been uploaded on the Institute's website www.icsi.edu. The OMR based examination for the above three subjects shall be held consecutively on 21st, 22nd and 23rd December, 2015.



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Board Report is now Broad Report

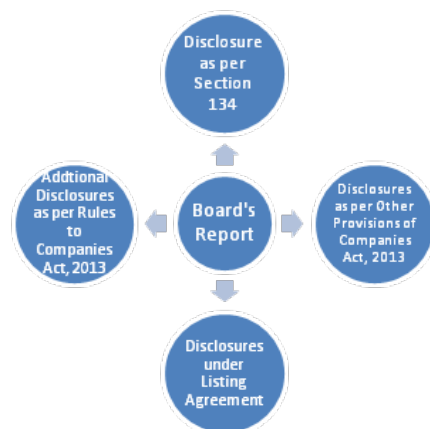
- The Companies Act, 2013 has enlarged the scope of the report of Board of Directors. Several additional disclosures are to be made under the new law. Also the penalty for violation of the provisions including non disclosures in Board report has been made more stringent. Therefore Companies need to engage the services of company secretaries to ensure compliance of law and avoid penal actions.

The Companies Act, 2013 has enhanced the scope of Board's Report to a great extent. The disclosures required to be made in the Board's report are now numerous. Since the quantum of disclosure and the penalty for non compliance is huge, the Board has to be very cautious in preparation of the Board's report and this will definitely require the expertise of professionals.

The requirements under the Companies Act, 2013 are not similar to the requirements under the Companies Act, 1956, wherein the Section 217 of the Companies Act, 1956 contained the provisions relating to disclosures in the Board's Report. And now after Companies Act, 2013, Board's Report is now broad report, a lot of sections prescribes many mandatory disclosures to be mentioned in the Board's Report.

Section 134 casts a responsibility on the Board of Directors of the Company to prepare and present the Board's Report to the shareholders mentioning therein the following details:

- (a) the extract of the annual return in Form MGT 9 as provided under section 92(3);
- (b) number of meetings of the Board;
- (c) Directors' Responsibility Statement;
- (d) a statement on declaration given by independent directors under section 149(6);
- (e) in case of a company covered under section 178(1), company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under section 178(3);
- (f) explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made—
 - (i) by the auditor in his report; and
 - (ii) by the company secretary in practice in his secretarial





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Board Report is now Broad Report

audit report;

- (g) particulars of loans, guarantees or investments under section 186;
- (h) particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in Form AOC-2;
- (i) the state of the company's affairs;
- (j) the amounts, if any, which it proposes to carry to any reserves;
- (k) the amount, if any, which it recommends should be paid by way of dividend;
- (l) material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report;
- (m) the conservation of energy, technology absorption, foreign exchange earnings and outgo, in such manner as detailed hereunder:
 - (A) Conservation of energy-
 - (i) impact on conservation of energy;
 - (ii) the steps taken by the company for utilising alternate sources of energy;
 - (iii) the capital investment on energy conservation equipments;
 - (B) Technology absorption-
 - (i) the efforts made towards technology absorption;
 - (ii) the benefits derived like product improvement, cost reduction, product development or import substitution;
 - (iii) in case of imported technology (imported during the last 3 years from the beginning of the financial year)-
 - (a) the details of technology imported;
 - (b) the year of import;
 - (c) whether the technology been fully absorbed;
 - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
 - (iv) the expenditure incurred on Research and Development.
 - (C) Foreign exchange earnings and Outgo-

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.
- (n) a statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company;
- (o) the details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the year; (Annual Report on CSR to form part of Board's Report)

- (p) in case of a listed company and every other public company having paid-up share capital of twenty five crore rupees or more calculated at the end of the preceding financial year, a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors;
- (q) such other matters as may be prescribed.

ADDITIONAL DISCLOSURES UNDER COMPANIES ACT, 2013

Additional Disclosures in Board's Report

Applicable to All Companies

Applicable to Prescribed Companies

Event Based Disclosures

In addition to the abovesaid matters, Companies Act, 2013 and Rules, prescribe some additional mandatory disclosures, to form part of Board's Report, which are as follows:

APPLICABLE TO ALL COMPANIES

1. The Board's Report shall contain a separate section wherein a report on the performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement is presented.
2. The Board's Report shall also contain, the following disclosures regarding:
 - (i) the financial summary or highlights;
 - (ii) the change in the nature of business, if any;
 - (iii) the details of directors or key managerial personnel who were appointed or have resigned during the year;
 - (iv) the names of companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year;
 - (v) the details relating to deposits, covered under Chapter V of the Act,-
 - (a) accepted during the year;
 - (b) remained unpaid or unclaimed as at the end of the year;
 - (c) whether there has been any default in repayment of deposits or payment of interest thereon during the



year and if so, number of such cases and the total amount involved-

- (i) at the beginning of the year;
 - (ii) maximum during the year;
 - (iii) at the end of the year;
- (vi) the details of deposits which are not in compliance with the requirements of Chapter V of the Act;
- (vii) the details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future;
- (viii) the details in respect of adequacy of internal financial controls with reference to the Financial Statements.

APPLICABLE TO ONLY PRESCRIBED CLASS OF COMPANIES

1. Secretarial Audit Report in Form MR 3 has to form part of Board's Report (Section 204) of the following Companies:
 - Listed Company
 - Public Companies having - paid up capital of Rs. 50 crores or more; or
 - turnover of Rs.250 crores or more
2. The composition of an Audit Committee and where the Board had not accepted any recommendation of the Audit Committee, the same shall be disclosed in such report along with the reasons therefor, in terms of Section 177(8).
3. Establishment of vigil mechanism under Section 177(10).
4. The policy of Nomination and Remuneration Committee and stakeholders relationship committee in terms of Section 178.

EVENT BASED DISCLOSURES

1. Any Managing or Whole-time director of the company, who is in receipt of any commission from the company and also receiving any remuneration or commission from any holding company or subsidiary company of such company, has to disclose the same.
2. Statement showing the name of every employee of the company, who-
 - (i) if employed throughout the financial year, was in receipt of remuneration for that year which, was not less than Rs.60,00,000;
 - (ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which,

was not less than Rs.5,00,000 per month;

- (iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the company.

The above mentioned statement shall also indicate the following particulars of the employees -

- (i) designation of the employee;
- (ii) remuneration received;
- (iii) nature of employment, whether contractual or otherwise;
- (iv) qualifications and experience of the employee;
- (v) date of commencement of employment;
- (vi) the age of such employee;
- (vii) the last employment held by such employee before joining the company;
- (viii) the percentage of equity shares held by the employee in the company; and
- (ix) whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager:

Provided that the particulars of employees posted and working in a country outside India, not being directors or their relatives, drawing more than Rs.60,00,000 per financial year or Rs.5,00,000 per month, as the case may be, as may be decided by the Board, shall not be circulated to the members in the Board's report, but such particulars shall be filed with the Registrar of Companies while filing the financial statement and Board Reports.

3. Where the financial statement or Board's Report of the Company was revised in respect of any of the three preceding financial years after obtaining approval of the Tribunal, then,





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Board Report is now Broad Report

- the detailed reasons for revision shall be disclosed, in the relevant financial year in which such revision is being made.
4. In terms of Section 149(10), the company must disclose the appointment or re-appointment of Independent Director.
- 5.1 The Board of Directors shall, *inter alia*, disclose, for the financial year in which the issue of equity shares with differential rights was completed, the following details:
- (a) the total number of shares allotted with differential rights;
 - (b) the details of the differential rights relating to voting rights and dividends;
 - (c) the percentage of the shares with differential rights to the total post issue equity share capital with differential rights issued at any point of time and percentage of voting rights which the equity share capital with differential voting right shall carry to the total voting right of the aggregate equity share capital;
 - (d) the price at which such shares have been issued;
 - (e) the particulars of promoters, directors or KMP to whom such shares are issued;
 - (f) the change in control, if any, in the company consequent to the issue of equity shares with differential voting rights;
 - (g) the diluted Earning Per Share pursuant to the issue of each class of shares, calculated in accordance with the applicable accounting standards;
 - (h) the pre and post issue shareholding pattern along with voting rights.
- 5.2 Where the voting rights are not exercised directly by the employees in respect of shares to which the scheme relates, the Board of Directors shall, *inter alia*, disclose, for the relevant financial year the following details, namely:-
- (a) the names of the employees who have not exercised the voting rights directly;
 - (b) the reasons for not voting directly;
 - (c) the name of the person who is exercising such voting rights;
 - (d) the number of shares held by or in favour of, such employees and the percentage of such shares to the total paid up share capital of the company;
 - (e) the date of the General Meeting in which such voting power was exercised;
 - (f) the resolutions on which votes have been cast by persons holding such voting power;
 - (g) the percentage of such voting power to the total voting power on each resolution;
 - (h) whether the votes were cast in favour of or against the resolution.
6. The Board's Report for the year, wherein sweat equity shares are issued, shall contain:
- a. the class of director or employee to whom sweat equity is allotted
 - b. the class of shares issued as Sweat Equity Shares
 - c. the number of sweat equity shares issued to the directors, KMP or other employees showing separately the number of such shares issued to them, if any, for consideration other than cash and the individual names of allottees holding 1% or more of the issued share capital
 - d. the reasons or justification for the issue
 - e. the principal terms and conditions for issue of sweat equity shares, including pricing formula
 - f. the total numbers of shares arising as a results of issue of sweat equity shares
 - g. the percentage of the sweat equity shares of the total post issued and paid up share capital
 - h. the consideration (including consideration other than cash) received or benefit accrued to the company from the issue of equity-shares
 - i. the diluted EPS pursuant to issuance of sweat equity shares.
7. The Board's Report for the year, wherein ESOPs are issued, shall contain:
- (a) options granted;
 - (b) the pricing formula;
 - (c) options vested;
 - (d) options exercised;
 - (e) the total number of shares arising as a result of exercise of option;
 - (f) options lapsed;
 - (g) variation of terms of options;
 - (h) money realised by exercise of options;
 - (i) total number of options in force;
 - (j) employee wise details of options granted to:-
 - senior managerial personnel;
 - any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.
 - identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;
 - (k) Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'.
 - (l) Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the



company shall also be disclosed.

- (m) Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.
- (n) A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:
 - risk-free interest rate,
 - expected life,
 - expected volatility,
 - expected dividends, and
 - the price of the underlying share in market at the time of option grant.

ADDITIONAL DISCLOSURE FOR LISTED COMPANIES

Under Companies Act, 2013

1. In terms of Section 197 (12) and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every Listed Company shall disclose the following in the Board's report:
 - (i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;
 - (ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;
 - (iii) the percentage increase in the median remuneration of employees in the financial year;
 - (iv) the number of permanent employees on the rolls of company;
 - (v) the explanation on the relationship between average increase in remuneration and company performance;
 - (vi) comparison of the remuneration of the KMP against the performance of the company;
 - (vii) variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies,
 - (viii) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any

exceptional circumstances for increase in the managerial remuneration;

- (ix) comparison of the each remuneration of the KMP against the performance of the company;
- (x) the key parameters for any variable component of remuneration availed by the directors;
- (xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and
- (xii) affirmation that the remuneration is as per the remuneration policy of the company.

Explanation.- For the purposes of this -

- (i) the expression "median" means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one;
- (ii) if there is an even number of observations, the median shall be the average of the two middle values.

Under Listing Agreement

- 1 In terms of Clause 5.A.I, as long as there are shares in the suspense account, the Company shall disclose the following details:
 - (i) Number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year;
 - (ii) Number of shareholders who approached for transfer of shares from suspense account during the year;
 - (iii) Number of shareholders to whom shares were transferred from suspense account during the year;
 - (iv) Number of shareholders and the outstanding shares in the suspense account lying at the end of the year;
 - (v) that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.





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2. In terms of Clause 5.A.II, till the time the shares are in the Unclaimed Suspense Account, the company shall disclose the following details:-
 - (i) Number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year;
 - (ii) Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year;
 - (iii) Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year;
 - (iv) Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year.
3. Whistle Blower Policy.
4. Related Party Disclosures.
5. If there are material variations between the projections and the actual utilisation/ profitability, the company shall disclose the same.
- 6.1 The remuneration policy and criteria for performance evaluation as laid down by the Nomination Committee.
- 6.2 All pecuniary relationship or transactions of the non-executive directors vis-à-vis the company.
- 6.3 In addition to the disclosures required under the Companies Act, 2013, the following disclosures on the remuneration of directors shall be made in the section on the corporate governance:
 - a. All elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc.
 - b. Details of fixed component and performance linked incentives, along with the performance criteria.
 - c. Service contracts, notice period, severance fees.
 - d. Stock option details, if any.
- 6.4 The criteria of making payments to non-executive directors.
- 6.5 Number of shares and convertible instruments held by non-executive directors.
7. The details of familiarisation programmes conducted to familiarise the independent directors with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc.
8. Declaration by CEO that all Board members and senior management personnel affirmed the compliance with the code of conduct for Board members and senior management.

9. As part of the directors' report or as an addition thereto, a Management Discussion and Analysis report.
10. Detailed compliance report on Corporate Governance. Non-compliance of any mandatory requirement of this clause with reasons thereof and the extent to which the non-mandatory requirements have been adopted should be specifically highlighted.
11. Confirmation about the payment of the Annual Listing Fees for the year.

Penalties for non compliance are very hefty. It is Rs.50,000 for a company which may extend to Rs.25 lakhs; for every officer in default the penalty is imprisonment for a term which may extend to 3 years or with fine of minimum Rs.50,000 per officer which may extend to Rs.5 lakhs per officer or with both.

Section 448 also imposes penalties for furnishing false statement or omission of statement in any return, report or financial statements etc. of the Company and prescribes that this would amount to Fraud under Section 447.

The only way for companies to secure due compliance with regard to disclosures in Board's report is to effectively engage Company Secretaries and obtain their professional services for the proper compliance of these provisions. CS

GOVERNMENT NOMINEES ON THE COUNCIL NOMINATED ON THE COMMITTEES OF THE ICSI FOR THE YEAR 2015

Name of the Committee	Government Nominee(s)
Executive Committee	Mr. Amardeep Singh Bhatia
Finance Committee	Mr. Yamal A Vyas
Examination Committee	Mr. Vijay Kumar Jhalani
Financial Services Committee	Mr. Gopal Krishna Agarwal
Corporate Laws & Governance Committee	Mr. Rajesh Sharma
Professional Development Committee	Mr. Vijay Kumar Jhalani Mr. Gopal Krishna Agarwal
Training & Educational Facilities Committee	Mr. Rajesh Sharma Mr. Yamal A Vyas Mr. Amardeep Singh Bhatia



Swetha Subramanian, ACS

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& Associates, Practicing Company
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Introduction of Insider Trading Regulations 2015: Will the paper tiger really bite this time*?

- The new insider trading regulations issued by SEBI in January 2015 calls for higher degree of compliance and monitoring in order to be equipped with suitable facts about any trade undertaken by a potential insider. Since SEBI has made it extremely clear that the onus lies on the alleged insider to prove that he was not motivated by UPSI to trade in the securities of a listed entity. These overreaching rules could possibly render any highly placed finance person associated with listed companies an easy target for accusation of insider trading.

INTRODUCTION

On January 15, 2015, the Securities and Exchange Board of India ("SEBI") notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("2015 Regulations") replacing the SEBI (Prohibition of Insider Trading) Regulations, 1992. The 2015 Regulations are based on the recommendations made by the Justice N.K. Sodhi committee constituted by SEBI, which submitted its report in December 2013.

The practice of insider trading was not established as illegal until the 1920s. In fact, it was the United States of America that came down heavily on using inside information to trade and deal in securities, and was the first country to formally enact a legislation to regulate dealing in securities while in possession of insider information in the year 1934. This garnered much criticism across the globe, with the Sunday Times in the UK mocking the introduction of legislation to check insider trading in an editorial in 1973 as insider trading was always regarded as a privilege

bestowed on the officers holding high posts. Since then, strict norms have been enacted not only in the US and UK but across the globe to limit the effects of insider trading.¹



*Views are strictly personal.

¹ Source(<http://expressindia.indianexpress.com/fe/daily/20000821/fco21044.html>)



Article

Introduction of Insider Trading Regulations 2015: Will the paper tiger really bite this time?

Insider trading, as a practice, is essentially use of price sensitive privileged information to garner profits or to avoid losses and India wasn't far behind when it came to putting on a leash on this practice. The first step to restrict insider trading was led in 1948 by PJ Thomas committee, which was formed to 'evaluate restrictions that can be imposed on short swing profits'. Following the recommendations of the committee, sections 307 and 308 were introduced in the Companies Act, 1956. Next, the Government of India constituted the Sachar Committee and the Patel Committee in 1978 and 1986, respectively to recommend further measures to control insider trading. However, it was the Abid Hussain Committee in 1989, which proposed recommendations for a separate statute to regulate insider trading. It was only in 1992, after the market was opened up, that the SEBI introduced the formal rules on insider trading. Ten years down the line, the regulations had not undergone a full-blown structural review of any kind since its enactment, but independent and separate amendments to the Regulation had resulted in gaping holes in them. The first substantial amendment in the regulation came in 2002 to fix the discrepancies arising from cases like *Rakesh Agarwal v. SEBI* and *Hindustan Levers Ltd. v. SEBI*. Despite that, the language used in the Regulation was working against the regulators, especially when it came to presenting evidence and proving that a trade had taken place for profit in possession of unpublished price sensitive information. It was also a popular opinion in the industry that it was high time that the Regulations are modified to keep up with the changing times. And here is where the 2015 Regulations came in. Though the new Insider Trading Regulations is hailed, as much needed change, it has also received criticism for being too strict. A noteworthy feature of the 2015 Regulation is that, SEBI has introduced explanatory notes as a part of the Regulation that provide insight into the legislative reasoning of the intended law. Such notes are the first of its kind for a parent Regulation.

COMPARISON BETWEEN 1992 REGULATIONS AND 2015 REGULATIONS

A. Definition

The litmus test for establishing insider trading both under 1992 Regulations and 2015 Regulations is the presence of any of the following:

1. Connected person Insider + UPSI + Trading in securities of listed companies or entities which is proposing to be listed.
2. Other persons receiving UPSI + Trading in securities of listed or entities which is proposing to be listed.

*UPSI – “Unpublished Price Sensitive Information”

Therefore the definition of the terms ‘insider’, ‘connected person’, and ‘UPSI’ become the cornerstone to the entire Regulation. Let us look at what changes have been introduced in the 2015 Regulation to these definitions in comparison to the 1992 Regulation.

I. DEFINITION OF INSIDER

1992 Regulations	2015 Regulations
An insider is “any person who (i) is or was connected with the company or is deemed to have been connected with the company and is reasonably expected to have access to unpublished price sensitive information in respect of securities of company, or (ii) has received or has had access to such unpublished price sensitive information.”	An insider is “any person who is: a connected person; or in possession of or having access to unpublished price sensitive information.”

Significant changes and its impact:

The 2015 Regulations implicate anyone who is ‘in possession of UPSI’ as an insider unlike the 1992 Regulations which cover such persons who ‘has had access’ or ‘has received’ UPSI. With respect to a connected person insider, the role of SEBI is limited to establishing reasonable suspicion to bring a charge and the entire burden of proof fall on the connected person to prove his/her innocence. This aspect of the 2015 Regulation is particularly harsh as it could implicate innocent employees and the management of the company of insider trading on the premise ‘guilty until proven innocent’.





II. DEFINITION OF CONNECTED PERSON

1992 Regulations	2015 Regulations
<p>“Any person who: is a director, as defined in clause (13) of section 2 of the Companies Act, 1956 (1 of 1956), of a company, or is deemed to be a director of that company by virtue of sub-clause (10) of section 307 of that Act or occupies the position as an officer or an employee of the company or holds a position involving a professional or business relationship between himself and the company [whether temporary or permanent] and who may reasonably be expected to have an access to unpublished price sensitive information in relation to that company: [Explanation:—For the purpose of clause (c), the words “connected person” shall [mean] any person who is a connected person six months prior to an act of insider trading”</p>	<p>“Any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holds any position including a professional or business relationship between himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access,” or</p> <ul style="list-style-type: none"> (a) an immediate relative of connected persons specified in clause (i); (b) a holding company or associate company or subsidiary company; (c) an intermediary as specified in section 12 of the Act or an employee or director thereof; (d) an investment company, trustee company, asset management company or an employee or director thereof; (e) an official of a stock exchange or of clearing house or corporation; (f) a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; (g) a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; (h) an official or an employee of a self-regulatory organization recognised or authorized by the Board; (i) a banker of the company; or

	(j) a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his immediate relative or banker of the company, has more than ten per cent of the holding or interest.”
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Significant changes and its impact:

Any person associated with a company in a capacity that would allow such person access to UPSI relating to the company or whose association is reasonably expected to allow such access to UPSI would be a “connected person”. Hence it can be inferred that the fact as to the actual possession of UPSI is irrelevant to bring a charge as long as a reasonable expectation can be established.

The definition of a connected person under the 2015 Regulations also includes persons deemed to be connected persons. This combines two separate definitions of the 1992 Regulations. Further, similar to the 1992 Regulation, the definition of a connected person includes any person who has been associated with the company during six months prior to the act of trading. The assumption being a person is not reasonably expected to have access to UPSI beyond a period of six months after severance of relationship with the target company.

Additionally, anyone who has been in frequent contact with an officer of a company is termed a ‘connected person’ and they do not enjoy the benefit of the deeming fiction. In this regard the committee was of the view that it would necessarily be a question of fact and evidence to demonstrate a close contact with the company and there need not be a factual communication of UPSI so long as it is reasonable to believe that UPSI would have been passed on owing to the relationship.

The only relief in the new definition of connected person in the





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2015 Regulations comes through the reduction of the scope of the definition 'relatives'. The 2015 Regulations covers only immediate relatives who are defined as "a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities."

Ultimately, whether or not a person is a connected person will always and necessarily be a mixed question of fact and law to be answered from the facts and the circumstances of the case, says the committee.

III. DEFINITION OF UPSI

1992 Regulations	2015 Regulations
<p>"Any information which relates directly or indirectly to a company and which if published is likely to materially affect the price of securities of company. Explanation.—The following shall be deemed to be price sensitive information: —</p> <ul style="list-style-type: none"> (i) periodical financial results of the company; (ii) intended declaration of dividends (both interim and final) (iii) issue of securities or buy-back of securities; (iv) any major expansion plans or execution of new projects. (v) amalgamation, mergers or takeovers; (vi) disposal of the whole or substantial part of the undertaking; (vii) and significant changes in policies, plans or operations of the company (k) "unpublished" means information which is not published by the company or its agents and is not specific in nature." 	<p>"Any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: —</p> <ul style="list-style-type: none"> (i) financial results (ii) dividends (iii) change in capital structure (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions (v) changes in key managerial personnel and, (vi) material events in accordance with the listing agreement."

Significant changes and its impact:

UPSI is that information which is material and non-public on becoming generally available would affect the price of the securities to which it relates. As per the definition of generally available information in the 2015 Regulations, information that is accessible to the public on a non-discriminatory basis would

➤ The 2015 Regulations emphasise on the fact that the list of information given in the definition is only an illustrative guidance and to conclude whether a piece of information is UPSI, it would be a mixed question of fact and law. Having said that, the illustrative examples in the 2015 regulations have two new entries as compared to the 1992 regulations being change in key managerial personnel and material events in accordance with the listing agreement.

be considered generally available information. The question "whether the information is available on a non-discriminatory basis would be a question of fact to be answered adopting the standard of a reasonable man," says the committee in its report. Further as per the Regulation information that is accessible to any person without the breach of any law would be considered generally available. For this purpose, reference can be made to the committee report to obtain a lucid understanding through practical examples as to the definition of generally available information. For example, if someone witnessed the CEO of a company faint inside the boardroom in a meeting of the board of directors, then that information would be considered as UPSI but if the CEO fainted at a hospital, it would be generally available information.

In order to publicly disseminate the information for it to be regarded as generally available it has to be published on a platform that would be accessible to the public such as the website of a stock exchange.

The 2015 Regulations emphasise on the fact that the list of information given in the definition is only an illustrative guidance and to conclude whether a piece of information is UPSI, it would be a mixed question of fact and law. Having said that, the illustrative examples in the 2015 regulations have two new entries as compared to the 1992 regulations being change in key managerial personnel and material events in accordance with the listing agreement.

WHAT IS ILLEGAL AS PER THE REGULATIONS

I. Communication on Procurement of UPSI



1992 Regulations	2015 Regulations
<p>“No insider shall communicate or counsel or procure directly or indirectly any unpublished price sensitive information to any person who while in possession of such unpublished price sensitive information shall not deal in securities:</p> <p>Provided that nothing contained above shall be applicable to any communication required in the ordinary course of business”.</p>	<p>“No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.</p> <p>No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.”</p>

Significant changes and its impact:

Under the 2015 Regulations, merely communicating the UPSI is an offence, no matter if the person utilised this for their personal gain. Such a stringent provision has been introduced in the new Regulations to maintain hygiene in the marketplace by ensuring that UPSI is not handled lightly and is handled only on a need-to-know basis. Hence, a view can be taken that profit motive and/or *mens rea* are irrelevant to determine the offence of insider trading as per the 2015 Regulations. Therefore, as long as it can be proved that UPSI was handled negligently to allow access to Insider it would tantamount to a punishable offence under the 2015 Regulations. The legislative notes also states “inducement and procurement of unpublished price sensitive information not in furtherance of one’s legitimate duties and discharge of obligations would be illegal under this provision.”

III. TRADING WHEN IN POSSESSION OF UPSI

1992 Regulations	2015 Regulations
<p>“No insider shall either on his own behalf or on behalf of any other person, deal in securities of a company listed on any stock exchange when in possession of any unpublished price sensitive information</p> <p>“No company shall deal in the securities of another company or associate of that other company while in possession of any unpublished price sensitive information..”</p>	<p>No insider shall trade in securities that are listed or proposed to be listed on a stock exchange when in possession of unpublished price sensitive information.</p>

Significant changes and its impact:

In the 2015 Regulations, the mischief sought to be curbed is trading in the securities of a company while in possession of UPSI as against a prohibition on dealing in securities of a company covered under the 1992 Regulations. The objective for the said change is to ensure that the provisions are made precise rather than left to wide and potential ambiguous interpretation.

IV. VALID DEFENCES

1992 Regulations	2015 Regulations
<p>3B. (1) In a proceeding against a company in respect of regulation 3A, it shall be a defence to prove that it entered into a transaction in the securities of a listed company when the unpublished price sensitive information was in the possession of an officer or employee of the company, if :</p> <p>(a) the decision to enter into the transaction or agreement was taken on its behalf by a person or persons other than that officer or employee; and</p> <p>(b) such company has put in place such systems and procedures which demarcate the activities of the company in such a way that the person who enters into transaction in securities on behalf of the company cannot have access to information which is in possession of other officer or employee of the company; and</p>	<p>“3. (3) Notwithstanding anything contained in this regulation, an unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:</p> <p>entail an obligation to make an open offer under the takeover regulations where the board of directors of the company is of informed opinion that the proposed transaction is in the best interests of the company; not attract the obligation to make an open offer under the takeover regulations but where the board of directors of the company is of informed opinion that the proposed transaction is in the best interests of the company and the information that constitute unpublished price sensitive information is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the board of directors may determine.”</p>





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3B. (1) In a proceeding against a company in respect of regulation 3A, it shall be a defence to prove that it entered into a transaction in the securities of a listed company when the unpublished price sensitive information was in the possession of an officer or employee of the company, if :

(a) the decision to enter into the transaction or agreement was taken on its behalf by a person or persons other than that officer or employee; and

(b) such company has put in place such systems and procedures which demarcate the activities of the company in such a way that the person who enters into transaction in securities on behalf of the company cannot have access to information which is in possession of other officer or employee of the company; and

(c) it had in operation at that time, arrangements that could reasonably be expected to ensure that the information was not communicated to the person or persons who made the decision and that no advice with respect to the transactions or agreement was given to that person or any of those persons by that officer or employee; and

(d) the information was not so communicated and no such advice was so given."

4.(1) "(1) No insider shall trade in securities that are listed or proposed to be listed on a stock exchange when in possession of unpublished price sensitive information: ...
 Provided that the insider may prove his innocence by demonstrating the circumstances including the following: –

(i) the transaction is an off-market *inter-se* transfer between promoters who were in possession of the same unpublished price sensitive information without being in breach of regulation 3 and both parties had made a conscious and informed trade decision;

(ii) in the case of non-individual insiders: –

(a) the individuals who were in possession of such unpublished price sensitive information were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such unpublished price sensitive information when they took the decision to trade; and

(b) appropriate and adequate arrangements were in place to ensure that these regulations are not violated and no unpublished price sensitive information was communicated by the individuals possessing the information to the individuals taking trading decisions and there is no evidence of such arrangements having been breached;

(iii) the trades were pursuant to a trading plan set up in accordance with regulation 5.

Significant changes and its impact:

Under the 1992 Regulation valid defenses against the charge of insider trading were available to only Companies if any of the circumstances listed in sub-clause (a) to (d) of section 3B(1) existed. However in the 2015 Regulations the use of valid defense has been extended to any insider not just companies. The committee proposing this change remarked that, "insider trading" is not only a tort (civil wrong) but is also a punishable crime that could lead to insider being imprisoned for a period of upto 10 years. Therefore, a charge of insider trading should be clear, precise and reasonable." Accordingly, the list of defenses provided under the 2015 Regulation in a nutshell is as under:

1. Defense against prohibition to communicate or procure UPSI

Valid defense for Communication/procuring/allowed access to UPSI under Regulation 3 of 2015 Regulations would be:

- If the information is communicated in connection with a transaction that would entail an obligation to make an open offer under the takeover regulations by the recipient of UPSI, where the board of directors of the company is of the opinion that the proposed transaction is in the best interests of the company; or
- If the information is communicated in connection with a transaction that would NOT entail an obligation to make an open offer under the takeover regulations by the recipient of UPSI but where the board of directors of the company is of the opinion that the proposed transaction is in the best interests of the company and if the UPSI will be made public within 2 working days prior to the transaction being effected.

In both cases, it would be mandatory for the board of directors to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties receiving the UPSI.





➤ In the 2015 Regulations the use of valid defense has been extended to any insider not just companies. The committee proposing this change remarked that, "insider trading" is not only a tort (civil wrong) but is also a punishable crime that could lead to insider being imprisoned for a period of upto 10 years.

Further, this provision is an acknowledgement of the necessity to communicate, provide, allow access to or procure UPSI for substantial transactions such as takeovers, mergers and acquisitions involving trading in securities and change of control. Due diligence exercises undertaken prior to executing a transaction under Board's consent should fall within the ambit of this provision as a valid defense.

2. Defense against prohibition to trade in securities when in possession of UPSI

Valid defenses for an insider who has traded when in possession of UPSI under Regulation 4 of 2015 Regulation would be that:

- The transaction is an off-market *inter-se* transfer between promoters who were in possession of the same UPSI without being in breach of Regulation 3 and both parties had made a conscious and informed trade decision.
- in the case of non-individual insiders: –
 - (a) the individuals who were in possession of such UPSI were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such UPSI when they took the decision to trade; and
 - (b) appropriate and adequate arrangements were in place to ensure that these regulations are not violated and no UPSI was communicated by the individuals possessing the information to the individuals taking trading decisions and there is no evidence of such arrangements having been breached; or
 - (c) the trades were pursuant to a trading plan set up in accordance with the Regulations.

Given the above it would be note-worthy that the valid defences should be evident from the facts and circumstance of the case for SEBI to accept the defences against the blanket prohibition mentioned in the

Regulation to which the defence relates.

CHECKS AND BALANCES AS PER THE REGULATIONS

I Mandatory Disclosures

1992 Regulations	2015 Regulations
<p>As per Regulation 13 Any person who holds more than 5% shares or voting rights in any listed company shall disclose to the company the number of shares or voting rights held by such person, on becoming such holder. Thereafter such persons shall intimate the company of every change in shareholding by 2%. Further any person who is a director or officer of a listed company shall make an initial disclosure to the company about his/her shareholding in the Company. Thereafter, in case of a change in holdings of directors, officers or promoters of the Company from the last disclosure, in excess of Rs 5 lakh in value or 25,000 shares or 1% of total shareholding or voting rights, whichever is lower shall be disclosed to the Company.</p>	<p>As per Regulation 7 Every promoter, key managerial personnel and director of every company whose securities are listed shall disclose his holding as on the date of these regulations taking effect, to the company within 30 days of the effective date of the Regulations. Any new promoter, key managerial personnel and director of every such company shall furnish a disclosure of his holdings in the Company within 7 days. Thereafter, every promoter, employee and director of every such company shall disclose to the company the number of securities acquired or disposed of within 2 trading days of such transaction if the value of the securities traded, individually or aggregates to a traded value in excess of Rs 10 Lakhs over any calendar quarter. In addition, any company has the power to seek the information as to the shareholding of a connected person in the Company.</p>

Significant changes and its impact:

The 2015 Regulations entail disclosure to be made by all employees of the Company unlike its predecessor where the disclosure was mandated only from designated officers of the Company. This enlarges scope of disclosure requirements under the 2015 Regulations which would force every listed company to educate their employees of the disclosure requirements, to obtain accurate information from their trades in the securities of the company along with the information pertaining to the trades of their immediate relatives, track and audit the transactions undertaken by the employee and their immediate relatives to see if the threshold is exceeded. For this purpose it may seem, that, SEBI in its 2015 Regulation, provided an enabling provision to the listed company to seek information as to the shareholding of any connected person of the Company.



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Introduction of Insider Trading Regulations 2015: Will the paper tiger really bite this time?

TRADING PLAN

Trading plan has been newly introduced in the 2015 Regulations to accord an opportunity for persons perpetually in possession of UPSI to trade in a compliant manner. According to Regulation 5, an insider shall be entitled to formulate a trading plan and present it to the compliance officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such a plan. The trading plan is required to meet other pre-requisite conditions laid down in Regulations 5(2) such as: the trading plan would be required to be in place for at least a year, no trading plans should entail overlap of any period for which another trading plan is in existence, etc.

While the concept of trading plan is novel to India it has already been in force in other jurisdictions like USA. Since, the concept has already been tried and tested in the USA, it has become evident that it is not a fool proof system and has its own defects. Trading plan by itself can become an instrument of abuse whereby UPSI is made generally available at a suitable time to make profits though the trades are executed as per a pre-determined trading plan. In the Indian context, only time will tell if the trading plans will really bring about compliant trading.

CODE OF CONDUCT AND CODE OF FAIR DISCLOSURE

Regulation 12 of the 1992 Regulations obligates all listed companies; intermediaries associated with the securities market and professional firms to frame and adopt a code of internal procedures and conduct. Similarly the 2015 Regulations mandate that all listed companies and organization associated with the securities market including intermediaries, self-regulatory organizations, recognized stock exchanges and clearing house or corporations, public financial institutions and professional firms should frame and adopt a 'Code of Conduct' as specified in schedule B to the Regulations.

Moreover all other entities and agencies that would routinely be required to handle UPSI in the course of their business operations, and over which SEBI may not have jurisdiction would also have to frame a code of conduct as prescribed in Schedule B and designate a compliance officer in-charge of implementation of the same.

In addition to this, the 2015 Regulations prescribes a 'Code of Fair Disclosures', which lays down practices and procedures relating to fair disclosure about emergence of UPSI that warrants public dissemination. As per Regulation 8, the board of directors of every listed company shall formulate and publish on its website, a code of fair disclosure as per prescribed format in Schedule A.

CONCLUSION

The 2015 Regulations, that came into effect on May 15, 2015, have

primarily been brought out by SEBI to clean up the market practices and maintain hygiene. The new insider trading regulations call for higher degree of compliance and monitoring in order to be equipped with suitable facts about any trade undertaken by a potential insider. Since SEBI has made it extremely clear that the onus lies on the alleged insider to prove that he was not motivated by UPSI to trade in the securities of a listed entity. These overreaching rules could possibly render any highly placed finance person associated with listed companies an easy target for accusation of insider trading. At the end of the day only time will tell how the amended regulations work out for SEBI.

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Corporate Laws

LW: 064:08:2015

VIJAY MALLYA v. ENFORCEMENT DIRECTORATE, MIN.OF FINANCE [SC]

Criminal Appeal No.1406 of 2009

J. Chelameswar & Adarsh Kumar Goel, JJ. [Decided on 13/07/2015]

Foreign Exchange Regulation Act, 1973 – sections 40 and 56 – wilful failure to appear before the investigating authorities – SC imposes exemplary costs.

Brief facts:

The appellant was summoned by the Chief Enforcement Officer, Enforcement Directorate, under FERA with his passport and correspondence relating to a transaction with Flavio Briatore of M/s. Benetton Formula Ltd., London, to which the appellant, as Chairman of United Breweries Ltd., was a party. Allegation against the appellant was that he entered into an agreement dated 1st December, 1995 with the earlier mentioned English Company for advertisement of 'Kingfisher' brand name on racing cars during Formula-1 World Championships for the years 1996, 1997 and 1998 providing for fee payable. Requisite permission of the Reserve Bank of India was not taken which was in violation of provisions of the FERA. Since the appellant failed to appear in response to summons issued more than once, a complaint dated 8th March, 2000 was filed before the Additional Chief Metropolitan Magistrate, New Delhi. The trial court after considering the material on record summoned the appellant and framed charge against him.

The appellant challenged the above order of the Magistrate before the High Court which dismissed the petition by holding that framing of composite charge could not be treated to have caused prejudice so as to vitiate the proceedings. It was further observed that default of the appellant in relation to summons dated 15th September, 1999 for attendance on 27th September, 1999 could not be taken into account and to that extent the charge was liable

to be deleted but with regard to the defaults in relation to summons dated 7th October, 1989, 8th November, 2009 and 21st December, 1999, the proceedings were not liable to be interfered with as the appellant could contest the matter before the trial court itself in the first instance.

Decision: Appeal dismissed with exemplary costs.

Reason:

It is respectfully submitted that the accused has been intentionally avoiding his appearance before the Enforcement Directorate knowing fully well that non-compliance of the directions renders the person liable for prosecution in a Court of law which is a non-bailable offence. It is further submitted that the accused was bound to appear before the Officers of the Enforcement Directorate in the best interest of investigation.

As regards summons dated 8th November, 1999, the appellant has offered the following explanation:

“As you will appreciate, I am the Chairman of several public Companies both in India as well as in the USA and, therefore, my schedule is finalized several months in advance. During the fiscal year end period, the problem only gets compounded. I would, therefore, request you to excuse me from the personal appearance on November 26, 1999 as I will be out of India. I am willing to fix a mutually convenient date to appear before you.”

From the tenor of the letter, it appears that it was not a case of mere seeking accommodation by the appellant but requiring date to be fixed by his convenience. Such stand by a person facing allegation of serious nature could hardly be appreciated. Obviously, the enormous money power makes him believe that the State should adjust its affairs to suit his commercial convenience.

In our opinion, the appeal is required to be dismissed for more than one reason. The fact that the adjudicating officer chose to drop the proceedings against the appellant herein does not absolve the appellant of the criminal liability incurred by him by virtue of the operation of Section 40 read with Section 56 of the Act. The offence under Section 56 read with Section 40 of the Act is an independent offence. If the factual allegations contained in the charge are to be proved eventually at the trial of the criminal case, the appellant is still liable for the punishment notwithstanding the fact that the presence of the appellant was required by the adjudicating officer in connection with an enquiry into certain alleged violations of the various provisions of the Act, but at a subsequent stage the adjudicating officer opined that there was either insufficient or no material to proceed against the appellant for the alleged violations of the Act, is immaterial.

Secondly, an appeal against the conclusion of the adjudicating officer that the proceedings against the appellant herein for the alleged violation of the various provisions of the FERA Act are



required to be dropped has not even attained finality. Admittedly, such an order of the adjudicating officer confirmed by the statutory appellate authority is pending consideration in an appeal before the High Court. Though, in our opinion, the result of such an appeal is immaterial for determining the culpability of the appellant for the alleged violation of Section 40 read with Section 56, we must record that the submission made on behalf of the appellant in this regard itself is inherently untenable.

For all the above mentioned reasons, we do not see any merit in the appeal. We are also of the opinion that the entire approach adopted by the appellant is a sheer abuse of the process of law. Any other view of the matter would only go to once again establishing the notorious truth stated by Anatole France that – “the law in its majestic equality, forbids the rich as well as the poor to sleep under bridges, to beg in the streets and to steal bread”.

The appeal is dismissed with exemplary costs quantified at rupees ten lakhs to be paid to the Supreme Court Legal Service Authority.



Competition Laws

LW: 065:08:2015

IN RE: M/S SHETH & CO & 12 ORS. [CCI]

Suo Motu Case No. 04 of 2013

Ashok Chawla, S. L. Bunker, Sudhir Mital, Augustine Peter and U. C. Nahta.

[Decided on 10/06/2015]

Brief facts:

The present case relates to suo-motu cognizance taken by the Commission against allegations of suspected cartelization by thirteen manufacturers/ suppliers of “CN container i.e., ‘containers with disc required for 81 mm bomb’ (hereinafter, the “Product”) to the three ordnance factories namely, Ammunition Factory, Khadki, Pune (hereinafter, “AFK”); Ordnance Factory Dehu Road, Pune (hereinafter, “OFDR”); and Ordnance Factory, Chanda, Chandrapur, Maharashtra (hereinafter, “OFCH”).

The Opposite Parties have submitted identical/ similar price bids in response to tenders floated by the three ordinance factories from 2008 onwards. The bids submitted by the Opposite Parties demonstrated a peculiar bidding pattern - whilst majority of the bidders quoted same prices, only 2-3 of the bidders quoted prices which were slightly higher than the price bids submitted by the remaining. Analysis of the cost structures i.e., (a) profit and loss statements showing the value of raw material purchased and other cost heads; and (b) price data obtained from Asha Celluloid (the sole supplier of CN sheets to Opposite Parties) shows variations in sale prices of this input/ raw material qua the Opposite Parties, shows that there were significant differences in the cost structures of the Opposite Parties, attributable to variations in the input procurement costs and labour costs.

Decision: Cease and desist order passed.

Reason:

In the present case, the price bids submitted by the Opposite Parties to the tenders issued by the ordinance factories were either identical or similar with minor variations in a very narrow price band. The Opposite Parties have also admitted to their bid quotes being identical though they tried to justify their near same prices under the guise of production costs, taxes etc. The Commission notes that there is a noticeable difference in price at which the main raw material i.e., CN sheet is being supplied by Asha Celluloid to different Opposite Parties and this rate has remained constant over the years. Further, the CN sheet constitutes a substantial portion of the overall cost of production for all the Opposite Parties varying between 50% to 80% and any variation in the per unit purchase price of CN sheet would not result in parallel prices, identical to the last paisa.

The Commission takes note of the fact that the price collusion adopted by the Opposite Parties in the present case is very apparent. Even if we accept the contention of OP3 that it quoted a uniform price of Rs. 14.47 over the years as it procured CN sheet from Asha Celluloid @ Rs. 400 per unit, it remains unexplained as to why and how OP8 also quoted the same rate in various tenders despite the fact that OP8 procured CN sheets @ Rs 850 per unit, which is much higher than procurement costs incurred by OP3. The Commission is also not convinced with the justification offered by Opposite Parties that the rates of their bids were based on the previous year’s bids submitted by their competitors. In the present case, the typical market conditions i.e., small number of manufacturers, geographical proximity, absence of new entrants, predictable and stable demand, standardized product, non-availability of substitutes etc. strongly indicates that the market is very conducive to collusion. Further, given the fact that Product is stringently standardized, there is hardly any opportunity for manufacturers to innovate on quality of the Product or offer better prices to compete for higher market shares.

Further, the Commission notes that the cross ownership of the few



market players unequivocally points towards concerted action in the bidding process. The statements of the representatives of some of the Opposite Parties set out below show that the companies are closely related with common or related directors. From the statements of representatives of the Opposite Parties, it is clear that: (i) OP1 and OP2; (ii) OP4 and OP6; (iii) OP3 and OP11; (iv) OP8 and OP9; (v) OP12 and OP13 are either having common directors or having different members of the same family at the helm of affairs. This clearly indicates that out of the thirteen manufacturers i.e. Opposite Parties in the market, the modus operandi of at least ten of these firms is governed by the principles of mutual understanding and benefit. The Commission is convinced that common ownership of a large number of Opposite Parties coupled with the fact that a number of Opposite Parties quoted same rates indicates to a conclusion that the Opposite Parties acted pursuant to an anti-competitive agreement/ understanding to manipulate the bidding process in the present case. Moreover, the Opposite Parties have not produced even a single piece of evidence to show that their individual price bids were independently determined by them.

In the present case, the adverse effects of the agreement/ understanding between the Opposite Parties are also clearly visible. The agreement between the Opposite Parties has not only resulted in creation of barriers to new entrants but has also foreclosed competition by hindering entry into the market. Only a handful of entities control the already limited market and make every possible attempt to share the bids amongst themselves. Moreover, during last 5-6 years, only one new firm, i.e., the OP13, a group company of OP12 has entered the market.

Additionally, the case records also indicate that at least one firm has been ousted from the market in the period between 2009 and 2013, thereby, indicating that the agreement may have also led to driving the existing competitors out of the market. The consumers in the present case are the three ordinance factories. The prices quoted by the bidders were artificially inflated as the contracts were awarded at downward negotiated prices. The Commission notes that, in the absence of any such an anti-competitive agreement, the bidders would have not only competed against each other (on price) but may have also undercut each other to secure the contract which would have resulted in lower prices for the consumers. Therefore, the consumers, i.e., the three ordinance factories, have also been deprived of the benefits that could have accrued to them on account of the competitive bidding process.

The Commission rejects the justification of the Opposite Parties that the agreement between them has resulted in stabilization of prices. On the contrary, Opposite Parties have artificially inflated the prices at which the contracts were awarded to them and there is no evidence to show that the agreement amongst the Opposite Parties resulted in improvement in production or distribution of goods or promotion of scientific, technical and economic developments.

Based on the analysis recorded above, the Commission is of the view that the Opposite Parties have engaged in the practices of

determination of purchase price of "CN Container" and collusive bidding and in view of the above discussions, the Commission holds that the Opposite Parties have acted in contravention of the provisions of sections 3(3)(a) and section 3(3)(d) read with section 3(1) of the Act.

Accordingly, the Commission directs the Opposite Parties to cease and desist from the practices that have been found to be anti-competitive i.e., price fixing and collusive bidding.



General Laws

LW: 066:08:2015

ESSAR OIL LTD v. HINDUSTAN SHIPYARD LTD. & ORS [SC]

Civil Appeal No.3353 of 2005 with Civil Appeal No.3355 of 2005

Anil R. Dave, Vikramajit Sen & Pinaki Chandra Ghose, JJ. [Decided on 02/07/2015]

Arbitration and Conciliation Act, 1996 – ONGC entered into a contract with HSL – HSL subcontracted the work to Essar – some payments made to Essar by ONGC – disputes arose – whether ONGC is liable to Essar under the contract – Held, No.

Brief facts:

ONGC had given a contract to Hindustan Shipyard Ltd. to carry out work of fabrication, skidding, sea fastening, transportation etc. at various stations located in the coastal areas of India. It is pertinent to note that the contractor, Hindustan Shipyard Ltd., who is respondent no.1 in both the appeals, had appointed the appellant herein as a sub-contractor for doing the aforesaid work entrusted to it.

