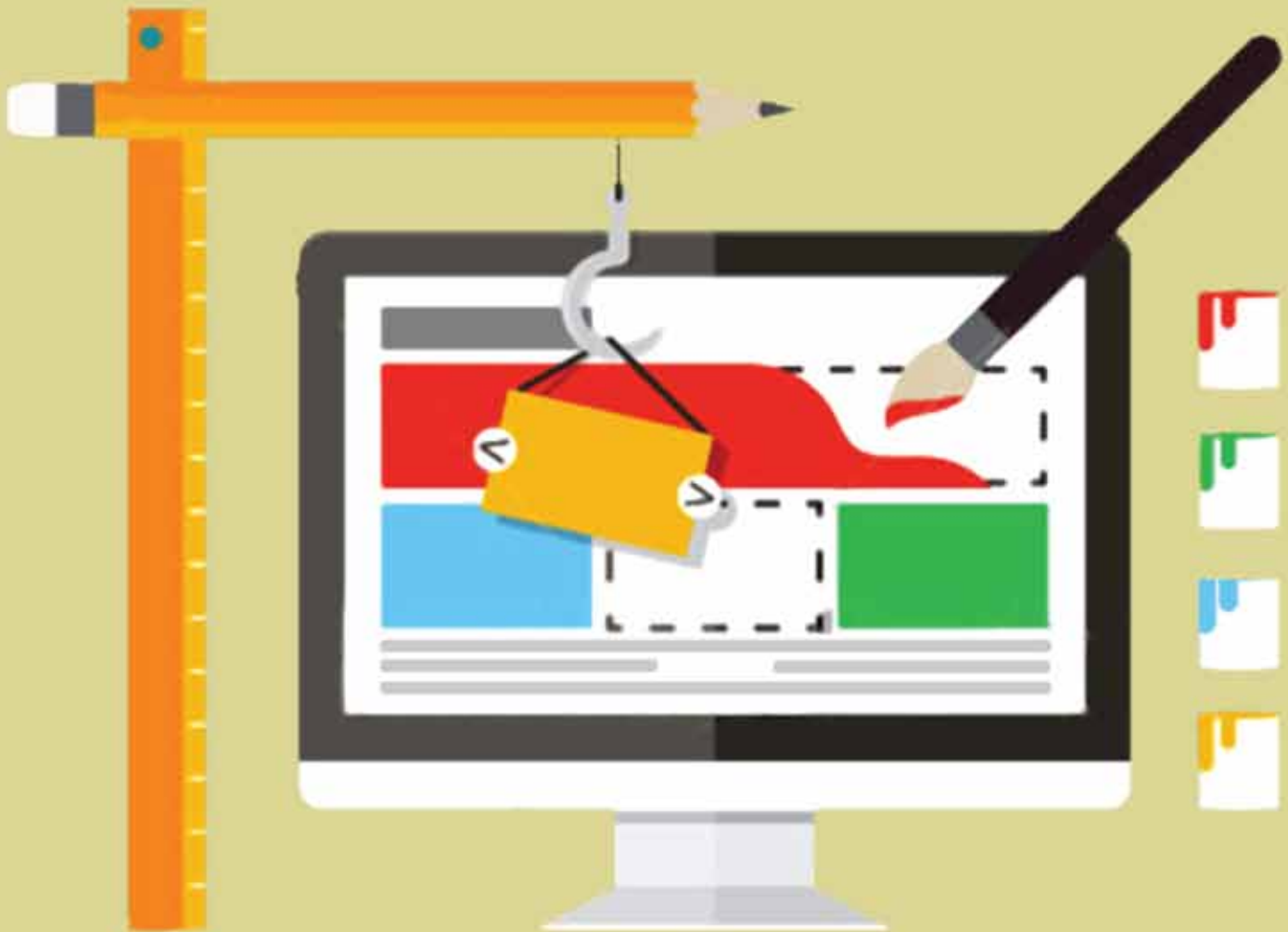


CHARTERED SECRETARY

THE JOURNAL FOR CORPORATE PROFESSIONALS



**THE INSTITUTE OF
Company Secretaries of India**

IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

COMPANY SECRETARIES BENEVOLENT FUND



The Company Secretaries Benevolent Fund (CSBF) provides safety net to Company Secretaries who are members of the Fund and their family members in distress.