It appears that for the sake of convenience and so as to obviate certain financial difficulties of the respondent, certain payments had been made to the appellant directly by the ONGC. The appellant, upon getting certain work done under the sub-contract and upon getting necessary certificates with regard to the quality and quantity



of the work done from the respondent, had received some payment from the ONGC on the strength of those certificates.

In the process of carrying out the contract, the appellant was not paid by the respondent for the work done and therefore, a dispute had arisen between the appellant and the respondent, which had been referred to the Arbitral Tribunal consisting of Respondent nos.2, 3 and 4. It is pertinent to note here that the ONGC, who had given a contract to the respondent, was not before the Arbitral Tribunal because the ONGC was not a party to the Arbitration Agreement entered into between the appellant and the respondent. The question which was involved in the said dispute was not only with regard to determination of the amount to be paid to the appellant, but was also with regard to determination of a person who was liable to make payment to the appellant.

The Arbitral Tribunal came to the conclusion that there was no privity of contract between the appellant and the ONGC; and the ONGC was not a party to the contract between the appellant and the respondent. In the aforesaid circumstances, the ONGC, according to the majority view, could not be held liable for making payment to the appellant and the liability to make payment to the appellant was that of the respondent.

The respondent was aggrieved by the Award of the Arbitral Tribunal as according to the majority view of the Tribunal, the respondent was liable to make payment to the appellant. In the circumstances, the respondent challenged the award before the Principal District Judge, Visakhapatnam, who had confirmed the award on the issues as to who is liable to pay under the contract, but he remanded the matter to the Arbitral Tribunal on the issues regarding counter claim etc.

Being aggrieved by the above decision, the respondent filed Appeals before the High Court of Andhra Pradesh and the High Court allowed the appeals by a common judgment dated 29th September, 2004, validity of which has been challenged before this Court in these appeals.

Decision: Appeal allowed.

Reason:

We have heard the learned counsel for the parties at length and have also considered some judgments cited by them and the documents which had been placed on record and relied upon by them.

Upon hearing the learned counsel and looking at the contract entered into between the appellant and the respondent and upon perusal of other letters, we believe that the view expressed by the High Court cannot be accepted.

It is true that the ONGC had made payment to the appellant directly on several occasions. Upon perusal of the correspondence, we find that some understanding, but not amounting to any agreement or

contract, was arrived at between the ONGC and the respondent for making direct payment to the appellant, possibly because the respondent was not in a position to make prompt payments to the appellant. It also appears that on account of the delay in making payment to the appellant, the work of the ONGC was likely to be adversely affected. The ONGC was interested in getting its work done promptly and without any hassles. In the circumstances, upon perusal of the correspondence, which had taken place between the ONGC and the respondent, it is clear that so as to facilitate the respondent, the ONGC had made payments on behalf of the respondent to the appellant directly.

Simply because some payments had been made by the ONGC to the appellant, it would not be established that there was a privity of contract between the ONGC and the appellant and only for that reason the ONGC cannot be saddled with a liability to pay the amount payable to the appellant by the respondent.

It is also pertinent to note that the Arbitration Agreement was only between the appellant and the respondent. The ONGC was not a party to the Arbitration Agreement. When a dispute had arisen between the appellant and the respondent in relation to payment of money, the appellant had initiated the arbitration proceedings. As the ONGC was not a party to the Arbitration Agreement, it could not have been represented before the Arbitral Tribunal. If the ONGC was not a party before the Arbitral Tribunal, the Tribunal could not have made any Award making the ONGC liable to make payment to the appellant. In the afore stated factual and legal position, the Arbitral Tribunal could not have made the ONGC liable in any respect and rightly, the majority view of the Arbitral Tribunal was to the effect that the ONGC, not being a party to any contract or Arbitration Agreement with the appellant, could not have been made liable to make any payment to the appellant.

We are in agreement with the view expressed by the majority of the Arbitral Tribunal. In our opinion, the High Court had committed an error by not considering the above facts and by observing that the appellant will have to take legal action against the ONGC for recovery of the amount payable to it. If one looks at the relationship between the appellant and the respondent, it is very clear that the respondent had given a sub-contract to the appellant and in the said agreement of sub-contract, the ONGC was not a party and there was no liability on the part of the ONGC to make any payment to the appellant. Moreover, we could not find any correspondence establishing contractual relationship between the ONGC and the appellant. In the circumstances, the ONGC cannot be made legally liable to make any payment to the appellant. As stated hereinabove, only for the sake of convenience and to get the work of the ONGC done without any hassle, the ONGC had made payment to the appellant on behalf of the respondent without incurring any liability to make complete payment on behalf of the respondent.

The appellant failed to show any document in the nature of a contract entered into between the appellant and the ONGC whereby the ONGC had made itself liable to make payment to the appellant.



Even when the payment had been made by the ONGC, it was very clear that the payments were made on behalf of the respondent as the ONGC was debiting the account of the respondent by the amount paid to the appellant. It is important that the payment was made to the appellant only upon certification of work done by the respondent. The ONGC had given a contract to the respondent. The ONGC had never entered into any contract with the appellant and therefore, it did not rely upon any certification or any statement made by the appellant in relation to quantum of work done by the appellant. This fact also shows that the ONGC was concerned with the work which had been approved by the respondent and instead of making payment to the respondent, the ONGC had made payment to the appellant on behalf of the respondent, though there was no legal obligation on the part of the ONGC to make such a payment to the appellant.

For the aforesaid reasons, we do not agree with the view expressed by the High Court and the impugned judgment delivered by the High Court is set aside.

LW: 067:08:2015

**INDIAN PERFORMING RIGHTS SOCIETY LTD
v.SANJAY DALIA & ANR [SC]**

Civil Appeal Nos.10643 – 10644 of 2010

**Jagdish Singh Khehar & Arun Mishra, JJ. [Decided on
01/07/2015]**

Section 20 of CPC read with section 62 of the Copyrights Act, 1957 and section 134(2) of the Trademarks Act, 1999 – place to sue and jurisdiction of court – plaintiff had registered office at Mumbai and also a branch in Delhi – defendant resided in Maharashtra – alleged violation of copyrights – plaintiff filed suit in Delhi – Rejected by the court as not having jurisdiction – whether the rejection is correct – Held, Yes.

Brief facts:

In the appeals, the question arising for consideration is as to the interpretation of section 62 of the Copyright Act, 1957 and section 134(2) of the Trade Marks Act, 1999 with regard to the place where a suit can be instituted by the plaintiff.

Civil Suit FAO (OS) No. 359/2007 has been filed in the High Court at Delhi, by virtue of the fact that the Branch Office of the plaintiff is situated at Delhi and the plaintiff is carrying on the business at Delhi. However, it is not disputed that the plaintiff's Head Office is situated at Mumbai. The objection was raised by the defendant with regard to the territorial jurisdiction of the court at Delhi. The single

Bench and the Division Bench of the High Court have upheld the objection and held that the suit should have been filed in the facts of the case, in the court at Mumbai. Hence, the impugned order has been questioned in the appeals.

Decision: Appeals dismissed.

Reason:

The common law which was existing before the provisions of law were passed was section 20 of the CPC. It did not provide for the plaintiff to institute a suit except in accordance with the provisions contained in section 20. The defect in existing law was inconvenience/deterrence caused to the authors suffering from financial constraints on account of having to vindicate their intellectual property rights at a place far away from their residence or the place of their business. The said mischief or defect in the existing law which did not provide for the plaintiff to sue at a place where he ordinarily resides or carries on business or personally works for gain, was sought to be removed. Hence, the remedy was provided incorporating the provisions of section 62 of the Copyright Act. The provisions enabled the plaintiff or any of them to file a suit at the aforesaid places. But if they were residing or carrying on business or personally worked for gain already at such place, where cause of action has arisen, wholly or in part, the said provisions have not provided additional remedy to them to file a suit at a different place. The said provisions never intended to operate in that field. The operation of the provisions was limited and their objective was clearly to enable the plaintiff to file a suit at the place where he is ordinarily residing or carrying on business etc., as enumerated above, not to go away from such places. The Legislature has never intended that the plaintiff should not institute the suit where he ordinarily resides or at its Head Office or registered office or where he otherwise carries on business or personally works for gain where the cause of action too has arisen and should drag the defendant to a subordinate office or other place of business which is at a far distant place under the guise of the fact that the plaintiff/corporation is carrying on business through branch or otherwise at such other place also. If such an interpretation is permitted, as rightly submitted on behalf of the respondents, the abuse of the provision will take place. Corporations and big conglomerates etc. might be having several subordinate offices throughout the country. Interpretation otherwise would permit them to institute infringement proceedings at a far flung place and at unconnected place as compared to a place where plaintiff is carrying on their business, and at such place, cause of action too has arisen. In the instant cases, the principal place of business is, admittedly, in Mumbai and the cause of action has also arisen in Mumbai. Thus, the provisions of section 62 of the Copyright Act and section 134 of the Trade Marks Act cannot be interpreted in a manner so as to confer jurisdiction on the Delhi court in the aforesaid circumstances to entertain such suits. The Delhi court would have no territorial jurisdiction to entertain it.

The right to remedy given is not unbridled and is subject to the



prevention of abuse of the aforesaid provisions, as discussed above. Parliament never intended that the subject provisions to be abused by the plaintiff by instituting suit in wholly unconnected jurisdiction. In the instant cases, as the principal place of business is at Mumbai the cause of action is also at Mumbai but still the place for suing has been chosen at Delhi. There may be a case where plaintiff is carrying on the business at Mumbai and cause of action has arisen in Mumbai. Plaintiff is having branch offices at Kanyakumari and also at Port Blair, if interpretation suggested by appellants is acceptable, mischief may be caused by such plaintiff to drag a defendant to Port Blair or Kanyakumari. The provisions cannot be interpreted in the said manner devoid of the object of the Act.

In our opinion, the provisions of section 62 of the Copyright Act and section 134 of the Trade Marks Act have to be interpreted in the purposive manner. No doubt about it that a suit can be filed by the plaintiff at a place where he is residing or carrying on business or personally works for gain. He need not travel to file a suit to a place where defendant is residing or cause of action wholly or in part arises. However, if the plaintiff is residing or carrying on business etc. at a place where cause of action, wholly or in part, has also arisen, he has to file a suit at that place, as discussed above. Thus, for the aforesaid reasons mentioned by us in the judgment, we are not inclined to interfere with the orders passed by the High Court. Appeals are hereby dismissed. No costs.

LW: 068:08:2015

PCP INTERNATIONAL LIMITED v. LANCO INFRATECH LIMITED [DEL]

OMP (I) No. 350/2015

Valmiki J. Mehta, J. [Decided on 17/07/2015]

Arbitration and Conciliation Act, 1996 – section 11 – appointment of arbitrator by court – jurisdiction – neither the contract was executed at Delhi nor the contract was to be performed (or is breached) at Delhi and nor is any payment made under the contract at Delhi – whether Delhi court has jurisdiction – Held, No.

Brief facts:

This is a petition filed by the petitioner with respect to disputes arising between the parties under the contract dated 3.11.2010 by which petitioner was awarded the contract for erection, testing and commissioning of 2 x 660 MW Boiler Units and Auxiliaries (Part A) at the Lanco Vidharbha Thermal Power Project situated in the village of Mandwa, Wardha district, Maharashtra, India. Petitioner's office is at Chandigarh and respondent's office is at Gurgaon.

Territorial jurisdiction of the Court was claimed on the basis of paras 55.6.0 and 55.7.0 of the general conditions of contract which give exclusive jurisdiction to the courts at New Delhi.

Decision: Petition dismissed.

Reason:

It is trite and a settled principle of law that parties by consent cannot confer jurisdiction on a court which does not have any vide the judgment in the case of *M/s. Patel Roadways Limited, Bombay Vs. M/s. Prasad Trading Company* (1991) 4 SCC 270. In a contractual matter, there are four courts which have jurisdiction. Firstly where the contract is executed, secondly where the contract is to be performed, thirdly where the payment under the contract has to be made and fourthly where the defendant/respondent resides. This is the ratio laid down by the Supreme Court in the judgment in the case of *A.B.C. Laminart Pvt. Ltd. & Anr. Vs. A.P. Agencies, Salem*, AIR 1989 SC 1239.

Accordingly, I have put it to the learned senior counsel for the petitioner to show me if the contract in question was executed at Delhi or the contract was to be performed at Delhi or payment under the contract was made at New Delhi.

Neither the contract is executed at Delhi nor the contract was to be performed (or is breached) at Delhi and nor is any payment made under the contract at Delhi. Even the respondent does not carry on business or work at Delhi but does so either at Gurgaon in Haryana or at Hyderabad in Telangana. Clearly therefore this Court would have no territorial jurisdiction to try this petition inasmuch as merely because a party chooses a contractual clause to give them jurisdiction at Delhi, this Court would not have territorial jurisdiction once cause of action wholly or in part does not arise within the territorial jurisdiction of this Court.

The petitioner has sought to argue by placing reliance upon the Constitution Bench judgment of the Supreme Court in the case of *Bharat Aluminium Company & Ors v. Kaiser Aluminium Technical Service, Inc & Ors*, (2012) 9 SCC 552 that once the venue of arbitration is in Delhi, this Court would have territorial jurisdiction.

In my opinion, the argument urged on behalf of the petitioner that merely because the venue of arbitration is in Delhi, this Court would have territorial jurisdiction is a misconceived argument because there is a difference between venue of the arbitration and seat of arbitration. It is only the seat of arbitration which will give territorial jurisdiction and not the venue of jurisdiction. I note that 'seat' means the place where court is, which has the territorial jurisdiction with respect to the subject matter/cause of action of the matter, and venue is the place, which is a place where the arbitral tribunal sits to hold the arbitration proceedings and which sitting of the arbitral tribunal need not be at the place where the 'seat' of arbitration is located. Nowhere the Supreme Court in the judgment in the case of *Bharat Aluminium Company and Ors. etc. etc.* (supra) lays down the



law that even if there is a difference between the seat of arbitration and venue of arbitration, the venue of arbitration (which is not the 'seat') will confer territorial jurisdiction to a Court.

In fact, Supreme Court speaking through Hon'ble Mr. Justice S.S. Nijjar and who was also the author of the judgment in the case of Bharat Aluminium Company (supra) has clarified the difference between the venue of arbitration and seat of arbitration in the recent judgment in the case of Enercon (India) Limited & Ors v. Enercon GMBH & Anr (2014) 5 SCC 1.

The aforesaid judgment in the case of Enercon (India) Limited and Others (supra) make it clear as to what is the difference between the venue and the seat of arbitration and that merely because the arbitrator chooses to hold the arbitration at a venue which is different than the seat of the arbitration does not confer territorial jurisdiction on the court where the venue of the arbitration exists. Therefore merely because the venue of arbitration is in Delhi, this Court would not have territorial jurisdiction.



Industrial & Labour Laws

LW: 069:08:2015

ZUARI CEMENT LTD v. REGIONAL DIRECTOR, ESIC & ANR [SC]

Civil Appeal Nos. 5138 – 40/2007

T.S. Thakur & R. Banumathi, JJ.[Decided on 02/07/2015]

Employees State Insurance Act, 19 – section 87 – power to grant exemption to an establishment – whether ESI court has power to grant exemption – Held, No.

Brief facts:

The appellant is engaged in the business of manufacture and sale of cement situated at Yerraguntla in Cuddapah District. The said area was brought under the purview of ESI Scheme with effect from 1.03.1986. The Government of Andhra Pradesh granted exemption to the appellant-cement factory from the operation of the Act by various orders for the period from 1.03.1986 to 31.03.1993. The

State Government rejected appellant's application for exemption for the period from 1.04.1993 to 31.03.2001. Following rejection of claim for exemption, the Regional Director, ESI Corporation, issued various demand notices cumulatively demanding a sum of Rs. 65,38,537/- towards contributions for the period from 1.04.1993 to 31.03.1999. Challenging the order of appropriate government rejecting its claim for exemption and also challenging the demand notices, the appellant filed number of writ petitions before the High Court. The High Court disposed of those writ petitions with direction to the appellant to approach the ESI Court.

The appellant then approached the ESI Court, which granted future exemption to the appellant from the coverage of the ESI Scheme and the ESI Court also set aside the impugned demand notices for the period between 1993 to 2001 and the interest thereon. Assailing the said order, the ESI Corporation filed appeal before the High Court contending that ESI Court does not have power to grant exemption and it is only the appropriate government which has got the power to exempt anyone from the application of the Act. By the impugned judgment dated 21.09.2007, the High Court allowed the appeals of the Corporation holding that ESI Court does not have the power to grant exemption. In these appeals, the appellant assails the correctness of the above judgment.

Decision: Appeals dismissed.

Reason:

We have carefully considered the rival contentions and perused the impugned judgment and also the order passed by the ESI Court and the material placed on record. The appellant actually is paying the ESI contribution from 1.04.1999. The dispute in these appeals, therefore, pertains only to the period from 1.04.1993 to 31.03.1999.

As per the scheme of the Act, the power to grant exemption is a plenary power given to an appropriate government. It follows that the ESI Court constituted under Section 74 of the Act has no jurisdiction to take up the question of grant of exemption. The Court constituted under Section 74 of the Act cannot decide such matters including the validity of an exemption notification. The order granting or denying exemption is certainly open to judicial review under Article 226 of the Constitution of India. But the question of exemption under Section 87 cannot be raised under Section 75 of the Act and the ESI Court constituted under Section 74 of the Act, cannot decide the legality or otherwise of an order relating to exemption passed by the appropriate government.

As discussed earlier, in terms of Section 87 of the Act, only the appropriate government has the power to grant exemption to a factory or establishment or class of factories or establishments from the operation of the Act. In fact, the appellant-factory itself has obtained exemption from the appropriate Government-State Government under Section 87 of the Act for the period from 1986 to 1993. Likewise, the rejection of exemption was also under Section 87 of the Act. While so, seeking the relief of declaration from the ESI



Court that the appellant is entitled to exemption from the operation of the Act is misconceived. Contrary to the scheme of the statute, the High Court, in our view, cannot confer jurisdiction upon the ESI Court to determine the issue of exemption. ESI Corporation, of course, did not raise any objection and subjected itself to the jurisdiction of the ESI Court. The objection as to want of jurisdiction can be raised at any stage when the Court lacks jurisdiction, the fact that the parties earlier acquiesced in the proceedings is of no consequence.

As per the scheme of the Act, appropriate government alone could grant or refuse exemption. When the statute prescribed the procedure for grant or refusal of exemption from the operation of the Act, it is to be done in that manner and not in any other manner. In *State of Jharkhand & Ors v. Ambay Cements & Anr, (2005) 1 SCC 368*, it was held that "It is the cardinal rule of interpretation that where a statute provides that a particular thing should be done, it should be done in the manner prescribed and not in any other way".

Where there is want of jurisdiction, the order passed by the court/tribunal is a nullity or non-est. What is relevant is whether the Court had the power to grant the relief asked for. ESI Court did not have the jurisdiction to consider the question of grant of exemption, order passed by the ESI Court granting exemption and consequently setting aside the demand notices is non-est. The High Court, in our view, rightly set aside the order of ESI Court and the impugned judgment does not suffer from any infirmity warranting interference.

Since the order passed by the ESI Court is a non-est, which was rightly set aside by the High Court, we are not inclined to go into the merits of the appellant's contention that they have a full-fledged hospital and are providing various medical facilities and better health schemes to its employees and their family members. In the result, all the appeals are dismissed.

LW: 070:08:2015

BHARAT HEAVY ELECTRICALS LTD v. PRESIDING OFFICER, LABOUR COURT – VIII & ORS [DEL]

W.P.(C) 926/2001

Deepa Sharma, J. [Decided on 17/07/2015]

Industrial Disputes Act, 1947 – section 10 – reference of dispute – contract labour – suspension of the contract labour – whether referable as an industrial dispute – Held, No.

Brief facts:

The respondent N.2 workman was under the employment of

respondent No.3, the Ideal Caretakers (hereinafter referred to as 'the contractor') who was engaged by the petitioner BHEL. The claim of the workman before the Labour Court was that though his wages were paid to him by the contractor, but the same were fixed by BHEL and actually were paid by BHEL through the contractor. He was working as an attendant with BHEL and worked till 11.06.1990. The suspension letter dated 11.06.1990 was issued and served upon him by the contractor which enclosed the letter dated 08.06.1990 of Deputy Manager of BHEL. The claimant had contended that he was not paid the suspension allowance, despite service of the demand notice dated 03.06.1991, wherein he had also sought reinstatement.

The workman raised an industrial dispute with respect to his suspension and the same was referred to the labour court. The labour court returned a finding that the suspension was illegal and directed the petitioner to pay the dues to the workman. The petitioner challenged the award of the labour court before the High Court.

Decision: Petition allowed.

Reason:

In the present case, it is not in dispute that there was a contract between BHEL and the contractor. The Memorandum of Understanding dated 28.09.1988 was also proved by the claimant in his evidence before the Trial Court as Ex.WW1/E. Clause 3 of the said contract reads as under:-

"3. Party No.1 will pay the said enhanced money and arrears to Party No.2 on the understanding by him that the same will be paid to his employees working in HT House for Party No.1 without any deduction within 30 days hereof."

This clearly shows that the liability to pay to all the employees working in HT House was that of contractor which he could reclaim from BHEL. It was thus the admitted position that it was contractor, who under the terms of contract, used to pay wages to the claimant. Similarly, after suspension also, liability to pay wages/suspension allowance does not change. Even otherwise, if the claimant had any dispute regarding his status, nothing had precluded him from raising the industrial dispute for determination of his status. This Court in *Delhi Transport Corporation v. D.D. Gupta & Anr, 1977 Lab.I.C. 1757* has clearly held that 'suspension' is not an 'industrial dispute' and the learned Labour Court has failed to take note of the findings of this Court on the grounds which were not tenable and not open.

From the above discussion, it is apparent that the suspension could not be the subject matter of an industrial dispute under the Act. Reference dated 18.12.1998 which relates to the suspension of the claimant, was an invalid reference. The findings of the Labour Court on invalid reference is thus without jurisdiction and, therefore, non est. Since the entire award of the Labour Court was without jurisdiction, no findings have been given on the merit of the case. The award dated 09.06.2000 is hereby set aside and the writ petition is allowed.



LW: 071:08:2015

DIPANKAR PAUL v. CONSULTING ENGINEERING SERVICES (INDIA) PVT LTD [DEL]

W.P.(C) 6930/2012

V.P.Vaish,J. [Decided on 14/07/2015]

Industrial Disputes Act, 1947 – dismissal of workman – workman filed claim petition within one year from the expiry of the notice period – whether the claim is within the limitation period – Held, Yes.

Brief facts:

The petitioner was working as a Computer Operator with the respondent since the year 2000 and the respondent vide letter dated 01.07.2009, terminated services of the petitioner from the date of completion of notice period i.e. 31.07.2009 without making payment of earned wages and other dues of the petitioner.

Aggrieved by the action of the respondent, the petitioner served a demand notice dated 23.07.2009 and thereafter filed a statement of claim on 17.07.2010 before the Labour Court. Vide impugned order dated 06.05.2011, learned Labour Court dismissed the claim of the petitioner as barred by limitation. The petitioner then moved an application for setting aside of order dated 06.05.2011 which was dismissed by the learned Labour Court vide order dated 29.09.2012, which is challenged in the present petition.

Decision: Petition allowed.

Reason:

The short issue involved in this petition for consideration is, as to which date termination of services be effected from, the date of issuance of notice of termination i.e. 01.07.2009 or the date of completion of notice period of one month?

The underlining object of Section 25F of the ID Act is two-fold. Firstly, a retrenched employee has one month time to have at his disposal to search for alternate employment and secondly, the workman must be paid retrenchment compensation not only as a reward earned for his previous services but also as a sustenance to the worker for the period which may be spent in search for another employment.

A bare perusal of Section 10(4A) of the ID Act shows that it is manifestly clear that the workman may apply to Labour Court or Tribunal within 12 months from:

- (i) Date of communication of order of discharge; or
- (ii) Date of termination (if otherwise) specified; or

- (iii) Date of commencement of Industrial Disputes (Delhi Amendment) Act, 2003 whichever is later.

In the instant case, the petitioner was issued termination letter dated 01.07.2009 (Annexure A-1). However, a careful perusal of the said letter clearly shows that the services of the petitioner were to stand relieved from the "date of completion of notice period", i.e. 31 st July, 2009. Therefore, in the instant circumstances limitation period will be calculated from 31.07.2009, which is specified in the termination letter dated 01.07.2009 and not from the date of communication of the termination letter.

Thus, in view of the provisions of Industrial Disputes Act, 1947 the claim filed by the petitioner on 17.07.2010 is within the period of limitation.

In view of the aforesaid discussion, the petition is allowed and the impugned orders dated 06.05.2011 and 29.09.2012 passed by learned Presiding Officer, Labour Court-V, Karkardooma Courts, Delhi are set aside. The concerned Labour Court is directed to decide the claim petition in accordance with law.

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Corporate Laws

01 Clarification with regard to circulation and filing of financial statement under relevant provisions of the Companies Act, 2013-reg.

[Issued by the Ministry of Corporate Affairs vide General Circular No. II/2015, No. 1/19/2013-CL-V, dated 21.07.2015.]

Stakeholders have drawn attention to the proviso to section 101(1) of the Companies Act, 2013 (Act) which allows general meetings to be called at a shorter notice than twenty one days, and sought clarification as to whether provisions of section 136 would also allow circulation of financial statements at a shorter notice if conditions under section 101 are fulfilled.

- 1.2 The matter has been examined and it is clarified that a company holding a general meeting after giving a shorter notice as provided under section 101 of the Act may also circulate financial statements (to be included/considered in the same general meeting) at such shorter notice.
- 2.1 Attention has also been drawn to the provisions of clause (a) of fourth proviso to section 136(1) which require every company having a subsidiary or subsidiaries to place on its website, if any, separate audited accounts in respect of each of its subsidiary. Further, fourth proviso to section 137(1) requires that a company shall attach along with its financial statements to be filed with the Registrar, the accounts of its subsidiary(ies) which have been incorporated outside India and which have not established their place of business in India. Clarification has been sought on -
- Whether a company covered under above provisions can place/file unaudited accounts of a foreign subsidiary if the audit of such foreign subsidiary is not a mandatory legal requirement in the country where such foreign subsidiary has been incorporated and such audit has not been conducted. and;
 - whether accounts of such foreign subsidiary would need to be as per format under Schedule III/Accounting Standards or the format as per country of incorporation of the foreign

subsidiary would be sufficient.

- 2.2 The matter has been examined in the Ministry in consultation with ICAI and it is clarified that in case of a foreign subsidiary, which is not required to get its accounts audited as per legal requirements prevalent in the country of its incorporation and which does not get such accounts audited, the holding/parent Indian may place/file such unaudited accounts to comply with requirements of Section 136(1) and 137(1) as applicable. These, however, would be translated in English, if the original accounts are not in English. Further, the format of accounts of foreign subsidiaries should be, as far as possible, in accordance with requirements under Companies Act, 2013. In case this is not possible, a statement indicating the reasons for deviation may be placed along with such accounts.

This issue with the approval of the competent authority'.

K.M.S. Narayanan
Assistant Director

02 Relaxation of additional fees and extension of last date of filing of forms MGT-7 (Annual Return) and AOC-4 (Financial Statement) under the Companies Act, 2013-reg.

[Issued by the Ministry of Corporate Affairs vide General Circular No. 10 / 2015, F.No. 01/34/2013 CL-V, dated 13.07.2015.]

This Ministry has clarified vide General Circular 8/2014 dated 04/04/2014 that provisions of the Companies Act, 2013 relating to financial statements, auditors report and board's report shall apply in respect of financial years commencing on or after 1st April, 2014. Form AOC-4 or Form AOC-4 XBRL (Format of filing of financial statement) shall, as applicable, have to be used for filing of such statement for financial years commencing on or after 1st April, 2014. Attention is also invited to this Ministry's General Circular 22/2014 dated 25/06/2014 wherein it has been clarified that MGT-7 (Form of Annual Return) shall apply to annual returns in respect of financial years ending after 1st April, 2014.

- The electronic versions of Forms AOC-4, AOC 4 XBRL and MGT-7 are being developed and shall be made available for electronic filing latest by 30th September 2015. In addition, a separate form for filing of Consolidated Financial Statement (CFS) with the nomenclature AOC-4 CFS will be made available latest by October 2015. MGT-7 has been notified while AOC-4, AOC-4 XBRL and AOC-4 CFS will be notified shortly.
- In view of this, it has been decided to relax the additional fee payable on Forms AOC-4, AOC-4 XBRL and Form MGT-7 upto 31/10/2015. Further, a company which is not required to file its



financial statement in XBRL format and is required to file its CFS would be able to do so in the separate form for CFS without any additional fees upto 30/11/2015.

This issues with the approval of the competent authority.

(Kamna Sharma)
Assistant Director

03 Constitution of CLB Benches for exercising and discharging the Board's Powers and Functions

[Issued by the Company Law Board vide File No. 10/22/2015-CLB, dated 29.06.2015.]

ORDER

In exercise of the powers conferred by Sub-Section 4(B) of Section 10(E) of the Companies Act, 1956 (1 of 1956) read with Regulation 4 of the Company Law Board 10/22/2015-CLB dated 21st May, 2015, the Board hereby constitutes the following Benches for the purpose of exercising and discharging the Board's powers and functions in the manner specified below:-

- (a) Matters filed before the Principal Bench before 31st March 2008 and pending in the following Benches shall be dealt with by any one of the following: -

NEW DELHI BENCH

1. Chief Justice Shri M.M. Kumar, Chairman.
2. Shri B. S. V. Prakash Kumar, Member (Judicial).

KOLKATA BENCH

1. Chief Justice Shri M.M. Kumar, Chairman.
2. Shri Dhan Raj, Member (Technical).

MUMBAI BENCH

1. Chief Justice Shri M.M. Kumar, Chairman.
2. Shri B.S.V. Prakash Kumar, Member (Judicial), only for urgent and mentioning matters requiring interim directions at CLB New Delhi.

CHENNAI BENCH

1. Chief Justice Shri M.M. Kumar, Chairman.
2. Shri Kanthi Narahari, Member, (Judicial).

- (b) Matters pending before the Additional Principal Bench as on 31st, March 2008 shall be dealt with by the Chennai Bench consisting of any one of the following:

- a. Chief Justice Shri M.M. Kumar, Chairman.
- b. Shri Kanthi Narahari, Member, (Judicial).

- (c) The Constitution of the Benches shall be as under:

PRINCIPAL BENCH

- (1) All matters relating to section 250, 269 and 388B of the Companies Act, 1956 shall be dealt in the **Principal Benches at New Delhi** by Chief Justice Shri M.M. Kumar, Chairman.

NEW DELHI BENCH

- (2) Matters relating to all other sections of the Companies Act, 1956 and the Companies Act, 2013, except sections 250, 269 and 388B of the Companies Act, 1956 falling within the jurisdiction of the New Delhi Bench shall be dealt by the New Delhi Bench consisting of any one of the following:

- a. Chief Justice Shri M.M. Kumar, Chairman.
- b. Shri B. S.V. Prakash Kumar, Member (Judicial).

KOLKATA BENCH

- (3) Matters relating to all other sections of the Companies Act, 1956 and the Companies Act, 2013, except sections 250, 269 and 388B of the Companies Act, 1956 falling within the jurisdiction of the Kolkata Bench shall be dealt by the Kolkata Bench consisting of any one of the following:

- a. Chief Justice Shri M.M. Kumar, Chairman.
- b. Shri Dhan Raj, Member (Technical).

MUMBAI BENCH

- (4) Matters relating to all other sections of the Companies Act, 1956 and the Companies Act, 2013, except sections 250, 269 and 388B of the Companies Act, 1956 falling within the jurisdiction of the Mumbai Bench shall be dealt by the Mumbai Bench consisting of any one of the following:

- a. Chief Justice Shri M.M. Kumar, Chairman.
- b. Shri B.S.V. Prakash Kumar, Member (Judicial), only for urgent and mentioning matters requiring interim directions at CLB New Delhi.

CHENNAI BENCH

- (5) Matters relating to all other sections of the Companies Act, 1956 and the Companies Act, 2013, except sections 250, 269 and 388B of the Companies Act, 1956 falling within the jurisdiction of the Chennai Bench shall be dealt by the Chennai Bench consisting of any one of the following:

- a. Chief Justice Shri M.M. Kumar, Chairman.
- b. Shri Kanthi Narahari, Member (Judicial).

This Order shall come into force with effect from 30th June, 2015.

By Order of the Company Law Board
P.K. Malhotra
Secretary



04 Shifting of Regional Director (SER), Hyderabad from Kendriya Sadan Sultan Bazar, Koti to 3rd Floor, Corporate Bhavan, Bandla Guda, Tattiannaram Village, Hayatnagar Mandal, Rangareddy Dist Pin – 500068. – Regarding

(issued by the Ministry of Corporate Affairs, Office of the Regional Director (South Eastern Region) vide Ref: No. RD(SER)/ Shifting of office/ 2015-16 dated 22.6.2015)

With reference to the subject cited, I am to inform you that the office of Regional Director (South East Region), Hyderabad has been shifted and started functioning at corporate Bhavan w.e.f. 18.6.2015.

Address for Communication:

3rd Floor, Corporate Bhavan, Bandla Guda
Tattiannaram Village
Hayatnagar Mandal
Rangareddy Dist Pin – 500068.
Telephone No. 29802127 (office)
29803127 (office)
29808127 (fax)
29807127 (RD Dir)

B N Harish
Regional Director (SER)
Hyderabad

05 SEBI (Prohibition on Raising Further Capital From Public and Transfer of Securities of Suspended Companies) Order, 2015. Under section 11A read with section 11 of the Securities and Exchange Board of India Act 1992

[Issued by the Securities and Exchange Board of India vide General Order No.1 of 2015, dated 20.07.2015.]

1. In terms of section 21 of the Securities Contracts (Regulation) Act, 1956 read with section 11A of the Securities and Exchange Board of India, Act ("SEBI Act"), all listed companies are mandated to comply with listing conditions prescribed under the equity listing agreement Section 11A of the SEBI Act empowers SEBI to prohibit any company from issuing prospectus, etc. soliciting money from public for issue of securities and to specify requirements, for transfer of securities and matters incidental thereto.
2. Disclosures by the listed companies, as per the equity listing agreement, apart from empowering investors to have requisite

information so as to make investment decision, has significant bearing on price discovery, prevention of fraud/ manipulation and has an overall impact on market integrity, etc. It has been noticed that several listed companies continuously fail to comply with listing conditions stipulated under the equity listing agreement and consequently trading in their shares is suspended by the concerned recognised stock exchange. While the non-promoter shareholders of such companies remain in disadvantageous position on account of information asymmetry, their promoters/directors, who are responsible for such defaults, can use the undisclosed information about the company and dispose of their shareholding in the company leaving the gullible investors in lurch. Thus, such non-compliance jeopardise the interests of investors in such companies and adversely impact the market integrity.

3. In order to ensure effective enforcement of listing conditions and improve compliance environment among the listed companies and taking into account the interests of investors in securities and the securities market, it is felt necessary to strengthen the regulatory mechanism in the above regard. Accordingly, in exercise of powers conferred under sections 11 and 11A of the SEBI Act, in order to protect the interest of investors, it is hereby ordered that-

- a) a suspended company, its holding and/or subsidiary, its promoters and directors shall not, issue prospectus, any offer document, or advertisement soliciting money from the public for the issue of securities, directly or indirectly; till the suspension is revoked by the concerned recognised stock exchange or securities of such company are delisted in accordance with the applicable delisting requirements, whichever is earlier:

Provided that SEBI may, in the interest of trade and securities market, relax the strict enforcement of this restriction on recommendation of the concerned stock exchange in case of companies, other than aforementioned, wherein such promoters are also promoters/directors;

- b) the suspended company and the depositories shall not effect transfer, by way of sale, pledge, etc., of shares of a suspended company held by promoters /promoter group and directors till three months after the date of revocation of suspension by the concerned recognised stock exchange or till securities of such company are delisted in accordance with the applicable delisting requirements, whichever is earlier. The concerned recognised stock exchange and depositories shall co-ordinate with each other for ensuring compliance of this requirement. Such promoter/director may file objection, if any, before the concerned recognised stock exchange who may, on satisfactory reasons shown by such promoter/director, remove this restriction in accordance with its applicable rule, regulations and bye-laws.



4. For the aforesaid purposes, "suspended company" means a listed company in whose shares trading is suspended from trading by the recognised stock exchange on account of non compliance with listing requirements.
5. This Order shall come into force with immediate effect.

U. K. Sinha
Chairman

06 Policy for annulment of trades undertaken on stock exchanges

[Issued by the Securities and Exchange Board of India vide CIRCULAR CIR/MRD/DP/15/2015, dated 16.07.2015.]

Section 9 of the Securities Contracts (Regulation) Act, 1956 ("SCRA"), inter alia, empowers stock exchanges to make bye-laws for regulation and control of contracts, subject to the previous approval of SEBI. In terms of the bye-laws framed under this section, stock exchanges are empowered to annul trades, either suo motu or on receipt of requests from stock brokers, if there are sufficient reasons for such annulment. However, to ensure finality of trades executed on trading platforms of the stock exchanges, to the extent possible, annulment of trades should be avoided by the stock exchanges.

2. In order to bring about uniformity and transparency in the process of trade annulment, a discussion paper was placed on SEBI's website to seek views and suggestions of the public. Taking into consideration inputs received during the discussion process, it has been decided that stock exchanges shall be guided by the following provisions with regard to the mechanism for annulment (or by whatever named called) of trade(s) resulting from material mistake or erroneous orders:
 - 2.1. Examination of trade(s) for annulment may be taken up either suo motu by stock exchange or upon receipt of request from a stock broker. Stock exchanges shall define suitable criteria so as to discourage frivolous trade annulment requests from the stock brokers.
 - 2.2. Stock exchanges shall prescribe the procedure for submission of requests by stock brokers, including mechanism to submit requests in electronic form.
 - 2.3. Stock brokers shall submit such request to the stock exchange within 30 minutes from execution of trade(s) which is sought to be annulled. However, stock exchange may consider requests received after 30 minutes, but no longer than 60 minutes, only in exceptional cases and after examining and recording reasons for such consideration.
 - 2.4. Stock exchanges shall suitably and in a time bound manner inform details of such requests to all stock brokers of the stock exchange.
- 2.5. Stock exchanges shall expeditiously, not later than start of next trading day, examine and decide upon such requests. While examining such requests, stock exchanges shall consider the potential effect of such annulment on trades of other stock brokers/investors across all segments, including trades that resulted as an outcome of trade(s) under consideration.
- 2.6. As an alternate mechanism, stock exchanges may consider resetting the price of trade(s) under consideration to an appropriate price(s), if price reset is deemed to be a less disruptive mechanism as compared to trade annulment.
- 2.7. Stock exchanges shall undertake annulment or price reset only in exceptional cases, after recording reasons in writing, in the interest of the investors, market integrity, and maintaining sanctity of price discovery mechanism.
- 2.8. In cases, wherein request for annulment of trade(s) has been submitted to more than one stock exchange by a stock broker, in respect of similar trades, stock exchanges shall jointly take a decision on such requests.
- 2.9. Stock exchange shall convey its reasoned decision on annulment of trade(s) or price reset to all counterparties to the trade(s) under consideration. Stock exchange shall also publish details of such decision on its website.
- 2.10. A mechanism to request a review of the decision taken by the stock exchange shall be provided. To this end, the aggrieved party shall submit such request to the stock exchange before the payout deadline of the trades.
- 2.11. In the event such review request is received by the stock exchange, the matter shall be referred to stock exchange's independent oversight committee on Trading and Surveillance function', as constituted under regulation 29(1) of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012. The payout relating to the settlement of such trades shall be withheld till such review of stock exchange's decision is completed.
- 2.12. The oversight committee shall expeditiously examine the request of stock brokers and provide its recommendations on the matter within 30 days of receipt of request by the stock exchange. Stock exchange shall convey its decision on the review request of the stock brokers within 2 working days of receipt of the recommendations from the committee. Stock exchange shall also publish details of such decision on its website.
3. Stock exchanges shall charge an application fee equal to 5% of the value of trade(s) for accepting annulment request from a stock broker, subject to minimum fee of ₹ 1 lakh and maximum fee of ₹ 10 lakhs. Stock exchanges may suitably increase the upper limit of the application fee as deemed necessary to discourage frequent or frivolous requests for annulment. The amount realised as application fee shall be credited to the



"Investor Protection Fund" of the concerned stock exchange.

4. In addition, stock exchanges shall implement a suitable framework to penalise stock brokers who place erroneous orders.
5. With regard to annulment of trade(s) resulting from wilful misrepresentation or manipulation or fraud, trade(s) may be annulled as provided in the extant bye- laws of the stock exchanges.
6. Stock exchanges may specify additional requirements as they may deem fit in order to ensure orderly trading and market integrity.
7. Stock exchanges are directed to:
 - 7.1. take necessary steps to put in place systems for implementation of the circular, including necessary amendments to the relevant bye-laws, rules and regulations, within one month from the date of this circular;
 - 7.2. bring the provisions of this circular to the notice of the stock brokers and also disseminate the same on its website; and
 - 7.3. communicate to SEBI the status of implementation of the provisions of this circular.
8. 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.

Manoj Kumar
General Manager

07 Securities and Exchange Board of India (Issue and Listing of Debt Securities by Municipalities) Regulations, 2015

[Issued by the Securities and Exchange Board of India vide No. SEBI/LAD-NRO/GN/2015-16/006, dated 15.07.2015. Published by the Gazette of India Part - III - Section 4, dated 15.07.2015]

In exercise of the powers conferred by Section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), to put in place a framework for public issue of debt securities by municipalities, listing and trading of such securities and matters incidental thereto, the Board hereby makes the following regulations, namely, —

CHAPTER I PRELIMINARY

Short title and commencement.

1. (1) These regulations may be called the Securities and

Exchange Board of India (Issue and Listing of Debt Securities by Municipalities) Regulations, 2015.

- (2) These regulations shall come into force on the date of their publication in the Official Gazette.

Definitions.

2. (1) In these regulations, unless the context otherwise requires, the terms defined shall bear the meanings assigned to them below, and their cognate expressions shall be construed accordingly,-
 - (a) "Act" means the Securities and Exchange Board of India Act, 1992 (15 of 1992);
 - (b) "advertisement" includes all forms of communication including notices, brochures, pamphlets, show cards, catalogues, hoardings, placards, posters, insertions in newspaper, cover pages of offer documents, pictures, films, etc., in any print media or electronic media or social media, radio, television programme;
 - (c) "Board" means the Securities and Exchange Board of India established under section 3 of the Act;
 - (d) "corporate municipal entity" means a company as defined under Companies Act, 2013, which is a subsidiary of a municipality and which is set up for the purpose of raising funds for a specific municipality or group of municipalities;
 - (e) "debt securities" means a non convertible debt securities which create or acknowledge indebtedness, and include debenture, bonds and such other securities of a municipality, or a corporate municipal entity, whether constituting a charge on the assets of such body or not;
 - (f) "designated stock exchange" means a recognised stock exchange in which securities of an issuer are listed or proposed to be listed and which is chosen by the issuer as a designated stock exchange for the purpose of a particular issue of debt securities under these regulations;
 - (g) "general obligation bonds" means debt securities where principal and interest are serviced through tax proceeds of the municipality.
 - (h) "issuer" means any municipality or a corporate municipal entity, which makes or proposes to make an issue of debt securities in accordance with these regulations or which has its securities listed on a recognised stock exchange or which seeks to list its



debt securities on a recognised stock exchange;

- (i) "municipality" means an institution of self-government constituted under Article 243 Q of the Constitution of India;
- (j) "national municipal accounts manual" means the municipal accounting manual formulated by the Ministry of Urban Development;
- (k) "offer document" means prospectus or shelf prospectus and includes any such document or advertisement whereby the subscription to debt securities are invited by the issuer from public;
- (l) "private placement" means any offer of debt securities or invitation to subscribe to debt securities to a select group of persons by a municipality through issue of a private placement offer letter to not more than two hundred persons, which shall not intend to result in, directly or indirectly, the debt securities becoming available for subscription or purchase by persons other than those receiving the offer or invitation:

Provided that for a corporate municipal entity, it shall mean an offer or invitation made in terms of section 42 of the Companies Act, 2013 and the rules made thereunder, through issue of a private placement offer letter; (m) "public issue" means an offer or invitation by an issuer to public to subscribe to the debt securities, which is not in the nature of a private placement;

- (n) "revenue bonds" means debt securities which are serviced by revenues from one or more projects;
 - (o) "schedule" means a schedule annexed to these regulations;
 - (p) "shelf prospectus" means a prospectus in respect of which the securities or class of securities included therein are issued for subscription in one or more issues over a certain period without the issue of a further prospectus:
- Provided that for a corporate municipal entity, it shall have the same meaning as assigned to it in section 31 of Companies Act, 2013;
- (q) "specified" means specified by a general or special order or circular issued under the Act or these regulations.

- (2) All other words and expressions used but not defined in these regulations, shall have the same meanings respectively assigned to them in the Act or the Companies Act, 2013 or Securities Contracts (Regulation) Act, 1956 or

the Depositories Act, 1996 or the Rules and the Regulations made thereunder or any statutory modification or re-enactment thereto.

Applicability.

- 3. These regulations shall apply to -
 - (a) public issue of debt securities; and
 - (b) listing of debt securities issued through public issue or on private placement basis on a recognised stock exchange.

CHAPTER II ELIGIBILITY

Eligible municipalities.

- 4. No issuer shall be eligible to issue debt securities to public under these regulations, unless the following criteria are complied with:
 - (a) municipality, whether proposing to issue debt securities itself or through corporate municipal entity, should be eligible to raise funds under its constitution;
 - (b) accounts of municipality shall be prepared in accordance with National Municipal Accounts Manual or in accordance with similar Municipal Accounts Manual adopted by the respective State Government for at least three immediately preceding financial years;
 - (c) municipality shall not have negative net worth in any of the three immediately preceding financial years;
 - (d) municipality shall not have defaulted in repayment of debt securities or loans obtained from Banks or Financial Institutions, during the last three hundred and sixty five days:

Provided that where the issuer is a corporate municipal entity, the requirements at (b), (c) and (d) shall be complied by the Municipality which is being financed.

Explanation.-For this purpose, the term default means where interest and/ or principal amount has remained overdue for a period of more than ninety days;

- (e) no order or direction of restraint, prohibition or debarment by Board against the corporate municipal entity or its directors is in force;
- (f) the corporate municipal entity, its promoter, group company or director(s), should not have been named in the list of the wilful defaulters published by the Reserve Bank of India or should not have defaulted of payment of interest or repayment of principal amount in respect of debt instruments issued by it to the public, if any.



CHAPTER III REQUIREMENTS FOR PUBLIC ISSUE

General conditions.

5. (1) An issuer making public issue of debt securities shall only issue revenue bonds.
- (2) No issuer shall make a public issue of revenue bonds unless following conditions are complied with:

- (a) it has made an application to one or more recognised stock exchanges for listing of such securities therein:

Provided that where the application is made to more than one recognised stock exchanges, the issuer shall choose one of them as the designated stock exchange: Provided further that where any of such stock exchanges have nationwide trading terminals, the issuer shall choose one of them as the designated stock exchange; Explanation.-For any subsequent public issue, the issuer may choose a different stock exchange as a designated stock exchange subject to the requirements of this regulation;

- (b) it has obtained in-principle approval for listing of its revenue bonds on the recognised stock exchanges where the application for listing has been made;
- (c) credit rating has been obtained from at least one credit rating agency registered with the Board and is disclosed in the offer document:

Provided that the revenue bonds intended to be issued shall have a minimum investment grade rating:

Provided further that where credit ratings are obtained from more than one credit rating agencies, all the ratings, including the unaccepted ratings, shall be disclosed in the offer document;

- (d) it has entered into an arrangement with a depository registered with the Board for dematerialisation of the revenue bonds that are proposed to be issued to the public, in accordance with the Depositories Act, 1996 and regulations made there under.

- (3) The revenue bonds shall have a minimum tenure of three years or such period as specified by the Board from time to time.
- (4) The revenue bonds shall have a maximum tenure of thirty years or such period as specified by the Board from time to time.
- (5) The issuer shall appoint one or more merchant bankers registered with the Board at least one of whom shall be a lead merchant banker.

- (6) The issuer shall create a separate escrow account for servicing of revenue bonds with earmarked revenue.
- (7) The issuer shall appoint a monitoring agency such as public financial institution or a scheduled commercial bank to monitor the earmarked revenue in the escrow account under sub-regulation (6):

Provided that where the issuer is corporate municipal entity, it shall appoint a debenture trustee registered with the Board in accordance with the provisions of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 and Companies Act, 2013.

Disclosures in the offer document.

6. (1) The offer document shall contain true, fair and material disclosures, which are necessary for the subscribers of the revenue bonds to take an informed investment decision.
- (2) Without prejudice to the generality of sub-regulation (1), the issuer, which is a municipality, and the lead merchant banker shall ensure that the offer document contains the following:

- (a) disclosures specified in Schedule I of these regulations;
- (b) disclosures with respect to compliance with regulation 12;
- (c) additional disclosures as may be specified by the Board:

Provided that in case of issuer being a corporate municipal entity, the issuer and the lead merchant banker shall ensure that the offer document contains the following:

- (i) disclosures as specified in Companies Act, 2013 and Companies (Prospectus and Allotment of Securities) Rules, 2014;
- (ii) disclosures specified in Schedule I of these regulations;
- (iii) disclosures with respect to compliance with regulation 12;
- (iv) additional disclosures as may be specified by the Board.

Filing of draft offer document

7. (1) No issuer shall make a public issue of revenue bonds unless a draft offer document has been filed with the designated stock exchange through the lead merchant banker: Provided that where an issuer has filed a shelf prospectus, not more than four public issuances shall be made through a single shelf prospectus during a financial year.



(2) The draft offer document filed with the designated stock exchange shall be made public by posting the same on the website of the designated stock exchange for seeking public comments for a period of seven working days from the date of filing the draft offer document with such exchange.

(3) The draft offer document may also be displayed on the website of the issuer, merchant bankers and the stock exchanges where the revenue bonds are proposed to be listed.

(4) The lead merchant banker shall ensure that the draft offer document specifies the names and contact details of the compliance officer of the lead merchant banker, the officer concerned and the project officer, wherever applicable, of the issuer including their postal and email address, telephone and fax numbers.

(5) The lead merchant banker shall ensure that all comments received on the draft offer document are suitably addressed:

Provided that where the issuer is a corporate municipal entity, the lead merchant banker shall ensure that all comments received on the draft offer document are suitably addressed prior to the filing of the final offer document with the Registrar of Companies.

(6) The issuer shall, before filing of draft offer documents with Board, obtain a "Viability Certificate" or Detailed Project Appraisal Report (DPR) from a scheduled commercial bank or public financial institution stating that the project is financially viable, based on the estimates/assumptions available at that time.

(7) A copy of draft and final offer document shall also be forwarded to the Board for its records, simultaneously with filing of these documents with designated stock exchange.

(8) The issuer filing a shelf prospectus shall file a copy of an information memorandum with the recognised stock exchanges and the Board and in case of a corporate municipal entity, file the same with the Registrar of Companies.

(9) Where the issuer is a corporate municipal entity, the information memorandum shall contain the disclosures specified in Companies Act, 2013 and rules made thereunder and shall include disclosures regarding summary term sheet, material updations including revision in ratings, if any, along with the rating rationale and financial ratios specified in Schedule I.

(10) The lead merchant banker shall, prior to opening of the public issue, furnish to the Board a due diligence certificate as per Schedule II of these regulations:

Provided that where the issuer is a corporate municipal entity, the lead merchant banker shall, prior to filing of the final offer document with the Registrar of Companies, furnish to the Board

a due diligence certificate as per Schedule II of these regulations.

(11) The debenture trustee, wherever appointed under proviso to sub-regulation (7) of Regulation 5 shall, prior to the opening of the public issue, furnish to the Board a due diligence certificate as per Schedule III of these regulations.

Mode of disclosure of offer document.

8. (1) The draft and final offer document shall be displayed on the websites of stock exchanges and shall be available for download in PDF / HTML formats.

(2) The draft offer document shall be filed with the designated stock exchange, for dissemination on its website prior to the opening of the issue:

Provided that where the issuer is a Corporate Municipal Entity, the final offer document shall be filed with the designated stock exchange, simultaneously with filing thereof with the Registrar of Companies, for dissemination on its website prior to the opening of the issue.

(3) Where any person makes a request for a physical copy of the offer document, the same shall be provided to him by the issuer or lead merchant banker.

Advertisements for public issues.

9. (1) The issuer may make an advertisement in a national daily with wide circulation, on or before the issue opening date and such advertisement shall, amongst other things, contain the disclosures as per Schedule IV.

(2) No issuer shall issue an advertisement which is misleading in material particular or which contain any information in a distorted manner or which is manipulative or deceptive.

(3) The advertisement shall be truthful, fair and clear and shall not contain a statement, promise or forecast which is untrue or misleading.

(4) Any advertisement issued by the issuer shall not contain any matters which are extraneous to the contents of the offer document.

(5) The advertisement shall urge the investors to invest only on the basis of information contained in the offer document.

(6) Any promotional or educative advertisement issued by the issuer during the subscription period shall not make any reference to the issue of revenue bonds or be used for solicitation.

Abridged prospectus and application forms.

10. (1) The issuer and lead merchant banker shall ensure that:



From the Government

- (a) every application form issued by the issuer is accompanied by a copy of the abridged prospectus;
 - (b) the abridged prospectus shall not contain matters which are extraneous to the contents of the prospectus;
 - (c) adequate space shall be provided in the application form to enable the investors to fill in various details like name, address, etc.
- (2) The issuer may provide the facility for subscription of application in electronic mode.

Minimum subscription.

11. (1) The issuer may decide the amount of minimum subscription which it seeks to raise by issue of debt securities and disclose the same in the offer document:

Provided such minimum subscription limit shall not be less than seventy five per cent of the issue size.

- (2) In the event of non-receipt of minimum subscription as specified above, all application moneys received in the public issue shall be refunded forthwith to the applicants, within twelve days from the date of the closure of the issue.
- (3) In the event, there is a delay by the issuer in making the aforesaid refund, then the issuer shall refund the subscription amount along with interest at the rate of ten per cent. per annum for the delayed period.

Utilization of issue proceeds.

12. (1) The funds raised from public issue of debt securities shall be used only for projects that are specified under objects in the offer document.
- (2) The proceeds of the issue shall be clearly earmarked for a defined project or a set of projects for which requisite approvals have been obtained from concerned authorities.
 - (3) The issuers shall maintain a bank account in which the amount raised from the issue shall be transferred immediately after the closure of the issue and such amount shall only be utilised for specified project(s):

Provided that where the issuer is a Corporate Municipal Entity, the issue proceeds, net of issue expenses, shall be used only for onward lending to municipalities, as disclosed in the offer document:

Provided further that where the issuer is a corporate municipal entity, it shall maintain sufficient interest margin while onward lending to the municipalities, to meet its operating expenses and obligations.

- (4) The issuer shall establish a separate project implementation cell and designate a project officer who shall not be below the rank of deputy commissioner, who shall monitor the progress of the project(s) and shall ensure that the funds raised are utilised only for the project(s) for which the debt securities were issued:

Provided that where the issuer is a corporate municipal entity, such requirement shall be complied by the Municipality which is being financed.

- (5) Issuer's contribution for each project shall not be less than twenty per cent. of the project costs, which shall be contributed from their internal resources or grants:

Provided that where the issuer is a corporate municipal entity, contribution of the concerned municipality, which is being financed by the corporate municipal entity, shall not be less than twenty per cent. of the project costs, which shall be contributed from its internal resources or grants.

- (6) The issuer shall disclose the schedule of implementation of the project in the offer document in a tabular form and the funds raised by the issuer shall be utilized in accordance with the said schedule.

Underwriting.

13. A public issue of revenue bonds may be underwritten by an underwriter registered with the Board and in such a case adequate disclosures regarding underwriting arrangements shall be disclosed in the offer document.

CHAPTER IV LISTING OF DEBT SECURITIES

Mandatory listing.

14. An issuer desirous of making an offer of debt securities to the public shall make an application for listing to one or more recognised stock exchanges:

Provided that in case of issuer being corporate municipal entity, such an application shall be made in terms of sub-section (1) of section 40 of the Companies Act, 2013.

Conditions for listing of debt securities issued on private placement basis.

15. (1) An issuer may list its debt securities issued on private placement basis on a recognised stock exchange subject to the following conditions:
- (a) an issuer may issue general obligation bonds or revenue bonds;
 - (b) accounts of municipality being the issuer, shall be



- prepared in accordance with National Municipal Accounts Manual or in accordance with similar Municipal Accounts Manual adopted by the respective State Government for at least three immediately preceding financial years;
- (c) no order or direction of restraint, prohibition or debarment by Board against the corporate municipal entity or its directors is in force;
 - (d) the issuer, being a corporate municipal entity, has issued such debt securities in compliance with the provisions of Companies Act, 2013 and particularly section 42 of the Companies Act, 2013 and rules prescribed there under and other applicable laws;
 - (e) the issuer shall not solicit or collect funds by issue of debt securities, except by way of private placement;
 - (f) the minimum subscription amount per investor shall not be less than rupees twenty five lakh or such amount as may be specified by Board from time to time;
 - (g) credit rating has been obtained in respect of such debt securities from at least one credit rating agency registered with the Board;
 - (h) the debt securities proposed to be listed are in dematerialized form;
 - (i) the disclosures as provided in Schedule I of these regulations have been made.

CHAPTER V REQUIREMENTS FOR BOTH PUBLIC ISSUES AND PRIVATE PLACEMENT

Asset cover.

16. An issuer, proposing to issue debt securities shall maintain 100% asset cover sufficient to discharge the principal amount at all times for the debt securities issued.

Buy-back.

17. The issuers may provide an option to buy back the debt-securities at a value which shall not be less than the face value of the debt securities, from the investors:

Provided in such cases, appropriate disclosure shall be made in the offer document.

Prohibitions of mis-statements in the offer document.

18. (1) The offer document shall not omit disclosure of a material fact which may make the statements made therein misleading, in light of the circumstances under which they

are made.

- (2) The offer document or abridged prospectus or any advertisement issued by an issuer in connection with a public issue of debt securities shall not contain any false or misleading statement.

Creation of security for secured debentures.

19. (1) The debentures shall be secured by the creation of a charge, on the properties or assets or the receivables of the issuer, having a value which is sufficient for the due repayment of the amount of debentures and interest thereon:

Provided that in case unsecured debentures are intended to be listed on stock exchange(s), then such debt securities shall either be backed by guarantee from State Government or Central Government or shall have a structured payment mechanism whereby the issuer shall deposit debt servicing amounts in the designated bank account at least 10 working days before due date of payment.

- (2) The total value of secured debentures issued shall not exceed the market value of immovable property/other assets or receivables of the issuer, for which a charge shall be created.
- (3) The issuer shall give an undertaking in the offer document that the assets on which charge is created are free from any encumbrances and if the assets are already charged to secure a debt, the permissions or consent to create second or paripasu charge on the assets of the issuer have been obtained from the earlier creditor.
- (4) The issue proceeds shall not be utilised until the documents for creation of security are executed.

Trust deed.

20. (1) A trust deed for securing the issue of debentures shall be executed by the issuer in favour of the independent trustee or debenture trustee, as applicable, within three months of the closure of the issue.
- (2) The trust deed shall contain such clauses as may be prescribed in Schedule IV of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993: Provided that in case of private placement by a corporate municipal entity, the trust deed shall, in-addition, contain such clauses as prescribed under section 71 of the Companies Act, 2013 and Companies (Share Capital and Debentures) Rules 2014.
- (3) The trust deed shall not contain a clause which has the effect of:
 - (a) limiting or extinguishing the obligations and liabilities of



the debenture trustees or the issuer in relation to any rights or interests of the investors;

- (b) limiting or restricting or waiving the provisions of the Act, these regulations and circulars or guidelines issued by the Board;
- (c) indemnifying the debenture trustees or the issuer for loss or damage caused by their act of negligence or commission or omission.

Redemption and roll-over.

21. (1) The issuer shall redeem the debt securities in terms of the offer document.
- (2) Where the issuer being a corporate municipal entity, desires to roll-over the debt securities issued, it shall do so only upon passing of a special resolution to that effect and give twenty one days notice of the proposed roll over to the holders of debt securities:

Provided where the issuer is a municipality, the notice shall be given to the holders of debt securities and stock exchanges where the debt securities are listed, upon the said decision: Provided further that in case the issuer is a municipality, if the holders of debt securities do not provide consent for the proposed roll over within the notice period, the issuer shall redeem the debt securities of such holders.

- (3) The notice referred to in sub- regulation (2) shall contain disclosures with regard to credit rating and rationale for roll-over.
- (4) The issuer being a corporate municipal entity shall, prior to sending the notice to holders of debt securities, file a copy of the notice and proposed resolution with the stock exchanges where such securities are listed, for dissemination of the same to public on their websites.
- (5) The debt securities issued can be rolled over subject to the following conditions:
 - (a) The roll-over is approved by a special resolution passed by the holders of debt securities through postal ballot having the consent of not less than 75% of the holders by value of such debt securities:

Provided that this condition shall not be applicable to the issuer, which is a municipality:

Provided further that in case of issuer being a municipality, a period of seven days shall be granted to the holders of debt securities to provide their consent;

- (b) atleast one rating is obtained from a credit rating agency within a period of six months prior to the due date of

redemption and is disclosed in the notice referred to in sub- regulation (2);

- (c) fresh trust deed shall be executed at the time of such roll over or the existing trust deed may be continued if the trust deed provides for such continuation ;
 - (d) adequate security shall be created or maintained in respect of such debt securities to be rolled-over.
- (6) The issuer shall redeem the debt securities of all the holders, who have not given their positive consent to the roll-over.

Debenture redemption reserve.

22. (1) For the redemption of the debentures issued by a corporate municipal entity, the issuer shall create debenture redemption reserve in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder.
- (2) Where the issuer is a corporate municipal entity and the issuer has defaulted in payment of interest on debt securities or redemption thereof or in creation of security as per the terms of the issue of debt securities, any distribution of dividend shall require approval of the debenture trustees.

CHAPTER VI CONDITIONS FOR CONTINUOUS LISTING AND TRADING OF DEBT SECURITIES

Continuous listing conditions.

23. (1) All the issuers making public issues of debt securities or seeking listing of debt securities issued on private placement basis, shall comply with conditions of listing including continuous disclosure and other requirements specified by the Board in general and those specified in Schedule V to these regulations.
- (2) Where the issuer is corporate municipal entity, one-third of its Board shall comprise of independent directors, as defined in section 149 of the Companies Act, 2013.
 - (3) Every rating obtained by an issuer shall be periodically reviewed by the registered credit rating agency and any revision in the rating shall be promptly disclosed by the issuer to the stock exchange(s) where the debt securities are listed.
 - (4) In the event of credit rating being downgraded by two or more notches below the rating assigned at the time of issue, the issuer shall present to all bondholders, the reasons for fall in rating and the steps, if any, it intends to take to recover the rating.
 - (5) Any change in rating shall be promptly disseminated in such



manner as the stock exchange where such securities are listed may determine from time to time.

- (6) The issuer, the respective debenture trustees, wherever appointed, and stock exchanges shall disseminate all information and reports regarding debt securities including compliance reports filed by the issuers and the debenture trustees, if appointed, to the investors and the general public by placing them on their websites.
- (7) The information referred to in sub-regulation (5) shall also be placed on the websites, if any, of the debenture trustee, the issuer and the stock exchanges.

Accounting and audit.

24. (1) An Issuer, being a municipality, shall prepare its accounts in accordance with the National Municipal Accounts Manual or in accordance with similar Municipal Accounts Manual adopted by the respective State Government:

Provided that in case of the Issuer being a corporate municipal entity, the accounts shall be prepared in accordance with section 129 and 134 of the Companies Act, 2013 and the rules made thereunder.

- (2) In case of the issuer being a municipality, the accounts of the issuer shall be audited by the persons appointed by the municipal corporations, as permissible under its constitution/ state legislation governing the municipality:

Provided that in case of an issuer being a corporate municipal entity, the accounts of the issuer shall be audited by an auditor, in terms of section 139 of the Companies Act, 2013 and the rules made thereunder:

- (3) The bank account for issue proceeds and separate escrow account with earmarked revenues, shall be audited by persons so appointed by the municipality or the corporate municipal entity, within six months of the close of every financial year.

Trading and reporting of debt securities.

25. (1) The debt securities issued to the public or on a private placement basis, which are listed in recognised stock exchanges, shall be traded and such trades shall be cleared and settled in recognised clearing corporation subject to conditions specified by the Board.
- (2) The trading lot for privately placed debt securities shall be rupees one lakh or such amount as may be specified by the Board.
- (3) In case of trades of debt securities which have been made over the counter, such trades shall be reported on a recognised stock exchange having a nationwide trading

terminal or such other platform as may be specified by the Board from time to time.

- (4) The information in respect of issues such as issuer details, instrument details, ratings, rating migration, coupon, buyback, redemption details, shall be required to be reported to a common database with depositories or any other platform as may be specified by the Board.

CHAPTER VII

OBLIGATIONS OF INTERMEDIARIES AND ISSUERS

Obligations of monitoring agency and trustee.

26. (1) The monitoring agency appointed under sub-regulation (7) of regulation 5 shall be vested with the requisite powers for protecting the interest of holders of debt securities.
- (2) The monitoring agency shall inspect on half yearly basis, the utilization of issue proceeds in accordance with objects of the issue as specified in offer document and report, material deviation, if any, to the concerned stock exchange for public dissemination.
- (3) The monitoring agency shall monitor earmarked revenue in the separate escrow account.
- (4) The debenture trustee, wherever appointed, shall be vested with the requisite powers for protecting the interest of holders of debt securities:

Provided that, where the issuer is a corporate municipal entity, such powers shall include a right to appoint a nominee director on the Board of the issuer, in consultation with institutional holders of such securities.

- (5) the debenture trustee, wherever appointed, shall disclose the information to the investors and the general public by issuing a press release in any of the following events:
- (a) default by issuer to pay interest on debt securities or redemption amount;
- (b) failure to create a charge on the assets;
- (c) revision of rating assigned to the debt securities.
- (6) The debenture trustee, wherever appointed, shall carry out its duties and perform its functions under these regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the trust deed and offer document, with due care, diligence and loyalty.
- (7) The debenture trustee, wherever appointed, shall ensure disclosure of all material events on an ongoing basis
- (8) The debenture trustees, wherever appointed, shall



supervise the implementation of the conditions regarding creation of security for the debt securities and debenture redemption reserve.

Obligations of the issuer and merchant banker.

27. (1) The issuer shall disclose all the material facts in the offer documents issued or distributed to the public and shall ensure that all the disclosures made in the offer document are true, fair and adequate and there is no mis-leading or untrue statements or mis-statement in the offer document.
- (2) The merchant banker(s) shall verify and confirm that the disclosures made in the offer documents are true, fair and adequate and ensure that the issuer is in compliance with these regulations.
- (3) The merchant banker(s) shall ensure that all transaction specific disclosures required in Schedule I of these regulations are complied with:

Provided where the issuer is a corporate municipal entity, merchant banker(s) shall also ensure that the disclosures under Companies Act, 2013 and rules made thereunder are complied with.

- (4) The issuer shall treat the applicants in a public issue of debt securities in a fair and equitable manner as per the procedures as may be specified by the Board.
- (5) The issuer and merchant bankers shall be responsible for the due diligence in respect of assignments undertaken by them in respect of issue, offer and distribution of securities to the public.
- (6) No person shall employ any device, scheme or artifice to defraud in connection with issue or subscription or distribution of debt securities which are listed or proposed to be listed on a recognised stock exchange.
- (7) The issuer and the merchant bankers shall ensure that the security created to secure the debt securities is adequate to ensure hundred per cent. asset cover for the debt securities.

CHAPTER VIII MISCELLANEOUS Sanction for violations.

28. Any contravention of these regulations shall be dealt with by the Board in accordance with the Act.

Power to remove difficulties.

29. In order to remove any difficulties in the interpretation or application of the provisions of these regulations, the Board shall have the power to issue directions through guidance notes or

circulars:

Provided that where any direction is issued by the Board in a specific case relating to interpretation or application of any provision of these regulations, it shall be done only after affording a reasonable opportunity of being heard to the concerned persons and after recording reasons for the direction.

SCHEDULE I [See Regulation 6(2)]

Disclosures

1. Where the issuer is a Corporate Municipal Entity, it shall make disclosures in accordance with Schedule I to SEBI (Issue and Listing of Debt Securities) Regulations, 2008 and shall also make below mentioned disclosures, whichever is relevant, pertaining the municipalities proposed to be financed by the issue;
2. Where the issuer is a municipality, it shall make below mentioned disclosures:

A. General Information

1. The relevant Act under which the issuer of such securities is incorporated and governed
2. Copy of the Committee Resolution/Municipal Corporation authorizing the borrowing and list of authorized signatories.
3. Copy of the necessary Resolution(s) for the allotment of debt securities.
4. Copy of budget documents for last 3 years containing actual financial performance and/or revised estimates along with the details of related party transactions.
5. An undertaking from the issuer stating that the necessary documents for the creation of the charge, where applicable, including the Trust Deed would be executed within the time frame prescribed in the relevant regulations/act/rules etc and the same would be uploaded on the website of the recognised Stock exchange where the debt securities have been listed, within five working days of execution of the same.
6. Any other particulars or documents that the recognised stock exchange, where the debt security have been listed, may call for as it deems fit.
7. An undertaking that permission / consent from the prior creditor for a second or paripassu charge being created, where applicable, in favor of the trustees to the proposed issue has been obtained.
8. Name and contact details of the monitoring agency.



9. Details of the separate escrow account opened for servicing of debt securities with earmarked revenue, wherever applicable.

Issuer shall submit the following disclosures to the Debenture Trustee in electronic form (soft copy) at the time of allotment of the debt securities:

1. The relevant Act under which the issuer of such securities is incorporated and governed.
2. Copy of the Resolution authorizing the borrowing and list of authorized signatories.
3. Copy of the necessary Resolution(s) for the allotment of debt securities.
4. Copy of budget documents for last 3 years containing actual financial performance and/ or revised estimates.

- B. An undertaking to the effect that the Issuer would, till the redemption of the debt securities, submit the details relating to the financials of the issuer to the Trustee within the timelines prescribed by SEBI for furnishing / publishing its half yearly/ annual result. Further, the Issuer shall, forthwith, submit a copy of the latest annual report to the Trustee and the Trustee shall be obliged to share the details submitted under this clause to debenture-holders within two working days of their specific request. The following disclosures shall be made in the offer document where relevant:

I. Name and address of the following:-

- a. Head office/quarters of the Issuer
- b. Compliance officer of the Issuer
- c. Complete Details of the Official In charge of dealing with investor Grievances related to the Municipal Bonds, his/her address, phone number, email ID, etc.
- d. Chief Accounts and Finance Officer or equivalent of the Issuer
- e. Arrangers, if any, of the instrument
- f. Trustee of the issue
- g. Registrar to an issue
- h. Credit Rating Agency (-ies) of the issue and
- i. Auditors of the Issuer
- j. The relevant Act under which the issuer is incorporated and governed

- II. Comprehensive Disclosure regarding the Risk Factors, including project risks, operational risks, credit risks, liquidity risks, etc.

C. Organization details:

1. Details of Mayor / Deputy Mayor including date of appointment, etc.
2. Details of Commissioner/ Deputy Commissioner including date of appointment, etc
3. Details of any Reorganization or Reconstruction in the last 1 year:-

Type of Event	Date of Announcement	Date of Completion	Details

4. Details of the members of the Committee approving the project/ various Standing Committees relating to Taxation / Finance /Accounts/ Audit/ Infrastructure

Name and Designation	Date of Appointment/ Resignation	Member of the Committee since (in case of resignation)	Remarks

5. Details of the Auditors

Name	Address	Auditor since

6. Details of trustee

Name	Address	Contact person

- D. A brief summary of the business/ activities of the Issuer and its project for which funds are to be raised containing atleast following information

1. Overview of the issuer
2. Management Structure of the issuer and the relevant department issuing the bond
3. Details of all the project undertaken or proposed in terms of cost and means of financing
4. Complete details of the project/s for which finance is raised
 - i. An investment plan for the project components indicating phasing as well as financing approved by the local authority or the agency as the case may be
 - ii. Schedule of implementation of the project iii. Capital structure relating to projects for which funds are proposed to be mobilized
 - iii. Capital grant for the proposed project and the amount received in this regard v. Details of State



From the Government

- Finance Commission Grant on annual basis
- iv. Benchmarks for commencement and completion of the project including milestone dates for all components of the project
 - v. Details and status of the regulatory approval (if required)
 - vi. Financial viability of the project showing the stage wise cost and revenue flows for the project,
 - vii. Revenue generation/resources and sufficiency for timely servicing and redemption
 - viii. Details of the independent trustee of the escrow account
 - ix. Latest Audit report of the escrow and project account by a firm of chartered accountants appointed by the concerned State Urban Development Departments from a panel CA's approved by the C& AG.
5. Performance with respect to key financial and operational parameters for the last 3 years
- I. Abridged Balance Sheet, Income and Expenditure and Receipts and Payments Accounts for the last three years with major heads;
 - II. Link to the web page where the entire financials of the Municipal Body can be accessed should be given.
 - III. Financial Parameters:

Key Financial Figures	FY	FY	FY
Revenue Income			
Revenue expenditure (Excl. Interest)			
Operating revenue Surplus			
Interest expense			
Principal repayment (outside sinking Fund)			
Contribution to Sinking fund			
Revenue Surplus			
Capital Income			
Capital Expense			
Capital Surplus			
Overall Surplus			
Deposits and Advances (net)			
Initial Cash / Bank balance			
Change in Cash / Bank balance			
Final Cash / Bank balance			
Loan repayment from sinking fund			
Initial Sinking fund balance			
Change in sinking fund			
Final sinking fund balance			
Total Debt			
Ratio of Total Expenditure /Total Revenue			
Cash Surplus / Total Revenue			
Ratio of Debt Service / Total Revenue			

IV. Operational Parameters:

Details of top 5 revenue sources for last 3 years

Revenue Receipt type	Actual	Actual	Actual
	FY	FY	FY
XYZ1			
XYZ2			
XYZ3			
XYZ4			
XYZ5			



V. Details of property tax collection

Particulars	Demand Raised			Collections			Overall Collection ratio	Current Collection ratio
	Arrears	Current	Total	Current	Arrear	Total		
FY								
FY								
FY								

VI. Status of reforms with respect to e-governance, cost recovery on water supply & Solid Waste Management (SWM), property tax, double entry accounting and others, as specified by MoUD and authorities concerned

E. Details of Issuer's outstanding borrowing

- I. Details of borrowings of the Issuer, as on the latest quarter end:-
- II. Details of Secured Loan Facilities:-

Lender's Name	Type of Facility	Amt Sanctioned	Principal Amt outstanding	Repayment Date/ Schedule	Security

III. Details of Unsecured Loan Facilities :-

Lender's Name	Type of Facility	Amt Sanctioned	Principal Amt outstanding	Repayment Date / Schedule

IV. Details of NCDs/Bonds: -

Debenture/Bond Series	Tenor / Period of Maturity	Coupon	Amount	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured / Unsecured	Security

V List of Top 10 Debenture Holders (as on)

Sr. No.	Name of Debenture Holders	Amount

Note: Top 10 holders' (in value terms, on cumulative basis for all outstanding debentures issues) details should be provided.

- VI. The amount of charge created along with name of the counterparty (like name of the project etc.)
- VII. Details of Commercial Paper:- The total Face Value of Commercial Papers Outstanding as on the latest quarter end to be provided and its breakup in following table:-

Maturity Date	Amount Outstanding

VIII. Details of Rest of Borrowings

- IX. Estimated Scenarios of Asset Liability Mis-matches, efforts intended to resolve the same
- X. Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other



From the Government

financial instrument issued by the Issuer, in the past 3 years .

- XI. Details of change in terms and conditions of debt securities issued in past 5 years (i.e. change in coupon, maturity, call/put option etc.)
- XII. An undertaking should be disclosed in the offer document that the issue has obtained Lenders consent for creating charge on assets (if the issue is of secured Bonds)
- XIII. Details of any outstanding borrowings taken/ debt securities issued for consideration other than cash, whether in whole or part, at a premium or discount, or in pursuance of an option;
- XIV. Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer, resulting in material liabilities, restructuring event etc) at the time of the issue which may affect the issue or the investor's decision to invest/ continue to invest in the debt securities.
- XV. The detailed rating rationale (s) adopted (not older than one year on the date of opening of the issue)/ credit rating letter issued (not older than one month on the date of opening of the issue) by the rating agencies shall be disclosed.
- XVI. Credit Enhancement Mechanisms if any, with complete details, if any.
- XVII. The security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document.
- XVIII. In case there is an escrow mechanism for the repayment of the interest/principal, details of the same should be given.
- XIX. The names of the debenture trustee(s) shall be mentioned with statement to the effect that debenture trustee(s) has given his consent to the Issuer for his appointment. This also needs to be mentioned in all subsequent communications sent to the holders of debt securities.
- XX. Names of all the recognised stock exchanges where the debt securities are proposed to be listed clearly

indicating the designated stock exchange.

- XXI. Penal interest payable by the Municipal Corporation in case of delay in execution of Trust Deed and Charge documents
- XXII. Additional interest to be paid, above the Coupon Rate, in case of default in payment of Interest and/or principal redemption on the due dates
- XXIII. Penal interest payable by the Municipal Corporation in case of delay in listing of debt securities from the deemed date of allotment
- XXIV. Other details
- XXV. DRR/such other reserve creation - relevant regulations and applicability.
- XXVI. Issue/instrument specific regulations - relevant details (Relevant Act, RBI guidelines, etc).
- XXVII. Application process
- XXVIII. Procedure for deciding and adjusting payment dates (in response to days when payment can't be made due to any reason like sudden bank holiday.
- XXIX. List of documents which have been executed/ will be executed in relation to the issue
- XXX. Investor grievances mechanisms
- XXXI. Such other details necessary for the investors to make a well informed decision making regarding their investment in the proposed issue
- XXXII. Declaration signed by the Mayor and Commissioner of the concerned Municipal Body stating that offer document contains true, fair and adequate information to enable investors to make a well informed decision making regarding their investment in the proposed issue.
- XXXIII. Declaration signed by the Director(s) of the Corporate Municipal Entity stating that offer document contains true, fair and adequate information to enable investors to make a well informed decision making regarding their investment in the proposed issue.

F. Issue details

Summary term sheet shall be provided which shall include at least following information (where relevant) pertaining to the Secured / Unsecured Non Convertible debt securities (or a series thereof):-



Security Name	Name of the bond which includes (Issuer Name, Coupon and maturity year) e.g. 8.70% XXX 2015.
Issuer	
Type of Instrument	Secured or Unsecured
Seniority	Senior or Subordinated.
Mode of Issue	Private placement/Public issue
Eligible Investors	
Listing (including name of stock Exchange(s) where it will be listed and timeline for listing)	
Rating of the Instrumentby..... Ltd.
Issue Size	
Option to retain oversubscription (Amount)	
Objects of the Issue	The proceeds of the proposed issue shall be clearly earmarked for a defined project or a set of projects; The project(s) shall be financially viable project(s),
	i.e., should be able to generate a stream of revenue which should be sufficient to finance Operational & Maintenance cost
Details of the utilization of the Proceeds	
Coupon Rate	
Taxable/Tax free	
Step Up/Step Down Coupon Rate	
Coupon Payment Frequency	
Coupon payment dates	Dates on which coupon will be paid
Coupon Type	Fixed, floating or other coupon structure
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).	
Day Count Basis	Actual/ Actual

Interest on Application Money	
TenorMonths from the Deemed from the date of Allotment
Redemption Date	Dates on which Principal will be paid
Redemption Amount	
Redemption Premium /Discount	
Issue Price	The price at which bond is issued
Discount at which security is issued and the effective yield as a result of such discount.	
Put option Date	
Put option Price	
Call Option Date	
Call Option Price	
Put Notification Time	Timelines by which the investor need to intimate Issuer before exercising the put option.
Call Notification Time	Timelines by which the Issuer need to intimate investor before exercising the call option.
Face Value	
Minimum Application and in multiples of _Debt Securities thereafter	
Issue Timing	1. Issue Opening Date 2. Issue Closing date 3. Pay-in Date 4. Deemed Date of Allotment
Issuance mode of the Instrument	Rs. 10 lakh per instrument for Demat only (for private placement)
Trading mode of the Instrument	Demat only (for private placement)
Settlement mode of the Instrument	
Depository	
Business Day Convention	



Record Date	15 days prior to each Coupon Payment date / Redemption date.
Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security).	
Transaction Documents	
Conditions Precedent to Disbursement	
Condition Subsequent to Disbursement	
Events of Default	
Provisions related to Cross Default Clause	
Role and Responsibilities of Debenture Trustee	
Governing Law and Jurisdiction	

Notes:

Any change in Coupon Rate, along with events which lead to the change if there is any change in Coupon Rate pursuant to any event including elapse of certain time period or downgrade in rating, then such new Coupon Rate and events which lead to such change should be disclosed.

SCHEDULE II
[See Regulation 7 (10)]

FORMAT FOR DUE DILIGENCE CERTIFICATE AT THE TIME OF FILING THE OFFER DOCUMENT BY AN ISSUER OR A CORPORATE MUNICIPAL ENTITY WITH REGISTRAR OF COMPANIES AND PRIOR TO THE OPENING OF THE ISSUE

To,
SECURITIES AND EXCHANGE BOARD OF INDIA

Dear Sir / Madam,

SUB.: ISSUE OF _____ BY _____

1. We confirm that neither the issuer nor its promoters or directors (in case of corporate municipal entity), have been prohibited from

accessing the capital market under any order or direction passed by the Board. We also confirm that none of the intermediaries named in the offer document have been debarred from functioning by any regulatory authority.

2. We confirm that all the material disclosures in respect of the issuer have been made in the offer document and certify that any material development in the issue or relating to the issue up to the commencement of listing and trading of the shares offered through this issue shall be informed through public notices/ advertisements in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the issue have been given.
3. We confirm that the offer document contains all disclosures as specified in the Securities and Exchange Board of India (Issue and Listing of Debt Securities by Municipalities) Regulations, 2015.
4. We also confirm that all relevant provisions of the Companies Act, 2013, if applicable, Securities Contracts, (Regulation) Act, 1956, Securities and Exchange Board of India Act, 1992 and the Rules, Regulations, Guidelines, Circulars issued thereunder are complied with.

We confirm that all comments/ complaints received on the draft offer document filed on the website of _____ (designated stock exchange) have been suitably addressed.

**PLACE
DATE:**

LEAD MERCHANT BANKER (S)

SCHEDULE III
[See Regulation 7 (11)]
FORMAT OF DUE DILIGENCE CERTIFICATE TO BE GIVEN BY THE DEBENTURE TRUSTEE BEFORE OPENING OF THE ISSUE

To,
SECURITIES AND EXCHANGE BOARD OF INDIA

Dear Sir / Madam,

SUB.: ISSUE OF _____ BY _____ Ltd
(Corporate Municipal Entity)

We, the Debenture Trustee (s) to the above mentioned forthcoming issue state as follows:

- (1) We have examined documents pertaining to the said issue and other such relevant documents.
- (2) On the basis of such examination and of the discussions with the issuer, its Mayor/Deputy Mayor /Directors and other officers, other agencies and of independent verification of the various relevant documents,



WE CONFIRM that:

- (a) The issuer has made adequate provisions for and or has taken steps to provide for adequate security for the debt securities to be issued.
- (b) The issuer has obtained the permissions consents necessary for creating security on the said property (ies) / receivables.
- (c) The issuer has made all the relevant disclosures about the security and also its continued obligations towards the holders of debt securities.

We have satisfied ourselves about the ability of the issuer to service the debt securities.

PLACE

DATE:

DEBENTURE TRUSTEE TO THE ISSUE WITH HIS SEAL

SCHEDULE IV

[See Regulation 9 (1)]

FORMAT OF ISSUE ADVERTISEMENTS FOR PUBLIC ISSUES

This is an advertisement for information purposes

_____ Municipal Corporation or _____ Ltd
(or Corporate Municipal Entity)

(Incorporated on _____ under the Relevant State Act or the Companies Act as and subsequently renamed _____ on _____).

Registered Office: _____ Tel: _____

Fax _____ Corporate Office: _____

Tel: _____ Fax _____

e-mail: _____ Website: _____

THE ISSUE

Public issue of _____ debt securities of Rs. _____ each at a price of Rs. _____ (Summary Details of Coupon, Redemption, etc shall be disclosed)

MAYOR/ DEPUTY MAYOR /COMMISSIONER/PROMOTERS

xxxx

PROPOSED LISTING

Names of Stock Exchanges

MERCHANT BANKERS

(Names)

COMPLIANCE OFFICER OF THE ISSUER

Name, address, telephone and fax numbers, email ID, website address

CREDIT RATING

(The Rating Obtained shall be disclosed prominently along with the meaning of the same)

DEBENTURE TRUSTEES

(Names)

AVAILABILITY OF APPLICATION FORMS

Names of Issuer, Lead Managers, etc. (Addresses optional)

AVAILABILITY OF OFFER DOCUMENT

Investors are advised to refer to the offer document, and the risk factors contained therein, before applying in the issue. Full copy of the offer document is available on websites of issuer / lead manager(s) / Stock Exchange(s) on www._____

ISSUE OPENS ON:

ISSUE CLOSSES ON:

Issued by
Directors of Issuer

SCHEDULE V

[See Regulation 23 (1)]

Periodic Disclosures to be made by Issuers:

1. The issuer shall file its Annual Audited financial results, forthwith, with the stock exchange and debenture trustee, wherever applicable.
2. Further, following periodic disclosures shall be made by the Issuer on half yearly basis to the stock exchange and debenture trustee, wherever applicable.:
 - i. Utilization of funds for the projects - Half yearly certification of Chartered Accountant on Utilizations of the issue proceeds for execution of the projects stated in the offer document,
 - ii. A report containing status of implementation of project(s), which is being financed alongwith reasons for delay, if any.
 - iii. Project development - Details with respect to the development of the Project along with certifications from the Project Engineer should be furnished to the bond trustee, Rating Agencies and stock exchanges on Half Yearly Basis and should be publicly disseminated.
 - iv. Material adverse changes affecting ability to service bonds.
 - v. Proposal for pre-payment, valuation of bond in case of sale/ purchase before maturity etc.
 - vi. Important ratios like Debt Equity Ratio, Debt Service Coverage Ratio, Interest Service Coverage Ratio etc.
 - vii. Half Yearly return on servicing of bonds, maintenance of Asset Cover, Credit enhancement facilities and Investors Grievances & Redressal



viii. A CA/Bank certificate for timely servicing of bonds.

U. K. SINHA
CHAIRMAN

08 Requirements specified under the SEBI (Share Based Employee Benefits) Regulations, 2014

[Issued by the Securities and Exchange Board of India vide CIR/CFD/POLICY CELL/2/2015, dated 16.06.2015.]

1. This has reference to the SEBI (Share Based Employee Benefits) Regulations, 2014 ("the Regulations") notified on October 28, 2014. The Regulations provide for certain processes / disclosure requirements to be specified by SEBI. Accordingly, necessary guidelines are being issued and given in the Annexure to this circular.
2. The stock exchanges are advised to bring the contents of this circular to the notice of the companies listed on them and ensure its compliance.
3. This circular is being issued in exercise of the powers under regulation 28 of the Regulations and section 11 read with section 11A of the Securities and Exchange Board of India Act, 1992.
4. This circular is available on SEBI website at www.sebi.gov. in under the categories "Legal Framework" and "Issues and Listing".

Amit Tandon
Deputy General Manager

Annexure

Requirements under the SEBI (Share Based Employee Benefits) Regulations, 2014

Regulation 3(3) - Minimum Provisions in Trust Deed

The trust deed shall, inter alia, cover the following:

1. Details of the trust, including:
 - (i) Name of the trust;
 - (ii) Object of the trust;
 - (iii) Details of settlor;
 - (iv) Details of scheme(s) administered;
 - (v) Source of funds;
 - (vi) Description of the manner in which the trust funds shall be used for meeting object of the trust;
 - (vii) Description of the classes of beneficiaries along with their rights and obligations;

(viii) Details of trustee(s);

2. Powers and duties of trustee(s), including:
 - (i) Frame rules for administration of the scheme(s) in compliance with the scheme documents, object of the trust and the regulations;
 - (ii) Maintain books of accounts of trust as required under law including the regulations;
3. Provisions on dissolution of the trust;
4. Trust deed shall provide that it would be the duty of the trustees to act in the interest of employees who are beneficiaries of the trust and subject to provisions of the regulations, it shall not act in any manner or include any provision in the trust deed that would be detrimental to the interests of the beneficiaries.
5. Such other clauses which are necessary for safeguarding the interests of the beneficiaries.

Regulation 5(3) - Terms and Conditions of schemes to be formulated by the Compensation Committee

The Compensation Committee is required to formulate the detailed terms and conditions of the schemes which shall, inter alia, include the following provisions:

- a. the quantum of option, SAR, share or benefit as the case may be, per employee and in aggregate under a scheme;
- b. the kind of benefits to be granted under a scheme covered by Part D and Part E of Chapter III of the regulations;
- c. the conditions under which options, SAR, shares or other benefits as the case may be, may vest in employees and may lapse in case of termination of employment for misconduct;
- d. the exercise period within which the employee can exercise the options or SARs and that options or SARs would lapse on failure to exercise the same within the exercise period;
- e. the specified time period within which the employee shall exercise the vested options or SARs in the event of termination or resignation of an employee;
- f. the right of an employee to exercise all the options or SARs, as the case may be, vested in him at one time or at various points of time within the exercise period;
- g. the procedure for making a fair and reasonable adjustment to the entitlement including adjustment to the number of options/SARs and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard, the following shall, inter alia, be taken into consideration by the compensation committee:



- i. the number and price of options / SARs shall be adjusted in a manner such that total value to the employee of the options / SAR remains the same after the corporate action;
- ii. the vesting period and the life of the options / SAR shall be left unaltered as far as possible to protect the rights of the employee(s) who is granted such options / SARs;
- h. the grant, vesting and exercise of shares, options or SARs in case of employees who are on long leave;
- i. eligibility to avail benefits under schemes covered by Part D and/ or Part E of Chapter III of the regulations in case of employees who are on long leave; and
- j. the procedure for cashless exercise of options / SARs.
- m. the amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc.;
- n. maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme(s);
- o. a statement to the effect that the company shall conform to the accounting policies specified in regulation 15;
- p. the method which the company shall use to value its options or SARs;
- q. the following statement, if applicable:

'In case the company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' report.'

Regulation 6(2) - Contents of the explanatory statement to the notice and resolution for shareholders meeting

The explanatory statement to the notice and the resolution proposed to be passed for the schemes in general meeting shall, inter alia, contain the following information:

- a. brief description of the scheme(s);
- b. the total number of options, SARs, shares or benefits, as the case may be, to be granted;
- c. identification of classes of employees entitled to participate and be beneficiaries in the scheme(s);
- d. requirements of vesting and period of vesting;
- e. maximum period (subject to regulation 18(1) and 24(1) of the regulations, as the case may be) within which the options SARs / benefit shall be vested;
- f. exercise price, SAR price, purchase price or pricing formula;
- g. exercise period and process of exercise;
- h. the appraisal process for determining the eligibility of employees for the scheme(s);
- i. maximum number of options, SARs, shares, as the case may be, to be issued per employee and in aggregate;
- j. maximum quantum of benefits to be provided per employee under a scheme(s);
- k. whether the scheme(s) is to be implemented and administered directly by the company or through a trust;
- l. whether the scheme(s) involves new issue of shares by the company or secondary acquisition by the trust or both;

Regulation 10(b) - Information required in the statement to be filed with Stock Exchange(s)

Description of Schemes

- 1 Authorized Share Capital of the Company.
- 2 Issued Share Capital of the Company as on date of Institution of the scheme/ amendment of the scheme.
- 3 Date of institution of the scheme/ amendment of the scheme.
- 4 Validity period of the scheme.
- 5 Date of notice of AGM/EGM for approving the scheme/for amending the scheme/for approving grants under regulation 6(3) of the SEBI (Share Based Employee Benefits) Regulations, 2014.
- 6 Date of AGM/EGM approving the scheme amending the scheme/approving grants under regulation 6(3) of the SEBI (Share Based Employee Benefits) Regulations, 2014.
- 7 Kind of benefit granted under the scheme.
- 8 Identity of classes of persons eligible under the scheme:
 - a. Permanent employees
 - b. Permanent employees outside India
 - c. Permanent employees of subsidiary
 - d. Permanent employees of holding company
 - e. Permanent employees of associate company



From the Government

- f. Whole-time directors
- 9 Total number of shares reserved under the scheme, as applicable.
- 10 Number of shares entitled under the grant.
- 11 Total number of grants to be made.
- 12 Maximum number of shares, options, SARs or benefits to be granted per employee per grant and in aggregate.
- 13 Exercise price or pricing formula.
- 14 Whether any amount payable at the time of grant? If so, quantum of such amount.
- 15 Lock-in period under the scheme.
- 16 Vesting period under the scheme.
- 17 Maximum period within which the grant shall be vested.
- 18 Exercise period under the scheme.
- 19 Whether employee can exercise all the options or SARs vested at one time? Yes/No
- 20 Whether employee can exercise vested options or SARs at various points of time within the exercise period? Yes/No
- 21 Whether scheme provides for the procedure for making a fair and reasonable adjustment to the number of options or SARs and to the exercise price in case of rights issues, bonus issues and other corporate actions? Clause in scheme describing such adjustment.
- 22 Description of the appraisal process for determining the eligibility of employees under the scheme.
- 23 The specified time period within which vested options or SARs are to be exercised in the event of termination or resignation of an employee.
- 24 The specified time period within which options or SARs to be exercised in the event of death of the employee.
- 25 Whether scheme provides for conditions under which options, SARs, or benefits vested in employees may lapse in case of termination of employment for misconduct? Clause in Scheme describing such adjustment.
- 26 Whether scheme provides for conditions for the grant, vesting and exercise of options, SARs or benefits in case of employees who are on long leave? Clause in scheme describing such adjustment.
- 27 Whether amount paid/payable by the employee at the time of the grant of the options, SARs or benefits will be forfeited if the employee does not exercise the same within the exercise period? Clause in scheme describing such adjustment.
- 28 Details of approval of shareholders pursuant to regulation 6(3) of the SEBI (Share Based Employee Benefits) Regulations, 2014 with respect to:
- Grant to employees of subsidiary or holding or associate company.
 - Grant to identified employees, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.
- 29 Details of the variation made to the scheme along with the rationale therefor and the details of the employees who are beneficiary of such variation:
- Sd/-
Company Secretary
Place:
Date:
Documents to be filed with registration statement
- Copy of scheme, certified by the Company Secretary.
 - Copy of notice of AGM/EGM approving the scheme/for amending the scheme/for approving grants under regulation 6(3) of the SEBI (Share Based Employee Benefits) Regulations, 2014, certified by the Company Secretary.
 - Copy of resolution of shareholders for approving the scheme/for amending the scheme/for approving grants under regulation 6(3) of the SEBI (Share Based Employee Benefits) Regulations, 2014, certified by the Company Secretary.
 - List of Promoters as defined under the SEBI (Share Based Employee Benefits) Regulations, 2014.
 - Copy of latest Annual Report.
 - Certificate of Auditor on compliance with of the SEBI (Share Based Employee Benefits) Regulations, 2014.
 - Specimen copy of share certificate.
 - Any other relevant documents.