CSBF

- Registered under the Societies Registration Act, 1860
- Recognised under Section 12A of the Income Tax Act, 1961
- Subscription / Contribution to Fund qualifies for the deduction under section 80G of the Income Tax Act, 1961
- Has a membership of about 10,000

Eligibility

A member of the Institute of Company Secretaries of India is eligible for the membership of the CSBF.

How to join

- By making an application in Form A (available at www.icsi.edu/csbf) along with one time subscription of ₹ 7,500/-.
- One can submit Form A and also the subscription amount of ₹ 7500 ONLINE through Institute's web portal: www.icsi.edu. Alternatively, he can submit Form A, along with a Demand Draft or Cheque for ₹ 7500 drawn in favour of 'Company Secretaries Benevolent Fund', at any of the Offices of the Institute/ Regional Offices/Chapters.

Benefits

- ₹ 5,00,000 in the event of death of a member under the age of 60 years
- Upto ₹ 2,00,000 in the event of death of a member above the age of 60 years in deserving cases
- Upto ₹ 40,000 per child (upto two children) for education of minor children of a deceased member in deserving cases
- Upto ₹ 60,000 for medical expenses in deserving cases
- Limited benefits for Company Secretaries who are not members of the CSBF

Contact

For further information/ clarification, please write at email id csbf@icsi.edu or contact Ms. Anita Mehra, Assistant Director on telephone no. 011-45341049.

For more details please visit www.icsi.edu/csbf

President

- ▶ Atul H Mehta

Vice President

- ▶ Mamta Binani

Members

(in alphabetical order)

- ▶ Ahalada Rao V.
- ▶ Amardeep Singh Bhatia
- ▶ Ashish C. Doshi
- ▶ Ashish Garg
- ▶ Gopalakrishna Hegde
- ▶ Gopal Krishan Agarwal
- ▶ Mahavir Lunawat
- ▶ Makarand M. Lele
- ▶ Rajesh Sharma
- ▶ Rajiv Bajaj
- ▶ Ramasubramaniam C.
- ▶ Ranjeet Kumar Pandey
- ▶ S. K. Agrawala
- ▶ Satwinder Singh
- ▶ Shyam Agrawal
- ▶ Vijay Kumar Jhalani
- ▶ Vineet K. Chaudhary
- ▶ Yamal Ashwinkumar Vyas

Chief Executive & Officiating Secretary

- ▶ Sutanu Sinha

Editorial Advisory Board

Chairman

- ▶ S Balasubramanian

Members

(in alphabetical order)

- ▶ Ashutosh Naik
- ▶ Deepak Kukreja
- ▶ Kapil Taneja
- ▶ Manish Ghiya
- ▶ N. K. Jain
- ▶ Pradeep K. Mittal
- ▶ Preeti Malhotra (Ms.)
- ▶ R. Ravi
- ▶ Sanjeev Kapoor
- ▶ S. K. Dixit (Dr.)

Editor & Publisher

- ▶ Sutanu Sinha

Consulting Editor

- ▶ V. Gopalan

Legal Correspondent

- ▶ T. K. A. Padmanabhan

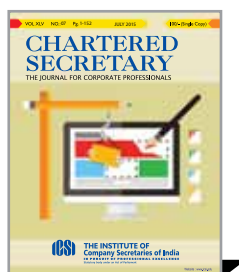


ISSN 0972-1983

CHARTERED SECRETARY®

[Registered under Trade Marks Act, 1999]

Vol. : XLV ● No. 07 ● Pg 1-152 ● July - 2015



From the President		09
Legal World		50
From the Government		58
News from the Institute		96

Articles

■ Personal Data Protection: What the Information Technology Law Says	11
■ Appointment of Independent Director and the Starting Point of Tenure	18
■ OPC - Corporate Entity or Glorified Proprietorship?*	24
■ Minority Protection Vis-à-Vis Class Action Under Companies Act, 2013	30
■ How does a Company Secretary contribute for making a 'Good' Board, 'Great'.	35
■ Depreciation Accounting under the Companies Act, 2013	40
■ Private Companies- Striking the balance between regulation and relaxation	44

Annual Subscription

Inland : Rs. 1000 (Rs. 500 for Students of the ICSI)
Foreign : \$100; £60 (surface mail) Single Copy : Rs. 100

'Chartered Secretary' is normally published in the first week of every month. ■ Non-receipt of any issue should be notified within that month. ■ Articles on subjects of interest to company secretaries are welcome. ■ Views expressed by contributors are their own and the Institute does not accept any responsibility. ■ The Institute is not in any way responsible for the result of any action taken on the basis of the advertisement published in the journal. ■ All rights reserved. ■ No part of the journal may be reproduced or copied in any form by any means without the written permission of the Institute. ■ The write ups of this issue are also available on the website of the Institute.