Undertakings

The undersigned company hereby undertakes:

- To file, a post-effective amendment to this statement to include any material information with respect to the scheme of distribution not previously disclosed in the statement or any material change to such information in the statement.
- To notify, the concerned stock exchanges on which the shares of the company are listed, of each issue of shares pursuant to the exercise of options or SARs under the scheme mentioned in this statement, in the prescribed form, as amended from time



- to time.
- 3 That the company shall conform to the accounting policies specified in regulation 15 of the SEBI (Share Based Employee Benefits) Regulations, 2014.
 - 4 That the scheme conforms to the SEBI (Share Based Employee Benefits) Regulations, 2014.
 - 5 That the company has in place systems / codes / procedures to comply with the SEBI (Prohibition of Insider Trading) Regulations, 1992 or any modification or re- enactment thereto.

Signatures

1. Pursuant to the requirements of the SEBI Act / Regulations, the company certifies that it has reasonable grounds to believe that it meets all the requirements for the filing of this form and has duly caused this statement to be signed on its behalf by the undersigned, thereunto, duly authorized.

Name of the company

Sd/
Name of the Compliance Officer
Designation

Date:
Place:

2. Certification by Registered Merchant Banker, pursuant to regulation 12(6) of the SEBI (Share Based Employee Benefits) Regulations, 2014:

"Certified that the scheme conforms to the SEBI (Share Based Employee Benefits) Regulations, 2014."

Date: Authorised Signatory
Place: Name of the Merchant Banker

Regulation 10(c) - Format of notification for issue of shares

1. Company name and address of Registered Office :
2. Name of the Stock Exchanges on which the company's shares are listed :
3. Filing date of the statement referred in regulation 10(b) of the SEBI (Share Based Employee Benefits) Regulations, 2014 with Stock Exchange:
4. Filing Number, if any :
5. Title of the Scheme pursuant to which shares are issued, if any:
6. Kind of security to be listed :
7. Par value of the shares :
8. Date of issue of shares :
9. Number of shares issued :
10. Share Certificate No., if applicable :

11. Distinctive number of the share, if applicable :
12. ISIN Number of the shares if issued in Demat:
13. Exercise price per share:
14. Premium per share :
15. Total Issued shares after this issue :
16. Total Issued share capital after this issue :
17. Details of any lock-in on the shares :
18. Date of expiry of lock-in :
19. Whether shares identical in all respects to existing shares if not, when will they become identical? :
20. Details of listing fees, if payable :

Signature of Company Secretary/Compliance Officer

Date:
Place:

Regulation 14 - Disclosures by the board of directors

The board of directors in their report shall disclose any material change in the scheme(s) and whether the scheme(s) is / are in compliance with the regulations.

Further, the following details, inter alia, shall be disclosed on the company's website and a web-link thereto shall be provided in the report of board of directors.

- A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time.
- B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time.

C. Details related to ESOS

- (i) A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including -
 - (a) Date of shareholders' approval
 - (b) Total number of options approved under ESOS
 - (c) Vesting requirements
 - (d) Exercise price or pricing formula
 - (e) Maximum term of options granted
 - (f) Source of shares (primary, secondary or combination)
 - (g) Variation in terms of options
- (ii) Method used to account for ESOS - Intrinsic or fair value.
- (iii) Where the company opts for expensing of the options using the intrinsic value of the options, the difference



between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.

(iv) Option movement during the year (For each ESOS):

Particulars	Details
Number of options outstanding at the beginning of the period	
Number of options granted during the year	
Number of options forfeited / lapsed during the year	
Number of options vested during the year	
Number of options exercised during the year	
Number of shares arising as a result of exercise of options	
Money realized by exercise of options (INR), if scheme is implemented directly by the company	
Loan repaid by the Trust during the year from exercise price received	
Number of options outstanding at the end of the year	
Number of options exercisable at the end of the year	

(v) Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.

(vi) Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to -

- senior managerial personnel;
- any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and
- identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.

(vii) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

- the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;
- the method used and the assumptions made to incorporate the effects of expected early exercise;
- how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and
- whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.

Disclosures in respect of grants made in three years prior to IPO under each ESOS

- Until all options granted in the three years prior to the IPO have been exercised or have lapsed, disclosures of the information specified above in respect of such options shall also be made.

D. Details related to ESPS

(i) The following details on each ESPS under which allotments were made during the year:

- Date of shareholders' approval
- Number of shares issued
- The price at which such shares are issued
- Lock-in period

(ii) The following details regarding allotment made under each ESPS, as at the end of the year:

Particulars	Details
The details of the number of shares issued under ESPS	
The price at which such shares are issued	
Employee-wise details of the shares issued to;	
(i) senior managerial personnel;	
(ii) any other employee who is issued shares in any one year amounting to 5% or more shares issued during that year;	
(iii) identified employees who were issued shares during any one year equal to or exceeding 1% of the issued capital of the company at the time of issuance;	
Consideration received against the issuance of shares, if scheme is implemented directly by the company	
Loan repaid by the Trust during the year from exercise price received	



E. Details related to SAR

- (i) A description of each SAR scheme that existed at any time during the year, including the general terms and conditions of each SAR scheme, including -
- Date of shareholders' approval
 - Total number of shares approved under the SAR scheme
 - Vesting requirements
 - SAR price or pricing formula
 - Maximum term of SAR granted
 - Method of settlement (whether in cash or equity)
 - Choice of settlement (with the company or the employee or combination)
 - Source of shares (primary, secondary or combination)
 - Variation in terms of scheme
 - Method used to account for SAR - Intrinsic or fair value.
 - Where the company opts for expensing of SAR using the intrinsic value of SAR, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of SAR, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.
 - SAR movement during the year (For each SAR scheme):

Particulars	Details
Number of SARs outstanding at the beginning of the year	
Number of SARs granted during the year	
Number of SARs forfeited / lapsed during the year	
Number of SARs vested during the year	
Number of SARs exercised / settled during the year	
Number of SARs outstanding at the end of the year	
Number of SARs exercisable at the end of the year	

- (v) Employee-wise details (name of employee, designation, number of SAR granted during the year, exercise price) of SAR granted to -
- senior managerial personnel;
 - any other employee who receives a grant in any one year of amounting to 5% or more of SAR granted during that year; and

- (c) identified employees who were granted SAR, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.

Disclosures in respect of grants made in three years prior to IPO under each SAR scheme

- (i) Until all SARs granted in the three years prior to the IPO have been exercised or have lapsed, disclosures of the information specified above in respect of such SARs shall also be made

F. Details related to GEBS / RBS

- (i) A description of each GEBS / RBS scheme that existed at any time during the year, including the general terms and conditions of each such scheme, including -
- Date of shareholders' approval
 - Kind of benefits to be granted under the scheme
 - Beneficiaries of the scheme
 - Total assets of the scheme
 - Quantum of holding in own shares / listed holding company shares (both absolute and in percentage)
 - Whether scheme is in compliance of regulation 26(2) / 27(3) of the regulations, as applicable
 - Variation in terms of scheme

G. Details related to Trust

The following details, inter alia, in connection with transactions made by the Trust meant for the purpose of administering the schemes under the regulations are to be disclosed:

- (i) General information on all schemes

Sl. No.	Particulars	Details
1	Name of the Trust	
2	Details of the Trustee(s)	
3	Amount of loan disbursed by company / any company in the group, during the year	
4	Amount of loan outstanding (repayable to company / any company in the group) as at the end of the year	
5	Amount of loan, if any, taken from any other source for which company / any company in the group has provided any security or guarantee	
6	Any other contribution made to the Trust during the year	



- (ii) Brief details of transactions in shares by the Trust
 - (a) Number of shares held at the beginning of the year;
 - (b) Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share;
 - (c) Number of shares transferred to the employees / sold along with the purpose thereof;
 - (d) Number of shares held at the end of the year.
- (iii) In case of secondary acquisition of shares by the Trust

Number of shares	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained
Held at the beginning of the year	
Acquired during the year	
Sold during the year	
Transferred to the employees during the year	
Held at the end of the year	

Regulations 16(2) and 23(3) - Disclosure Document

Part A: Statement of Risks

All investments in shares, options or SARs are subject to risk as the value of shares may go down or go up. In addition, the options / SARs are subject to the following additional risks:

1. Concentration: The risk arising out of any fall in value of shares is aggravated if the employee's holding is concentrated in the shares of a single company.
2. Leverage: Any change in the value of the share can lead to a significantly larger change in the value of the options / SARs.
3. liquidity: The options / SARs cannot be transferred to anybody, and therefore the employees cannot mitigate their risks by selling the whole or part of their benefits before they are exercised.
4. Vesting: The options / SARs will lapse if the employment is terminated prior to vesting. Even after the options / SARs are vested, the unexercised options / SARs may be forfeited if the

employee is terminated for gross misconduct.

Part B: Information about the company

- 1 Business of the company: A description of the main objects and present business of the company.
- 2 Abridged financial information: Abridged financial information, for the last five years for which audited financial information is available, as prescribed under clause (b)(i) of Section 26(1) of the Companies Act, 2013 as amended or re- enacted from time to time. The last audited accounts of the company shall also be provided unless this has already been provided to the employee in connection with a previous option or SAR grant or otherwise.
- 3 Risk Factors: Management perception of the risk factors for the company (i.e., sensitivity to foreign exchange rate fluctuations, difficulty in availability of raw materials or in marketing of products, cost/time overrun etc.).
- 4 Continuing disclosure requirement: The option or SAR grantee shall be provided copies of all documents that are sent to the members of the company. This shall include the annual accounts of the company as well as notices of meetings and the accompanying explanatory statements.

Part C: Salient Features of the Scheme

This Part shall contain the salient features of the scheme of the company including the conditions regarding vesting, exercise, adjustment for corporate actions, and forfeiture of vested options / SARs as the case may be. It shall not be necessary to include this Part if it has already been provided to the employee in connection with a previous grant, and no changes have taken place in the scheme since then. If the scheme administrator (whether the company itself or an outside securities firm appointed for this purpose) provides advisory services to the grantees in connection with the exercise of options or SAR, as the case may be, or sale of resulting shares, such advice must be accompanied by an appropriate disclosure of concentration and other risks. The scheme administrator shall conform to the code of conduct appropriate for such fiduciary relationships.

09

Exchange Traded Cash Settled Interest Rate Futures (IRF) on 6 year, 10 year and 13 year Government of India (GoI) Security

[Issued by the Securities and Exchange Board of India vide CIRCULAR CIR/MRD/DRMNP/11/2015, dated 12.06.2015.]

1. SEBI vide circular CIR/MRD DRMNP/35/2013 dated December 05, 2013 permitted Stock Exchanges to launch cash settled



Interest Rate Futures on 10- Year Government of India (Gol) Security.

Deputy General Manager

2. In consultation with RBI, after taking into account feedback from market participants and Stock Exchanges, it has been decided to permit stock exchanges to introduce cash settled Interest Rate Futures on 6-Year and 13 year Gol Security.
3. The product specifications, position limits and risk management framework for both IRF products are given in Annexure 1.
4. Before the launch of the product/s, the Stock Exchange/ Clearing Corporation shall submit proposal to SEBI for approval giving the details of contract specifications, risk management framework, the safeguards and the risk protection mechanisms, the surveillance systems etc.
5. 10-Year Cash Settled IRF: SEBI vide circular CIR/MRD/DRMNP/35/2013 dated December 05, 2013 while stipulating norms for cash settled 10-year IRF, inter alia, prescribed underlying bonds' maturity criteria, position limits and maximum tenure for cash settled 10-year IRF.

The residual maturity of the underlying bonds as prescribed in the said circular stands modified (i.e. Para 1 of the Annexure 1) to 'between 8 years and 11 years' for both option A and B.

The position limits as prescribed in the said circular also stand modified as mentioned in Para '13(a - e)' of the Annexure 1 of this circular (i.e. Para '13(a -e)' of Annexure 1 of SEBI circular dated December 05, 2013 is replaced by Para '13(a - e)' of Annexure 1 of this circular).

In the said circular, for cash settled 10-year IRF, maximum three serial monthly contracts were permitted. In this regard, Stock Exchanges are now permitted to introduce three quarterly contracts of March/ June/ September/ December cycle in addition to three serial monthly contracts.

6. SEBI vide circular CIR/MRD DRMNP/2/2014 dated January 20, 2014 prescribed monitoring mechanism for IRF positions of Foreign Portfolio Investors (FPIs). The mechanism specified in the said circular shall also be applicable on cash settled Interest Rate Futures on 6-Year and 13 year Gol Security.
7. This circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act 1992, read with Section 10 of the Securities Contracts (Regulation) Act, 1956 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
8. This circular is available on SEBI website at www.sebi.gov.in, under the category "Circulars".

Maninder Cheema

Annexure 1: Cash Settled interest rate futures on 6 year and 13 year Gol security

1. Underlying

- a) 6 years: Exchanges are permitted to launch contracts on either one or both of the following options

Option A: Gol security of face value INR 100 with semi-annual coupon and residual maturity between 4 years and 8 years on the day of expiry of IRF contract, as decided by stock exchanges in consultation with FIMMDA.

Option B: Notional coupon bearing 6-year Gol security with a notional coupon paid semi-annually and face value of INR 100. For each contract, there shall be basket of Government of India Securities, with residual maturity between 4 years and 8 years on the day of expiry of IRF contract, with appropriate weight assigned to each security in the basket. Exchanges shall determine criteria for including securities in the basket and determining their weights such as trading volumes in cash market, minimum outstanding etc.

Exchanges shall disclose the criteria for selection of the underlying bond/s in both options of cash settled Interest Rate Futures on 6 -Year Government of India security.

- b) 13 years: Exchanges are permitted to launch contracts on either one or both of the following options

Option A: Gol security of face value INR 100 with semi-annual coupon and residual maturity between 11 years and 15 years on the day of expiry of IRF contract, as decided by stock exchanges in consultation with FIMMDA.

Option B: Notional coupon bearing 13-year Gol security with a notional coupon paid semi-annually and face value of INR 100. For each contract, there shall be basket of Government of India Securities, with residual maturity between 11 years and 15 years on the day of expiry of IRF contract, with appropriate weight assigned to each security in the basket. Exchanges shall determine criteria for including securities in the basket and determining their weights such as trading volumes in cash market, minimum outstanding etc.

Exchanges shall disclose the criteria for selection of the underlying bond/s in both options of cash settled Interest Rate Futures on 13 -Year Government of India security.

2. Coupon

Option A: Coupon shall be same as that of the underlying bond.

Option B: To be decided by the exchange to reflect the interest rate environment during the launch of the contract.



3. Trading Hours

9 a.m. to 5.00 p.m. on all working days from Monday to Friday. Exchanges shall align the trading hours of IRF with that of underlying market in case of change of trading hours of underlying NDS-OM platform.

4. Size of the Contract

Each futures contract shall represent 2,000 underlying bonds of total face value of INR 2,00,000/-.

5. Quotation

The Quotation shall be similar to the quoted price of the Government of India security.

6. Tenure of the Contracts

Three serial monthly contracts followed by maximum three additional quarterly contracts of March/June/September/December cycle may be made available by Stock Exchanges.

7. Contract Value

The contract value shall be = Quoted price * 2000

8. Daily Contract Settlement Value

The Daily Contract Settlement Value shall be = $P_w * 2000$ (Here P_w is volume weighted average futures price of last half an hour).

In the absence of last half an hour trading, theoretical futures price shall be considered for computation of Daily Contract Settlement Value. For computing theoretical futures price, following shall be considered:-

- Volume weighted average price of underlying bond in last two hours of trading on NDS-OM
- If no trades are executed in the underlying bond then, a theoretical price with reference to FIMMDA rates shall be used.

Exchanges shall be required to disclose the model/ methodology used for arriving at the theoretical price.

9. Expiry/Last trading day

The expiry / last trading day for the contract shall be the last Thursday of the expiry month. If any expiry day is a trading holiday, then the expiry/ last trading day shall be the previous trading day.

10. Settlement Day

Settlement day shall be the next working day of the Expiry day.

11. Settlement Mechanism

Settlement shall happen in cash in INR.

12. Final Contract Settlement Value

The Final Contract Settlement Value shall be = $2000 * P_f$

where P_f is the final settlement price of the Underlying/Notional

bond, which shall be determined as given below.

Option A:

P_f will be arrived at by calculating the volume weighted average price of the underlying bond based on the prices during the last two hours of the trading on NDS-OM. If less than 5 trades are executed in the underlying bond during the last two hours of trading, then FIMMDA price shall be used for final settlement.

Option B:

The final settlement price shall be based on average settlement yield (Y_s) which shall be the weighted average of the yields of bonds in the underlying basket, where weights will be the assigned weight of the bonds in the underlying basket. Y_s will be rounded off to 4 decimal digits. For each bond in the basket, yield shall be calculated by determining weighted average yield of the bond based on last two hours of the trading in NDS-OM system. If less than 5 trades are executed in the bond during the last two hours of trading, then FIMMDA price shall be used for determining the yields of individual bonds in the basket.

$$P_f = \left[\frac{100}{\left(1 + \frac{Y_s}{2}\right)^{2n}} \right] + \left[\sum_{k=1}^{2n} \frac{100 * \frac{C}{2}}{\left(1 + \frac{Y_s}{2}\right)^k} \right]$$

where,

Y_s : Average Settlement yield

C The notional coupon of underlying bond

$n = 6$ (for 6 year IRF); 13 (for 13 year IRF)

13. Position Limits

Following position limits shall be applicable for IRF contracts:

- Client/ Category III FPI/ Scheme of Mutual Fund Level

The gross open positions across all contracts within the respective maturity bucket shall not exceed 3% of the total open interest in the respective maturity bucket or INR 200 crore, whichever is higher.

- Trading Member/ Category I & II FPI/ Mutual Fund/ Insurance Companies /Housing Finance Companies/ Pension Funds Level

The gross open positions across all contracts within the respective maturity bucket shall not exceed 10% of the total open interest in the respective maturity bucket or INR 600 crore, whichever is higher.

- Additional restriction for FPIs: The total gross short (sold) position of each FPI in IRF shall not exceed its long position in the government securities and in Interest Rate Futures, at any point in time. The total gross long (bought) position in cash and IRF markets taken together for all FPIs shall



not exceed the aggregate permissible limit for investment in government securities for FPIs.

FPIs shall ensure compliance with the above limits. Stringent action shall be taken against FPI in case of violation of the limits.

d) Clearing Member Level

No separate position limit is prescribed at the level of clearing member. However, the clearing member shall ensure that his own trading position and the positions of each trading member clearing through him is within the limits specified above.

e) Exchange Level Overall Position Limit

At any Exchange overall open interest on IRF contracts on each underlying shall not exceed 25% of the outstanding of underlying bond.

14. Price Bands

For every IRF contract, Stock Exchanges shall set an initial price band at 3% of the previous closing price thus preventing acceptance of orders for execution that are placed beyond the

set band. Whenever a trade in any contract is executed at the highest/lowest price of the band, stock exchanges may expand the price band for that contract by 0.5% in that direction after 30 minutes after taking into account market trend. However, not more than 2 expansions in the price band shall be allowed within a day.

Further, SEBI in consultation with RBI may halt the trading in case of extreme volatility in the IRF market.

15. Risk Management Framework

Clearing Corporations shall determine appropriate risk management framework for the product and submit the same to SEBI for approval.

The Initial Margin requirement shall be based on a worst case loss of a portfolio of an individual client across various scenarios of price changes. The various scenarios of price changes would be so computed so as to cover a 99% VaR over a one day horizon. Further Extreme Loss margins and calendar spread margins shall also be prescribed by clearing corporations. Margins shall be deducted from the liquid assets of the clearing member on an on line, real time basis.

CONVOCAATION -2015

Convocation to award certificate of membership of the Institute to the members admitted during the period from 1st October, 2014 to 31st March 2015, were held in Western and Southern Regions recently as per the details given below:-

Region	Date	Venue	Chief Guest & Guest of Honour	Number of members received Certificates of Membership at the function
Western	3rd July 2015	The Bombay Stock Exchange Limited, International Convention Hall, 1st Floor, P.J. Towers, Dalal Street, Mumbai – 420001	Chief Guest Shri Ashish Kumar Chauhan, MD &CEO BSE Ltd. Guest of Honour Dr.VasudhaKamat, Vice Chancellor, SNTD Women University	371
Southern	11th July 2015	Dwaraka Auditorium, Lions Edifice Hall, D G Vaishnav College, GokulBagh, No.833, EVR Periyar High Road, Arumbakkam, Chennai -600 106	Chief Guest Hon'ble Justice Thiru V Ramasubramanian, Madras High Court	134

Meritorious students also received awards during the function.



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Institute News

Members Admitted

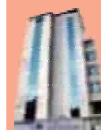
S. No.	Name	Membership No.	Region
FELLOWS*			
1	MR. PAWAN DUBEY	FCS - 8101	NIRC
2	SH. JAYARAM UMESH POOJARI	FCS - 8102	WIRC
3	MRS. SNEHAL AMOL PHIRANGE	FCS - 8103	WIRC
4	MS. ILA JAYSHUKLAL JOSHI	FCS - 8104	WIRC
5	MS. S RATHNA PRABHA	FCS - 8105	SIRC
6	MS. SEEMA BOTHRA	FCS - 8106	EIRC
7	MS. PINKUSH BHOLANATH JAISWAL	FCS - 8107	WIRC
8	SH. GNANENDRA KUMAR G	FCS - 8108	SIRC
9	MRS. PRAGATI KAKANI	FCS - 8109	WIRC
10	MRS. PAYAL KATARIA	FCS - 8110	NIRC
11	SH. NASEEM AHMED	FCS - 8111	NIRC
12	MR. NARESH PATANGI	FCS - 8112	EIRC
13	MS. SHOBHNA BAJAJ	FCS - 8113	NIRC
14	SH. GIRISH M NADKARNI	FCS - 8114	WIRC
15	SH. ANURAG KUMAR SAXENA	FCS - 8115	WIRC
16	MR. ALOK RAVI KHEMUKA	FCS - 8116	WIRC
17	SH. MANISH TULLY	FCS - 8117	NIRC
18	SH. ABHISHEK CHAWLA	FCS - 8118	NIRC
19	MRS. RITU KATHURIA	FCS - 8119	NIRC
20	MRS. ITI MATTA	FCS - 8120	NIRC
21	SH. BALAJI G	FCS - 8121	SIRC
22	SH. RAJEEV BABEL	FCS - 8122	NIRC
23	MS. NEHA JAIN	FCS - 8123	NIRC
24	SH. DEEPAK GARG	FCS - 8124	NIRC
25	SH. VINOD KUMAR SARAF	FCS - 8125	SIRC
26	MS. HIRAL NAVNEETBHAI ADATIYA	FCS - 8126	WIRC
27	MS PAVITRA VYAS	FCS - 8127	SIRC
28	MS. DISHA DUGAR	FCS - 8128	EIRC
29	SH. UNNIKRIISHNAN VENUGOPALAN	FCS - 8129	SIRC
30	SH. SREEKUMAR P.S.	FCS - 8130	SIRC
31	SH. RAMA KRUSHNA DAS	FCS - 8131	EIRC
32	SH. ANURAG GEETE	FCS - 8132	WIRC
33	MS. REKHA GUPTA	FCS - 8133	NIRC
34	DR. LALIT MOHAN SHARMA	FCS - 8134	WIRC
35	SH. AMOL VYAS	FCS - 8135	NIRC
36	SH. NITYA NAND SINGH	FCS - 8136	NIRC
37	MRS. SMITA CHIRIMAR	FCS - 8137	SIRC
38	SH. KUNNAL MALHOTRA	FCS - 8138	NIRC
39	MS. ANSHIKA MANOJ DUJA	FCS - 8139	NIRC
40	SH. NISHANT AGARWAL	FCS - 8140	NIRC

41	DR. ANAND RAO KORADA	FCS - 8141	EIRC
42	SH. SHIRISH J MANIAR	FCS - 8142	NIRC
43	SH. ALPESH RAMESHCHANDRA GANDHI	FCS - 8143	WIRC
44	SH KAUSHAL AMETA	FCS - 8144	WIRC
45	SH. RAHUL DUBEY	FCS - 8145	WIRC
46	MS. SUCHITA GUPTA	FCS - 8146	WIRC
47	SH. MADHUKAR K APTE	FCS - 8147	WIRC
48	SH. BAJRANG LAL SHARMA	FCS - 8148	EIRC
49	SH. A S RAM KUMAR	FCS - 8149	SIRC
50	MS. SYSHA KUMAR	FCS - 8150	WIRC
51	SH. ASHISH KUMAR	FCS - 8151	SIRC
52	MS. LEKHA ASHOK	FCS - 8152	SIRC
53	SH. MUKESH KUMAR KARNA	FCS - 8153	NIRC
54	SH K JAYAN	FCS - 8154	SIRC
55	MRS. SAKSHI SETH	FCS - 8155	NIRC
56	MS. SONIA BADRILAL KAKANI	FCS - 8156	WIRC
57	MRS. SHANJITA JAIN	FCS - 8157	WIRC
58	SH. MANJAY KUMAR	FCS - 8158	EIRC
59	SH. SHAILESH BAHETI	FCS - 8159	SIRC
60	MRS. POOJA MAYANK JAIN	FCS - 8160	WIRC
61	MS. ROHINI VARMA K	FCS - 8161	SIRC
62	SH. YOGENDRA JAIN	FCS - 8162	EIRC
63	SH. C BALAJI	FCS - 8163	SIRC
64	SH. M PRAMESH JAIN	FCS - 8164	SIRC
65	SH. KARTIK AGRAWAL	FCS - 8165	NIRC
66	MS. LIZA SAHNI	FCS - 8166	NIRC
67	MRS. DEEPTI SUDHIR JOSHI	FCS - 8167	WIRC
68	SH. BALARAMAKRISHNA DESINA	FCS - 8168	SIRC
69	SH. ASHISH GUPTA	FCS - 8169	NIRC
70	SH. ANKURBHAI KAMLESHBHAI SHAH	FCS - 8170	WIRC

ASSOCIATES*

1	MR. GAURAV KUMAR	ACS - 40207	NIRC
2	MS. PREETI JAIN	ACS - 40208	NIRC
3	MS. SHALINI	ACS - 40209	NIRC
4	MS. SHILPI GUPTA	ACS - 40210	NIRC
5	MR. SHAILESH SHIVAPPA BIRADAR	ACS - 40211	SIRC
6	MR. HARDIKKUMAR MAHENDRABHAI PATEL	ACS - 40212	WIRC
7	MR. PRATIK SURESH BHANDARI	ACS - 40213	WIRC
8	MS. RUCHI SUNIL BHANDARI	ACS - 40214	WIRC
9	MR. CHINMAY AVINASH SAWARKAR	ACS - 40215	WIRC
10	MR. GAUTAM BHAGWANBHAI GOTI	ACS - 40216	WIRC
11	MR. ASHISH BANSAL	ACS - 40217	NIRC
12	MR. SANJAY KUMAR AGARWAL	ACS - 40218	EIRC
13	MR. R SURESHKUMAR	ACS - 40219	SIRC
14	MR. BIKASH SINGH	ACS - 40220	EIRC
15	MR. SANTOSH KUMAR	ACS - 40221	EIRC
16	MR. ABHISHEK DEY	ACS - 40222	EIRC
17	MR. AMIT KUMAR AGARWAL	ACS - 40223	EIRC
18	MR. DURGESH KUMAR JHA	ACS - 40224	EIRC
19	MS. APARNA SRIVASTAVA	ACS - 40225	NIRC
20	MR. VAIBHAV CHAUHAN	ACS - 40226	NIRC
21	MR. SIRISH JAIN	ACS - 40227	NIRC
22	MR. RAJVIRENDRA SINGH RAJPUROHIT	ACS - 40228	WIRC
23	MR. MANENDRA SINGH BISHT	ACS - 40229	NIRC
24	MS. NISHA GUPTA	ACS - 40230	NIRC
25	MS. PARUL CHANANA	ACS - 40231	NIRC

*Admitted during the period from 20.06.2015 to 19.07.2015.



26	MS. NIKITA MEGHRAJ LOHIYA	ACS - 40232	WIRC	82	MS. ERAM JAVED	ACS - 40288	EIRC
27	MR. ARPIT KUMAR GOYAL	ACS - 40233	NIRC	83	MR. VINOD KUMAR MATHUR	ACS - 40289	NIRC
28	MS. KASHISH GURNANI	ACS - 40234	NIRC	84	MR. SANDEEP KUMAR GUPTA	ACS - 40290	NIRC
29	MS. GEETIKA JAIN	ACS - 40235	NIRC	85	MR. SHAHID SAIFI	ACS - 40291	NIRC
30	MS. PRACHI MITTAL	ACS - 40236	NIRC	86	MR. MOHD SHAHID	ACS - 40292	NIRC
31	MS. RAJSHREE KAPOOR	ACS - 40237	NIRC	87	MR. NIKHIL KUMAR KALRA	ACS - 40293	NIRC
32	MS. ANUBHA BANSAL	ACS - 40238	NIRC	88	MS. SHALINI PANDEY	ACS - 40294	NIRC
33	MR. RAHUL GAUR	ACS - 40239	NIRC	89	MR. RAHUL RUSTAGI	ACS - 40295	NIRC
34	MS. ANKITA GOEL	ACS - 40240	NIRC	90	MS. SHRAYA JAISWAL	ACS - 40296	NIRC
35	MR. MOHD MUMTAZ	ACS - 40241	NIRC	91	MS. HEENA MADAN	ACS - 40297	NIRC
36	MR. SANDEEP SHARMA	ACS - 40242	NIRC	92	MS. CHARU	ACS - 40298	NIRC
37	MR. DEEPAK SHARMA	ACS - 40243	NIRC	93	MS. POOJA GUPTA	ACS - 40299	NIRC
38	MR. RAMA	ACS - 40244	NIRC	94	MR. NEEVRAT SHARMA	ACS - 40300	NIRC
39	MS. SARITA CHAURASIA	ACS - 40245	NIRC	95	MR. PAVAN KUMAR MISHRA	ACS - 40301	NIRC
40	MS. NIDHI CHAUHAN	ACS - 40246	NIRC	96	MR. VIKAS	ACS - 40302	NIRC
41	MS. MAYURI AGARWAL	ACS - 40247	NIRC	97	MS. MAMTA SURKALI	ACS - 40303	NIRC
42	MS. POOJA DAWRA	ACS - 40248	NIRC	98	MR. SANCHIT RALHAN	ACS - 40304	NIRC
43	MS. POOJA MEHRA	ACS - 40249	NIRC	99	MS. KIRTI	ACS - 40305	NIRC
44	MS. SUGANDHA SHARMA	ACS - 40250	NIRC	100	MS. YATI GUPTA	ACS - 40306	NIRC
45	MS. CHANCHAL KHANDAKA	ACS - 40251	NIRC	101	MS. PALLAVI SHARMA	ACS - 40307	NIRC
46	MS. ARPITA JAIN	ACS - 40252	NIRC	102	MS. ADITI GUPTA	ACS - 40308	NIRC
47	MS. KIRTI MAHESHWARI	ACS - 40253	NIRC	103	MR. VIKAS BANSAL	ACS - 40309	NIRC
48	MR. ARUN KUMAR V K	ACS - 40254	SIRC	104	MS. NEHA BATRA	ACS - 40310	NIRC
49	MS. SUHANI MISHRA	ACS - 40255	WIRC	105	MR. SIMARJEET SINGH	ACS - 40311	NIRC
50	MS. DELNA NOSHIR HARDA	ACS - 40256	WIRC	106	MR. RAVI SHANKAR	ACS - 40312	NIRC
51	MS. RAINA SATISH JOSHI	ACS - 40257	WIRC	107	MS. ATIKA AGARWAL	ACS - 40313	NIRC
52	MS. ARCHANA MARUTI THOPATE	ACS - 40258	WIRC	108	MS. DIVYA MATHUR	ACS - 40314	NIRC
53	MR. SAMADHAN H SHRIRAM	ACS - 40259	WIRC	109	MR. OM PRAKASH AGRAWAL	ACS - 40315	NIRC
54	MS. PRACHI JAIN	ACS - 40260	NIRC	110	MS. GEETANJALI SINGHANIA	ACS - 40316	NIRC
55	MS. CHAITALI VITTHAL SALGAONKAR	ACS - 40261	WIRC	111	MS. SURBHI GUPTA	ACS - 40317	NIRC
56	MS. MADHURI JANARDAN SONI	ACS - 40262	WIRC	112	MS. NEHA SINGHAL	ACS - 40318	NIRC
57	MR. BHALCHANDRA CHIDAMBAR JOSHI	ACS - 40263	WIRC	113	MR. ANUJ MAKOL	ACS - 40319	NIRC
58	MR. TANVEER TEJINDER SABLOK	ACS - 40264	WIRC	114	MS. KRUTI SUNIL PATEL	ACS - 40320	WIRC
59	MS. KOMAL BHAGWATIPRASAD CHOKHANI	ACS - 40265	WIRC	115	MR. MANDAR DIGAMBAR RANE	ACS - 40321	WIRC
60	MS. CHAITRALI ANIL SAWANT	ACS - 40266	WIRC	116	MS. RAKHOLIYA NIDHI GORDHANBHAI	ACS - 40322	WIRC
61	MR. ABHISHEK DEEPAK BUDDHADEV	ACS - 40267	WIRC	117	MS. HEENABEN DEVENDRABHAI PATEL	ACS - 40323	WIRC
62	MS. ANISHA CHANDRASHEKAR IYER	ACS - 40268	WIRC	118	MS. HETAL BHANSALI	ACS - 40324	WIRC
63	MS. ALKA JUGALKISHORE GATTANI	ACS - 40269	WIRC	119	MS. DIPSHIKA BAKULBHAI KHATRI	ACS - 40325	WIRC
64	MR. SURESH DEVJI PARMAR	ACS - 40270	WIRC	120	MS. SHAH ANKITA RAJESHBHAI	ACS - 40326	WIRC
65	MR. YASH NIPUN SHAH	ACS - 40271	WIRC	121	MS. RINKAL KANUBHAI VASOYA	ACS - 40327	WIRC
66	MS. NEHA BAHAL	ACS - 40272	NIRC	122	MR. SARVIK SINGHAI	ACS - 40328	WIRC
67	MR. PRATIK SUBHASHCHANDRA SHAH	ACS - 40273	WIRC	123	MR. ABHISHEK PRAKASHCHAND CHHAJED	ACS - 40329	WIRC
68	MR. RAJU SHRIDHAR KOTLAPURE	ACS - 40274	WIRC	124	MS. KIRTI GUPTA	ACS - 40330	NIRC
69	MS. SNEHA BAWRI	ACS - 40275	SIRC	125	MR. ANIL KUMAR SACHDEVA	ACS - 40331	NIRC
70	MS. RAJNI SHARMA	ACS - 40276	NIRC	126	MR. UMAKANT YALLAPPA KHATAVKAR	ACS - 40332	SIRC
71	MR. ABHISHEK VARSHNEY	ACS - 40277	NIRC	127	MR. RAHUL KUMAR TIWARI	ACS - 40333	NIRC
72	MR. SHASHANK PASHINE	ACS - 40278	NIRC	128	MS. SAANIA JOSHI	ACS - 40334	WIRC
73	MS. SANJEEVANI SHIVAJI REDEKAR	ACS - 40279	SIRC	129	MR. ASHISH SINGH	ACS - 40335	NIRC
74	MR. VASU DEV LOHIA	ACS - 40280	WIRC	130	MS. PRIYADARSHANI JAIN	ACS - 40336	NIRC
75	MS. APOORVI NARENDRA JASANI	ACS - 40281	WIRC	131	MR. YODHVEER SINGH RATHORE	ACS - 40337	NIRC
76	MR. PRATIK JAIN VINODKUMAR	ACS - 40282	WIRC	132	MR. AKSHAY VYAS	ACS - 40338	NIRC
77	MR. ANKIT JAYANT PAREKH	ACS - 40283	WIRC	133	MS. MONIKA GOYAL	ACS - 40339	NIRC
78	MS. PRIYANKA GUPTA	ACS - 40284	NIRC	134	MS. DEEPALI AGARWAL	ACS - 40340	NIRC
79	MS. NEHA GODHA	ACS - 40285	EIRC	135	MR. SINGANAMALLA SURENDRA KUMAR	ACS - 40341	SIRC
80	MS. PRIYANKA DAMANI	ACS - 40286	EIRC	136	MR. VISHAL BALASAHEB SHELKE	ACS - 40342	WIRC
81	MS. MAMTA SURANA	ACS - 40287	EIRC	137	MR. RALPH SAVIO FERNANDES	ACS - 40343	WIRC



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138	MS. GUNJAN CHAUHAN	ACS - 40344	WIRC	194	MR. AKASH SHARMA	ACS - 40399	NIRC
139	MR. AJAY JAIN	ACS - 40345	NIRC	195	MR. SACHIN SONI	ACS - 40400	WIRC
140	MR. AJAY JAIN	ACS - 40345	NIRC	196	MR. DALJEET SINGH SACHDEVA	ACS - 40401	NIRC
141	MR. RAHUL KUMAR JAIN	ACS - 40346	NIRC	197	MS. PRIYA	ACS - 40402	NIRC
142	MR. BRIJ KISHOR KIRADOO	ACS - 40347	NIRC	198	MS. AWANI BAJPAI	ACS - 40403	NIRC
143	MS. NANDITA SUCHANWALA	ACS - 40348	EIRC	199	MR. SHUBHANKAR SAHA	ACS - 40404	NIRC
144	MR. ALOK KUMAR MISHRA	ACS - 40349	EIRC	200	MR. SIDHARTH ARORA	ACS - 40405	NIRC
145	MS. AYUSHI GUPTA	ACS - 40350	EIRC	201	MS. MISHA DHAWAN	ACS - 40406	NIRC
146	MS. PRIYANKA AGARWAL	ACS - 40351	EIRC	202	MS. SURABHI KHANNA	ACS - 40407	NIRC
147	MS. APPURVA AGRAWAL	ACS - 40352	NIRC	203	MS. MANMEET SINGH	ACS - 40408	NIRC
148	MS. PRIYANKA AGARWAL	ACS - 40353	NIRC	204	MS. MUGDHA DASHORA	ACS - 40409	NIRC
149	MS. AANGANDEEP KUKREJA	ACS - 40354	NIRC	205	MS. DAXA RAKESH KUMAR AGARWAL	ACS - 40410	WIRC
150	MS. KAPILA TANWAR	ACS - 40355	NIRC	206	MS. AAYUSHA SANJAY KOLHE	ACS - 40411	WIRC
151	MR. AKASH JOSHI	ACS - 40356	NIRC	207	MS. MRUDULA MADHUKAR MARATHE	ACS - 40412	SIRC
152	MS. SNEHA GERA	ACS - 40357	NIRC	208	MR. VIRANI JAVEDABBAS SHABBIRALI	ACS - 40413	WIRC
153	MR. SHABEERALI P P	ACS - 40358	SIRC	209	MR. RAVINDRA RAM PARAS GUPTA	ACS - 40414	WIRC
154	MS. DRISHTI SHARMA	ACS - 40359	NIRC	210	MS. SONAL KISHORE DUDANI	ACS - 40415	SIRC
155	MS. KARISHMA SINGH	ACS - 40360	NIRC	211	MR. KUSHALRAJ KHIYALILAL SONIGDA	ACS - 40416	WIRC
156	MS. NAVYA PANDEY	ACS - 40361	NIRC	212	MR. ASHISH MANGUSINGH THAKUR	ACS - 40417	WIRC
157	MS. ADHISHA SHARMA	ACS - 40362	NIRC	213	MS. MUDRA SAMIRKUMAR RAWAL	ACS - 40418	WIRC
158	MS. JAGRITI DAVE	ACS - 40363	NIRC	214	MR. RAFEEQ MD	ACS - 40419	SIRC
159	MS. NEHA MONGA	ACS - 40364	NIRC	215	MS. USHA M	ACS - 40420	SIRC
160	MS. NAINA JHANWAR	ACS - 40365	NIRC	216	MR. SUNIL KUMAR	ACS - 40421	NIRC
161	MS. KANIKA VERMA	ACS - 40366	NIRC	217	MR. ANKUR JAIN	ACS - 40422	NIRC
162	MR. NIMAI VERMA	ACS - 40367	NIRC	218	MR. RAHUL RANJAN	ACS - 40423	EIRC
163	MS. SNEHA R JAIN	ACS - 40368	SIRC	219	MR. RAVI SHANKAR SHARMA	ACS - 40424	EIRC
164	MS. SONALI SURESH MALLYA	ACS - 40369	SIRC	220	MS. PRIYANKA JALAN	ACS - 40425	EIRC
165	MS. ANURADHA R	ACS - 40370	SIRC	221	MR. ANKIT CHAWLA	ACS - 40426	NIRC
166	MS. SAMPADA RAMAKRISHNA HEGDE	ACS - 40371	SIRC	222	MR. SUNNY GOEL	ACS - 40427	NIRC
167	MS. RAKSHITA SATHYA NARAYANA TATA	ACS - 40372	SIRC	223	MR. AMIT GULERIA	ACS - 40428	NIRC
168	MR. C PRASANNA VENKATESH	ACS - 40373	SIRC	224	MS. HIMANI SINGH	ACS - 40429	NIRC
169	MS. ARUNA KANNAN	ACS - 40374	SIRC	225	MS. UNNATI SUDHIR RAO	ACS - 40430	WIRC
170	MR. VIJAYENDRA GURURAJ PADAKI	ACS - 40375	WIRC	226	MR. ABHINAV JAIN	ACS - 40431	NIRC
171	MS. KRUTIKA MAHESHBHAI DAVE	ACS - 40376	WIRC	227	MR. SANGHVI SUKETU BHANURAY	ACS - 40432	WIRC
172	MS. PALAK PRAHLAD ASAWA	ACS - 40377	WIRC	228	MS. SURBHI GOEL	ACS - 40433	NIRC
173	MS. DINKAL BIPINCHANDRA SHAH	ACS - 40378	WIRC	229	MR. ARUN KOTIPALLI	ACS - 40434	SIRC
174	MR. RUNWAL NIKHIL PRAKASH	ACS - 40379	WIRC	230	MS. NIDHI DHARAM SHARMA	ACS - 40435	WIRC
175	MS. APOORVA DWIVEDI	ACS - 40380	NIRC	231	MR. PRASHANT MANOHAR MAKHIJA	ACS - 40436	WIRC
176	MS. DHARA DILIPKUMAR SHAH	ACS - 40381	WIRC	232	MS. LUCINDA EDMUND DSOUZA	ACS - 40437	WIRC
177	MS. PURVA GOPAL AGRAWAL	ACS - 40382	WIRC	233	MS. RACHANA ROHIT GUPTA	ACS - 40438	WIRC
178	MS. SHIKHA YOGESH DAMANIA	ACS - 40383	WIRC	234	MR. RAJEEV VINAY VARMA	ACS - 40439	SIRC
179	MS. KARISHMA NADIR KHETANI	ACS - 40384	WIRC	235	MR. K SURESH	ACS - 40440	SIRC
180	MS. SARRAH SAIFFUDDIN SUNELWALA	ACS - 40385	WIRC	236	MR. PARIMAL VASANTRAO JADHAV	ACS - 40441	WIRC
181	MR. SHASHANK CHINTAMAN GHASIAS	ACS - 40386	WIRC	237	MR. AMIT KUMAR PANDEY	ACS - 40442	NIRC
182	MS. RESHMI HARISH MENON	ACS - 40387	WIRC	238	MR. VIVEK RANJAN	ACS - 40443	WIRC
183	MS. SHUBHA	ACS - 40388	EIRC	239	MR. KRISHNA KUPPACHI	ACS - 40444	SIRC
184	MS. AMARDEEP KAUR	ACS - 40389	NIRC	240	MR. SANDIP RAI	ACS - 40445	NIRC
185	MS. BHAWNA	ACS - 40390	NIRC	241	MS. SWATI BAJAJ	ACS - 40446	EIRC
186	MS. ADITI SINGH	ACS - 40391	NIRC	242	MS. SHIKHA KUMARI	ACS - 40447	EIRC
187	MR. SRIRAM VENKATRAMAN	ACS - 40392	SIRC	243	MS. KANAK SHARMA	ACS - 40448	EIRC
188	MS. SONIA RAKESH THAKUR	ACS - 40393	WIRC	244	MS. NISHA KEJRIWAL	ACS - 40449	EIRC
189	MR. AAYUSH KAMLESHBHAI SHAH	ACS - 40394	WIRC	245	MS. SUPRITI DAS	ACS - 40450	EIRC
190	MS. SWATI RAMAVTAR SUREKA	ACS - 40395	WIRC	246	MR. MANI DIVYAM	ACS - 40451	EIRC
191	MR. ARUNANGSHU BHATTACHARJEE	ACS - 40396	EIRC	247	MR. ASHISH GUPTA	ACS - 40452	EIRC
192	MS. POOJA GUPTA	ACS - 40397	EIRC	248	MS. SWATI GUPTA	ACS - 40453	NIRC
193	MS. RICHA BHUWALKA	ACS - 40398	EIRC	249	MR. GAURAV TYAGI	ACS - 40454	NIRC



250	MS. MANISHA PAREEK	ACS - 40455	NIRC
251	MS. NISHA SATYANI	ACS - 40456	NIRC
252	MS. SARBANI MOITRA	ACS - 40457	EIRC
253	MR. ARJUN TANEJA	ACS - 40458	NIRC
254	MS. SURBHI MAHAJAN	ACS - 40459	NIRC
255	MS. MEGHA	ACS - 40460	NIRC
256	MS. PRIYANKA	ACS - 40461	NIRC
257	MR. DILIP MALUKA	ACS - 40462	NIRC
258	MS. POONAM VERMA	ACS - 40463	NIRC
259	MR. CHETAN PAREEK	ACS - 40464	NIRC
260	MS. NISHA SETHI	ACS - 40465	NIRC
261	MS. AASHI LALL	ACS - 40466	NIRC
262	MS. FALGUNI ARORA	ACS - 40467	NIRC
263	MS. RIPPLE NAGPAL	ACS - 40468	NIRC
264	MS. HIMANI MANRAL	ACS - 40469	NIRC
265	MS. KOMAL JAIN	ACS - 40470	NIRC
266	MS. ARTI AGAL	ACS - 40471	NIRC
267	MS. PALANISAMY SATHYA	ACS - 40472	SIRC
268	MS. AISHWARYA RAMESH	ACS - 40473	SIRC
269	MR. SRINIVASA K R	ACS - 40474	SIRC
270	MR. VIJAY P C	ACS - 40475	SIRC
271	MS. VIDYA MAHADEV SULADALI	ACS - 40476	SIRC
272	MS. RADHIKA SRINIVAS KABRA	ACS - 40477	SIRC
273	MS. TULIKA N	ACS - 40478	SIRC
274	MR. AJAY KUMAR SHARMA	ACS - 40479	SIRC
275	MS. VIJAYALAKSHMI V PATIL	ACS - 40480	SIRC
276	MR. ANAND S	ACS - 40481	SIRC
277	MS. SWAPNALI MURLIDHAR MUNGEKAR	ACS - 40482	WIRC
278	MS. JEROME PRIYANKA MOTICHAND	ACS - 40483	WIRC
279	MS. NADIA FIROZ DAREIDIA	ACS - 40484	WIRC
280	MR. ANAND SUBROTO MUKHERJEE	ACS - 40485	WIRC
281	MS. PIYALI P DAS	ACS - 40486	WIRC
282	MR. BHAVYA YOGESH GALA	ACS - 40487	WIRC
283	MR. SIDDHANT SINGH	ACS - 40488	WIRC
284	MR. C S SATHYAN	ACS - 40489	SIRC
285	MR. KANNAPIRAN R	ACS - 40490	SIRC
286	MR. VHANNURE SACHIN RAJARAM	ACS - 40491	WIRC
287	MR. DEVARSHI PRAKASHBHAI DAVE	ACS - 40492	WIRC
288	MS. ANISHA OMPRAKASH SHARMA	ACS - 40493	WIRC
289	MS. KOMAL DINESH KUMAR RATHOD	ACS - 40494	WIRC
290	MS. CHANDANI SATISHKUMAR ZAVERI	ACS - 40495	WIRC
291	MS. RUCHI BHARATKUMAR SHAH	ACS - 40496	WIRC
292	MS. ANKITA CHHAJED HEMANT	ACS - 40497	WIRC
293	MR. ABHISHEK NITYANAND PAI	ACS - 40498	WIRC
294	MS. VADNERE PRIYANKABEN RAVINDRABHAI	ACS - 40499	WIRC
295	MR. ASHVIN BHAGAVANBHAI VARIYA	ACS - 40500	WIRC
296	MS. BANG SHRUTI GIRIRAJ	ACS - 40501	WIRC
297	MR. DHARAK ARVIND BHAI MEHTA	ACS - 40502	WIRC
298	MS. VIDHI KISHORE SHAH	ACS - 40503	WIRC
299	MR. BHAVESHKUMAR VITHTLABHAI KOLADIYA	ACS - 40504	WIRC
300	MS. SHAH VISHAKHA CHANDRAKANTBHAI	ACS - 40505	WIRC
301	MS. VANITA PASHUPATINATH AGARWAL	ACS - 40506	WIRC
302	MR. AKHIL MAHENDRA LODHA	ACS - 40507	WIRC
303	MR. YASH GUPTA	ACS - 40508	WIRC
304	MR. GOPIMOHAN MURISHETTY	ACS - 40509	SIRC
305	MR. RAMEES U	ACS - 40510	SIRC

MEMBERS RESTORED*

Sl.No.	Name	ACS/FCS No.	Region
1	PINKESH KUMAR JAIN	ACS 19707	WIRC
2	ANUJA ATUL KUMAR SHAH	ACS 20510	WIRC
3	PRADNYA VIJAY MEHTA	ACS 17085	WIRC
4	GIRIDHAR KIRAN CHALLA	ACS 18046	SIRC
5	GLIRY PARAPPEN PAUL	ACS 30869	WIRC
6	NITIN MEHROTRA	ACS 23618	NIRC
7	GOVIND THAKUR	ACS 28666	NIRC
8	ATUL GUPTA	ACS 10145	NIRC
9	RUCHITA PAREEK	ACS 33813	NIRC
10	VIKRAM MANOHAR MUNJE	FCS 3647	WIRC

Certificate of Practice**

SL. No.	NAME	MEMB NO	COP NO.	REGION
1	MS. SHUBHANGI GARG	ACS - 23042	14761	NIRC
2	MS. HARSHADA PRADEEP RANE	ACS - 34268	14762	WIRC
3	MS. SOMATRI ROY	ACS - 39086	14763	EIRC
4	MS. RACHANA RAMJIBHAI PATEL	ACS - 39230	14764	WIRC
5	MS. SALONI DEEPAKBHAI SHAH	ACS - 34897	14765	WIRC
6	MS. NANCY GUPTA	ACS - 39529	14766	NIRC
7	MR. RAVINDRA VITHAL JAYADE	ACS - 33825	14767	WIRC
8	MR. PRAKASH SINGH	ACS - 39563	14768	NIRC
9	SH. ABHISHEK SHUKLA	ACS - 27253	14769	NIRC
10	SH. CHANDRADIP BHARATI	FCS - 7098	14770	NIRC
11	SH. RAJU CHANDRA PAL	ACS - 24927	14771	WIRC
12	MR. DEEPAK RAI	ACS - 39820	14772	NIRC
13	MR. VIVEK SHARMA	ACS - 38510	14773	NIRC
14	MR. S KARTHIK	ACS - 38516	14774	SIRC
15	MR. RAJEEV RANJAN	ACS - 32256	14775	EIRC
16	MR. SUDIST KUMAR THAKUR	ACS - 29936	14776	NIRC
17	MR. KUNAL ASHOKBHAI TRIVEDI	ACS - 39569	14777	WIRC
18	MR. VINAY SONI	ACS - 39138	14778	WIRC
19	MR. ANIRUDDHA J S	ACS - 37916	14779	SIRC
20	MS. ARTIBEN ASHOKBHAI AGRAWAL	ACS - 39391	14780	WIRC
21	MRS. RIDDIH AGRAWAL	ACS - 39617	14781	NIRC
22	MS. GAYATHRI U K	ACS - 39543	14782	SIRC
23	MR. PRIYANK TIWARI	ACS - 39812	14783	NIRC
24	MR. RAJDEEP VILAS MAKOTE	ACS - 39913	14784	WIRC
25	SH. Y LAXMINARASAPPA	FCS - 1357	14785	SIRC
26	SH. PRASAD ARVIND NADKARNI	ACS - 23173	14786	WIRC
27	MS. KAVITA RASIKLAL PANDYA	ACS - 22308	14787	WIRC
28	MR. AMAN AGGARWAL	ACS - 38938	14788	NIRC
29	MS. REEMA JINDAL	ACS - 32652	14789	SIRC
30	MR. DEEPESH VIKRAM KUMAR JAIN	ACS - 39996	14790	WIRC
31	MR. SAHIL MALHOTRA	ACS - 38204	14791	NIRC
32	MS. YAMINI BANKA	ACS - 38242	14792	NIRC
33	MRS. MEDHA BHARGAVA	ACS - 34507	14793	NIRC
34	MS. JINAL HARESH SHETH	ACS - 38565	14794	EIRC
35	SH. SUPRIYA KUMAR GUHA	FCS - 2625	14795	SIRC
36	MS. ANITHA CHRISTINA MIGAEL	ACS - 30946	14796	SIRC
37	SH. SANJIV KISHORCHANDRA ADHVARYUACS	6284	14797	WIRC

*Restored from 21.06.2015 to 30.06.2015.

**Issued during the month of June 2015





News From the Institute

38	MS. VAISHALI SURENDRA BHAT	ACS - 38812	14798	WIRC	94	MS. ANKITA GOYAL	ACS - 37852	14854	NIRC
39	MS. MADHURI JEEVAN ANKALKHOPE	ACS - 39906	14799	WIRC	95	SH. VIRAL VIJAYKUMAR SHAH	ACS - 25999	14855	NIRC
40	SH. PARVEEN AGARWAL	ACS - 17191	14800	WIRC	96	MS. SONAL OZA	ACS - 37874	14856	WIRC
41	MR. KHANDEKAR MANGESH ANIL	ACS - 37866	14801	WIRC	97	MR. ABHISHEK JAIN	ACS - 35312	14857	WIRC
42	MRS. NISHU JAIN	ACS - 26591	14802	WIRC	98	MS. AMAN PRIYA	ACS - 34077	14858	NIRC
43	MS. RAMYA P	ACS - 34597	14803	SIRC	99	MS. VINALA OMPRAKASH KESWANI	ACS - 35875	14859	WIRC
44	MR. NITIN KUMAR MISHRA	ACS - 34396	14804	NIRC	100	SH. JANAK SACHDEVA	FCS - 2905	14860	NIRC
45	MS. TANVEERKAUR KULDEEPSINGH AHUJA	ACS - 32882	14805	NIRC	101	SH. ANIL KUMAR SINGH	ACS - 2615	14861	NIRC
46	MS. BHARGAVI MEDISETTY	ACS - 35473	14806	SIRC	102	SH. TARUN KUMAR SINGH	FCS - 6344	14862	EIRC
47	MR. HARSHIT ARORA	ACS - 39877	14807	NIRC	103	SH. ANIL KUMAR	ACS - 13430	14863	NIRC
48	MRS. DEEPIKA MADHWAL	ACS - 31234	14808	NIRC	104	MS. C KAVITHA	ACS - 21268	14864	SIRC
49	MR. RACHIT MALHOTRA	ACS - 39894	14809	NIRC	105	MR. AJAY KUMAR	ACS - 33207	14865	NIRC
50	MR. KUSHANG SURENDRAKUMAR THAKKAR	ACS - 39908	14810	WIRC	106	MS. VEDASHRI SHRIRANG BHILARE	ACS - 33426	14866	WIRC
51	MS. PRIYA RAJESHKUMAR VYAS	ACS - 39923	14811	WIRC	107	MS. PINKY SINGH	ACS - 35663	14867	NIRC
52	MR. SUYOG MUKUND AGARKAR	ACS - 39933	14812	WIRC	108	MR. MOHIT GULATI	ACS - 38851	14868	NIRC
53	MR. AMIT KUMAR JAIN	ACS - 30075	14813	EIRC	109	MR. RAGHAV BANSAL	ACS - 38864	14869	NIRC
54	MS. JYOTIKA R DAMBAL	ACS - 10808	14814	SIRC	110	MS. VIBHA JAIN	ACS - 38994	14870	EIRC
55	MR. SATISH SHIVAJI LINGADE	ACS - 39503	14815	WIRC	111	MS. MEGHA MODI	ACS - 39088	14871	EIRC
56	MS. DEESHA ROHIT SHROFF	ACS - 38427	14816	WIRC	112	MR. ANMOL JHA	ACS - 39714	14872	WIRC
57	MS. PRIYANKA SHARMA	ACS - 34228	14817	NIRC	113	MS. JINALI MAYURBHAI MADHANI	ACS - 39385	14873	WIRC
58	MS. RAJPRIYA KHANDELWAL	ACS - 29297	14818	NIRC	114	MR. MEHUL ASHOKKUMAR MEHTA	ACS - 39644	14874	WIRC
59	MRS. JAGRUTI HITESH RAWAL	ACS - 29689	14819	WIRC	115	MS. GAZAL BADLANI	ACS - 39793	14875	NIRC
60	MS. MANJU BALARAM BATHAM	FCS - 7092	14820	WIRC	116	MS. SANGEETA RANA	ACS - 39799	14876	NIRC
61	MS. KANIKA PHOPHALIA	ACS - 33291	14821	NIRC	117	MS. RUCHITA BIYALA	ACS - 39814	14877	EIRC
62	MS. RINKU AGARWAL	ACS - 28912	14822	NIRC	118	MR. DEEPAK SHARMA	ACS - 39834	14878	NIRC
63	MR. B S HARIKRISHNA	ACS - 32342	14823	SIRC	119	MR. YOGESH DATTARAM WAINGANKAR	ACS - 39914	14879	WIRC
64	MS. KAVYA B PARSAM	ACS - 40064	14824	SIRC	120	MR. KISHAN KUMAR	ACS - 39944	14880	NIRC
65	MR. VIPUL ARORA	ACS - 40046	14825	NIRC	121	MR. VISHAL GAMBHIR	ACS - 40037	14881	NIRC
66	MS. DEEPANSHI JAIN	ACS - 40127	14826	NIRC	122	MR. THAKKAR UMANG NAVINBHAI	ACS - 40144	14882	WIRC
67	MRS. SUGANDH JAIN	ACS - 39097	14827	NIRC	123	MS. KENA SANJAYKUMAR SHARMA	ACS - 40158	14883	WIRC
68	MR. ALOK JAIN	ACS - 30369	14828	NIRC	124	MR. SURENDER SINGH	ACS - 40173	14884	NIRC
69	MS. MINAL MUKESH GOYAL	ACS - 39825	14829	WIRC	125	MR. FARAAZ SHAMSI	ACS - 40177	14885	NIRC
70	MS. SWATI GOEL	ACS - 32678	14830	NIRC	126	MR. SHASHANK HASMUKH DAVE	ACS - 40198	14886	WIRC
71	MR. KAVIN PARMANAND KHATRI	ACS - 40091	14831	WIRC	127	MR. GAURAV KUMAR	ACS - 40207	14887	NIRC
72	MS. PALLAVI SUKUMAR	ACS - 39977	14832	SIRC	128	SH. MAHESH DEVJANI	FCS - 2711	14888	WIRC
73	MS. RAMYA V	ACS - 39721	14833	SIRC	129	MS. KETY PILLO MISTRY	FCS - 6373	14889	WIRC
74	MR. PRAVEEN KUMAR	ACS - 39184	14834	NIRC	130	SH. K L JAYAKRISHNA	FCS - 7297	14890	SIRC
75	MR. NIKHIL JAIN GANGWAL	ACS - 40013	14835	EIRC	131	SH. JAYESH GOPAL DAMLE	ACS - 24869	14891	WIRC
76	MS. POOJA M KOHLI	FCS - 7255	14836	NIRC	132	MR. VISHAL RAMESHBHAI DHOLIYA	ACS - 36465	14892	WIRC
77	MR. RAVI TIRTHANI	ACS - 40128	14837	NIRC	133	MR. ARJUNN KUMAR TYAGI	ACS - 39237	14893	NIRC
78	MS. R HARITHA	ACS - 31411	14838	SIRC	134	MS. URJA VIJAYKUMAR SHAH	ACS - 39911	14894	WIRC
79	MS. TEJASWI ANIL ZOPE	ACS - 29608	14839	WIRC	135	MR. RAJEEV KUMAR JAIN	ACS - 40182	14895	NIRC
80	MR. ASHISH KUMAR JHA	ACS - 35695	14840	NIRC	136	MR. ASHISH BANSAL	ACS - 40217	14896	NIRC
81	MR. ANKUSH THEREJA	ACS - 40059	14841	NIRC	137	MS. KANIKA SHARMA	ACS - 30953	14897	NIRC
82	MS. RIKTA GUPTA	ACS - 39901	14842	NIRC	138	MS. KIRTI SHRIRAM MODAK	ACS - 35369	14898	WIRC
83	MR. QAMER ABBAS SAYED	ACS - 39490	14843	WIRC	139	MR. RAJU PATRO	ACS - 37271	14899	EIRC
84	MRS. KANAK KEWALRAMANI	ACS - 22638	14844	WIRC	140	MRS. JYOTI FALOR	ACS - 22626	14900	SIRC
85	MR. RITUL BHARAT PARMAR	ACS - 31583	14845	WIRC	141	SH. AMARENDRA MOHAPATRA	ACS - 26257	14901	EIRC
86	MR. SUMIT NIRMAL DAS	ACS - 39980	14846	WIRC	142	SH. AKSHAR JAGDISH PATEL	ACS - 24925	14902	WIRC
87	MR. VINAY LAKHANI	ACS - 35554	14847	EIRC	143	MS. DIPTI TILAK	ACS - 27863	14903	SIRC
88	MS. MONICA SEHGAL	ACS - 40021	14848	NIRC	144	MS. NIDHI CHHABRA	ACS - 28136	14904	NIRC
89	MR. GNANESH M	ACS - 40071	14849	SIRC	145	MR. AJITBHAI MAHADEVBHAI VANOL	ACS - 30274	14905	WIRC
90	MS. RUCHI GUPTA	ACS - 25856	14850	NIRC	146	MR. VIJAY MAKHIJA	ACS - 33148	14906	NIRC
91	MS. SUJATHA KOLLURI	FCS - 4403	14851	SIRC	147	MS. MEDHA VAID	ACS - 33939	14907	NIRC
92	MR. PRATIK KUMAR PATODIA	ACS - 36733	14852	EIRC	148	MR. SHUBHAM JAIN	ACS - 35293	14908	NIRC
93	MR. KUSHAL JAIN	ACS - 38817	14853	EIRC	149	MS. NEETI GUPTA	ACS - 35574	14909	NIRC



150	MS. NIKITA AGGARWAL	ACS - 36586	14910	NIRC	24	MR. PRADEEP J OZA	FCS 1726	13233	WIRC
151	MS. PREETI VARSHNEY	ACS - 36841	14911	NIRC	25	MR. VAIBHAV SINGHAI	ACS 23667	13613	WIRC
152	MR. PUNEET	ACS - 37426	14912	NIRC	26	MR. DINESH KUMAR MAURYA	ACS 35880	13355	NIRC
153	MS. JUHI KATHURIA	ACS - 38056	14913	NIRC	27	MS. SHEETAL JAIN	ACS 28168	10890	NIRC
154	MS. SNEHA AGARWAL	ACS - 38284	14914	EIRC	28	MS. KHUSHBU PREM KUMAR GUPTA	ACS 35754	13213	WIRC
155	MS. LIPSY GUPTA	ACS - 38837	14915	NIRC	29	MS. BHARTI MANGAL	ACS 37904	14398	NIRC
156	MS. NANCY JAIN	ACS - 38957	14916	NIRC	30	MR. SUKHMENDRA KUMAR	ACS 37552	14211	NIRC
157	MS. NEELAM SURESHKUMAR JAIN	ACS - 39277	14917	WIRC	31	MR. MAYANKUMAR CHIMANBHAI PADITA	ACS 34847	13295	WIRC
158	MR. VISHAL GUPTA	ACS - 39686	14918	NIRC	32	MS. SHRUTI SUSHIL KUMAR DAYMA	ACS 28119	11256	WIRC
159	MRS. NIKITA GAURAV AGRAWAL	ACS - 39985	14919	WIRC	33	MR. VINAY DEEPAK BAIRAGRA	ACS 31423	11693	WIRC
160	MR. VIJAY KUMAR	ACS - 40118	14920	NIRC	34	MS. SULEKHA JANGID	ACS 21924	11797	NIRC
161	MR. SHREY NATVARBHAI TRANGADIYA	ACS - 40201	14921	WIRC	35	MR. VITHAL LAXMAN GANDHI	FCS 464	3714	WIRC
162	MR. HARDIKKUMAR MAHENDRABHAI PATEL	ACS - 40212	14922	WIRC	36	MRS. KOMAL YOGESH BAFNA	ACS 29152	11312	WIRC
163	MR. ABHISHEK VARSHNEY	ACS - 40277	14923	NIRC	37	MR. SHAMBHU DAYAL AGRAWAL	FCS 2315	10274	EIRC
164	MR. UMAKANT YALLAPPA KHATAVKAR	ACS - 40332	14924	SIRC	38	MS. PRAKSHI AGRAWAL	ACS 24350	12719	NIRC
165	SH. SUBHANKAR ROYCHOWDHURI	FCS - 2186	14925	EIRC	39	MS. RIDDHI GOVIND KHANEJA	ACS 35651	14178	WIRC
166	SH. V B RAJU	ACS - 2810	14926	WIRC	40	MS. DIPTI RAJAN THAKKER	ACS 36319	13482	WIRC
167	SH. ASHOK PARASRAM JANGID	FCS - 2970	14927	WIRC	41	MR. UDAY MISAL	ACS 36142	13450	WIRC
168	SH. ANIL SRIVASTAVA	FCS - 4893	14928	NIRC	42	MRS. VRINDA VEERENDRA KAMAT	ACS 29547	11713	SIRC
169	MS. SNEHA KHAITAN	ACS - 34458	14929	EIRC	43	MR. PRAVEEN AGARWAL	ACS 36195	13426	EIRC
170	SH. PRASHANT KUMAR GOPE	ACS - 26656	14930	NIRC	44	MS. POONAM KHURANA	ACS 23570	9504	NIRC
171	MS. KAUMUDI KAPILDEV UPADHYAY	ACS - 39405	14931	WIRC	45	MS. DIVYA JAIN	ACS 33740	13475	NIRC
172	MR. RAHUL DHRAFANI	ACS - 39501	14932	WIRC	46	MR. H M GANDHI	ACS 1943	3819	WIRC
173	MS. PURNIMA MANJUNATH MARLA	ACS - 20887	14933	WIRC	47	MS. RUCHIKA JAIN	ACS 19816	7128	EIRC
174	MR. MOHIT SHAW	ACS - 36735	14934	EIRC	48	MS. NUTAN KUMARI	ACS 28483	13014	NIRC
175	MR. DHRUV SWAMI	ACS - 38294	14935	NIRC	49	MRS. PRIYANKA PURI	FCS 7645	8403	NIRC
176	SH. RAJ PAL SEHGAL	FCS - 1468	14936	NIRC	50	MRS. ISHA KHARIA	ACS 24304	12670	EIRC
					51	MR. PANKAJ KUMAR	ACS 29826	11035	NIRC
					52	MR. RAJESH KUMAR	ACS 38585	14411	NIRC
					53	MR. SATYA NARAYAN MAHAWAR	FCS 3666	11838	NIRC
					54	MR. AMEY VITTHAL MORAJKAR	ACS 28643	11253	WIRC
					55	MS. REKHA JAIN	ACS 20442	11333	WIRC
					56	MS. BHAVNEET TOOR	ACS 36249	13514	NIRC
					57	MS. SHIKHA SUKHIJA	ACS 29491	11374	NIRC
					58	MR. V R VENKATAKRISHNAN	ACS 13302	12147	WIRC
					59	MS. ASTHA BARANAWAL	ACS 38506	14562	NIRC
					60	MR. ABHINAV KAUSHIK	ACS 27182	9776	NIRC
					61	MR. D PRAVEEN KUMAR	FCS 6706	10862	SIRC
					62	MS. MANJUSHA GADGIL	ACS 26852	10158	WIRC

CANCELLED*

SL. No.	NAME	MEMB NO	COP NO.	REGION
1	MS. ISHA SHANKAR	ACS 29051	10791	NIRC
2	MR. MOHIT NAGAR	ACS 27492	10647	NIRC
3	MS. SMITA AGGARWAL	ACS 26742	11823	NIRC
4	MR. JAMSHED KORAB KHAN	ACS 35425	13904	WIRC
5	MR. B UMESH	ACS 29294	12374	SIRC
6	MR. S R RAVI	FCS 7802	14061	SIRC
7	MS. NISHCHAL SONWAL	ACS 32012	11926	NIRC
8	MR. VIMAL BHAILAL DATTANI	ACS 37591	14077	WIRC
9	MS. SAPNA JAIN	ACS 28869	13953	NIRC
10	MS. NEETU SATRAMDAS PARWANI	ACS 34320	12748	WIRC
11	MRS. SHWETA KARAN MAHAJAN	ACS 29512	13457	NIRC
12	MS. MANSI SACHDEVA	ACS 29488	10981	NIRC
13	MR. A D GUPTA	ACS 375	4475	WIRC
14	MRS. ANKITA RIKEN PARMAR	ACS 26777	10740	WIRC
15	MS. ANJU KUMARI	ACS 28628	11462	NIRC
16	MS. NANDINI AGARWAL	ACS 37617	14171	EIRC
17	MS. NIDHI AGARWAL	FCS 5388	4213	NIRC
18	MS. DIPTI JAIN	ACS 37824	14176	EIRC
19	MS. PRERNA GULATI	ACS 32556	13969	NIRC
20	MR. POOJA VAIKUNTH BHATT	ACS 35945	13287	WIRC
21	MR. KULDEEP KUMAR	ACS 35084	12993	NIRC
22	MS. MEENU JAIN	ACS 28777	14298	NIRC
23	MR. BHUSHAN TAMBE	ACS 35353	13634	WIRC

LICENTIATE ICSI**

Sl. No.	L.No.	NAME	Region
1	6756	MR. MANISH DAYMA	JAIPUR
2	6757	SH. A. M ANANTHARAMA	CHENNAI
3	6758	MS DEVANSHI GANDHI	NAGPUR
4	6759	MR. R.S. LOHITH RISHI	CHENNAI
5	6760	MS. VIJITA K. NAMBOOTHIRI	THRISSUR
6	6761	MR. BALAJI N.	CHENNAI
7	6762	MS. SHRUTI PRAKASH CHAND	NAGPUR
8	6763	MR. CHINTAN USHAKANT DHALWANI	VADODARA
9	6764	MS. S. PALANI KUMAR	COIMBATORE
10	6765	MS. K. JAYALAKSHMI	CHENNAI

*Cancelled during the Month of June, 2015.

**Admitted during the month of June, 2015.





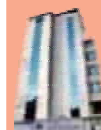
Company Secretaries Benevolent Fund



MEMBERS ENROLLED REGIONWISE AS LIFE MEMBERS OF THE COMPANY SECRETARIES BENEVOLENT FUND*

Region	LM No.	Name	Membership No.	City	Region	LM No.	Name	Membership No.	City
EIRC					19	10939	MR. SHABEERALI P P	ACS - 40358	KANNUR DISTRICT
1	10944	MR. RAJENDRA KUMAR BAL	ACS - 31919	BHADRAK	20	10940	MS. IFFATH AFROZE	ACS - 32685	HYDERABAD
2	10945	MR. AMIT KUMAR AGARWAL	ACS - 38280	HOWRAH	21	10941	MS. ARPITA	ACS - 31219	HYDERABAD
NIRC					22	10948	MR. AJIT BISTANGOUDAR	ACS - 28142	BANGALORE
3	10920	MS. JASMINDER KAUR	ACS - 39606	NEW DELHI	23	10949	MR. VENKATA RAMAIAH CHOWDARY MYNENI	ACS - 37830	HYDERABAD
4	10923	MR. ABHISHEK KHANNA	ACS - 38760	AMBALA CANTT	24	10951	MR. KRISHNA KUPPACHI	ACS - 40444	HYDERABAD
5	10925	SH. ANKIT DHAMIJA	ACS - 26765	KARNAL	25	10952	MR. RAJEEV VINAY VARMA	ACS - 40439	HUBLI
6	10928	MS. GURDEEP KAUR	ACS - 15635	PATIALA	WIRC				
7	10929	MR. NIKIT RASTOGI	ACS - 30375	KANPUR	26	10921	MR. SANMATI ASHOK KASLIWAL	ACS - 38004	AURANGABAD
8	10931	MR. MADHUR SINGH	ACS - 37302	SITAPUR	27	10922	MR. JEEVAN SANTOSH KUMAR INNANI	ACS - 38372	NANDED
9	10938	MR. NAVNEET SINGH KATARIA	ACS - 30547	GURGAON	28	10926	SH. MAHESH KUMAR AMRITLAL PATEL	ACS - 22939	HIMATNAGAR
10	10947	SH. PRINCE MADAN	ACS - 9793	NEW DELHI	29	10927	MS. VANDANA PERIWAL	ACS - 33565	GWALIOR
11	10953	MS. MEENAKSHI DUBEY	ACS - 21043	GHAZIABAD	30	10930	MS. SWARANGI PRANAY GAWAS	ACS - 36081	MUMBAI
12	10954	SH. UMESH CHAND	ACS - 27304	KOSI KALAN	31	10932	MR. ABDULLAH RASHID FAKIH	ACS - 40199	PUNE
SIRC					32	10933	MS. SHWETA SHARMA	ACS - 25074	DOMBIVLI
13	10918	MR. R SURESHKUMAR	ACS - 40219	CHENNAI	33	10934	MS. JAYABALA SANGHVI	ACS - 11374	MUMBAI
14	10919	MR. KRISHNA MURTHY P R	ACS - 39538	BALLARI	34	10942	MS. PRIYANKA GUPTA	ACS - 23749	INDORE
15	10924	SH. DWARAKA PRASAD ASAWA	ACS - 20636	HYDERABAD	35	10943	MS. SEEMA MAHAWAR	ACS - 38032	RAIPUR
16	10935	SH. YATHISH KUMAR	FCS - 6306	MANGALORE	36	10946	MS. KRUPA NAVNIT KR JOSHI	ACS - 22374	AHMEDABAD
17	10936	RAJIV SHARMA	ACS - 21509	CHENNAI	37	10950	MR. VIVEK RANJAN	ACS - 40443	NAVI MUMBAI
18	10937	MR. MALIREDDY RAMANAREDDY	ACS - 37864	KURNOOL					

*Enrolled during the period from 21/06/2015 to 20/07/2015.



FORM – D APPLICATION FOR THE ISSUE/RENEWAL/RESTORATION OF CERTIFICATE OF PRACTICE See Reg. 10, 13 & 14			
To The Secretary to the Council of The Institute of Company Secretaries of India 'ICSI HOUSE', 22, Institutional Area, Lodi Road, New Delhi -110 003 Sir,			
I furnish below my particulars :			
(i) Membership Number FCS/ACS:			
(ii) Name in full			
(in block letters) Surname Middle Name Name			
(iii) Date of Birth:			
iv) Professional Address:			
(v) Phone Nos. (Resi.)		(Off.)	
(vi) Mobile No		Email id	
(vii) Website of the member, if any			
(viii) Additions to or change in qualifications, if any			
Submitted for (tick whichever is applicable): (a) Issue _____ (b) Renewal _____ (c) Restoration _____			
(a) Particulars of Certificate of Practice issued / surrendered/ Cancelled earlier			
Sl. No.	Certificate of Practice No.	Date of issue of CP	Date of surrender / Cancellation of CP
(b) Unique Code Number (i) Individual/Proprietorship concern (ii) Partnership firm			
3. Area of Practice			
Sl. No.	Area of Practice	Please tick (If Applicable)	
1	Corporate Law		
2	Financial Service and Consultancy		
3	Securities/Commodities Exchange Market		

4	Finance including Project/Working Capital/Loan Syndication(Specify the areas handling)		
5	Corporate Restructuring (Handling Merger, acquisitions, demerger issues etc). Specify the areas handling as drafting of scheme, appearing before various regulatory bodies for approval of scheme, getting the scheme implemented, legal compliances with various regulatory bodies etc)		
6	Excise/CUSTOMS (Filling of returns, Handling assessment, appearing before the appellate authority)		
7	Sales Tax/VAT Practice (Filling of returns, Handling assessment, appearing before the appellate authority)		
8	Income Tax Practice (Filling of returns, Handling assessment, appearing before the appellate authority)		
9	Service Tax Practice (Filling of returns, Handling assessment, appearing before the appellate authority)		
10	Foreign Exchange Management (Specify the areas being handled i.e. filling of various forms/returns, appearing before RBI etc)		
11	Foreign Collaborations & Joint Ventures		
12	Intellectual Property Rights (Specify the areas being handled)		
13	Depositories		
14	Monopolies/Restrictive Trade Practices/Competition Law		
15	Consumer Protection Laws		
16	Arbitration and Conciliation		
17	Import and Export Policy & Procedure		
18	Environment Laws(Specify the areas)		



News From the Institute

19	Environment Laws(Specify the areas)		
20	Societies/Trusts/Co-operative Societies & NCTs (Non Co-operative Trust Societies)		
21	Financial Consultancy		
22	Other Economic Laws		
23	SEBI / Securities Appellate Tribunal		
24	Banking and Insurance		
25	Any Other Service (Please specify)		

4. i. I state that I am/shall be engaged in the profession of Company Secretary only on whole-time basis and not in any other profession, business, occupation or employment. I am not enrolled as an Advocate on the rolls of any Bar Council and do not hold certificate of practice from any professional body including ICAI and the ICWAI.
- ii. I state that as and when I cease to be in practice, I shall duly inform the Council and shall surrender forthwith the certificate of practice as required by the Company Secretaries Act, 1980, and the regulations made thereunder, as amended from time to time.
- iii. I hereby undertake that, I shall adhere to the mandatory ceiling as regards issuing of Secretarial Audit Report (pursuant to Section 204 of the Companies Act, 2013) and certification/ signing of Annual Return (pursuant to Section 92 of the Companies Act, 2013) in terms of the GUIDELINES FOR ISSUING SECRETARIAL AUDIT REPORT, SIGNING AND CERTIFICATION OF ANNUAL RETURN respectively issued by the Institute from time to time.
- iv. I state that I have issued / did not issue _____ advertisements during the year 20__ in accordance with the **Guidelines for Advertisement by Company Secretary in Practice** issued by the Institute*.
- v. I state that I issued _____ Corporate Governance compliance certificates under Clause 49 of the Listing agreement during the year 20__ ... *
- vi. I state that I have / have not undertaken _____ Audits under Section 55A of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 during the year 20... - ... *
- vii. I state that I have / have not maintained a register of attestation/certification services rendered by me/my firm in accordance with the **Guidelines for Requirement of Maintenance of a Register of Attestation/Certification**

Services Rendered by Practising Company Secretary/ Firm of Practising Company Secretaries issued by the Institute*.

- viii. I hereby declare that I have complied with KYC norms issued by the Council of the ICSI.
- ix. I undertake to subject myself to peer review as and when directed by the Peer Review Board.
5. I send herewith Bank draft drawn on _____ Bank _____ Branch bearing No. _____ dated _____ / online payment vide acknowledgement No. _____ dated _____ / Cash payment at ROs/Chapters vide Acknowledgement No. _____ dated _____ for Rs. _____ towards annual certificate of practice fee for the year ending 31st March _____.
6. I hereby declare that I attended the following professional development programmes held during the financial year _____:

Sr. No.	Name of Programme	Organised by	Place	Date	Duration*	No. of Program Credit Hours Secured**	Details of Certificate for Program Credit Hours ***

* Please specify whether full day/half day/number of hour

** Extra sheet can be attached...

*** The extracts from ICSI portal about the Credit hours with self certification

7. I further declare that the particulars furnished above are true and correct.

Yours faithfully,

(Signature)

Place:

Date :

***Encl.

* Applicable in case renewal or restoration of Certificate of Practice

** Rs. 1000/- Annual Certificate of Practice Fee (Rs. 500/- if applied during October-March)

- Copy of the relieving letter in case earlier in employment.
- Copy of Form DIR 12 regarding cessation of employment in case working earlier as Company Secretary.
- Copy of letter of cancellation of Certificate of Practice of other professional bodies if applicable.



List of Practising Members Registered For The Purpose of Imparting Training During The Month of June, 2015

S No	PCS Name	AddressLine	Membership No.
1	AISHWARYA SINGH	579, SECTOR -3, UDYAN -1, ELDECO COLONY, NEAR BANGLA BAZAR Pincode:226002, LUCKNOW	A38323
2	AMOL ARVIND PATWARDHAN	OFFICE NO 1, GROUND FLOOR, BUILDING 11-C PASHCHIMANAGARI NEAR CITY PRIDE, KOTHRUD Pincode:411052, PUNE	A23521
3	AMOSH BARNAVAS ARCHAPELLI	H.NO. 102/S/3, 2ND FLOOR, OMKAR BLDG, OPP MUNNA BLDG., THANGE ALI, BHIWANDI Pincode:421308, THANE DISTT	A34761
4	ANIL KUMAR SOMANI	B-4 GANPATI COMPLEX, NEAR VISHAL MEGA MART, PUR ROAD Pincode:311001, BHILWARA	A36055
5	ANKIT KUMAR PERIWAL	WARD NO. 20 (NEW), LAHOTI CHOWK, SURATGARH Pincode:335804 SRIGANGANAGAR DISTT	A35475
6	ARUN GUPTA	NM-27, OLD DLF COLONY, SECTOR-14, Pincode:122001, GURGAON	A27748
7	ASTHA BIRLA	16 SHANKER NAGAR, NEAR SANDEEP GAS AGENCY, DELHI ROAD Pincode:247001, SAHARANPUR	A33292
8	BHAVESH MADANGOPAL KHANDELWAL	409, AKSHAR PARK, B/H ATOP NAGAR, BHATAR ROAD, Pincode:395007 SURAT	A35795
9	BHUPESH MITTAL	SHOP.NO.4 B, ANAJ MANDI, KALAYAT, Pincode:136117, KAITHAL	A36188
10	DEEPTI VERMA	H.NO.55, IIIRD FLOOR, POCKET 5, SECTOR 22, ROHINI Pincode:110086 DELHI	A32351
11	DEV MANI SHARMA	II - F, 48,, NEHRU NAGAR, Pincode:, GHAZIABAD	A27544
12	DHIRENDRA SHARMA	83, BHASKAR NAGAR, AIIMS ROAD, POST - PAL, Pincode:342001, JODHPUR	A33592
13	G HARITHA	NO.13, ORCHID, 8TH CROSS, NANJAPPA LAYOUT, VIDYARANYAPURA Pincode:560097, BANGALORE	F5521
14	GAURAV JAIN	#285, GAJANAN, GROUND FLOOR, 17TH E MAIN KHB COLONY 5TH BLOCK, KORAMANGALA Pincode:560095, BANGALORE	A35706
15	GAURAV KUMAR	286-H, POCKET 2, MAYUR VIHAR PHASE 1,Pincode:110091,DELHI	A40207
16	GAYATHRI E	NO.8, JAI BALAJI NAGAR, MAIN ROAD, NESAPAKKAM, K.K.NAGAR WEST, Pincode:600078, CHENNAI	A30686
17	GAYATRI ANIKET JOGLEKAR	A-4, ARUNALI BLDG., 37, RAMBAUG COLONY, MIT COLLEGE ROAD, KOTHRUD Pincode:411038, PUNE	A31794
18	HARDIK KUMAR MUBARAKBHAI HUDDA	E-812, TITANIUM CITY CENTER, NEAR IOC PETROL PUMP, ANANDNAGAR- PRAHLADNAGAR ROAD, SATELLITE Pincode:380015, AHMEDABAD	A39621
19	JYOTIKA R DAMBAL	NO.114, "BANDALA", 3RD MAIN, II STAGE, DOMLUR Pincode:560071 BANGALORE	A10808
20	KAMLESH OJHA	H.NO. 12, ARJUN ENCLAVE, BHAIKAV NAGAR, SANTOSHI NAGAR, MATHPURENA Pincode:4520001, RAIPUR	A39476
21	KAPIL DAYYA	H.NO. 100, RAM NAGAR COLONY, GALI NO. 01, NEAR GANDHI ASHRAM, BEHIND SABZI MANDI, PILKHUWA Pincode:245304, HAPUR	A31975
22	KHUSBOOLAXMI BHAGAT	SRI SAI KAIZEN, 1-11-180/A, FLAT NO. G2, SHYAM LAL BUILDING, BEGUMPET Pincode:500016, HYDERABAD	A28176
23	KIRAN BHIMAPPA DESAI	MR 47 MIG ROW HOUSE CRICULAR, PATHWAY IV NANDINI LAYOUT, Pincode:560096, BANGALORE	A34875
24	KOVID MUKHERJEE	16A , SHAKESPEARE SARANI, 5TH FLOOR,Pincode:700071 KOLKATA	A29569
25	MANALI SITOKE	PLOT NOI. 151, TOP FLOOR, ZONE -1, M P NAGAR, Pincode:462016, BHOPAL	A36391
26	MAYANK ARORA	13/16, KAPADIA CHAMBERS, GR.FL, 599, J S S ROAD, CHIRA BAZAR Pincode:400002, MUMBAI	A33328



News From the Institute

27	MEDHA RAI	G-365, PREET VIHAR, Pincode:110092, NEW DELHI	A34507
28	MILAN HASMUKHBAI ALONDRA	CO. MANGALAM ENTERPRISE, B-11, GROUND FLOOR, SAPTAPADI AVENUE, NR. RAVINAGR SCHOOL, JIVRAJ PARK Pincode:380051, AHMEDABAD	A38085
29	MONIKA KHANNA	LG-20, ANSAL CORPORATE SUITES, ANSAL PLAZA, SECTOR -1, VAISHALI Pincode:201010, GHAZIABAD	F7579
30	NAGARAJ SHETTY	NO. 153, 1ST FLOOR, 27TH CROSS, OPP. AYYAPPA SWAMY TEMPLE JAYANAGAR 6TH BLOCK, Pincode:560070, BANGALORE	A38162
31	NAYEEM AHMAD LONE	2ND FLOOR, BHAT COMPLEX, OPPOSITE MASJID AL-NOOR, COURT ROAD, LAL CHOWK, Pincode:190001 SRINAGAR	A39109
32	NEHA GARG	1815, GARG BHAWAN, CHOURA RASTA Pincode:302003 JAIPUR	A36413
33	NEHA ROHATGI	ROHATGI BHAWAN, 3RD FLOOR, FLAT NO.5, KANNULAL ROAD, MITHAPUR Pincode:, PATNA	A32880
34	NOMITA VERMA	57/3M, NSC BOSE ROAD, OPP. FRANK ROSE PHARMACY, 3RD FLOOR, Pincode:700040, KOLKATA	A38222
35	PRASANNA H M	# 3, DEEPTI , 1ST FLOOR, 7TH MAIN, 80 FT ROAD, SUBBANA PALLYA, BANASWADI Pincode:560033 BANGALORE	A35581
36	PRASHANT GANGADHAR TAYSHETE	16/LAXMI NIWAS, MEGHWADI, JOGESHWARI (E), NEAR INCOME TAX COLONY Pincode:400060, MUMBAI	A35869
37	PRITI PRAKASH APHALE	C-4, PUSHPALATA CHS LTD, NANDIVALI RD, OPP. BHANUSHALI HALL, DOMBIVALI (EAST) Pincode:421201, MUMBAI	A25426
38	PRIYANKA SENGUPTA	CIRCULAR COURT, HM PLAZA BUSINESS CENTRE, 8 AJC BOSE ROAD, GROUND FLOOR Pincode:700017, KOLKATA	A20302
39	RAJASHREE S. IYER	FLAT NO:6, OLD NO: 20, NEW NO: 8, RAMAKRISHNA STREET, T NAGAR Pincode:600017, CHENNAI	A12541
40	RANJEET PRAKASH KHANDEKAR	DATTA NAGAR, IARAG NAGAR LDS, BUS STOP, PACHUGOON ROAD PACHAGAON Pincode:416013, KOLHAPUR	A34269
41	RITIKA SRIVASTAVA	19, MARI GOLD TOWER, MOHANNAGAR, Pincode:226006, LUCKNOW	A31329
42	SANJAY KUMAR TIWARI	28, JADYON NAGAR-B, DURGAPURA, TONK ROAD Pincode:302001 JAIPUR	A30494
43	SHAHINA PYARALI LALANI	HIIND SERVICE INDUSTRIAL ESTATE, 1ST FL, UNIT NO.9, OPP. CHAITYA BHOOMI, NR., SHIVAJI PARK BEACH, SHIVAJI PARK, DADAR-W Pincode:440028, MUMBAI	F7660
44	SHANTANU PRAMOD JOG	SHOP NO: 6, UNIVERSAL MEREDIAN, NEW SNEHA NAGAR, Pincode:440025, NAGPUR	A27894
45	SHIPRA DHANDHANIA	70/1/21, GAURI BARI LANE, Pincode:700004, KOLKATA	A33117
46	SONAM GARG	PLOT NO. 9, KAILASH ENCLAVE, PITAMPURA, Pincode:110034, NEW DELHI	A30550
47	SUMIT KUBSAD	H .NO. 1918, BHOJ GALLI, SHAHAPUR, Pincode:590003, BELGAUM	A29363
48	SUNNY CHOPRA	WZ -15B, PHASE -4, OM VIHAR, UTTAM NAGAR Pincode:110059, NEW DELHI	A38768
49	SUNNY KOHLI	D-530, 1ST FLOOR,, TAGORE GARDEN EXTN., Pincode:110027, NEW DELHI	A33789
50	SURBHI GARG	C-2/238,, YAMUNA VIHAR, Pincode:110053	a32300
51	SWETA BHATT	B 201, MINAL APARTMENTS, OLD NAGARDAS ROAD, ANDHERI (E) Pincode:400069, MUMBAI	A21552
52	VIVEK KAKATI	1299, 2ND FLOOR, SHANTA NIVAS, BESIDE HOTEL SWAN INN OFF J. M. ROAD, SHIVAJINAGAR Pincode:411005, PUNE	A29406



List of Companies Registered for Imparting Training during the month of June, 2015

ADITHYA AUTOMOTIVE APPLICATIONS PRIVATE LIMITED
PLOT NO.T2, TATA MOTORS EASTERN COMPLEX, CHINHAT INDUSTRIAL AREA,
LUCKNOW

AIG ANALYTICS & SERVICES PRIVATE LIMITED
5TH FLOOR, CRESCENT-4, PRESTIGE SHANTINIKETAN, WHITEFIELD,
BANGALORE

AJMERA PHARMASURE LIMITED
63/67, CARMELOS BUILDING, 4TH FLOOR, PATHAKWADI, L T MARG, MUMBAI

ANKIT IRRIGATION PRIVATE LIMITED
105 A, ADARSH PLAZA, BANIPARK, JAIPUR

AYUSHRAJ ENTERPRISES PRIVATE LIMITED
35, SUSHILPURA SOUTH, SHYAM NAGAR II, AJMER ROAD, JAIPUR

B N POLYMERS PRIVATE LIMITED
1473/27A, CENTRAL MARKET, BAHADUR GARH ROAD, DELHI

BLACK ACES ATTORNEYS & SOLICITORS
B-292, SHOP NO.2A, BASEMENT, CHANDRA KANTA COMPLEX, NEW ASHOK
NAGAR, NEW DELHI-110096

BLUE CROSS LABORATORIES PRIVATE LIMITED
PENINSULA CHAMBERS, GROUND FLOOR, PENINSULA CORPORATE PARK,
LOWER PAREL, WEST, MUMBAI

BRIGHT LIFECARE PRIVATE LIMITED
E-1 BANDHU VIHAR APARTMENTS, PLOT NO-11, SECTOR 10, DWARKA, DELHI

CORPORATE LAW SOLUTIONS LLP
H.NO.71, GULSHAN PARK, NANGLOI, DELHI

EDELWEISS ASSET MANAGEMENT LIMITED
EDELWEISS HOUSE, OFF C.S.T ROAD, KALINA, MUMBAI 400098

ICICI PRUDENTIAL ASSET MANAGEMENT COMPANY LIMITED
B-2, SECOND FLOOR, NIRLON KNOWLEDGE PARK, GOREGAON (EAST), MUMBAI

IIFL WEALTH MANAGEMENT LIMITED
IIFL HOUSE, SUN INFOTECH PARK, ROAD NO. 16V, PLOT NO.B-23, THANE
INDUSTRIAL AREA, WAGLE ESTATE, THANE, MUMBAI

INDIAN OIL PETRONAS PRIVATE LIMITED
1ST FLOOR. 1/393 GARIAHAT ROAD (SOUTH), KOLKATA

KAY INETRATIONAL LIMITED
PLOT NO:64, PHASE-5, SECTOR-53,HSIIDC KUNDLI, SONEPAT (HARYANA)

KERRY INGREDIENTS INDIA PRIVATE LIMITED
8TH FLOOR, PRITECH PARK ANNEX, MARATHALLI - SARJAPUR OUTER RING
ROAD, BELLANDUR, BENGALORE

LSC INFRATECH LIMITED
LSC INFRATECH LTD. KUMAR OXYGEN COMPOUND, RAMPUR ROAD
RUDRAPUR, U.S. NAGAR, JAIPUR -263153

M/S. HASSAN MANGALORE RAIL DEVELOPMENT COMPANY LIMITED
MSIL HOUSE, 7TH FLOOR, # 36, CUNNINGHAM ROAD, BENGALORE

MANYA EDUCATION (P) LTD.
B-7/2, OKHLA INDUSTRIAL AREA, PHASE - 2, DELHI

NAHTA SALT & CHEMICAL PVT LTD
NAHTA HOUSE, B.B.Z. NORTH -56, ZANDA CHOWK, GADHI DHAM

NCORD BIOTECH LIMITED
M/S NEELESH KANADE GROUP, 1073, BHOSALE MYSTIQA, MODEL COLONY,
GOKHALE ROAD, SHIVAJINAGAR, PUNE

PNEUMATIC HOLDINGS LIMITED
SURVEY NO. 13, 156 KOTHRUD, PUNE 411 029, 156 KOTHRUD, PUNE 411 029

RAJASTHAN LIQUORS LIMITED
FIRST FLOOR, 7/22D, TILAK NAGAR, KANPUR

RELITRADE STOCK BROKING PRIVATE LIMITED
B-609, MONDEAL SQUIRE, NR. PRAHLADNAGAR GARDEN,
ANANDNAGAR ROAD, SATELLITE, AHMEDABAD

RENFRO INDIA PRIVATE LIMITED
GATE NO. 1231 (PART), SANASWADI, TALUKA SHIRUR, PUNE

SHIGA ENERGY PVT. LTD
207, CHIRANJEEV TOWER, 43 NEHRU PLACE, NEW DELHI- 110019

SIAC SKH INDIA CABS MANUFACTURING PRIVATE LIMITED
B-5, CHIRAG ENCLAVE, DELHI

SRIJAN STEEL AND POWER INDUSTRIES PRIVATE LIMITED
MARWARI PARA ROAD, JUGSALAI, JAMSHEDPUR, JHARKHAND

SUSHRI TRADECOM PRIVATE LIMITED
1-GANESH CHANDRA AVENUE, 4TH FLOOR, KOLKATA-700013

SYMANTEC SOFTWARE INDIA PRIVATE LIMITED
1ST FLOOR, EON FREE ZONE, MIDC KNOWLEDGE PARK KHARADI, PUNE

SYNGENE INTERNATIONAL LIMITED
BIOCON SEZ, BIOCON PARK,PLOT.NO.2 & 3, BOMMASANDRA INDST. AREA IV
PHASE, JIGANI LINK RD, BOMMASANDRA, BANGALORE

TATA STEEL SPECIAL ECONOMIC ZONE LIMITED
2-B FORTUNE TOWER, CHANDRASEKHARPUR, BHUVANESHWAR

TELEXCELL INFORMATION SYSTEMS LIMITED
33, YUSUF SARAI, GREEN PARK EXTENSION, DELHI

TGL ADVISORS LLP
709, 7TH FLOOR, VIKRAM TOWER, RAJENDRA PLACE, NEAR RAJENDRA PLACE
METRO STATION, DELHI

THEATTORNEYS CORPORATE LAW CONSULTANTS LLP
OFFICE NO. 267, 2ND FLOOR, ELEGANCE TOWER, JASOLA DISTRICT CENTRE,
MATHURA ROAD, NEW DELHI- 110025



News From the Institute

TOLEXO ONLINE PRIVATE LIMITED
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News From the Regions

➤ EASTERN INDIA REGIONAL COUNCIL

Half Day Workshops

The EIRC of ICSI organised a Half Day Workshop on New Exemptions to Private Limited Companies under the Companies Act, 2013, E-Voting & Risk Management in collaboration with CDSL and MCX on 20.6.2015 at Kolkata. The speakers of the Workshop were CS Manoj Banthia (Practising Company Secretary), Past Chairman, EIRC of ICSI, who spoke on New Exemptions to Private Companies under the Companies Act, 2013; Moly Biswas, Regional Manager, Central Depository Services (India) Limited on “e-Voting” and Vibhor Tandon, Regional Head & AVP – Business Development, Multi Commodity Exchange (India) Limited who spoke on Risk Management.