Edited, Printed & Published by

Sutanu Sinha for The Institute of Company Secretaries of India,
'**ICSI House**', 22, Institutional Area, Lodi Road, New Delhi-110 003.
Phones : 41504444, 45341000, Grams : 'COMPSEC'
Fax : 91-11-24626727
E-Mail : info@icsi.edu
Website : http://www.icsi.edu

Designed & Printed by

International Print-o-Pac Limited

C-4 to C-11, Hosiery Complex, Phase-II Extension, NOIDA - 201 305 (U.P.) INDIA
Tel.: +91 (0) 120 - 4192100, Fax: +91 (0) 120 - 4192199
Website: www.ippindia.com



01



02



03



04



05



06

- 01 >> National Conference on Competition Compliance for Listed Companies– Standing From Left: Rashesh Shah (Chairman & CEO, Edelweiss Group), Ashishkumar Chauhan (MD & CEO, BSE Ltd.), Prashant Saran (Whole Time Member, Securities and Exchange Board of India), Ashok Chawla (Chairman, Competition Commission of India), CS Atul H. Mehta (President, ICSI) and Sandip Ghose (Director, NISM).
- 02 >> National Conference on Competition Compliance for Listed Companies Standing from Left: CS M. S. Sahoo (Member, Competition Commission of India), Prashant Saran and Suhail Nathani (Partner, Economic Laws Practice).
- 03 >> National Conference on Competition Compliance for Listed Companies Standing from Left: Nehal Vora (Chief Regulatory Officer, BSE Ltd.), Ashok Gupta (Co-chair, Corporate Laws Committee, FICCI & Group Legal Counsel & Chief Legal Officer, Aditya Birla Group), Cyril Shroff (Managing Partner, Cyril Amarchand Mangaldas), Menaka Doshi (Executive Editor, CNBC TV18), S. L. Bunker (Member, Competition Commission of India) and Uday Baldota (CFO, Sun Pharma Industries Ltd.).
- 04 >> National Conference on Competition Compliance for Listed Companies A view of the dignitaries, invitees and delegates.
- 05 >> WIRC - Indore Chapter – Annual PCS Regional Conference of WIRC of the ICSI –Release of the Souvenir - On the dais from Left: CS Shilpa K Dixit, CS Kamlesh Joshi, CS Rishikesh Vyas, CS Makarand Lele, CS Ashish Garg, CS Ashish Karodia and CS D K Sharma.
- 06 >> WIRC – Vadodara Chapter –Seminar on Companies Act, 2013 and IPR Laws - CS Nishant Javlekar addressing. Others sitting from Left: CS Mayur Buha, CS Rishikesh Vyas, CS Chetan Patel and CS Swati Bhatt.



07



08



09



10



11



12



13



14



15



16



17



18

- 07 >> ICSI – 10th International Conference on Make in India: New imperatives in Corporate Governance held on 22.6.2015 at Stockholm, Sweden – Her Excellency Banashri Bose Harrison (Ambassador of India to Sweden and Latvia) addressing. Others sitting on the dais from Left: CS Vineet K Chaudhary, CS Atul H. Mehta, CS Shalini Budathoki (Executive Director, NFCG & Director, CII).
- 14 >> ICSI – 10th International Conference - Group photo of the participants.
- 15 >> Motivational Speaker Devdutt Pattanaik addressing the Council Members of the institute on Strategic Action Plan chalked out by the President, ICSI for cause of the profession.
- 17 >> WIRC – Ahmedabad Chapter – Press Conference - CS Atul H Mehta addressing. Others sitting from Left: CS Ashish Doshi and CS V K Sharma.
- 8-13 >> ICSI – 10th International Conference - Address by the dignitaries: CS Atul H Mehta, CS Vineet K Chaudhary, CS Shalini Budathoki, CS B Narasimhan, CS B B Chatterjee and Dr. S K Dixit.
- 16 >> ICSI – Orientation Programme on Leadership Excellence – Group photo of Council Members and senior officers of the ICSI with guest speaker Dr. Pankaj Kumar (IIM, Lucknow, standing back row third from Right).
- 18 >> EIRC - Half Day Workshop on an Insight into various aspects of Competition Law - From Left: CS Rupanjana De, U. C. Nahta (Member, Competition Commission of India), N. K. Bhola (Regional Director (Eastern Region) MCA), CS Anjan Kumar Roy, and CS Sunita Mohanty, addressing.