CS Manoj Banthia highlighted the exemptions granted by MCA to private companies. He said that the exemptions mainly provide respite to private companies for related party transactions among private holding-subsidiaries, freedom to have its own class of capital/voting rights.

Moly Biswas deliberating on e-voting said that during e-voting period, shareholders of the company, holding shares either in physical or in dematerialized form, as on the record date, may cast their vote electronically provided once the vote on a resolution is cast by the shareholder, he shall not be allowed to change it subsequently. He further said that the register and all other papers relating to electronic voting shall remain in the safe custody of the scrutinizer and the scrutinizer shall, within a period not exceeding three working days from the date of conclusion of e-voting period, unblock the votes in the presence of at least two witnesses.

Vibhor Tandon in his deliberation stressed on the fact that the Board shall develop the mechanism for risk appetite, exposures and the key areas of the company’s focus. He further stated the role of Independent Director on overall Risk Management of the company and to ensure robust and defensive system of Risk Management.

The programme was attended by a large number of members and students of the Institute.

Another workshop was organised by the Regional Council on 27.6.2015 on Practical Difficulties related to Board’s Report and Practical Aspects of e-Voting and Ballot at AGM at ICSI-EIRC

House, Kolkata.

CS Rahul P. Sahasrabudde, Chairman, Thane Chapter of WIRC of the ICSI, and CS Pawan Marda, Assistant Vice President & Company Secretary, Linde India Limited were the speakers on the occasion.

CS Pawan Marda in his address dwelt on Practical Aspects of e-Voting and Ballot at AGM. He said that the E-voting system is aimed at enhancing corporate governance by enabling wider participation of shareholder in the resolution at General Meeting. He said that e-Voting is mandatory for all resolutions at General Meeting. He further said E-voting system is a secured system based process of display of electronic ballots, recording of votes of the members and the number of votes polled in favour or against in such a manner that the entire voting exercised by way of electronic means get registered and counted in an electronic registry in a centralised server with adequate cyber security.

CS Rahul P. Sahasrabudde deliberating on Practical Difficulties related to Board’s Report said that Board Report is a document by the Board to shareholders reporting on the company’s condition and an inalienable part of the Annual Report. He further highlighted the disclosures under various Clauses of Listing Agreement and discussed the details of training imparted to Independent Directors, establishment of vigil mechanism and the remuneration policy and evaluation criteria. The programme was attended by large number of members and students.

International Yoga Day

EIRCs of ICSI, ICAI and ICAI (Cost) jointly organised the World Yoga Day on 21.6.2015 at Silver Spring Club, Kolkata. The programme was inaugurated by CA Manoj Fadnis, President ICAI.

The mentor Chhoti Gurumaa, Founder Trustee of Life Care and Peace Mission, a Public Charitable Trust, Nasik Chhoti Gurumaa expressed her gratitude to the organisers for organising such an event for the benefit of the mankind. She expressed her gratitude for getting the opportunity to share the beautiful practice of Yoga. Gurumaa instructed systematically step-by-step various forms of Yoga and meditation. She also instructed the pranayama techniques along with a process of “Sadhna” (discerning insight into). The programme was attended by a large number of students and members from ICAI, ICSI and ICAI (Cost) along with their family members.

Career Awareness Programmes

Career Awareness Programmes (CAP) were conducted at Salt Lake E M School, St Joseph’s College, Hirendra Leela Patnavis School, St Augustines Day School, Barrackpore, Central Model School, Baranagar, Adamas International School, Adarsh Madyamik Vidyalaya, Don Bosco School Park Circus, Andhra Association School, St Thomas Day School, Jadavpur N K Pal Vidyapith, National GEMS H.S School and Dhakuria Ramakrishna Vidyapith in the month of June-July. S.Sreejesh, Section Officer, CS



News From the Institute & Regions

Gautam Dugar, Member, EIRC of ICSI and Sudipto Pal, Regional Director (East), ICSI-EIRO informed the students of Class XI and XII about “Career as a Company Secretary”, the ICSI Students Education Fund, the fee concession given to reserved classes, ICSI E-Learning and the flexibility of the CS course in terms of possibility of studying wherever a student wants to be in India. Detailed information about the career options as a Company Secretary was provided to the students. The response from students and teachers were very encouraging.

Another Career Awareness Programme was conducted at Dr. Graham’s Homes, Kalimpong on 29.6.2015. Dr Graham’s Homes is one of the oldest residential English Medium School of Eastern India based at Kalimpong set up in the year 1900 by a British Missionary Dr Graham. S.L. Banerjee, School Principal as desired by EIRO Official had invited other schools of Kalimpong like St. Joseph’s Convent, Rockvale Academy and Saptarishi Gyanpeeth, Kalimpong whose students were also present on the occasion during the career awareness programme. CS Gautam Dugar, Member, EIRC of ICSI and Chairman, Career Awareness Committee and S.Sreejesh, Section Officer, ICSI EIRO spoke on Career as a Company Secretary. The speakers informed about the ICSI, Role of a Company Secretary, ICSI Course structure, the fee concession, ICSI E-Learning and the flexibility of the CS course to study wherever a student wants to be in India. The students and the teachers of the school were inquisitive about the CS course like the duration, the fee structure, course contents, the opportunities after becoming a CS professional, etc. The seminar was attended by around 500 students and teachers of the school.

Study Circle Meeting on Limited Liability Partnership (LLP) and Its Compliances

ON 4.7.2015, ICSI-EIRC organised a study circle on Limited Liability Partnerships and its Compliances at ICSI-EIRC building, Kolkata. CS Rupanjana De, Secretary, ICSI-EIRC was the moderator for the session. CA Hariram Agarwal and CS Arani Guha were the professional experts present at the session. The speakers deliberated on various technical and legal aspects of LLP formation and yearly filings. Conversion of partnership firms and companies into LLPs were also discussed along with the taxation aspects of the same. The participants had a detailed discussion with the experts on the grey areas of LLP conversion.

JAMSHEDPUR CHAPTER Seminar on Companies Act 2013 – Practical Aspect

Jamshedpur Chapter of EIRC of ICSI organized a Seminar on Companies Act 2013 – Practical Aspect, at Centre for Excellence, Bistupur, Jamshedpur on 04.7.2015. The Seminar was Inaugurated By Chief Guest Prashant Singhania, Under Secretary, (Indian Railway Services, Govt. of India). Singhania

explained the professional experience of working in private sector with Govt. as administrator. He advised to excel in some specific area by analyzing the requirements of the organization. Deepak Khaitan, Past Chairman, ICSI–EIRC addressing in the technical session explained in detail recent exemption notification issued by Ministry of Corporate Affairs for private limited companies and other circulars. The Second Technical Session was addressed by Ravi Varma, Asst. Company Secretary, ITC Ltd., Kolkata. He gave detailed presentation on Critical Aspects of preparation of Directors Report and Annual Return as per new Companies Act. Sital Swain and Mona Bhadur conducted the programme. Around 100 members of ICSI, Other professionals and students attended the seminar and appreciated the speakers and the programme.

NORTH EASTERN (GUWAHATI) CHAPTER Full Day Workshop on Companies Act, 2013 with amendments

on 11.7.2015 North Eastern Chapter, Guwahati of EIRC of ICSI organised a full day workshop on the above topic at Guwahati. The guest speakers were CA Sumit Binani from Kolkata and CS Siddhartha Murarka, Member, EIRC of ICSI, Kolkata. The invitees and participants comprised of Members and students of ICSI, ICAI and ICAI (cost), Members of Tax Bar Associations, and Representatives from Press and Media. A total of around 100 participants were present on the occasion. CS Siddharth Murarka was honoured on the occasion by CS O.P. Rathi, past Chairman of NE Chapter of EIRC of ICSI. CA Sumit Binani was honoured by CS J.P. Agarwal from Tinsukia. The Programme was inaugurated after rendition of the National Anthem.

First Technical Session – CA Sumit Binani addressed on ‘Secretarial Standards (SS-1 and SS-2)’. He discussed every aspect of the topic in details using power-point presentation. He then discussed ‘Exemption Notification for Private Limited Companies & Govt. Companies and every aspects of section 462 of the Act in detail.

Second Technical Session - CS Siddharth Murarka apprised the gathering using power-point presentations about ‘Companies Amendment Act 2015’; ‘Board Report’; and ‘Annual Return’ He discussed in detail every aspect of the topics. During question answer session the queries raised by the members were ably replied by the speakers.

Career Awareness Programmes and Orientation Programme

On 22.6.2015 a career awareness programme was held at Guwahati Commerce College, R.G. Baruah Road, Guwahati and at S.K. Hazarika College, R.G. Baruah Road, Guwahati. Again on 23.6.2015 the career awareness programmes were held at K.C. Das Commerce College, Chatribari, Guwahati and at BMBB Commerce



College, Bharalumukh, Guwahati. Around 600 HS Final Year and B.Com. final semester students attended the programme.

S. Sreejesh, Section Officer, EIRC of ICSI and In-Charge of Career Awareness Programmes of Eastern Region in his address with power-point presentation apprised the gathering about the Institute, the Scope of the profession of CS, Company Secretary in Employment as Key Managerial Personnel (KMP), the role of Company Secretary in practice. He discussed about Company Secretary as Compliance Officer in Listed Companies and Company Secretary - a multidisciplinary professional. He also explained CS course curriculum, admission procedure, cut off dates, fee structure and fee exemption & reimbursement criteria, placement and pay package.

CS Members from Guwahati including Chapter Secretary CS Vivek Sharma, Chapter Treasurer CS Pravin Kumar Chhajer, Faculty Member of NE Chapter CS Purna Dugar and various other CS Members like CS Kushal Bharat Bagadia, CS Anisha Sharma, CS Neha Lohiya, CS Anshuman Jain were present in the programmes. They explained the students the role of Company Secretary in detail; career as a Company Secretary; importance of Company Secretary in Corporate Sector both in employment and in practice; grievance redressal cell of ICSI, why to choose CS course as a Career option and the facilities including Oral Tuition Classes provided by the NE (Guwahati) Chapter along with the address & contact details of the NE Chapter.

The queries raised by the students were replied by the representatives from ICSI. Leaflets were distributed among the students at the end of every programme.

RANCHI CHAPTER **Seminar on Corporate Social Responsibility and Entrepreneurship**

The Ranchi Chapter of EIRC of the ICSI organised a seminar on Corporate Social Responsibility and Entrepreneurship at Ranchi on 12.07.2015.

Guest Speaker CS Rupanjana Dey, Secretary, EIRC of ICSI in her address explained the avenues open under social audit for all companies required to undergo CSR (Corporate Social Responsibility). An open invitation sent to the NGOs and a few persons who seek clarification for this. She also focused on entrepreneurship in her address. She explained the true picture of the world scenario which is undergoing radical changes. The Ranchi Chapter of EIRC of ICSI has never followed a set principle but has given precedence to many institutions. She also emphasized how CSR policy functions as a self-regulatory mechanism whereby a business monitors and ensures its active compliance with the spirit of the law, ethical standards and international norms and also threw light on CSR aims to embrace responsibility for corporate actions and to encourage a positive impact on the environment

and stakeholders including consumers, employees, investors, communities, and others. She added that CSR may be based within the human resources, business development or public relations departments of an organisation or may be a separate unit reporting to the CEO or the board of directors.

CS Rajeev Ranjan, Chairman, Ranchi Chapter of EIRC of ICSI before conclusion ensured that such programmes for the escalation of the profession will be conducted by the Chapter frequently. A good number of members and students attended the seminar.

Career Awareness Programmes

ON 16.7.2015 a career awareness programme was conducted at Firayalal Public School, Main Road, Ranchi wherein S.B. Prasad, and Sumanta Dutta the officials of ICSI gave a presentation to the students of Class XII on "Career as a Company Secretary" and replied the queries of the students about the course, subjects, prospects of the profession. Thirty-one students attended the programme. Another programme was held at International Public School, Kanke Road, Ranchi on 21.7.2015 by S.B. Prasad, and Sumanta Dutta. The officials of ICSI gave a presentation to the students of Class XI & XII on "Career as a Company Secretary" and also replied the queries of the students about the course, subjects, prospects of the profession. The Principal and other teachers of the schools appreciated the efforts of ICSI for creating awareness about the CS course. Nineteen students participated in the Career Awareness Programme. Yet again another career awareness programme was conducted at D.A.V.Gandhinagar, Kanke Road, Ranchi on 22.7.2015 by S.B. Prasad, and Sumanta Dutta. The officials of ICSI gave a presentation to the students of Class XII on "Career as a Company Secretary" and also replied the queries of the students about the course, subjects, prospects of the profession. Ninety five students participated in the programme. The Principal and other teachers of the schools appreciated the efforts of ICSI for creating awareness about CS course and profession.

NORTHERN INDIA **REGIONAL COUNCIL**

Two hundred and Fourteenth Batch of MSOP

On 24.6.2015 NIRC-ICSI inaugurated its 214th MSOP at ICSI-NIRC Building, New Delhi. CS S K Shakuja, Company Secretary, DMRC Ltd. was the Chief Guest and CS R S Taneja, Sr. Associate Advisor, Earth Infrastructures Ltd., was the Guest of Honour on the occasion.

On 10.7.2015 at the valedictory session CS Sanjeev K Bajpai, Head Legal & CS, Modi Rubber Ltd. was the Chief Guest who gave various tips on achieving professional excellence to the students.

Seminar on Ease of doing Business-



Aligning Companies Act

NIRC-ICSI organized a Seminar on Ease of doing Business-Aligning Companies Act on 27.6.2015 at New Delhi. Jitesh Khosla, IAS, Chief Secretary (Retd.), Government of Assam was the Chief Guest and A K Chaturvedi, Regional Director, MCA, was the Key Note Speaker. CS N K Jain, Partner, Global FinServe LLP, CS Sumita Sharma Company Secretary, IRCON International Ltd., CS R. Sampath Kumar Head, Secretarial & Compliance, Trilegal, Rajesh Sharma, Government Nominee to the Central Council of the Institute and CS Vinod Kothari Specialist Editor, Ramaiya Edition 2014 Director, Vinod Kothari Consultants Pvt. Ltd. Kolkata, were the speakers for the Conference. Speakers shared their rich knowledge on the topic. A large gathering was present for the Seminar and participants were able to update their knowledge from the sessions conducted.

Study Sessions

NIRC-ICSI organized Study Sessions on 28.6., 3.7. and 20.7.2015 at Mother's Global School Auditorium, Preet Vihar, Delhi and ICSI-NIRC Building, New Delhi. CS T R Ramamurthy, Company Secretary in Practice, CS G P Sahi, VP (Legal) & Company Secretary, CJ International Ltd. and Rahul Magan, Manager - Finance & Corporate Treasurer, EXL Services Holdings, Inc., Noida, U.P. were the speakers. A large gathering was present for the Sessions and participants were able to update their knowledge from the sessions conducted.

Inauguration of 44th Foundation Day Month-long Celebrations

On 1.7.2015 NIRC-ICSI inaugurated its 44th Foundation Day Month-long Celebrations at ICSI-NIRC Building, New Delhi. CS (Dr.) G B Rao Past President, ICSI was chief guest & CS Atul H Mehta, President, ICSI was Guest of Honour on the occasion. A Talk on "Life's Wake Up Call" was organized on the occasion. CS Mamta Bhargava, Distinguished Author and Trainer, Executive Editor, CLA was the guest speaker. Blood Donation Camp was also organized.

Workshop

On 4.7.2015, NIRC organised a workshop on Para by Para Discussion on Secretarial Standard - I (Board Meetings) at ICSI-NIRC Building, New Delhi. CS Lalit Kumar, Partner, J Sagar Associates & CS Ranjeet Pandey were the speakers who shared their rich knowledge on the topic. A large gathering was present for the workshop and participants were able to update their knowledge from the sessions conducted.

Preventive Health Check Up

NIRC organized Health Mela 2 of 2015 (Preventive Medical Health Check-up) on 5.7.2015 at ICSI-NIRC building for the members and their families. Various medical examinations/facilities were included in the package of Pre Medical Health Check-up which was free for all the members. Members participated in large numbers.

Session on Train the Trainers

On 8.7.2015, NIRC organised a Session on Train the Trainers for OT Faculties of NIRC at ICSI-NIRC Building, New Delhi. CS R P Tulsian Associate Professor, University of Delhi addressed the participants. Various queries were replied by the speaker.

Interactive Session with Members

NIRC-ICSI organized Interactive Session with Members on 9.7.2015 at ICSI-NIRC building, New Delhi.

Learning at Door Step Series

NIRC-ICSI organized Learning at Door Step Series on "Interactive Discussion on Secretarial Standard" on 10.7.2015 at IFCI Auditorium, New Delhi. CS G P Madaan, Member Secretarial Standards Board, ICSI and Past Chairman, NIRC-ICSI was the speaker on the occasion.

Chandigarh State Conference

NIRC-ICSI organized Chandigarh State Conference on "Companies Act, 2013: A Catalyst for Excellence in Governance" on 11.7.2015 in Sector - 17, Chandigarh. A K Chaturvedi, Regional Director, MCA, was the Chief Guest on the occasion. CS Satwinder Singh, CS Ranjeet Pandey, CS Rajiv Bajaj, CS N K Jain & CS Lalit Kumar were the speakers of the conference.

Raahgiri

Members of NIRC-ICSI participated in Raahgiri on 12.7.2015 at Connaught Place, New Delhi.

Meeting of Company Secretaries in Practice

On 13.7.2015 NIRC-ICSI organized a Meeting of Company Secretaries in Practice on Financial Statements-Analysis and Interpretation at ICSI-NIRC Building, New Delhi. CA Eish Taneja was the speaker on the occasion.

HR Conclave

ICSI HR Conclave on "Transformational Leadership" was organised by NIRC-ICSI on 17.7.2015 at New Delhi. CS (Dr.) S Kumar, Former Principal Director, ICSI and Sunil Maheshwari, Founder, Samatvam Academy addressed the CEO/HR Heads of the corporates and briefed them about the role which a Company Secretary can effectively and efficiently play in the corporates. Around 75 HR representatives attended the conclave. The idea of organizing the same was to create an awareness in HR circle about the expanded role of CS as a multi-faceted professional particularly as a KMP.

GHAZIABAD CHAPTER

Workshop on Leadership Inside Out

On 16.5.2015, Ghaziabad Chapter of NIRC of ICSI conducted One day Workshop on "Leadership Inside Out". Girish G Bhatia,



Founding Partner & Certified Coach Teacher and Speaker with John Maxwell Team was the Guest speaker who stressed on the need to develop leadership qualities to excel in professional sphere. He elaborated on various requisites and facets of leaders' qualities. He also discussed the methods and practical issues to cultivate leadership qualities. The worse was followed by interactive session where members raised queries and their doubts were cleared. CS members and students and members of Management Committee attended the programme and concluded with valedictory session.

Session on e-Voting

In line with ICSI Capital Market week from 25-05-2015 to 31-05-2015 throughout the country, Ghaziabad Chapter of NIRC of ICSI, organized a Professional Development Programme on "e-Voting" on 30.5.2015 at the Chapter premises. Deepak Kumar from NSDL was the speaker of the session. He explained definition of e-Voting and its importance in present scenario. He also briefed about the concept of e-Voting event number (EVEN) along with registration of investor with 'EVEN'. The interactive session was well attended by 30 members and students and followed by valedictory session.

Workshop on Leave Stress Live Life through Science & Spirituality

The Ghaziabad Chapter of ICSI organized one Motivational Workshop on Leave Stress Live Life through Science & Spirituality on 28.6.2015. The Workshop was addressed by Deepak Jain, Vice President & Company Secretary, Unitech Limited. The Workshop emphasized on the need to synchronize the three important parts of life i.e. Body, Mind & Soul for living a life full of success, happiness and perfect health for controlling their Stress and other problems and eventually controlling their life to the defined goals. The interactive workshop was well attended by 40 members and students and followed by valedictory session.

Career Awareness Programme

In line with ICSI Career Awareness Week from 13.7.2015 to 18.7.2015, Ghaziabad Chapter organized Career Awareness Programme on 15.7.2015 at Shambhu Dayal Inter College, G T Road, Ghaziabad. There were about 150 students from 10+2 Commerce & Science streams. At the counselling programme CS Deepa Singhal, Member of the Ghaziabad Chapter Management Committee was the speaker who gave details to the students regarding CS Course, requisite qualification for admission in CS Course, Course duration, Training structures, employment opportunities, importance, prospects of the CS Course and role of Company Secretaries and clarified the queries raised by the students during interaction session. She shared her views on emerging opportunities for Company Secretary Profession in future. The session was lively, interactive and well received by the students and their doubts were clarified.

JODHPUR CHAPTER Sixth Management Skills Orientation Programme

ICSI- Jodhpur Chapter organized its 06th MSOP Batch between 18-05-2015 and 02-06-2015 at Jodhpur Chapter premises. The Inaugural session of MSOP was organized on 18-05-2015. CS R K Punglia, Chapter Chairman in his welcome address informed about the new initiatives taken by Jodhpur Chapter. He also brief about achievement of Jodhpur Chapter since January 2015. 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.

Honey Satpal, Chapter Secretary & Treasurer congratulated the participants for having successful completion of CS Course and Trainings. She also informed about various initiative taken by the ICSI for improving the profession of CS.

Rajesh Gupta, Executive Officer while congratulating the participants said that MSOP training programme is designed to hone the skills of qualified professionals and acquaint themselves to work in the corporate environment.

The resource persons for programme included Mohit Singhvi, Arvind Bhat, K L Banarjee, Nipun Singhvi, Mukesh Bansal, Susshil Daga and other academicians and industry representatives.

On 02.06.2015 the Valedictory session of the MSOP was organized at the Chapter premises. CS R K Punglia in his address congratulated all the participants for completing their last leg of Training i.e. MSOP. He said that the participants should learn the implications of New Companies Act, 2013. He also suggested that one should prepare in advance for facing the upcoming competition.

Pushpendra Singh Bhati, Additional Advocate General, Govt. of Rajasthan was the Chief Guest at the valedictory session. While addressing the participants he stated that in this competitive world the participants should always be updated with changes & try to improve their skills. He said that opportunity is always available for those who struggle with times and ready to grab that. He suggested the participants to diversify their areas of work and not to be restricted only to a single law or field.

CS Honey Satpal in his address 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. She also stated that there is stiff competition out there and in order to cope up with the competition, commitment and consistency is a must. At the end of the programme successful participants were given away certificates and various awards.

International Education & Career Fair 2015

The ICSI Jodhpur Chapter participated in the Rajasthan Patrika



News From the Institute & Regions

International Education & Career Fair – 2015 organized by Sky Media (Rajasthan Patrika Group) at Gandhi Maidan, Jodhpur from 26.6.2015 to 28.6.2015. The Fair attracted a large number of visitors and a good majority came to the stall of ICSI and sought information about the CS course and the future dynamics of the course. The participants of the fair were inquisitive about the profession, duration of the Course, role of a CS, fee structure, contents, Cut off dates, and opportunities available to CS professionals. The details of various schemes and fee concession for economically backward students, viz. 'Education Student Fund Trust' and fee concession for SC/ST/Physically challenged students were also explained. The facility of Oral Coaching Classes in the Chapter was also explained. The fair was for 3 days and the attractive advertisements of the fair were on the Rajasthan Patrika Newspaper across India thus attracting a good number of students and their parents.

During the career fair the Jodhpur Chapter of ICSI also organized a seminar on "Career as Company Secretary" on 28.6.2015. A large number of visitors attended the seminar and were apprised about CS course. The seminar was very well appreciated by the participants. The fair was also participated by various institutions, reputed colleges, universities, overseas Colleges and educational institutes. The ICSI stall was represented by Rajesh Gupta, Assistant Director, Jodhpur Chapter of ICSI and Honey Satpal, Secretary, Jodhpur Chapter of ICSI.

KANPUR CHAPTER Seminar On Secretarial Standards

On 04.06.2015, Kanpur Chapter of NIRC of the ICSI has organized a full day Seminar on Secretarial Standards at Kanpur. The Programme was inaugurated jointly by S. P. Kumar, Registrar of Companies, Uttar Pradesh & Uttarakhand, CS Ranjeet Pandey, Central Council Member, ICSI, CS Amit Gupta, Regional Council Member, NIRC-ICSI, CS Ankur Srivastava, Chairman Kanpur Chapter. While addressing the august gathering, Chief Guest on the occasion S. P. Kumar congratulated ICSI as pioneer and only institution to have issued Secretarial Standards in the world so far. He said that these standards will boost the confidence of Investors and will help the corporate world in achieving the Prime Minister's initiative - Make in India in the current era of Liberalization and Globalization.

CS Ranjeet Pandey said that, the Secretarial Standards (SS) namely, SS:1 Secretarial Standard on Meetings of Board of Directors and SS:2 Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India will be effective from 1.7.2015 and around 10 lakh active companies in India will have to comply with these Secretarial Standards to be fully compliant under Companies Act, 2013. The Secretarial Standards would help ease in doing business, improved governance, confidence building in minds of investors, improved compliance level, ultimately leading to flow of capital in India, new projects, more modernization and expansion. He also said that the Company

Secretaries play a vital role in implementing various provisions of the Act. The new Act, to a large extent, dilate the opportunities of profession of Company Secretaries. Company Secretaries in practice have to ensure compliance of the secretarial standards for its clients.

CS Amit Gupta, Member, NIRC of ICSI said that the mandate of the Companies Act, 2013 with regard to the Secretarial Standards can be attributed to the fact that the Standards have sufficiently evolved as these are being voluntarily followed by companies. He further added that, It would definitely result in better corporate accountability and disclosures leading to better value enhancement to stakeholders including shareholder, regulators and international investors.

Campus Placement

A campus placement was organized on 23.06.2015 and a number of practising company secretaries and big corporates took part in the event. Eleven students were shortlisted and got the opportunity for training in the Campus Placement.

Annual General Meeting

Annual General Meeting of Kanpur Chapter was held on 27.06.2015 at the Chapter's premises. Audited Annual accounts for the financial year 2014-2015, auditor's report, annual report were adopted at the meeting and re-appointment of Statutory auditors was made unanimously.

Press Conference

On 30.6.2015 a Press Conference on implementation of the Secretarial Standards was organized at the Chapter office wherein the changes in the Board process and new governance norms introduced by the Secretarial Standards were informed to the media people with a view to create awareness.

NOIDA CHAPTER Classroom Series on Foreign Exchange Management Act

Noida Chapter of NIRC of the ICSI organized its Classroom Series on Foreign Exchange Management Act at Jaipuria Institute of Management Studies from 16.5.2015 to 13.6.2015. The Classroom Series was divided into 5 Classes on various topics of Interest of Members of the Institute. In the classroom series eminent faculties came and shared their expertise on various topics with the Members. The sessions were interactive and Members actively participated and raised queries. As Foreign Exchange Management Act is an interesting topic and is having wide scope of good learning, the classes were prolific and fertile for the Members of the ICSI.

In the 1st Class CS T. R. Ramamurthy shared his knowledge on FEMA Historical Perspective - FERA v. FEMA - differences; definitions under FEMA, Why FERA was draconian and FEMA is



not so, Structure of FEMA - current and capital account transactions - adjudication procedures, offences by companies, sunset clause etc., overview of provisions of FEMA.

In the 2nd Class CS Atul Mittal shared his knowledge about Establishment of Place of Business in India – e.g. setting up LO/BO/PO/LLP/Co. and other Inbound Investment Policy framework in India and Opportunities of CS, Foreign Domestic Investment - approval route procedures (companies, LLP) Foreign Domestic Investment - automatic route procedures including compliances.

CS T. R. Ramamurthy in the 3rd class shared his knowledge on Raising of Foreign Currency Loans while in the 4th Class he shared his knowledge about Overseas Domestic Investment - Automatic and Approval Route procedures External Commercial Borrowings.

In the 5th Class CS Atul Mittal shared his knowledge on other regulations (Property acquisitions in India, outside India and individual transactions) Compounding of offences under FEMA.

SHIMLA CHAPTER

Career Awareness Programme

A career awareness programme was organised in Saraswati Vidhya Mandir, Himrashmi Parisar, Vikas Nagar, Shimla on 07.07.2015 in which 180 students of 10+1 and 10+2 (science) with their faculties and the Principal were present. Guest Speaker CS Mukesh Sharma, Chapter Chairman in his address focussed on the role of a CS and its importance in Corporate Governance. The students were also informed about the ICSI E-Learning and the flexibility of CS course in terms of possibility of studying wherever a student wants to be in India. Besides, CS Arvind Kumar Sharma, Treasurer gave an insight into “Career as Company Secretary” to the students. Chandan K. Chandra, In-Charge, Shimla Chapter explained about ICSI, CS course, admission in CS course, role of a CS, employment opportunities for CS, etc. The students were inquisitive about the CS course and had queries on topics like the duration of the course, the fee structure, contents, opportunities available to the profession, etc. The programme proved to be an eye opener for the opportunities that students can avail, once they clear their senior secondary examinations.

VARANASI CHAPTER

Career Awareness Programme

On 13.7.2015 Varanasi Chapter of NIRC of the ICSI conducted a Career Awareness Programme at Jeevandeep Group of Educational Institute at its Campus. There were about 250 students from 10+2 Commerce and Science streams present on the occasion. At the Counseling programme Ashish Tiwari, In-Charge who began his address with the role of Key Managerial Personnel (KMP) under the Companies Act, 2013. He also detailed the students regarding qualification, duration, structures, employment, importance, prospects of the CS Course and role of Company

Secretaries and clarified the queries raised by the students during interaction session. Dr. Mamta Singh, Principal also shared her views on emerging opportunities for the profession of Company Secretaries. The session was lively, interactive and well received by the students, faculties and their doubts were also clarified.

SOUTHERN INDIA REGIONAL COUNCIL

Study Circle Meetings

The ICSI-SIRC organized a Study Circle Meeting on “Insider Trading v. Investor Emotions (a Practical Approach)” on 5.6.2015 at ICSI-SIRC House, Chennai. CA R. Thangamuthu, Chartered Accountant, Chennai was the Speaker who briefly touched upon the differences between latest Regulations and old ones. He mentioned that the new Regulations are applicable to Companies which are proposed to be listed also. He touched upon the penalty clauses also and briefly talked about investments in stock markets and mutual funds. He clarified how insider trading could be avoided and how to avoid greed. For greed, he quoted instances from Mahabharatha. There was an active participation by the Members and the clarifications sought were ably given by the speaker.

Again on 12.6.2015 another Study Circle Meeting on “Road Map to AGM 2015” was organised at ICSI-SIRC House, Chennai. CS Smita Chirimar, Partner, S Dhanapal & Associates, Chennai was the speaker who in her address elaborated on the step by step approach to prepare for the AGM 2015. She explained about the tentative items which require approval of the Board and the Members under the provisions of Companies Act, 2013. During her deliberation, she highlighted the major changes which have been introduced in the e-voting related provisions and spoke on depth regarding the impact of those changes on Corporates and professionals. She also threw light on the provisions of Secretarial Standards issued by the ICSI and the enhanced compliances mandated under them. She also indicated a tentative time schedule from Board Meeting till AGM taking into account various provisions of the Listing Agreement, Companies Act, 2013, its Rules and Secretarial Standards. While concluding, CS Smita highlighted the various challenges before the corporate and professionals and urged them to plan well in advance in order to conduct the AGM in a smooth manner. The Members present posed a number of queries which were aptly clarified by the Speaker.

Before conclusion CS S. Dhanapal, Treasurer, ICSI-SIRC and Chairman Professional Development Committee, also provided his insight on the AGM related provisions.

Video Discussion

The ICSI-SIRC in association with Madras Management Association organized Video discussion on Even Eagles Need a Push by David Mc Nally on 16.6.2015 at ICSI-SIRC House, Chennai. The Session



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facilitator Trainer was Pushpakumar P.V, Capstone Training Services LLP. In *Even Eagles Need a Push*, author David McNally shares powerful, helpful insights about how to take control of our lives, even when things around us seem out of control. In a succinct and motivational way, he presented five essential qualities that confident, empowered people have in common that make them peak performers in their life and career. His key message was that each of us can invest time to develop these five qualities that will help us live the life, we've always imagined for ourselves. The five essential qualities of confident, empowered people are: Self-appreciation, Vision, Purpose, Commitment and Contribution. One of the common enemies of many of us is our self-defeating, conformist belief system, which is the mother of all failures in our lives. On the other hand healthy self-appreciation will lead us to have a clear vision, a compelling purpose and a firm commitment in our lives. With these four empowering qualities, we will turn out to be great contributors in our life time, to our family, our organization and the society at large. As an actionable point, we can start developing our quality of self-appreciation by appreciating people living around us, starting with our family members. By giving sincere appreciation to others, we gain for ourselves more self-esteem, dignity and a healthy self-appreciation, according to the principle of "Givers gain".

40th Regional Conference of Company Secretaries

The ICSI – SIRC organized the 40th Regional Conference of Company Secretaries on "Meeting the Challenges – Setting the Standards" on 19, 20.6.2015 at Bangalore. The Chief Guest was N. Sivasailam, IAS, Additional Chief Secretary to Govt. Public Enterprises Department, Govt. of Karnataka and Suresh Senapathy, Board Member of Wipro Enterprises Pvt. Ltd. & Wipro GE Health Care Ltd., Bangalore was the Key-note speaker. CS Mamta Binani, Vice President, The ICSI, delivered the special address.

Inaugural Session: CS Gopalakrishna Hegde, Central Council Member, The ICSI while introducing the theme of the Conference gave a call to challenge ones limitations and overcome challenges in the journey of transforming as an evolved professional.

CS Mamta Binani in her special address rightly pointed out the theme that "Meeting the Challenges – Setting the Standards" is not only the theme for the day or for the conference, this theme has impact on lifetime. Stating this she set the right tone for the two day 40th Regional Conference. She also rightly pointed out that our members are fully equipped to meet the standards of the industry and commerce and the need of the hour is that our members are required to rebound themselves so as to face challenges with confidence and poise.

N. Sivasailam, IAS released the souvenir brought out on the occasion of the 40th Regional Conference of Company Secretaries. Suresh Senapathy, Board Member of Wipro Enterprises Pvt. Ltd. & Wipro GE Health Care Ltd., Bangalore in his address called upon

Company Secretaries to play a proactive role in guiding start-ups & big companies alike & highlighted the need for value added services by Company Secretaries who are now elevated as Key Managerial Personnel under the new Act. He raised many issues impacting the economy & society ranging from infrastructure, digital India, Social Media, 3D Manufacturing, Innovation, etc. He also highlighted how disruptive technologies are changing our lives, how demographic dividend could turn into demographic liabilities if we do not gear up. He also emphasized on the need for Company Secretaries to rise up to the challenges in the global economy.

N. Sivasailam, IAS, Additional Chief Secretary to Government Public Enterprises Department, Government of Karnataka in his inaugural address raised many critical issues concerning the role of Company Secretaries as a Key Managerial Personnel and as a practitioner. He called upon Company Secretaries to devise ways & means to provide assistance & guidance to small businesses & MSMEs to provide professional support at competitive prices. Sivasailam advised Company Secretaries to be cautious while auditing & certifying decisions & opinions which could eventually be subject to scrutiny under RTI and called upon the Institute to set standards that are pragmatic to implement & add value to the business.

First Technical Session – Board of Directors Report and Annual Return: Dr. CS B. Ravi, (Past Chairman, ICSI - SIRC), Practising Company Secretary, Chennai was the speaker who in his address elaborated the compliance & consequences of Board's Report and caution to be exercised in preparation and certification of Annual Return.

Second Technical Session – Secretarial Standards - 1 & 2: CS Sethuraman K, Chief Compliance Officer and Group Company Secretary, Reliance Industries Limited, Mumbai was the speaker who in his address started with why Secretarial Standards and then explained the advantages of Secretarial Standards. He then explained in detail the Secretarial Standards - 1 & 2.

Third Technical Session – Recent Changes in Foreign Exchange Management Act, 2000: CS R. Sridhar, Partner, LeapRidge Advisors LLP, Chennai was the speaker who in his address starting with changes in structure of FEMA, highlighted the recent changes in current account transactions, capital account transactions and Overseas Direct Investments.

A Cultural Programme was also organized in the evening of 19.6.2015. Yakshagana: Kalayavana Kalaga by Vinayak Hegde and Team and Bharatanatyam by the students of CS Maitri Bhat, Pooja Hegde and Ashwini Bhat were performed on the occasion.

Fourth Technical Session – Panel Discussion on Proposed Clause 36 and revised Clause 49 of the Listing Agreement: P.K. Nagpal, Executive Director, Securities Exchange Board of India, Mumbai Chaired the session and Dr. V.R. Narasimhan, Chief – Regulations, NSE, Mumbai was the key-note speaker.



First Panel Discussion was on “Critical Evaluation of Clause 49” by Dr. V.R. Narasimhan, Chief – Regulations, NSE, Mumbai. B.N. Sahoo, General Manager, SEBI and CS Parvatheesam Kanchinadham, Company Secretary, Tata Steel, Mumbai were the panelists.

Second Panel Discussion was on “Disclosure based on Materiality and Prize Sensitiveness” (Proposed Clause 36) - Harini Balaji, Deputy General Manager Securities and Exchange Board of India, Mumbai, CS Savithri Parekh, Chief Legal & Secretarial, Pidilite Industries Ltd., Mumbai and CS Shailashri Bhaskar, Practising Company Secretary (Former DGM, SEBI) Mumbai were the panelists. Jayanth Jash, Chief General Manager, SEBI gave the closing remarks.

Fifth Technical Session – Secretarial Audit and Board Evaluation: CS Savithri Parekh, Chief Legal & Secretarial, Pidilite Industries Ltd., Mumbai and Sandip Ghose, Director, National Institute of Securities Markets (NiSM), Mumbai were the speakers.

CS Savithri Parekh started with responsibility and that with power comes greater responsibility. She advised to be an expert on structural level and not on individual level, and be aware of the application of laws to industries sector, the responsibility of Board. CS Savithri Parekh also observed that MR 3 is only a format.

Sandip Ghose, explained in detail the need for Board Evaluation, Legal Framework in India, Board Evaluation Methodologies. He also listed out the disclosures and steps for board evaluation and briefed on the Evaluation process adopted in the West.

Valedictory Session: His Holiness Sri Veereshananda Saraswathi Swamiji, Ramakrishna Vivekananda Ashram, Tumkur was the Chief Guest on the occasion. His Holiness Sri Veereshananda Saraswathi Swamiji shared his blissful thoughts in relation to education, humanity, spirituality, wisdom etc. Swamiji beautifully enumerated how human thoughts lead to Habit; Habit leads to Character; and how character leads to the ultimate destiny of a man.

Half Day Seminar

The ICSI-SIRC organized a Half-a-day Seminar on Mergers and Amalgamations & NCLT on 27.6.2015 at ICSI-SIRC House, Chennai.

First Technical Session: Valuation and Accounting Treatment on Mergers and Amalgamation: CA Sridharan N.R., Chartered Accountant, Chennai spoke on 'Accounting issues' in mergers, amalgamations and demergers. He stressed on the importance of complying with requirement of Accounting Standards while preparing schemes. In this context he explained the requirements of Accounting Standard 14, elaborating further on the difference between pooling of interest method and purchase method. It was also highlighted by him that MCA has already notified Indian Accounting standard and Ind AS 103 on 'Business combinations' which would slowly replace AS14. He urged upon Company

Secretaries in Practice to get ready to capitalize on the new opportunity of appearing before NCLT for seeking sanction of schemes of mergers and demergers. He also suggested that PCSs, being competent professionals, should be recognized as 'valuers' for Schemes of mergers etc.

Second Technical Session: Tax planning and Capital Gain on Mergers and Amalgamation: CA N. Narayanan, Chartered Accountant, Chennai made a presentation on Business Restructuring – Amalgamation & Demerger under the provisions of Income Tax Act. He had touched upon different restructuring activities in a business scenario with particular emphasis on amalgamation and demerger. He had explained how the corporate can effectively give fresh lease of life for accumulated business loss by resorting to amalgamation/merger. He also explained the precaution to be taken when there is an un-utilized MAT credit available for amalgamating company. He explained by citing various case laws to drive the point that the amalgamated company or resulting company can resort to issue of instruments such as bond/debentures etc. apart from issue of shares. He also explained that the company should see that, whether, due to amalgamation or demerger, the tax holidays available to power generation / distributing undertakings, infrastructure undertakings are affected. He dealt at length as to how deductions under section 43B, 40(a) etc. can be worked in favour of the company, in a scheme of amalgamation or demerger.

He highlighted the danger of determination of cost when the Net worth becomes negative, in the case of a demerger. In such a scenario the revenue can take a stand that cost of share is negative and consequently on sale capital gain could be more than the sale value. He also highlighted that based on the latest decision of the Supreme Court one could claim depreciation on goodwill, which has been created consequent to an amalgamation. The presentation was followed by a number of queries which were ably clarified by the speakers.

Third Technical Session: Legal Aspects on Mergers and Amalgamation & NCLT: Ph. Arvinth Pandian, Advocate, Chennai in his address dealt at length with the legal aspects of Mergers and Amalgamation & NCLT. He elaborately covered the topic such as Introduction to Mergers and Amalgamations, What does a scheme of amalgamation contain?, Regulatory Framework, Chapter –V of the Companies Act, 1956, Listing Agreement & SEBI Approval, Indian Stamp Act – Tamil Nadu, Competition Act, 2002, RBI Approval/Compliance, Mergers and Amalgamations under the Companies Act, 1956, Section 391 of The Companies Act 1956 – Supervisory Provision, steps before filing the merger, tabular format of court process, procedure on filing scheme – in cases of meetings, Post merger formalities, Mergers and Amalgamations under the Companies Act, 2013, Disclosures prescribed under Section 230 (2) (a) on an application being made, Notice for meeting –230 (3), Notice to Statutory Authorities –230(5), Mode of conducting meeting –230(4), Court's Power To Dispense Creditors Meeting –230(9), Restrictions on a Scheme – 230(10), Takeovers and



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Exit Offers -230(7) and (12), Takeovers and Exit Offers - 230(7) and (12) – Comments, Power of Tribunal to enforce compromise and arrangement – 231, Accounting Treatment Compliance, Treasury Stock Prohibited – Merger under 232 & 233, Merger and Amalgamation of Companies – 232, Contents of notice for merger, amalgamation and demerger, Shares Held By Non-Residents, Merger of a listed company with an unlisted company - 232, Concept of Appointed Date, Merger – Indian Company into Foreign Company – 234, Fast Track Amalgamation – 233, Step Wise Chart for Fast Track Merger, Faster Track Amalgamation – 233 – Comments, Power to acquire shares of dissenting shareholders - 235, Purchase of minority shareholding - Available for private, public unlisted company and a listed entity – 236, Power of Central Government to provide for amalgamation of companies in public interest – 237, Liability of officers in respect of offences committed prior to merger, amalgamation, etc. – 240, National Company Law Tribunal and the National Law Appellate Tribunal, Section 408 & 410 – Constitution of the Tribunal and the Appellate Tribunal, Section 409 - Qualifications of President/Members, Section 411 - Qualification of Chairperson and Members of the Appellate Tribunal, etc. There was an active participation by the Members and the clarifications sought were clarified by the speakers.

COIMBATORE CHAPTER Annual General Meeting

Annual General Meeting of Coimbatore Chapter of SIRC of ICSI for the year ended 31.3.2015 was held on 27.6.2015 at the Chapter premises, wherein, the annual report & the audited accounts of the Chapter were placed for approval of the members. After having discussion the members approved the annual report and the accounts of the Chapter for the financial year 2014-2015. Further, the internal and statutory auditors of the Chapter for the year 2015-2016 were also reappointed, subject to the approval of SIRC of ICSI.

Professional Development Programme on ICSI - Code of Conduct & Disciplinary Mechanism for Members

On 06.07.2015, Coimbatore Chapter of SIRC of ICSI organised a Professional Development Programme on the above topic at the Chapter premises.

CS Ashok Kumar Dixit, Director [Discipline], ICSI was the speaker who in his address explained about the ICSI Code of Conduct, Company Secretaries (Procedure of Investigations of Professional and other Misconduct and Conduct of Cases) Rules, 2007 and Disciplinary Mechanism for Members. He also emphasized about the ICSI Guidelines applicable to PCS, Guidelines for Advertisement, Guidelines for Compliance Certificate, Signing and Certification of Annual Return, Guidelines for Compulsory Attendance of PDPs, Guidelines for Professional Dress, Guidelines for Availability of Firm Names, Guidelines for Requirement of maintenance of a Register of Attestation Services, etc.

The participants intensively interacted with the speaker. The session was very informative and appreciated by the gathering at large. The queries raised by the participants were well addressed by the speaker. The programme was attended by 40 members & students.

Investor Awareness Programme

Coimbatore Chapter of SIRC of ICSI organized “Investor Awareness Programme” jointly with PSGR Krishnammal College for Women, Coimbatore at their college premises on 16.07.2015. The programme was held under the aegis of Investor Education & Protection Fund, Ministry of Corporate Affairs, Government of India. N Ramanathan, Registrar of Companies, Coimbatore was the Chief Guest. V.E.Josekutty, Deputy Registrar of Companies, Coimbatore and V.P.Sivadasan, Assistant Registrar of Companies, Coimbatore were the Guest Speakers of the programme.

Dr. S. Nirmala, Principal, PSGR Krishnammal College in her welcome address opined that the programme will go a long way to educate young minds on the necessity of savings and good investment. CS R Venkateswaran, Chapter Chairman while introducing the Chief Guest explained the objective of the programme and the role of the Institute for organising Investor Awareness Programme across the country with support of the Ministry. He stressed upon the need of savings and investments in the life of every person in the society.

CS AR Ramasubramania Raja, Chapter Vice Chairman in his address briefed the necessity of Investor Awareness Programme and also highlighted the importance of the awareness amongst students, inculcating savings habit in the interest of family and Nation.

Chief Guest N Ramanathan, Registrar of Companies, Coimbatore spoke on various steps taken by the Ministry of Corporate Affairs and the Office of the Registrar of Companies, to help, assist the small and retail investors in making their investment safe. He 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. He advised the people to visit the websites of Ministry of Corporate Affairs, Investors Education and Protection Fund for information about the companies, promoters and others involved in the stock market activities.

V.E.Josekutty, Deputy Registrar of Companies, 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 threw glimpses on the various modes of investment, Dos and Don'ts of investment, impact of incorrect investment 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. Further, he explained the investment opportunities, financial planning, precautions to be



taken by the investor before making investment, mode of making complaints to SEBI, role of SEBI towards investor protection, the redressal agencies, etc.

V.P.Sivadasan, Assistant Registrar of Companies emphasized on the need of awareness for investments among public, especially the students in proper channels and wise decisions to be taken depending upon the requirements. The speaker suggested need of proper investigation before investing in any schemes and also explained with examples different ways in which investors are being generally misguided. He further briefed the dos and don'ts for making investment decisions by which investors can protect their funds.

The programme was very interactive and the queries raised by the participants were duly addressed by the Chief Guest and the Guest Speakers. The programme was actively attended by 300 participants including students, Staff and Faculty Members of PSGR Krishnammal College for Women, Coimbatore.

Career Awareness Programmes

On 17.07.2015, Coimbatore Chapter conducted a Career Awareness Programme at Sri Saraswathy Vidhya Thyagaraja College of Arts and Science, Pollachi. Sreejith.P, Executive Officer, ICSI-Coimbatore Chapter was the speaker who explained the opportunities available after completion of the Company Secretaryship Course both in employment and in practice and further explained the new opportunities available under the Companies Act 2013. Mandatory appointment of Company Secretary and Key Managerial Personnel as per the Companies Act 2013 were also highlighted.

The mode of registration, syllabus, course contents, fee structure, placement services and oral coaching facilities being provided to the students were also explained. Further, the speaker highlighted various support given by the Institute for pursuing CS course by way of Scholarships provided by 13 Government departments, ICSI Education Fund Trust and the MOU agreement with Canara Bank for availing education loan.

The speaker highlighted the online examination pattern for Foundation programme and further explained the new training structure of the institute. He stressed upon the opportunities of the new training structure of the Institute, which can help a student to get an easiest way to enter into the MNCs and Practising CS firms for undergoing Management Training while pursuing Executive Level Programme. He also advised, as usual practice of the companies, there is wide scope for getting employment in the same organization, if the students perform well during their training period.

Career leaflets were distributed amongst the students and they were apprised about the new examination patterns and online services of the institute. Further the speaker apprised the students about the placement facilities including the proposed Campus Placement Programme of the Chapter and other students' programmes of

the Chapter. The speaker further highlighted various batches of CS coaching classes available at ICSI Coimbatore Chapter and added that the Chapter is regularly organizing Regular and Weekend batches for Foundation, Executive and Professional Programme stages at Chapter premises itself. He also added that Chapter is charging minimal fee and ensuring high quality classes as compared to other private coaching centres. Nearly 250 students from Department of Commerce attended the Career Awareness Programme. The queries raised by the students were aptly replied by the speaker.

Another Career Awareness Programme on Career as a Company Secretary organised by Coimbatore Chapter of ICSI was held at PSGR Krishnammal College for Women, Coimbatore on 17.07.2015. The Career Awareness Programme was addressed by CS R. Venkateswaran, Chairman, Coimbatore Chapter of SIRC of ICSI and CS N. Singaravel, Management Committee Member, Coimbatore Chapter of SIRC of ICSI. The speakers elaborated about the CS profession and its wide opportunities in various sectors. The speakers highlighted the opportunities available to those who complete the Company Secretaryship Course both in employment and in practice were explained during the programme. The opportunities like mandatory appointment of Company Secretary and Key Managerial Personnel as per the Companies Act 2013 were elaborated during the programme. Further, they enumerated the emerging areas of practice and the changing role of Company Secretaries in Practice quoted with the scope in Secretarial Audit under new Companies Act. Further, the speakers explained that Coimbatore Chapter is providing high quality coaching classes throughout the year with minimal fee and advised the students to join regular or weekend classes at the Chapter for getting proper guidance and quality teaching. Further, students were informed that Chapter is also organizing various professional development programmes for updating the knowledge of its students and members. The Speakers informed that Company Secretary with minimum one or two years of post-qualification experience has bright and challenging future in companies including bluechip companies. Further informed that now a days the Corporate Community is looking for young professionals and a CS is drawing handsome salary in each of the companies. Speakers explained in detail about the Institute, Course and the career opportunities with support of PPT and pamphlets were distributed to all the participants during the programme. At the end of the programme, various queries raised by the students about the CS course were aptly replied by the speakers. Nearly 300 students all from B.Com stream of the college attended the Career Awareness Programme.

Interaction Meeting with ROC – E-filing and recent changes in Companies Act

On 23.07.2015, Coimbatore Chapter organised an Interaction Meeting with ROC – E-filing and recent changes in Companies Act at the Chapter premises. N Ramanathan, Registrar of Companies, Coimbatore, V.E.Josekutty, Deputy Registrar of Companies



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and V.P.Sivadasan, Assistant Registrar of Companies were the Speakers of the programme. Interactions with the Registrars were effective and informative to all the participants. Speakers explained in brief the exemptions available to the Private Companies under the Companies Act 2013 along with recent notifications in this regard. Procedures, Dos and Don'ts in E-Filings, Filing of resolutions and agreements were also discussed. The students were explained how to go through the Sections, Rules and Notifications of the Companies Act. They were advised to refer the MCA website regularly to update themselves. The programme was well attended by 75 members and students.

KOCHI CHAPTER One Day Professional Development Programme on FEMA

Kochi Chapter of SIRC of ICSI organized a one day professional development programme on Foreign Exchange Management Act (FEMA) on 30.6.2015 at Kaloor, Kochi. U Chiranjeevi, General Manager, Reserve Bank of India, Kochi, Chief Guest inaugurated the programme along with CS. P. C. Jose, Practising Company Secretary, CS. Arun K. Kamalobhavan, Secretary, Kochi Chapter, CS. Jayan K. and CS. Mithun B. Shenoy, Managing Committee Members, Kochi Chapter. CS. Mithun B. Shenoy gave the welcome address which contained Countdown presentation on 16th National Practising Company Secretaries Conference. U Chiranjeevi talked about history of foreign exchange right from 19th century till implementation of Foreign Exchange Management Act.

The First session was led by Arvind Salve, Deputy General Manager (Rtd.) RBI, Mumbai on Foreign Direct Investment (FDI) & External Commercial Borrowing (ECB). He highlighted new developments which has taken place in FDI and ECB. He touched upon main areas of the subject including reporting requirements. The session ended up with interactive session with the speaker.

Overseas Direct Investment was the second session which was addressed by CS Sunil P. Shankar, Practising Company Secretary, Kochi. CS Sunil spoke about the main areas of the topic.

MADURAI CHAPTER Career Awareness Programme

On the occasion of LDC commerce day inaugural session was organized by the Commerce Department along ICSI Madurai Chapter. The Inaugural session was attended by CS V. Vijayaraghavan, Chairman as a special guest and Raja Muthaiah, Director & Professor, Mannar College, Madurai as chief guest in the presence of Margret HOD of Commerce, LDC. It was well attended by the Staff of Commerce department and more than 750 Commerce students. The Chairman, CS. V. Vijayaraghavan of Madurai Chapter in his special address explained the students about the curriculum of ACS and the organization structure and the course background. He dwelt in detail

about the profession of Company Secretary (CS) under the Companies Act, 2013 and its importance as Key Management Personnel (KMP) in the 2013 Act and the scope for full time & practicing CS in the Corporate world. He also explained how much importance is attached to the post of CS and his significant role as an administrator being the mouth piece of the board as well as strategic executive to implement the decision/mission/vision of the Board of Directors and his key role in the overall management of the Company. His responsibility does not end in managing the board affairs and he has to coordinate constantly with stock exchange/SEBI/RBI/MCA/ROC and other agencies and also Investors & shareholders in case of a listed company. Thus his gamut of management extends to all outside bodies also in order to comply with various requirements of the multiplicity acts in the Corporate Governance area. He further detailed the opportunities available for a Company Secretary in practice in the context of new areas made available in the Companies Act, 2013. He also detailed the efforts taken by ICSI to improve the content and provide the opportunities to students who pass out meritoriously and various training programmes introduced to prepare them to face the challenges and task that would come across the profession when they enter the profession so that they are well equipped to tackle them. Before conclusion he pointed out ICSI's efforts that have resulted in association with overseas bodies of secretaries in Singapore, Malaysia, UK, U.S, Europe, Dubai and its plan to open an office in Dubai soon.

MYSORE CHAPTER Career Awareness Programmes

On 21.07.2015 Mysore Chapter of SIRC of ICSI organised a Career awareness Programme at Maharani's Commerce & Management College, Mysore. Around 200 students from B. Com. Stream attended the programme. CS Manjunath S, Management Committee Member of the Mysore Chapter explained in detail the course offered by the Institute, eligibility criteria for pursuing CS course, examination, requirements of training, etc. He also highlighted the importance of making the right career choice so as to be successful in life. He then spoke about the role of a Company Secretary and importance of the profession of Company Secretaries in the changing economic scenario. Brochures explaining Company Secretaryship Course were distributed to the participants. CS Manjunath S also clarified various doubts and issues those were raised by the participants and thanked the management for providing the Institute the opportunity of organising the programme.

Again on 22.07.2015 another career awareness programme was organised at Chinmaya Composite PU College, Mysore. Around 60 students from Commerce stream attended the programme. CS Pracheta M, Chapter Secretary explained in detail the course offered by the Institute, eligibility for CS course, examination, requirements of training, etc.

She also highlighted the importance of making the right career choice so as to be successful in life. She then spoke about the role of a Company Secretary and importance of the profession of Company



Secretaries in the changing economic scenario. Brochures explaining Company Secretaryship Course were distributed to the participants. CS Pracheta M also clarified various doubts and issues those were raised by the participants and thanked the management for providing the Institute this opportunity.

WESTERN INDIA REGIONAL COUNCIL

BHAYANDER CHAPTER Full Day Seminar on Compliances for Indirect Taxes and Foreign Investment and Agreement drafting Skill

On 21.6.2015 Bhayander Chapter of WIRC of ICSI organized a full day seminar on Compliances for Indirect Taxes and Foreign Investment and Agreement drafting Skill at Bhayander (W).

Technical Session 1 was addressed by CS CA S S Gupta on "Compliances for Service Tax and Central Excise".

Technical Session 2 was addressed by Anil Salvi on "Foreign Investment in India and RBI Compliances thereon".

Technical Session 3 was addressed by Adv. Manish Bhakta, on "Legal Agreement – Read Between the Lines".

Technical Session 4 was addressed by Zubair Khan on "Resume Drafting – Dos & Don'ts".

Celebration of 1st International Yoga Divas

ON 21.6.2015 Bhayander Chapter of WIRC of ICSI participated in the celebration of 1st International Yoga Divas, Organised by Vasai Chapter of WIRC of ICAI. Bhayander Chapter of ICSI was the associate partner of the programme. Around 400 participants were present in the programme. Teachers from the organization "The Art of Living (Sri Sri Ravi Shankar)" were also present in the programme and they taught the participants how to live a healthy life with the help of Yoga.

INDORE CHAPTER In House Discussion on Annual Return Part-I & Part-II

On 22.5.2015 and 29.5.2015, Indore Chapter organized a Series of in-house discussion on Annual Return. CS D.K. Jain and CS Manish Jain led the session. CS Pinky Shrivastava, Chairperson-PDC Indore Chapter in her welcome address dealt with procedural and legal compliance that are expected from a company. CS D.K. Jain & CS Manish Jain shared various aspects related to the Preparation

of Annual Return including its approach, plan, etc. The sessions witnessed participation from around 50 members.

PUNE CHAPTER Annual General Meeting

Pune Chapter conducted its Annual General Meeting on 27.6.2015 at Pune. More than 55 members attended the meeting.

Study Circle Meetings

Pune Chapter organized a Study Circle Meeting on Intricacies of Annual Return under Companies Act 2013 which was held on 11.07.2015 at Pune. The programme was attended by 203 delegates. CS Devendra Deshpande -Member WIRC was the eminent faculty for the programme. The session was very informative and well appreciated by the gathering. One (1) PCH was awarded to members who attended the programme and students were awarded two (2) PDP for the same.

Again on 18.7.2015 another Study Circle Meeting was organised by the Chapter on Notice & Director's Report under Companies Act 2013 held at Pune. The programme was attended by 174 delegates. CS Vikas Agarwal was the eminent faculty for the programme. The session was very informative and well appreciated by the gathering. One (1) PCH was awarded to members who attended the programme and students were awarded two (2) PDP for the same.

Yet again the Chapter organized another Study Circle Meeting on Recent Exemptions to Private Companies under Companies Act 2013 which was held on 25.07.2015 at Pune. The programme was attended by 150 delegates. CS C S Kelkar was the eminent faculty for the programme. The session was very informative and well appreciated by the gathering. One (1) PCH was awarded to members who attended the same and students were awarded two (2) PDP for the same.

Half Day Seminar on Secretarial Standards & Latest Company Law Landscape

Pune Chapter organized a Seminar on Information Security - The Changing Threat Landscape which was held on 25.07.2015 at Pune. More than 100 delegates attended the programme. CS Miliind Kasodekar and CS Sachin Bhagwat were the eminent faculties for the programme. The session was very informative and well appreciated by the gathering. Two (2) PCH was awarded to members who attended the programme and students were awarded four (4) PDP for the same.

Participation in Career Fair

Pune chapter participated in career & Job Fair organised by Hindustan Times on 18 and 19.7.2015 at Pune. More than 200 students visited the ICSI Stall. Around 350 Brochures were circulated among students/parents who visited the stall as well as some Brochures were circulated to the students/parents at the entry gate of the exhibition.



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ANNOUNCES

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Learning Outcomes

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- Understand the laws, regulations and corporate governance best practices relating to modules covered
- Practices with particular reference to recent developments and apply them within their own organization or with their clients and ensure compliance.
- Apply professional knowledge and skills to the resolution of practical issues and problems.

Faculties & facilitators

Eminent & expert faculties will address the participants and will help them in learning process

Date Location & Cost

21st August, 2015 (Friday) to 23rd August, 2015 (Sunday)
Venue: ICSI-CCGRT Auditorium, Plot No. 101, Sector 15, Institutional Area, CBD Belapur, Navi Mumbai – 400 614 (ICSI- CCGRT, NAVI MUMBAI). Tel No.022-41021501/15; 022-27577814.

On non residential & limited residential participation

Rs. 3750/- Per participant on non residential basis (Inclusive of Service Tax@14%)
Rs. 6500/- Per participant on residential basis (on double occupancy sharing Basis for 2 night stay at CCGRT with dinner) (limited to first 24 participants) (Inclusive of Service Tax@14%)
Above cost is for Conference kit, Breakfast (3) & Lunch (3) & tea coffee.

For Registration contact

Dr. Rajesh Agrawal, Director, ICSI-Centre for Corporate Governance, Research & Training (ICSI-CCGRT), Plot No. 101, Sector 15, Institutional Area, CBD Belapur, Navi Mumbai – 400 614.
☎022- 4102 1501/04/15 / 35, Fax: 022- 27574384; email: ccgrt@icsi.edu

Modules (proposed)

1. Company formation/ conversion/ change of name/ change of object/ OPC
2. Issue & allotment of securities – right offer/ private placement/ loan conversion/ consideration other than cash/ sweat equity/ ESOPS
3. Drafting of articles, drafting various policies required under the act: Compliance management/ Risk management/ Compensation/ Board evaluation/ Whistle blower/ safety of women
4. Directors - appointments, disqualifications, removal, vacation. Remuneration. Meetings of board, committee & general meetings, video conference meetings, e voting
5. Related party transactions/ loan/ investments/ deposits/ boards powers
6. Audit/ Accounts/ Consolidation/ CSR
7. Annual compliances: consist of holding of GM. Notices/ directors report/ annual return preparation, signing and certification
8. Exemptions to government Companies & Charitable Companies

(CS Ashish Doshi)
Central Council Member
Chairman ICSI CCGRT

(CS Makarand Lele)
Central Council Member
Programme Director

(CS Ahalada Rao)
Central Council Member
Co-Programme Director



PCH- 4

PDP- 8

**Announces
Workshop
on**

Research Induction Workshop

Day, Date & Time	Friday, August 28, 2015	09.30 a.m. to 05.30 p.m. with lunch and material
Venue	ICSI-CCGRT Auditorium, Plot No. 101, Sector 15, Institutional Area, CBD Belapur, Navi Mumbai – 400 614	
Proposed Coverage	The sessions will cover on the following areas: <ul style="list-style-type: none"> • Significance of Research, Scope and Sources of Research for Company Secretaries (CS) • Grooming Professionals towards Research • Research Methodology & Techniques • Drafting of Expert Opinion 	
Speakers include	Dr. A K Sengupta, President, Higher Education Forum Dr. Achalapatty, Professor, Osmania University, Hyderabad Dr. A V Rao, Professor, Pune Dr. K R Chandratre, Practising Company Secretary, Pune & Past President, ICSI Dr. Rajesh Agrawal, Director, ICSI-CCGRT	
Participant Mix	Company Secretaries in practice and employment, Academicians, Other Corporate Professionals and Students pursuing Company Secretaryship course and other professional courses.	
Fees (Inclusive of Service Tax@14%)	Members	₹ 1,300/- per Member
	Students	₹ 1,000/- per participant
	Non – Members	₹ 2,000/- per participant
	(to cover the organisational cost, program kit, lunch and other expenses.)	

For Registration

Fees may be paid through DD / local / Par cheque payable at Mumbai in favour of **“ICSI-CCGRT A/c”** and sent to: **The Program Co-ordinator**, ICSI-Centre for Corporate Governance, Research & Training (ICSI-CCGRT), Plot No. 101, Sector-15, Institutional Area, CBD Belapur, Navi Mumbai- 400 614.

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RESPONSES TO QUERIES RECEIVED ON SECRETARIAL STANDARD ON BOARD MEETINGS (SS-1)

Scope/1. Is SS-1 applicable to banking entities which are listed on Stock exchanges?

Ans. SS-1 is applicable to all companies incorporated under the Act (for definition of Act refer Q.2). If a banking company is incorporated under the Act then SS-1 is applicable to such company.

Scope/2. Para of SS-1 the Scope states that “if due to subsequent changes in the Act, a particular Standard or any part thereof becomes inconsistent with the Act, the provisions of the Act shall prevail.”

Does the aforesaid Para mean that Secretarial Standards shall override subsequent amendments made in the Rules?

Ans. The term “Act” has been defined in SS-1 to mean the Companies Act, 2013 (Act No. 18 of 2013) or any previous enactment thereof, or any statutory modification thereto or re-enactment thereof and includes any Rules and Regulations framed thereunder. Hence, if due to subsequent change in the Rules, a particular Standard or any part thereof becomes inconsistent with the Act/Rules, the provisions of the Act/Rules shall prevail.

Scope/3. Is SS-1 applicable to only statutory committees or also to those committees which are constituted by the company voluntarily? Further, is SS-1 applicable to Meetings of a committee where Non-Directors are also members?

Ans. “Committee” has been defined in SS-1 to mean a Committee of Directors constituted by the Board. SS-1 is thus applicable to Meetings of Committees fulfilling the following conditions:

- a) All the Members of the Committee are Directors and
- b) The Committee has been constituted by the Board.

Such Committees may be constituted by the company statutorily or voluntarily.

In case there is any Committee in which a Non-Director such as CEO/Manager, is a member, SS-1 will not apply to such Committee.

Scope/4. Whether the companies which are not required to have Independent directors statutorily but have

done so voluntarily are required to comply with the relevant provisions of the SS-1 relating to Independent Directors?

Ans. Yes. All the provisions in SS-1 relating to the Independent Directors are required to be complied with even by such companies which have voluntarily appointed Independent Directors.

Scope/5. Will SS-1 be applicable for a Board meeting, the notice for which has been issued in the month of June, 2015?

Ans. SS-1 shall apply only to those Board Meetings in respect of which Notices are issued on or after 1st July, 2015.

Scope/6. What is the effect of MCA’s Notification dated 5th June 2015 on SS-1?

Ans: The Exemption Notification(s) dt. 5th June, 2015 is post-notification of the SS and such consequential amendments are addressed in the Scope of SS-1 as under:

“This Standard is in conformity with the provisions of the Act. However, if due to subsequent changes in the Act, a particular Standard or any part thereof becomes inconsistent with the Act, the provisions of the Act shall prevail.”

Accordingly, if due to MCA Notification(s) referred to herein above, a particular standard or any part thereof becomes inconsistent with any of the provisions of the Act, such corresponding provisions of the Act read with the MCA Notification(s) shall prevail.

Announcement has been issued by ICSI in this regard, which can be accessed at the following link:

https://www.icsi.edu/Docs/Website/Revised_Announcement_260615.pdf

1/1. Are Independent Directors empowered to summon a Meeting of the Board under Para 1.1.1 of SS-1?

Ans. “Independent Director” is also a Director of the company. As such, he may also summon a Meeting of the Board, unless otherwise provided in the Articles.

1/2. Can a Director send an oral requisition to the Company Secretary to convene a Board Meeting?



- Ans. A requisition by the Director to convene a Board Meeting should be in writing. However, if the requisition, so received, is not in writing, it should be put in writing by the Company Secretary and the same should be placed before the Chairman/Managing Director/Whole-time Director, as the case may be, with a copy to the Director concerned who requisitions the Meeting.
- 1/3. **Can the Company Secretary issue the notice of Board meeting if after consultation, the Chairman refuses to convene a meeting in terms of Para 1.1.1 of SS-1?**
- Ans. On consultation by the Company Secretary, if the Chairman / Managing Director / Whole-time Director, as the case may be, refuses to convene the Meeting, the Articles of the company would prevail. In case the Articles are silent, a Company Secretary cannot convene a Meeting as requisitioned by the Director. He may communicate the same to the Director concerned. However, the Director may on his / her own convene a Meeting.
- 1/4. **Para 1.1.2 of SS-1 refers to objection by the majority of Directors present at a Meeting for adjourning a Meeting. If they do not represent majority of Directors of the Board, would it make a difference?**
- Ans. It would not make any difference. Majority of Directors present at the meeting may object to adjournment of a meeting, whether or not they represent majority of Directors of the Board.
- 1/5. **What does serial number of Board meeting as referred to Para 1.2.1 of SS-1 mean?**
- Ans. Every Meeting of the Board should be serially numbered. While doing so, the company may choose to follow its existing system of numbering, if any, or any new system of numbering, which would be distinct and enable ease of reference or cross-reference.
- Illustrations:-
- (i) Serially numbering on calendar year basis as follows: "1/2015", "2/2015", "3/2015" and so on....
- In the next year, numbering would be "1/2016", "2/2016", "3/2016" and so on..
- (ii) Continuous serially numbering across years:
- 120th Meeting, 121st Meeting, 122nd Meetingto nth Meeting.
- Here, a company may choose to either count and give continuous numbering from its incorporation or from Meetings held on or after 1st July, 2015. However, in this case the minutes of the first meeting held on or after 1st July, 2015 should include a mention about such serial numbering.
- (iii) Serially numbering on financial year basis as follows: "1/2015-16", "2/2015-16", "3/2015-16" and so on....or 1/15-16, 2/15-16, 3/15-16 and so on.....
- In any case, the company should follow a uniform and consistent system.
- 1/6. **How will companies which were incorporated quite some time back (for example 50 years ago) and where old Board Minutes are not available, ensure compliance with Para 1.2.1 of SS1?**
- Ans. In case companies are unable to count and give continuous numbering from their incorporation, they may start giving serial numbers from Meetings held on or after 1st July, 2015. Otherwise, they may choose to follow any other system of numbering as given above.
- 1/7. **What is the place where Board Meetings can be held?**
- Ans. A Board Meeting may be held at any place, in India or abroad.
- 1/8. **Can the companies conduct the Meetings of the Committees and Meetings of the Board on the same day?**
- Ans. Yes. There is no restriction in SS-1 to conduct Meetings of the Committees and Meeting of the Board on the same day.
- 1/9. **Why Board meetings cannot be convened on a National Holiday?**
- Ans. Section 174(4) of the Companies Act, 2013 prohibits holding of Board meetings adjourned for want of Quorum on National Holidays. Even as per Section 96(2) of the Companies Act, 2013, AGM cannot be held on a National Holiday. By inference, it can be understood that the intention of the legislature is to avoid holding Meetings on National Holidays. Therefore, Board Meetings shall not be convened on National Holidays.
- 1/10. **Can participation of a Director in a Meeting telephonically or Meetings through tele-conferencing be considered as participation of a Director through Electronic mode or Meetings**

through Electronic mode?

- Ans. No. As defined in SS-1, "Electronic Mode" in relation to Meetings means Meetings through video conferencing or other audio-visual means. "Video conferencing or other audio-visual means" means audio-visual electronic communication facility employed which enables all the persons participating in a Meeting to communicate concurrently with each other without an intermediary and to participate effectively in the Meeting. Thus, participation of a Director in a Meeting telephonically or Meetings through tele-conferencing cannot be considered as participation of a Director through Electronic mode or Meeting through Electronic mode.
- 1/11. Is it mandatory for companies to provide their directors with the facility of participation in meetings through electronic mode?**
- Ans. It is not mandatory for companies to provide their directors with the facility of participation in meetings through electronic mode.
- 1/12. In case companies do not provide the directors with the facility of participation in meetings through electronic mode, can the directors insist on attending the meetings through such mode?**
- Ans. Section 173(2) of the Act is an enabling provision which recognises presence of directors participating through electronic mode. Rule 3 of the Companies (Meetings of the Board and its Powers) Rules, 2014 is required to be complied with only if a company provides the facility of participation through electronic mode. It is thus, an option with the director to attend the Board Meeting through electronic mode but it is not his right. This option may be exercised by the Director only when this facility is provided by the company to its director(s).
- If the company has not offered to provide facility of participation through electronic mode and the director insists to attend the meeting through electronic mode, the company may decide whether to provide the same or not.
- 1/13. Can a Director participate in a Board Meeting through electronic mode from his end, even if the company does not provide such facility?**
- Ans. A Director cannot participate in a Board Meeting through electronic mode from his end, if the company does not provide the facility. Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014 requires the company to make necessary arrangements to avoid failure of video or audio video connection.
- Further, Chairman and CS have to take due and reasonable care to safeguard the integrity of the meeting by ensuring sufficient security and identification procedures.
- 1/14. Is it mandatory for a company to hold atleast one Meeting of the Board physically or all Meetings can be held through Electronic Mode?**
- Ans. There is no such restriction. However, the company should ensure presence of physical quorum during consideration of any of the restricted items of business.
- 1/15. Is it mandatory for a Director to attend atleast one Meeting of the Board physically?**
- Ans. No. A Director may attend all the Meetings of the Board through electronic mode, if the company provides such facility. However physical quorum should be present during consideration of any of the restricted item of business.
- 1/16. If the original Meeting of the Board was conducted physically, can the adjourned meeting be conducted through electronic mode?**
- Ans. There is no restriction in SS-1 to hold the adjourned meeting through electronic mode, provided provisions relating to meetings through electronic mode are complied with.
- 1/17. Why does the Explanation under Para 1.2.3 of SS-1 allow directors to participate through electronic mode in discussions on restricted items, with the permission of the Chairman?**
- Ans. Chairman has been given the discretion to allow such participation over and above the physically present Quorum in case he needs to take views of any such Director on restrictive items to encourage informed decision making. Any such Director participating through Electronic Mode in respect of restricted items with the express permission of Chairman should neither be counted for the purpose of Quorum nor be entitled to vote in respect of such restricted items.
- 1/18. In case the Chairman of the Meeting is participating through electronic mode, should he step down as Chairman in respect of the restricted items of business?**
- Ans. Yes. In respect of any restricted item of business, any Director participating through electronic mode cannot participate or vote or be counted for Quorum and so is the Chairman. Thus, he should step down as Chairman and any other non-interested Director

attending the Meeting physically be elected as the Chairman for transacting such restricted item. In case, the new Chairman so elected expressly permits him to participate and give his views in such matter, he can do so but in any case, he is not entitled to vote or be counted for Quorum on such restricted item of business.

1/19. Can the Company Secretary or the Auditor attend a Board Meeting through Electronic Mode?

Ans. There is no restriction in SS-1 in this regard.

1/20. How can proof of sending Notice or Agenda or Notes on Agenda given by hand and its delivery be maintained by companies?

Ans. While delivering Notice or Agenda or Notes on Agenda by hand, signature of the director or of his authorised representative can be taken on the office copy of the Notice or Agenda or Notes on Agenda as an acknowledgement, which can be maintained. In the alternative, companies may maintain a register for this purpose where signature of the concerned director or his authorised representative could be obtained.

1/21. How can proof of sending and delivery be maintained when the Notice or Agenda or Notes on Agenda of a meeting is sent electronically?

Ans. "Electronic mail" is defined in Rule 2(1)(g) of the Companies (specification of definition details) Rules, 2014 as the message sent, received or forwarded in digital form using any electronic communication mechanism that the message so sent, received or forwarded is storable and retrievable.

Accordingly, any document sent through electronic mode should be sent through such means where proof of delivery can be received.

1/22. How long are companies required to preserve proof of sending and delivery of Notices or Agenda or Notes on Agenda? Can this be maintained and preserved in soft form?

Ans. Proof of dispatch and delivery of the Notice or Agenda or Notes on Agenda should be preserved in good order in physical or electronic form for as long as they remain current or for eight financial years, whichever is later, and may be destroyed thereafter with the approval of the Board in line with the requirements for the destruction of the other records of the company.

Yes. Proof of delivery of notice, agenda, notes on agenda etc. can be maintained and preserved in soft form.

1/23. If the date of the adjourned meeting is decided at the original meeting itself, are companies still required to give notice for an adjourned meeting? What if the date of the adjourned meeting is not decided at the original meeting?

Ans. Yes, even if the date of adjourned meeting is decided at the original meeting, the Notice should be given. If the date of adjourned meeting is not decided at the original meeting, the adjourned meeting should be held only after minimum 7 days, thereby making provision for fresh 7 days' Notice.

1/24. In case the Articles of any company provide for a Notice period which is less than the mandatory period of atleast 7 days, can the company follow Articles and give such shorter Notice for its Meetings?

Ans. Para 1.3.6 of SS-1 provides that Notice convening a Meeting shall be given at least seven days before the date of the Meeting, unless the Articles prescribe a longer period. Thus, in case the articles of a company provide for a longer period of Notice, the Articles need to be complied with. In case the articles provide for a shorter period, the Standards need to be complied with. The statutory notice period of 7 days cannot be reduced by the company in the Articles. The only exemption available is giving shorter notice in terms of Para 1.3.11 of SS-1.

1/25. Why the Agenda and Notes on Agenda are required to be sent atleast 7 days prior to the Meeting? Are there any relaxations on this requirement?

Ans. Directors need to be informed ahead of the Meeting about the business to be transacted at the Meeting. Directors may seek and obtain further information on items of agenda before meeting to have meaningful participation at the meeting.

Even Secretarial Audit Report prescribed under the Companies Act, 2013 requires the Secretarial Auditor to report whether agenda and detailed notes on agenda are sent at least 7 days in advance to all Directors.

Relaxations have been given in respect of notes on items of business which are in the nature of Unpublished Sensitive Information (UPSI) and for Supplementary Notes on any of the Agenda Items, subject to certain conditions. If Notice is sent at a shorter period of time in terms of Para 1.3.11 of SS-1, Agenda and Notes on Agenda may also be sent at the same shorter period of time.

1/26. Para 1.3.7 of SS-1 provides that Supplementary

Notes on any of the Agenda Items shall be taken up with the permission of the Chairman and with the consent of a majority of the Directors present in the Meeting, which shall include at least one Independent Director, if any. What would be the position if there is no Independent Director or no Independent Director is present at the Meeting?

Ans: If there is no Independent Director or no Independent Director is present at the Meeting, Supplementary Notes on any of the Agenda Items may be taken up with the consent of a majority of the Directors present in the Meeting.

1/27. Whether the requirement of 7 days' notice, agenda etc. would be applicable even in case of the Meetings of the Committees of the Board?

Ans. Yes, it will also apply to Meetings of Committees defined under SS-1. The scope of SS-1 clearly states that "The principles enunciated in this Standard for Meetings of the Board of Directors are also applicable to Meetings of Committee (s) of the Board, unless otherwise stated herein or stipulated by any other applicable Guidelines, Rules or Regulations."

1/28. Can Agenda and Agenda Notes of a Board Meeting be sent separately?

Ans. There is no prohibition on sending Agenda and Notes on Agenda separately, subject to the condition that both should be sent atleast seven days before the meeting.

1/29. Why additional 2 days are required to be added for sending the Notice, Agenda & Notes on Agenda by speed post or by registered post or by courier?

Ans. The intention is that every Director should receive the Notice, Agenda & Notes on Agenda atleast 7 days in advance, irrespective of the means of sending of Notice, Agenda & Notes on Agenda.

Notice, Agenda & Notes on Agenda to all Directors should be released by the company on the same day, irrespective of the means of sending Notice, Agenda & Notes on Agenda.

The requirement of adding two days is applicable only if the Notice, Agenda & Notes on Agenda to all Directors are sent by speed post or by registered post or by courier.

In case the Notice, Agenda & Notes on Agenda are sent by facsimile or by e-mail or any other electronic means to all Directors and additionally, it is sent by speed post or by registered post or by courier to any or

all the Directors, pursuant to their request or otherwise, additional two days need not be added.

1/30. If the Notice, Agenda and Notes on Agenda are sent to the Alternate Director, what is the need to send these to the original Director?

Ans. The alternate director vacates office the moment the original Director returns to India. Like Other Directors on the Board, the original Director is equally responsible and liable for all the decisions taken at the Meetings of the Board and should have knowledge of developments. Therefore, Notice, Agenda and Notes on Agenda shall also be sent to the original Director.

1/31. What will companies do if consent of Independent Director is not obtained for providing notes on items in the nature of Unpublished Price Sensitive Information (UPSI) at a shorter period of time?

Ans. The Standard provides for sending Notes on Agenda in relation to UPSI at a shorter notice with the consent of majority of directors which shall include at least one independent director, if any. Therefore, in case the company has Independent Directors, the consent of at least one Independent Director is required.

1/32. As per Para 1.3.7 of SS-1, general consent for giving Notes on Agenda items which are UPSI in nature at a shorter Notice may be taken in the first Meeting of the Board held in each financial year. Considering that SS-1 is effective from 1st July 2015, what steps should the company take to comply with this requirement?

Further will providing "financial results" to the Directors at the meeting itself be sufficient compliance of Para 1.3.7 of SS1?

Ans. The effective date of SS-1 being 1st July, 2015, general consent for giving Notes on Agenda Items which are UPSI in nature at a shorter notice for the year 2015-16 may be taken at the first Meeting of the Board held after 1st July 2015.

Further, providing "Financial results" is UPSI. Therefore, the financial results may be placed at the meeting with necessary consent being obtained before the concerned item is taken up for consideration at the meeting.

1/33. Is it mandatory to send the Draft Resolution along with Notes on Agenda or it can be circulated at the Board Meeting itself?

Ans. First Explanation to Para 1.3.8 provides that where

- approval by means of a Resolution is required, the draft of such Resolution shall be either set out in the note or placed at the meeting.
- 1/34. **Para 1.3.8 of SS1 provides that where approval by means of a resolution is required, the draft of such resolution shall be either set out in the note or placed at the meeting. Is it necessary for the Board to give approval for each and every item only by way of a resolution?**
- Ans. It is not necessary that Board gives each and every approval only by way of Resolution. The decision shall be in the form of a Resolution, where it is statutorily or otherwise required. In other cases, decisions can be in narrative form.
- 1/35. **Can any other item which is not included in the Agenda of a Board meeting be discussed at the said meeting?**
- Ans. Yes. Any item not included in the Agenda can be taken up at the Meeting for consideration with the permission of the Chairman and with the consent of a majority of the Directors present in the Meeting, which shall include at least one Independent Director, if any.
- 1/36. **In case of a Board meeting held at a shorter notice, why is there an additional requirement to state the same in the Notice under Para 1.3.11 of SS-1?**
- Ans. Holding a Meeting at shorter notice is doing something which is not ordinarily done. As such, this fact should be brought out in the Notice convening the Meeting.
- 1/37. **In case of a Meeting convened at a shorter Notice in terms of Para 1.3.11, what would be the effect if the company has an Independent Director but he was not present at the Meeting and when the Minutes were sent for his ratification:**
- (a) **he disapproves the decision taken at the meeting passed by majority of Directors? Or**
- (b) **he abstains from ratifying such decision?**
- Ans: If Independent Director was not present and he disapproves or abstains from ratifying the Minutes, the decision of the Board fails. The company cannot therefore implement such decision taken at the Board Meeting until it is ratified by at least one Independent Director.
- 2/1. Why 'calendar year' and not 'financial year' has been prescribed in the Secretarial Standards for reckoning the minimum number of meetings?
- Ans. The Act requires that atleast 4 meetings of the Board shall be held in each year. "Year" is not defined in the Act and so the definition under the General Clauses Act, 1897 would be applicable. Further, the stipulation in the Act that it shall be sufficient if a One Person Company, Small Company or Dormant Company holds one Meeting of the Board in each half of a calendar year and the gap between the two Meetings of the Board is not less than ninety days also clarifies the intention of lawmakers that "year" should mean Calendar Year.
- Calendar Year has therefore been prescribed in the Standard for reckoning minimum number of meetings.
- 2/2. **Para 2.1 of SS-1 provides that it shall be sufficient if a One Person Company , Small Company or Dormant Company holds one Meeting of the Board in each half of a calendar year and the gap between the two Meetings of the Board is not less than ninety days. Does it mean that such companies cannot hold Meetings with a gap of less than 90 days between two Meetings?**
- Ans. If a One Person Company, Small Company or Dormant Company holds only 2 meetings in a year, then the gap between these two meetings should be minimum 90 days. If more than 2 meetings are held in a year where the gap between the first and the last meeting in a calendar year exceeds 90 days then it shall be sufficient compliance.
- 2/3. **Is the Board required to lay down the minimum number of meetings that should be held of a Board Committee?**
- Ans. The Board may stipulate minimum number of Meetings to be held by the Committee and their frequency.
- 2/4. **Why does Para 2.3 of SS-1 with respect to Meeting of Independent Directors refer to 'calendar year' and not 'financial year'?**
- Ans. Schedule IV of the Companies Act, 2013 provide for holding of atleast one meeting of independent directors in a year. As per General Clauses Act, "Year" connotes "Calendar Year". Thus, Para 2.3 refers to 'calendar year' and not 'financial year'.
- 2/5. **Is SS-1 applicable to the Meetings of Independent Directors like Meetings of the Committees? Further can companies pay sitting fees to the Independent Directors for attending such separate meeting and are companies required to maintain Minutes of such meeting?**
- Ans. Meeting of Independent Directors is not a Meeting of

the Board or of a Committee of the Board. Therefore, provisions of SS-1 would not be applicable to such Meetings. Such Meeting may keep a record of its proceedings.

Further, in terms of Section 197(5) of the Act, the Board may decide to pay sitting fees to Independent Directors for attending such Meeting.

3/1. In terms of Para 3.2 of SS-1, Interested Directors are not to be reckoned for the purpose of quorum in respect of an item in which he is interested and he should not be present, whether physically or through Electronic Mode, during discussions and voting on such item. This is applicable to Board Meetings only or will the same also apply to Committee Meetings?

Ans. Yes, it will also apply to Meetings of Committees defined under SS-1. The scope of SS-1 clearly states that “The principles enunciated in this Standard for Meetings of the Board of Directors are also applicable to Meetings of Committee (s) of the Board, unless otherwise stated herein or stipulated by any other applicable Guidelines, Rules or Regulations.”

3/2. How will items relating to approval or change of sitting fees of Directors etc. be transacted if the Interested Directors are not to be counted for the purpose of quorum and not entitled to vote or be present during discussions in respect of items in which they are interested?

Ans. Payment of sitting fees per se is the fee paid to the Directors for attending Meetings of the Board and is not a contract or arrangement entered into or proposed to be entered into by the company with the Directors. The concerned directors therefore should not be treated as interested in an item of business requiring approval of payment of sitting fees/change in sitting fees.

3/3. Para 3.5 of SS-1 states that “the presence of all the members of any Committee constituted by the Board is necessary to form the Quorum for Meetings of such Committee unless otherwise stipulated in the Act or any other law or the Articles or by the Board”. Which are the other laws which may contain provisions relating to quorum for Committee meetings?

Ans. Regulations framed under any other law may contain provisions for the Quorum of a Committee and such stipulations shall be followed. Illustratively, one such requirement is that at a Meeting of the Audit Committee of a Listed Company, the quorum should be either two

members or one third of the members of the Audit Committee whichever is greater, but there should be a minimum of two independent Directors present (Clause 49 of the Listing Agreement).

4/1. Should the attendance sheets maintained in loose leaf be bound alongwith the related minutes or separately?

Ans. The attendance register, if maintained in loose-leaf form, shall be bound separately.

4/2. Considering that Minutes of a meeting record the names of Directors present at the meeting, why separate Attendance Registers are required to be maintained?

Ans. Maintenance of Attendance Register is a good practice and helps in keeping proper record of the attendance in the Meeting, enables cross-verification and also protects interest of individual directors. It contains the signature of the Directors themselves present, which is not the case in Minutes. The Attendance Register is also contemplated in Article-65 of Table - F of Schedule I of the Act.

4/3. How to record the attendance of a director who participates in a Board Meeting through electronic mode?

Ans. Second Explanation to Para 4.1.3 clearly states that the attendance register shall be deemed to have been signed by the Directors participating through Electronic Mode, if their attendance is recorded by the Chairman or the Company Secretary in the Attendance Register and the Minutes of the Meeting. Thus, the attendance of a director who participates in a Board Meeting through electronic mode should be recorded by the Chairman or the Company Secretary in the Attendance Register and the Minutes of the Meeting.

4/4. Can the attendance register be maintained by the company in electronic form?

Ans. No. The Attendance Register should be maintained in physical form since it needs to be signed at the Meeting by the persons attending the Meeting.

4/5. Can a Committee meeting be attended by other directors of the company, who are not members of the committee?

Ans. If the Committee deems it necessary, it may invite any other Director, who is not a Member of the Committee, to attend the Meeting of the Committee for specific purpose. Such director would then be treated as an

- "Invitee" in the Meeting for all purposes.
- 4/6. How many invitees are allowed to attend the board meeting?**
- Ans. No, there is no such limit on the number of invitees and all such Invitees need to sign the Attendance Register.
- 4/7. While Paras 4.1.4 & 7.1.7 of SS-1 requires the Minutes book and attendance register to be maintained at the registered office, Paras 4.1.8 & 8.3 requires such books to be kept in the custody of the company secretary. In case the company secretary of the company is not located at the registered office, how will compliance of these Paras be ensured?**
- Ans. Custody doesn't mean that the company secretary should have physical custody of the documents. What the particular Standard signifies is the responsibility cast upon the Company Secretary with respect to the custody of Minutes Book and attendance register. The Standard re-emphasises the fact that Minutes are most important primary records and therefore it should be in the custody of a responsible officer.
- 4/8. Why are entries in the attendance register required to be authenticated by the Company Secretary or Chairman?**
- Ans. Authentication of the entries in the attendance register by the Company Secretary or Chairman, as per Para 4.1.6, confirms the integrity of the information entered in the Attendance Register.
- 4/9. What is the need for approval of the Board for destruction of Notices, Agenda, attendance register etc.?**
- Further, will Board's approval for such destruction also be required for the financial year 2015-16?
- Ans. Since these are very important records, prior approval of the Board is necessary for their destruction.
- Yes. Any such Record destroyed after 1st July 2015 will require the Board's approval, even if it pertains to the prior period.
- 4/10. Can a request for leave of absence be given by a Director orally?**
- Ans. Request for Leave of Absence by the Director may be oral or written. Any such request received should be mentioned at the Meeting by the Chairman of the Meeting or the Company Secretary and should be recorded in the Minutes.
- 5/1. Will the Chairman have a second or casting vote in case of an equality of votes?**
- Ans. The Articles of the company should be complied with in this regard. In case the Articles are silent, the Chairman shall have a second or casting vote, in case of an equality of votes.
- Second or Casting Vote in such cases to the Chairman is also allowed by the Model Articles under the Act [Article 68 (ii) of Table F].
- 5/2. Is the Board required to appoint the Chairman of its Committee at the time of its constitution?**
- Ans. The Board may appoint the Chairman of its Committee at the time of its constitution.
- 6/1. Whether notice of AGM can be approved through a resolution passed by circulation? In case, Notice is considered at a Board Meeting, whether this can be done at a Meeting through electronic mode?**
- Ans. There is no such restriction on the approval of the notice of the AGM through circulation or at a Meeting through electronic mode.
- 6/2. How long is the proof of sending and delivery of resolutions passed by circulation required to be maintained?**
- Ans. Proof of dispatch and delivery of the resolutions passed by circulation should be preserved in good order in physical or electronic form for as long as they remain current or for eight financial years, whichever is later, and may be destroyed thereafter with the approval of the Board, in line with the requirements for destruction of other records of the company.
- 6/3. In case of a proposed Resolution by circulation, out of 12 Directors, 7 voted in favour and 4 wanted the same to be passed in the Meeting. What would be the outcome of the resolution which has already been approved by majority?**
- Ans. Proviso to Section 175 provides that if not less than 1/3rd of the total number of Directors of the company require that any resolution under circulation be decided at a Meeting instead of by circulation, the Chairman shall put such resolution to be decided at a Meeting of the Board.
- Even though the majority has voted in favour of this Resolution, it cannot be treated as passed since 1/3rd of the Directors have asked for the same to be taken up at a Meeting and therefore, should be decided at a

Meeting.

6/4. When shall a Resolution by circulation be deemed to be passed – (a) when it is passed by a majority of Directors (as per Para 6.3.1) or (b) on the last date specified for response or date on which assent from 2/3rd of the Directors is received, whichever is earlier (as per Para 6.3.2)? What would be effective date of the Resolution, if passed?

Ans.

- 1) Para 6.3.1 and Para 6.3.2 are to be read in conjunction
- 2) 6.3.1 States that the resolution will be passed if it is approved by the majority of the Directors.

For example: If there are 9 Directors of whom 2 are interested, the Resolution should be assented to by at least 4 directors (out of 7 uninterested directors).

- 3) Para 6.3.2 lays down the deemed date of passing of resolution and effective date. This requirement has been prescribed to cover the eventuality of not less than 1/3rd of the total number of Directors requiring the matter to be decided at a Meeting instead of by circulation in terms of Section 175.

Illustration: Company XYZ has 9 Directors. It circulated a Resolution on 1st July among the Directors and requested them to respond on or before 8th July.

3 Directors sent their assent to the proposed circular resolution on 2nd July. 1 Director sent a request on 4th July for convening a Meeting. 2 Directors sent their assent for the resolution on 5th July. 1 sent his assent and 1 sent his dissent on 6th July. 1 Director sent the assent on 7th July.

In this case, the Resolution will be deemed to have been passed on 7th July since the 7th Director (forming more than 2/3rd majority) has sent his assent on this date.

The effective date of the Resolution passed by circulation would be the date on which the Resolution is deemed to be passed as reckoned above i.e. 7th July, in the above case.

However, in case the Resolution or the Note circulated specifies any other date to be the effective date, then such date shall be the effective date.

6/5. How can the Resolutions passed by circulation be serially numbered?

Ans. The company may choose to follow its existing system of numbering, if any, or any new system of numbering,

which would be distinct and enable ease of reference or cross-reference.

For instance,

- (i) Serially Numbering on calendar year basis as follows: "Circular Resolution No.1/2015", "2/2015", "3/2015" and so on....

In the next year, numbering would be "Circular Resolution No.1/2016", "2/2016", "3/2016" and so on..

- (ii) Continuous serially numbering across years: "Circular Resolution No.10,11,12..... to n" Here, a company may choose to either count or give continuous numbering from its incorporation or from 1st July, 2015.

- (iii) Serially Numbering on financial year basis as follows: "Circular Resolution No. 1/2015-16", "2/2015-16", "3/2015-16" and so on....or 1/15-16, 2/15-16, 3/15-16 and so on..... In any case, the company should follow a uniform and consistent system.

6/6. A Resolution passed by circulation needs to be recorded in the Minutes. Would noting a summary of such resolution suffice or the text of such Resolution is required to be reproduced?

Ans. Para 6.4 of SS-1 clearly specifies that Resolutions passed by circulation shall be noted at the next Meeting of the Board and the text thereof with dissent or abstention, if any, shall be recorded in the Minutes of such Meeting. Thus, the text of such Resolution is required to be reproduced.

7/1. How are the pages of the Minutes Book required to be numbered – meeting wise or year wise?

Ans. The pages of the Minutes Book should be consecutively numbered irrespective of break in the Minutes Book. This should also be followed irrespective of the number or year of Meeting.

7/2. What does recording of decisions in 'narrative form', as stated under Para 7.2.2.2 of SS-1, mean?

Ans. The decisions of the Board shall be recorded in the form of Resolutions, where it is statutorily or otherwise required. In other cases, the decisions can be recorded in a narrative form.

For instance: If Board approves a project, the decision of the Board may be mentioned in the following manner:

"Project XYZ was approved by the Board after thorough discussion."

- 7/3. Since the Notes on Agenda contain background of the proposal in detail, is such background again required to be recorded in the Minutes?**
- Ans. Yes, the Minutes should mention the background in brief. It need not reproduce what is contained in the Agenda Notes but capture only the crux.
- 7/4. Why does Para 7.2.2.1(h) of SS-1 require the Board to take note of the Minutes of the Committee meetings?**
- Ans. The Board must know the discussions and decisions taken at Committee Meetings. This is also a good governance practice followed by the well governed companies.
- 7/5. Are the Minutes of a Committee Meeting required to be noted by the Board even before the said Committee has formally approved them at its Meeting?**
- Ans. The procedure followed for finalisation and entry of the Minutes of Meetings of the Committee is the same as that of the Meetings of the Board. As per Para 7.4 of SS-1, the Draft Minutes of the Meeting should be circulated within 15 days from the date of the conclusion of the Meeting to all Members of the Committee for comments. In the event a Member of the Committee does not comment on the draft Minutes, the draft Minutes shall be deemed to have been approved by such Member of the Committee. Within 30 days of the Meeting of the Committee, Minutes should be entered in Minutes Book, after finalisation by the Chairman. Minutes, once entered in the Minutes Book, shall not be altered.
- Minutes of the Meeting of any Committee shall be noted at a Meeting of the Board held immediately following the date of entry of such Minutes in the Minutes Book.
- As per Para 7.6.1 of SS-1, Minutes may be signed and dated by the Chairman of the Meeting or by the Chairman of the next Meeting. Thus, signing may or may not happen within 30 days.
- 7/6. Is the requirement to enter Minutes in the Minutes Book within 30 days provided in the Act or such requirement is being laid down by the Standards?**
- Ans. Para 7.5.1 of SS-1 is in line with Rule 25(1)(b)(i) of the Companies (Management and Administration) Rules, 2014.
- 7/7. As per Para 7.4, the Draft Minutes are to be circulated within 15 days from the date of conclusion of the Meeting and additional two days be added if**
- the draft Minutes are sent by speed post or by registered post or by courier. Does this mean that the Draft Minutes should, in such a case, be circulated within 13 days of the Meeting?**
- Ans. The requirement is to circulate the Draft Minutes within 15 days and not that the draft Minutes should be received by the Directors within 15 days. If the draft Minutes are sent by speed post or by registered post or by courier, additional two days be added for sending the same.
- 7/8. Should the draft minutes be sent for comments of the directors who have not attended the meeting? If so, why is this required?**
- Ans. As per Para 7.4 of SS-1, the draft Minutes should be circulated to all Directors of the company for comments, irrespective of whether he is present or not, at the Meeting. The Directors, whether present at the Meeting or not, shall communicate their comments, if any, in writing on the draft Minutes within seven days from the date of circulation thereof. In the event a Director does not comment on the draft Minutes, the draft Minutes shall be deemed to have been approved by such Director. All the Directors are responsible for the decisions taken at any Board Meeting, whether or not he attended the Meeting; he should therefore be given the opportunity to give his comments on the draft Minutes.
- 7/9. In case of minutes maintained in electronic form, how should the signature of the Chairman be affixed? Whether scanned signature of the Chairman can be affixed?**
- Ans. Explanation to Para 7.6.2 clearly states that if the minutes are maintained in electronic form, the Chairman shall sign the minutes digitally. Scanned signature of the Chairman cannot be affixed.
- 7/10. Considering that SS-1 require companies to circulate draft Minutes to all Directors, why does Para 7.6.4 of SS-1 again require circulation of signed Minutes?**
- Ans. The requirement of circulating signed copy of Minutes has been introduced with the aim of protecting the interest of individual directors including independent directors by requiring proper and adequate information in a transparent manner be provided thereby reducing areas of dispute and avoiding the associated risks, especially in the light of increased accountability of the Directors including independent directors.
- 7/11. Who should certify the copy of the signed minutes before it is circulated to the Director?**

Ans. As per Para 7.6.4 of SS-1, the copy of the signed minutes should be certified by the Company Secretary or where there is no Company Secretary, by any Director authorised by the Board.

7/12. Can the Board Resolution be certified by a Director who has not participated in the relevant Board Meeting?

Ans. There is no such restriction in SS-1. Any Director duly authorised by the Board, can certify the Board Resolution, irrespective of whether he attended the relevant Board meeting or not.

7/13. Whether a certified true copy of a resolution passed at a Meeting can be given even before the Minutes of such Meeting are signed?

Ans. As per Para 7.7.2 of SS-1, certified true copies of any resolution passed at a meeting may be issued even before signing of the Minutes, if the text of that resolution had been placed at the meeting.

7/14. Why does Para 7.7.1 and 7.7.2 of SS-1 permit Directors to inspect or receive copy of the Minutes of Board meetings held during the period of his directorship, even if he ceases to be a Director?

Ans. This Standard aims to protect the interest of individual directors, including independent directors, by enabling the provision of proper and adequate information in a transparent manner thereby reducing areas of dispute and managing the associated risks, especially in the light of increased accountability of independent directors. Sharing current and past Minutes with the Directors would only strengthen corporate governance. It would be a great comfort for a director to have copies of critical minutes of meetings and chances of tampering with past minutes would be eliminated, as copies of the Minutes are available with them.

In order to protect their interests, companies may introduce a system of requiring a past Director wanting to inspect the Minutes Book, to submit a formal application in writing and furnish a non-disclosure undertaking to ensure that he / she is bound to maintain confidentiality.

7/15. Why does Para 7.7.1 and 7.7.2 of SS-1 permit a Directors to inspect or receive copies of Minutes of Board meetings held before the period of his directorship?

Ans. A present Director of a company may need to inspect or receive copies of the Minutes of the Meetings held before the period of his directorship since the decisions taken earlier may have implications on the current decisions to be taken. Further, it will give him guidance to understand about the company and shape his thoughts to take part in the Meetings constructively and effectively.

7/16. Explanation to Para 7.4 entitles a Director, who ceases to be a Director after a Meeting of the Board to receive the draft Minutes of that particular Meeting and to offer comments thereon, irrespective of whether he attended such Meeting or not. Will the draft Minutes be required to be given to a director who vacates office pursuant to Section 167 of the Act in terms of the above requirement?

Ans. The fact that the Director has vacated his office, by any reason whatsoever, will not affect his right to receive such Minutes. As per Para 7.4 of SS-1, draft Minutes of a meeting would be made available to such Director provided the cessation of Directorship has taken place after the Meeting concerned.

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Responses to queries received on Secretarial Standards would be updated on ICSI website from time to time. Readers are requested to frequently access <https://www.icsi.edu/secretarialstandards.aspx> to learn about updates/clarifications/new question and answers.

RESPONSES TO QUERIES RECEIVED ON SECRETARIAL STANDARD ON GENERAL MEETINGS (SS-2)

- Scope/1. **Whether SS-2 applies to General Meetings convened under the directions of the Tribunal/Court?**
- Ans.** In terms of Para on Scope, SS-2 applies to Meeting of the Members or class of Members or debenture-holders or creditors of a company under the directions of the Court or the Company Law Board (CLB) or the National Company Law Tribunal (NCLT) or any other prescribed authority without prejudice to any rules, regulations and directions prescribed for and orders of, such courts, judicial forums and other authorities with respect to the conduct of such Meetings.
- Scope/2. **Is SS-2 applicable to banking entities which are listed on Stock exchanges?**
- Ans.** SS-2 is applicable to all companies incorporated under the Act (for definition of 'Act', refer Q.2). If a banking company is incorporated under the Act then SS-2 is applicable to such company.
- Scope/3. **Will the SS-2 be applicable for a General Meeting, notice for which has been issued in the month of June?**
- Ans.** SS-2 shall only apply to General Meetings, in respect of which Notices are issued on or after 1st July, 2015. Hence for General Meetings, notice for which has been issued in the month of June, 2015, Secretarial Standards shall not apply.
- Scope/4. **Is SS-2 applicable to private companies?**
- Ans.** The Ministry of Corporate Affairs (MCA), in exercise of its powers conferred by clauses (a) and (b) of Section 462 (1) and in pursuance to sub-section (2) of the said section of Companies Act, 2013 (the Act) issued Notifications No. G.S.R. 463(E), G.S.R. 464(E), G.S.R. 465(E), G.S.R. 466(E) (hereinafter referred to as "the MCA Notification (s)") all dated 5th June, 2015, has directed that certain provisions of the Act shall not apply or shall apply with such exceptions, modifications and adaptations as specified in the MCA Notification (s) to Government companies, Private Companies, Nidhis and Section 8 (Non-Profit) Companies respectively.
- The Scope of the Secretarial Standards as laid down in SS-1 and SS-2 is as under:
- "This Standard is in conformity with the provisions of the Act. However, if due to subsequent changes in the Act, a particular Standard or any part thereof becomes inconsistent with the Act, the provisions of the Act shall prevail."*
- Scope/5. **The Scope Para of SS-2 states that "if due to subsequent changes in the Act, a particular Standard or any part thereof becomes inconsistent with the Act, the provisions of the Act shall prevail."**
- Ans.** Accordingly, if due to MCA Notification (s) referred to herein above, a particular standard or any part thereof becomes inconsistent with any of the provisions of the Act, such corresponding provisions of the Act read with the MCA Notification (s) shall prevail.
- Does the aforesaid Para mean that Secretarial Standards shall override subsequent amendments made in the Rules?**
- Ans.** The term "Act" has been defined in SS-2 to mean the Companies Act, 2013 (Act No. 18 of 2013) or any previous enactment thereof, or any statutory modification thereto or re-enactment thereof and includes any Rules and Regulations framed thereunder. Hence, if due to subsequent change in the Rules, a particular Standard or any part thereof becomes inconsistent with the Act/Rules, the provisions of the Act/Rules shall prevail.
- Definition/1. **Section 102(2) of the Companies Act, 2013 while defining 'ordinary business' refers to appointment of and fixing remuneration of Auditors. However, SS-2 defines 'ordinary business' to include appointment or ratification of Auditors? Does the term 'appointment' as used in Section 102(2) include 'ratification'?**
- Ans.** Annual Ratification is contemplated in law for 'continuation of appointment' of Auditors under Section 139(1) of the Act and Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014. It falls within the scope of 'appointment' and hence is an item of 'ordinary business' to be transacted at the annual general meeting.
- 1/1. **In terms of Para 1.2.1 of SS-2 relating to service of Notice of general meetings, what is the manner of service of such Notices to corporate members?**
- Ans.** Section 20(1) of the Act provides that a document may be served on a company at the registered office of the company. Therefore, Notice of general meetings may be served to a corporate member at its registered office.
- 1/2. **Is it mandatory for companies to issue the notice of general meetings to all their Directors and Auditors?**

- Ans.** Yes, it is mandatory for all companies to issue notice of general meetings to all the Directors and the Auditors of the company. This is in line with Section 101(3) of the Act. In addition, it should also be given to Secretarial Auditor and Debenture Trustee, if any, as per Para 1.2.1 of SS-2.
- 1/3. Para 1.2.1 of SS-2 requires Notice in writing of every Meeting of the company to be given, wherever applicable or so required, to other specified persons. Who are the other specified persons to whom Notice should be given?**
- Ans.** In addition to giving Notice to persons specified in Para 1.2.1 of SS-2, Court may direct issuance of Notice to some other persons such as Court-appointed Chairman or observers or persons whose entitlement is under challenge.
- 1/4. Is Notice of general meetings required to be given to preference shareholders?**
- Ans.** Considering that Preference Shareholders are Members of the company, Notice of general meetings should also be given to them.
- 1/5. To whom should the Notice of the General Meeting be sent in the event of receipt of intimation of death of a Member?**
- Ans:** Para 1.2.1 of SS-2 clearly provides that where the company has received intimation of death of a Member, the Notice of Meeting shall be sent as under:
- where securities are held singly, to the Nominee of the single holder;
 - where securities are held by more than one person jointly and any joint holder dies, to the surviving first joint holder;
 - where securities are held by more than one person jointly and all the joint holders die, to the Nominee appointed by all the joint holders;
- In the absence of a Nominee, the Notice shall be sent to the legal representative of the deceased Member.
- 1/6. Is a company required to ascertain from the Members every year whether they wish to receive documents by e-mail?**
- Ans.** In terms of Rule 18 of the Companies (Management and Administration) Rules, 2014, a company is required to provide an opportunity atleast once in a financial year, for registration of e-mail addresses, only to those members who have not got their email id recorded earlier with the company or with the depository.
- However, as a measure of good corporate governance, Notice of the Annual General Meeting may contain a Note in this regard.
- 1/7. Whether the proof of sending of the Notice of General Meeting is required to be maintained? If so, for how long should it be preserved?**
- Ans.** In terms of Para 1.2.2 of SS-2, the proof of sending of the notice of the general Meeting is required to be maintained only if it is sent by e-mail or by any other electronic means. This should be preserved in good order in physical or electronic form for as long as they remain current or for eight financial years, whichever is later and may be destroyed thereafter with the approval of the Board.
- 1/8. Is it mandatory for all the companies to have a website and host the Notice on that website?**
- Ans.** No. Para 1.2.3 of SS-2 clearly states that the Notice shall be hosted on the website in case of companies having a website. Thus under SS, it is not mandatory for the companies to have a website. But if a company has a website, the Notice, results of voting etc. is required to be hosted on the website.
- 1/9. Why is the route map and prominent landmark of the venue of General Meeting required to be provided in the Notice?**
- Ans.** This is a good practice benefitting the shareholders. Though e-voting is allowed in case of certain companies, many shareholders may still prefer to attend the Meeting. Providing a route map and prominent landmark would facilitate all those shareholders who wish to attend the Meeting.
- 1/10. A company has mostly foreign shareholders. Whether AGM or EGM can be held in their country?**
- Ans.** No. As per Section 96 of the Companies Act, 2013 and Para 1.2.4 of SS-1, AGM is required to be held either at the registered office of the company or at some other place within the city, town or village in which the registered office of the company is situated. In terms of Explanation to Rule 18 of the Companies (Management and Administration) Rules, 2014 and Para 1.2.4 of SS-1, EGM is required to be held at any place within India.
- 1/11. Does the Act lay down any business hours for convening general meetings or has such requirement been laid down only in the Standard?**
- Ans.** Para 1.2.4 of SS-2, which is in line with Section 96(2) of the Companies Act, 2013, requires that general meetings should be called during business hours i.e. between 9 a.m.

and 6 p.m.

1/12. Can a General Meeting be convened on a public holiday or on a Sunday?

Ans. As per Section 96 of the Act and as per SS-2, General Meetings may be convened on a Public Holiday or on a Sunday, unless such day happens to be a National Holiday.

1/13. Is the Notice of any amendment to the Notice including the addition of any item of business to be given at least 21 clear days before the Meeting required to be sent individually or by advertisement in News papers?

Ans: The Notice of any amendments including the addition of any item of business should be sent individually by those modes specified for sending notice and not be given through advertisement.

1/14. Why does Para 1.2.4 of SS-2 require companies to convene an extraordinary general meeting called by the requisitionists only on a working day?

Ans. Explanation to Rule 17(2) of Companies (Management and Administration) Rules, 2014 prescribes that an Extraordinary General Meeting called by the requisitionists shall be convened only on a working day. Para 1.2.4 of SS-2 is in line with the same.

1/15. Can any other business be taken up in the General Meeting with the permission of the Chair?

Ans. Any other business not set out in the Notice or not specifically permitted under the Act is not permitted to be transacted at the General Meeting.

2/1. Why 'calendar year' and not 'financial year' has been prescribed in the Secretarial Standards for AGM?

Ans. The Act requires that AGM be held in each year. "Year" is not defined in the Act and so the definition under the General Clauses Act, 1897 would be applicable. Calendar Year has therefore been prescribed in the Standard.

3/1. Are proxies to be excluded for determining the Quorum even in case of private companies?

Ans. In terms of MCA's Notification No. G.S.R. 464(E) dated 5th June, 2015, Sections 101 to 107 and Section 109 of the Act relating to meetings shall apply to a private limited company, unless otherwise specified in respective sections or the Articles of the said company prescribe otherwise.

3/2. ABC Ltd. (a public company) having 800 members convened a general meeting upon due notice, however only two members were personally present at the meeting, one of whom is authorised representative of

5 bodies corporate. Is this valid quorum for meeting?

Ans. Yes. If two or more corporate bodies who are members of a company are represented by a single individual, each of the bodies corporate will be treated as personally present through that individual representing it. An authorised representative of five bodies corporate cannot form a Quorum by himself but can do so if at least one more Member is personally present.

4/1. In terms of Para 4.1.1, whether directors are mandatorily required to attend all general meetings?

Ans. All Directors are expected to attend the General Meetings of the company since all are equally responsible for the actions of the company. In the event of their inability to attend, Chairman should explain their absence.

4/2. Why should the Company Secretary be seated with the Chairman?

Ans: Rule 10 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 clearly provides that it is the duty of the Company Secretary to facilitate the convening of meetings and attend Board, Committee and General Meetings and maintain the minutes of these meetings. A CS should be seated with the Chairman for convenience since he is the one who assists the Chairman in conducting the Meetings.

4/3. With regard to Para 4.3 of SS-2, which Secretarial Auditor is required to attend the AGM – the one for the last financial year whose Secretarial Audit Report has been annexed to the Board's Report or the one appointed for the current financial year in which AGM is being held?

Ans: The Secretarial Auditor for the last financial year whose Secretarial Audit Report has been annexed to the Board's Report is required to attend the AGM to give details about any qualifications/observations/comments or other remarks, if any, in his report and the explanations/comments given by the Board in their report and/or reply to the queries, if any, of the stakeholders on the compliance and governance aspects of the company. It is advisable that the Secretarial Auditor appointed for the current financial year in which AGM is being held also attends the AGM.

5/1. With reference to Para 5.2, Does the Chairman need to explain the objective and implications of the Resolutions before they are put to vote at the Meeting even in cases where Resolutions have already been put to vote by remote e-voting?

Ans. Yes. Members who have not cast their vote through remote e-voting and have come to attend the Meeting physically

are entitled to cast their votes as provided in Rule 20 (4) (xi) of Companies (Management and Administration) Rules, 2014. Therefore, Chairman shall explain the objective and implications of the Resolutions before they are put to vote at the Meeting, as a good governance practice.

6/1. Whether a member who has already cast his vote through remote e-voting can appoint a proxy?

Ans. Yes, a member who has already cast his vote through remote e-voting can appoint a proxy to attend the Meeting instead of himself, but he cannot cast his vote.

6/2. Are the details of all proxies received by the company required to be entered in the Register of Proxies or only the valid proxies?

Ans. In terms of Para 6.9.1 of SS-2, all proxies received by the company shall be recorded in the Register. In the case of rejection of Proxies, the reasons therefor shall also be entered in the remarks column as a best secretarial practice.

6/3. Unstamped or inadequately stamped Proxies or Proxies upon which the stamps have not been cancelled are invalid. Can a proxy be deprived of his rights merely by reason of non-stamping or inadequate stamping, when there is a provision for impounding?

Ans. Article 52 of the Indian Stamp Act, 1899 requires certain instruments to be stamped. Therefore, if the instrument is not stamped in accordance with the Indian Stamp Act, 1899, it will face the consequences as stated under the Indian Stamp Act, 1899. The above shows the mandatory nature of the requirement.

The Supreme Court in Mannalal Khetan and Others Vs. KedarNath Khetan and Others (AIR 1977 SC 536) held that *"if anything is against law, though it is not prohibited in the statute but only a penalty is annexed, the agreement is void. In every case where a statute inflicts a penalty for doing an act, though the act be not prohibited, yet the thing is unlawful, because it is not intended that a statute would inflict a penalty for a lawful act."*

7/1. What is the need for proposing and seconding any Resolution by a Member at a Meeting as per Para 7.1 of SS-2?

Ans: The requirement of proposing and seconding of a Resolution at a Meeting is very much relevant in those companies where voting through remote e-voting has not taken place.

7/2. In case resolutions are put to vote by remote e-voting and requisite majority has approved; but quorum is not present at the General Meeting, what would be the implications?

Ans. Whether the Resolution has been approved by the requisite majority through e-voting can be ascertained only after the Meeting. In case, quorum is not present at the Meeting, the Meeting shall stand adjourned as per the applicable provisions, for want of Quorum. The fate of the Resolution would be decided at such adjourned Meeting.

8/1. Can a company appoint Scrutiniser on the following basis – Appointment of Mr. A as scrutiniser and failing him Mr. B as scrutiniser?

Ans. Yes, appointment of Scrutiniser can also be made in this manner: Appointment of Mr. A as scrutiniser and failing him Mr. B as scrutiniser.

8/2. Is the requirement to publish advertisement in newspapers applicable in all cases or only in those cases where e-voting or postal ballot is applicable?

Ans. Paras 8.5 and 16.4 of SS-2 are in line with the amended Rule 20(4)(v) and Rule 22 of the Companies (Management and Administration) Rules, 2014. Hence, it applies to only those companies to which e-voting or postal ballot applies.

8/3. For how long should the advertisement on remote e-voting remain on the website, if any, of the company and that of the Agency?

Ans: The Notice and the advertisement on remote e-voting should remain on the website of the company, in case of companies having a website and of the Agency, till the date of General Meeting.

8/4. What is the due date for submission of report by a scrutiniser in case of e-voting?

Ans. The scrutiniser(s) is required to submit his report within a period of three days from the date of the meeting.

12/1. In case a Resolution is put to vote through remote e-voting, but Members propose modification to such Resolution at the AGM, can the Resolution be modified?

Ans. As per Second Explanation to Para 12 of SS-2, no modification shall be made to any Resolution which has already been put to vote by remote e-voting.

16/1. Para 16.1 of SS-2 provides that ordinary business cannot be transacted through postal ballot. However, is the facility of e-voting required to be provided for transaction of ordinary business?

Ans. As defined in SS-2, "Voting by postal ballot" means voting by ballot, by post or by electronic means. So far as ordinary business is concerned, Postal ballot is not permitted. However facility for e-voting, which is a substitute for

voting at the General Meeting, is required to be provided for all business including ordinary business, as required under Rule 20 of the Companies (Management and Administration) Rules, 2014.

17/1. How are the pages of the Minutes Book required to be numbered – meeting wise or year wise?

Ans. The pages of the Minutes Book should be consecutively numbered irrespective of break in the Minutes Book. This should also be followed irrespective of the number or year of Meeting.

17/2. Is the fact of presence of Quorum throughout the Meeting required to be recorded in the Minutes?

Ans. Yes. Para 17.2.2.1 of SS-2, *inter-alia*, requires recording of presence of Quorum throughout the Meeting in the Minutes.

17/3. Is the fact of the presence of Chairman of the prescribed Board Committees at the general meeting required to be recorded in the Minutes?

Ans. Yes, Para 17.2.2.1(f) of SS-2 requires companies to record the fact of presence of Chairman of Board Committees in the Minutes of general meetings.

17/4. What is the relevance of recording the time of conclusion of meeting?

Ans. SS promotes good corporate practices. Hence, this Standard has been introduced.

18/1. Why does Para 18.2 of SS-2 require approval of the Board for destruction of Notices, scrutiniser's report, and related papers etc.? Further, will Board's approval for such destruction also be required for the financial year 2015-16?

Ans. Since these are very important records, prior approval of the Board is necessary for their destruction.

Yes. Any such Record destroyed after 1st July 2015 will require the Board's approval, even if it pertains to the prior period.

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Responses to queries received on Secretarial Standards would be updated on ICSI website from time to time. Readers are requested to frequently access <https://www.icsi.edu/secretarialstandards.aspx> to learn about updates/clarifications/new question and answers.

EXTENSION IN THE LAST DATE FOR PAYMENT OF ANNUAL MEMBERSHIP AND CERTIFICATE OF PRACTICE FEE FOR THE YEAR 2015-16

The annual membership and certificate of practice fee for the year 2015-16 became due for payment w.e.f. 1st April, 2015. The last date for payment of fee was 30th June, 2015 which has now been extended upto 31st August, 2015.

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 and also printed elsewhere in the journal.

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) 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' or in cash 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



**THE INSTITUTE OF
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Statutory body under an Act of Parliament

INVITATION OF APPLICATIONS FOR PANEL OF EXAMINERS OF CS EXAMINATIONS

The Institute prepares and updates the panel of Examiners at regular intervals for conduct of CS Examinations. In this regard the Institute invites applications from suitably qualified, competent and experienced persons having academic flair and willingness to undertake such confidential academic assignments in the following subjects of Company Secretaries examinations:

Executive Programme		Professional Programme	
1	Company Law	1	Advanced Company Law and Practice
2	Economic and Commercial Laws	2	Secretarial Audit, Compliance Management and Due Diligence
3	Company Accounts and Auditing Practices	3	Corporate Restructuring, Valuation and Insolvency
4	Capital Markets and Securities Laws	4	Information Technology and Systems Audit
		5	Financial, Treasury and Forex Management
		6	Ethics, Governance and Sustainability
		7	Advanced Tax Laws and Practice
		8	Drafting, Appearances and Pleadings
		9	Banking Law and Practice
		10	Capital, Commodity and Money Market
		11	Insurance Law and Practice
		12	Intellectual Property Rights – Law and Practice
		13	International Business – Laws and Practices

Qualifications

A person applying for empanelment of his/her name as Examiner should be holding professional qualification as member of the Institute of Company Secretaries of India/Institute of Cost Accountants of India/Institute of Chartered Accountants of India *at least for five years* and/or a Doctorate Degree/Postgraduate Qualification with at least second class in the discipline of Law, Management, Finance, Accounting, Insurance, Banking, Information Technology, etc., with *five years experience* either in an academic position or in practice or in employment in the respective field/discipline having relevance to the subjects of examinations.

Desirable Experience

Persons having adequate experience of teaching and as Head Examiner/Moderator/Paper Setter/Examiner in the above subjects or relevant work experience directly related to the above said subject(s) of examination(s) will be preferred.

Scale of Honorarium for Evaluation of Answer Books

Sl. No.	Stage of Examination	Rate
(i)	Executive Programme	Rs.90/- per answer book
(ii)	Professional Programme	Rs.110/- per answer book

How to Apply

Candidates fulfilling the above conditions and not registered as a student of the Institute may send the duly filled in prescribed application form along with relevant certificates to the Joint Secretary (Examinations), The Institute of Company Secretaries of India, C-37, Institutional Area, Sector-62, NOIDA – 201309. The prescribed application form can be obtained from the Institute or downloaded from the Institute's website: <http://www.icsi.edu/portals/0/Application%20form%20Examinership.pdf>

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1. At the Venue

2. At the ICSI Hyderabad Chapter

Sunday, 9th August 2015

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Entry Pass : Rs. 200

VENUE:

People's Plaza, Necklace Road, HYD

CONTACT:

Email: hyderabad@icsi.edu

Phone No: 040 23396494, 040 23399541

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CAREER OPPORTUNITY

The Institute of Company Secretaries of India (ICSI) is a statutory body set up by the Parliament under the Company Secretaries Act, 1980 to regulate and develop the profession of Company Secretaries in India. The ICSI has on its roll over 40,000 members and about 4 Lakh students. The ICSI has its Headquarters at New Delhi, four Regional offices in Chennai, Kolkata, Mumbai, New Delhi and Chapter offices in 68 cities across the Country. It has examination centres over 100 cities including Dubai.

ICSI invites applications for the post of

SECRETARY

Qualification and Experience

Two years full-time Post Graduate Degree / Diploma in Management/Member of The Institute of Company Secretaries of India/ Member of The Institute of Chartered Accountants of India/ Member of The Institute of Cost Accountants of India having minimum post qualification experience of 15 years, out of which 10 years should be at higher level in the field of Management and Administration, Finance/Secretarial/Legal in Government Organisation/Autonomous Body/Educational Institution/ University/Statutory Body/Large Public Sector Undertaking/Large Private Sector Company or 15 years in Practice as Company Secretary or combination of both. Preference would be given to members of ICSI fulfilling other eligibility criteria.

Age

Not exceeding 50 years (as on 01.08.2015).

Job Contents

The incumbent as 'Secretary' will be required to perform the functions of the Secretary of the Institute and will assist the Council in advising and framing the policies and shall discharge such duties as given in the Company Secretaries Act, 1980 and the Company Secretaries Regulations, 1982 (available on website of the ICSI) and also those assigned to him from time to time by the Council. The person selected should be able to take the profession to a higher level. The candidate should have requisite experience and ability to communicate effectively to interact with the Government, Regulatory bodies, Industry, Trade Associations, Chambers of Commerce, Professional bodies, etc.

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

Compensation

Maximum ₹ 60.00 lacs per annum (cost to the organisation).

Place of Posting

New Delhi.

Period of Engagement

The tenure for the position is for 5 (five) years on contractual basis with an option with ICSI for renewal upto a period of further 5 (five) years or superannuation, whichever is earlier.

The applicant employed in ICSI (internal candidate) may also be considered subject to fulfillment of the service conditions.

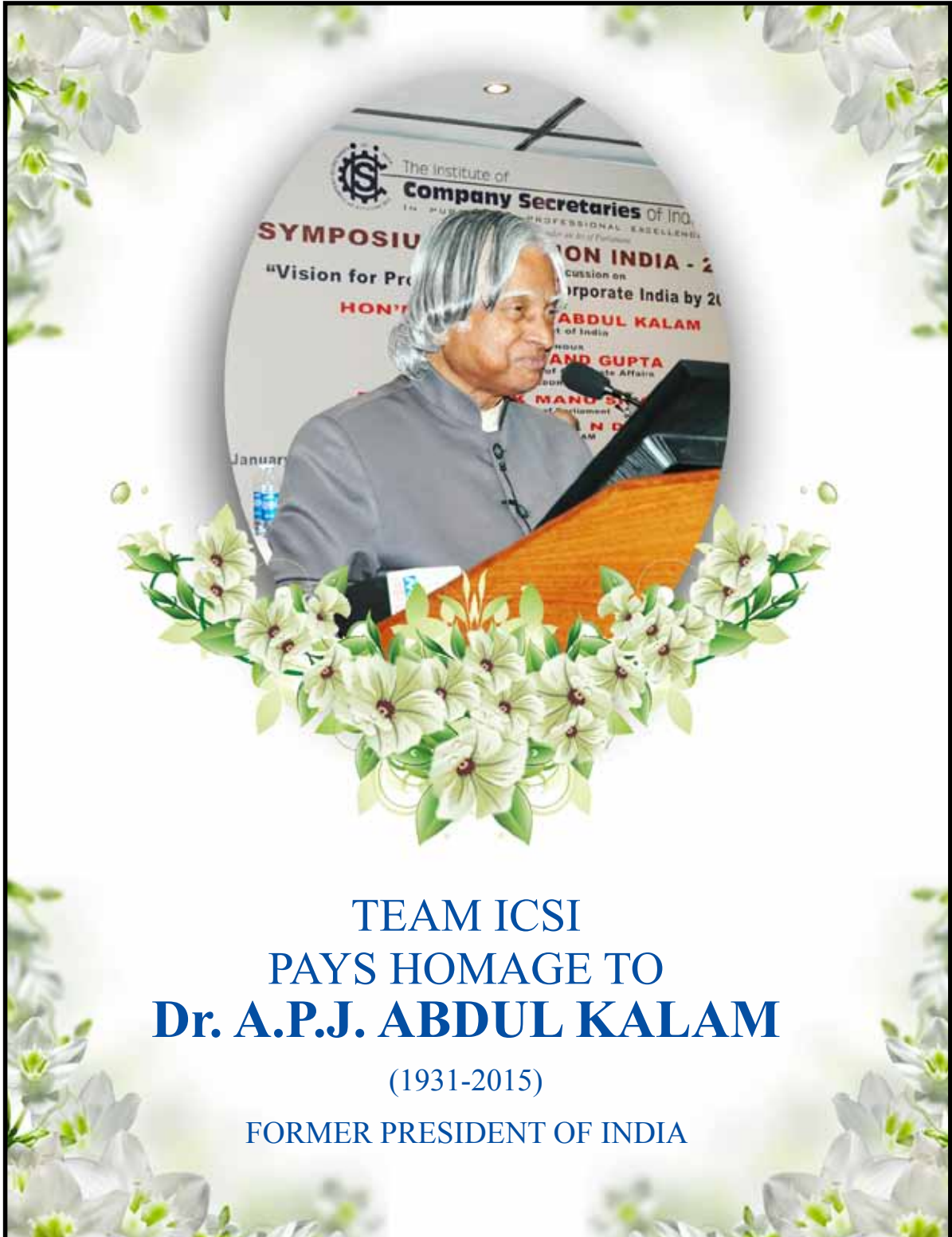
How to Apply

Interested candidates must **apply only through electronic application form (Online)**. Last date for submission of application (Online) is **31.08.2015**.

For further details *viz.*, qualification, experience, procedure for submission of application, etc., please visit the Institute's website www.icsi.edu/career



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Cut-off dates for Admission / Registration to appear in examinations to be held in June, 2016 Session : 30th September, 2015	Cut-off dates for Admission / Registration to appear in both modules / one module in examinations to be held in June, 2016 Session : 31st August, 2015 / 30th November, 2015
Registration Fees** : Rs.4500/-	Registration Fees** : Rs.8500/- CS Foundation Pass Student, Rs.9000/- for Commerce Graduates, Rs.10000/- for Non-Commerce Graduates
**All fees and other dues payable to ICSI is to be remitted through payment gateway at "Online Services" option at www.icsi.edu. Fee concession for SC/ST/Physically handicapped and widows & wards of martyrs of the military and para military forces.	

COURSE HIGHLIGHTS

- Opportunity for students of all streams
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Statutory body under an Act of Parliament

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The Institute of Company Secretaries of India (ICSI) is a premier national professional body constituted under an Act of Parliament (Company Secretaries Act, 1980) to regulate and develop the profession of Company Secretaries.

For details contact :

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ICSI Call Centre No. : 011- 3313 2333, 6620 4999 (Monday – Friday 7 a.m. to 11 p.m. & Saturday 9 a.m. to 9 p.m.)





Our Members

ELEVATION

Shri Dattatraya Joshi, ACS, on his being elevated to the position of Executive Director and Secretary on the Board of Hitachi Koki India Pvt. Ltd. Earlier he was working in the capacity of Vice President & Company Secretary in the same organisation.

ATTENTION MEMBERS !!!

ICSI is conducting a Webinar on 19th August, 2015 from 3 PM to 5 PM on Secretarial Standards with focus on General Meetings and Small Company.

Any query on the above may be sent in advance at sudhir.saklani@icsi.edu.

We invite you to participate in the Webinar. The login details of webinar will be hosted on ICSI website shortly.

REMOVAL OF NAME FROM REGISTER OF MEMBERS

The name of Mr. Yamal A Vyas, ACS-14620 stands removed from the Register of Members w.e.f 1st April, 2015 at his request pursuant to section 20(1)(b) of the Company Secretaries Act, 1980 read with Regulation 12 of the Company Secretaries Regulations, 1982.

EXTENSION OF LAST DATE OF PAYMENT OF THE ANNUAL SUBSCRIPTION FOR LICENTIATE FOR 2015-16

The payment of Licentiate Subscription for the year 2015-16 became due for payment w.e.f. 1st April, 2015. The last date for payment of the same was 30th June, 2015 which has now been extended upto 31st August, 2015. The annual Licentiate subscription payable is Rs.1,000/- per year.

The Licentiates who want to renew their enrollment as Licentiate, are requested to remit at the Institute's Headquarters or Regional/ Chapter offices a sum of Rs.1000/- (Rupees One thousand only) through cheque at par or Demand Draft payable at New Delhi drawn in favour of "The Institute of Company Secretaries of India" indicating their Name and Licentiate number on the reverse of the Cheque/ Demand Draft and the details of remittance may please be intimated at email id meena.bisht@icsi.edu. The payment may please be made so as to reach the Institute on or before 31st August, 2015.

In case the Licentiate subscription for 2015-16 has already been remitted, please send the particulars of the remittance at email id meena.bisht@icsi.edu to link up the same and update the records.

For queries, if any, please write to Ms. Meena Bisht, at email id meena.bisht@icsi.edu or contact at telephone No. 011-45341062.

SPECIAL ISSUES OF CHARTERED SECRETARY

It is proposed to bring out special issues of Chartered Secretary on the following topics during the remaining period of 2015.

- Capital Market (October, 2015) and
- Ease of Doing Business in India (November, 2015).

Members and others having expertise on the aforesaid subjects are welcome to contribute articles for consideration by the Editorial Advisory Board for publication in the said special issues.

The articles may kindly be forwarded to :

The Joint Director (Publications), The ICSI, 22, Institutional Area, Lodhi Road, New Delhi 110003.

E-Mail: ak.sil@icsi.edu

OBITUARIES

"Chartered Secretary" deeply regrets to record the sad demise of the following Members:

CS AVINASH A MAHAJAN (26.05.1972 - 08.06.2015), an Associate Member of the Institute from Pune.

CS BINAL M TRIVEDI (08.05.1970 – 10.04.2014), an Associate Member of the Institute from Vadodara.

CS KRISHNA KUMAR GAGGAR (05.05.1962 – 18.05.2015), a Fellow Member of the Institute from Rajsamand.

CS MATHEW MAMMEN (26.11.1959 – 27-09-2014), a Fellow Member of the Institute from New Delhi.

CS N B TRIVEDI (06.09.1954 – 28.08.2014), a Fellow Member of the Institute from Mumbai.

CS RAGHUVIR SHARAN JHA (02.01.1942 – 10.07.2015), a Fellow Member of the Institute from Bareilly. He was also the Chairman of Bareilly Chapter in (2005-2007) & Managing Committee Member of Bareilly Chapter- 2008-2014.

CS R P DUBEY (10.08.1937 – 07.03.2015), a Fellow Member of the Institute from Lucknow.

CS R SRINIVASAN, (08.06.1931 – 08.05.2015), a Fellow Member of the Institute from Chennai.

CS SANTOSH KUMAR GUPTA (11.12.1964 – 30.04.2015), a Fellow Member of the Institute from Noida.

CS SHAILESH K SOLANKI (25.11.1954 – 13.02.2015), a Fellow Member of the Institute from Vadodara. He was the Managing Committee Member & held various positions during the period 1987 – 89.

CS SURESH S BABU (02.02.1947 – 05.04.2015), an Associate Member of the Institute from Kochi.

May the almighty give sufficient fortitude to the bereaved family members to withstand the irreparable loss.

May the Departed souls rest in peace.

CS EXAMINATIONS - DECEMBER, 2015

TIME-TABLE AND PROGRAMME

COMPUTER-BASED EXAMINATION FOR FOUNDATION PROGRAMME

Day and Date of Examination	Subjects		Batch No.	Examination Timings	
				From	To
Saturday, 26th December, 2015	Paper-1	Business Environment and Entrepreneurship AND	I	9.30 A.M.	11.00 A.M.
			II	12.00 Noon	1.30 P.M.
	Paper-2	Business Management, Ethics and Communication	III	2.30 P.M.	4.00 P.M.
			IV	5.00 P.M.	6.30 P.M.
Sunday 27th December, 2015	Paper-3	Business Economics AND	I	9.30 A.M.	11.00 A.M.
			II	12.00 Noon	1.30 P.M.
	Paper-4	Fundamentals of Accounting and Auditing	III	2.30 P.M.	4.00 P.M.
			IV	5.00 P.M.	6.30 P.M.

COMPANY SECRETARIES EXAMINATIONS, DECEMBER, 2015

EXAMINATION TIMING : 2.00 P.M. TO 5.00 P.M.

Date and Day	Executive Programme	Professional Programme
21.12.2015 Monday	Cost and Management Accounting (Module-I)*	Advanced Company Law and Practice (Module – I)
22.12.2015 Tuesday	Tax Laws and Practice (Module-I)*	Secretarial Audit, Compliance Management and Due Diligence (Module – I)
23.12.2015 Wednesday	Industrial, Labour and General Laws (Module-II)*	Corporate Restructuring, Valuation and Insolvency (Module – I)
24.12.2015 Thursday	NO EXAMINATION (Holiday)	
25.12.2015 Friday	NO EXAMINATION (Holiday)	
26.12.2015 Saturday	Company Law (Module-I)	Information Technology and Systems Audit (Module – II)
27.12.2015 Sunday	Economic and Commercial Laws (Module-I)	Financial, Treasury and Forex Management (Module – II)
28.12.2015 Monday	NO EXAMINATION	Ethics, Governance and Sustainability (Module – II)
29.12.2015 Tuesday	Company Accounts and Auditing Practices (Module-II)	Advanced Tax Laws and Practice (Module – III)
30.12.2015 Wednesday	Capital Markets and Securities Laws (Module-II)	Drafting, Appearances and Pleadings (Module – III)
31.12.2015 Thursday		Elective 1 out of below 5 subjects (Module – III)
		(i) Banking Law and Practice
		(ii) Capital, Commodity and Money Market
		(iii) Insurance Law and Practice
		(iv) Intellectual Property Rights – Law and Practice
(v) International Business – Laws and Practices		

*(The three papers, i.e., (i) Cos and Management Accounting; (ii) Tax Laws and Practice; and (iii) Industrial, Labour and General Laws to be held in OMR Mode on 21st , 22nd and 23rd December, 2015 respectively)



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