at a Glance

Articles

P-11

Personal Data Protection: What the Information Technology Law Says

» P-11

Abha Jaiswal

In the survey conducted by the EMC Privacy Index in 2014, India ranked 1st amongst 15 countries showing overall confidence in privacy in India very low. A lot has been written about the Information Technology (Amendment) Act, 2008 and various computer related offences and penalties thereon. This Article highlights the key provisions of Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 notified on 11th April, 2011 with coverage of salient features of The Personal Data Protection Bill introduced in Rajya Sabha on 28th Nov., 2014 and The Privacy (Protection) Bill, 2013 presented by the Centre for Internet and Society on 30th Sept., 2013, both legislations framed with common intent for providing protection to the personal data and information of all persons.

Appointment of Independent Director and the Starting Point of Tenure

» P-18

Prabir Bandyopadhyay

The Companies Act, 2013 along with its Schedule IV has sometimes provided that the appointment of Independent Director shall be approved by the Shareholders at their General Meeting and sometimes that the Shareholders shall appoint Independent Director at their General Meeting. 'Appointment' and 'approval of appointment' do not bear the same import. 'Approval of appointment' presumes previous 'appointment' subject to the future approval of the approving authority. Somewhere, according to the Act read with the applicable Rules, such person is called an 'appointee'. Elsewhere, 'the proposed director'. As a result, notices of a number of companies convening their Annual General Meetings to be held in the current year are not in line with one another. Reasonably, they are suffering from confusion! This Article tries to get into the root of the confusion and finds the answer.

OPC - Corporate Entity or Glorified Proprietorship?

» P-24

Prasanna Bairy G

One Person Company (OPC) concept has been introduced by Companies Act, 2013. This is a new business model hitherto unseen in India. This business model can go a long way in creating value to the stakeholders if it can harness the privileges granted by the Statute. However, the response of Indian businessmen (based on the data of Ministry of Corporate Affairs) to this business model till date is very lukewarm. In the light of the above, an attempt has been made in the article to ascertain the probable reasons for lukewarm response. The article makes an attempt to understand the structural weaknesses of OPC (if any), perspective of promoter, ethics and value systems of the promoter and stakeholders' perception as regards OPC.

Minority Protection Vis-à-Vis Class Action Under Companies Act, 2013

» P-30

C. M. Bindal

A constant need was felt to provide for class action suit or derivative action in respect of wrongful non-ratifiable decision which was allowed by the courts. Section 245 of Companies Act, 2013, introduces the concept of class action by members and depositors of a company with substantive remedies. As and when the said provision is notified and made effective with requisite Rules and Forms, class action suits can be filed where they (members/depositors or a class of them) are of the opinion that company's affairs are conducted prejudicial to the interest of company, its members or depositors. Upon such applications made to the Tribunal, reliefs (including damages and compensation) for the wrongful acts and omissions committed by directors can be granted by the Tribunal, as deemed appropriate. Such long-awaited reform in law is an eye-opener for the persons in control of the affairs of companies in India.

How does a Company Secretary contribute for making a 'Good' Board, 'Great'

» P-35

Dr. Joffy George

No one understands the risks and rewards of board membership better than the Company Secretary, so at a time when the movement for board diversity has enjoyed significant support from legislators and investors, should Company Secretaries be considered candidates for directorships? Being in the boardroom, Company Secretaries are getting a crash course in board member responsibility over a substantial period of time. Including Company Secretaries in the pool of board candidates will definitely improve the governance of companies. Company Secretaries may have a natural skill set that makes them great candidates for a director's position. Their training and experience is often very valuable when boards face difficult challenges. They will be good at decreasing accounting malpractice, litigation and risk for the companies they serve, making them a very desirable group to have on any board.

Depreciation Accounting under the Companies Act, 2013

» P-40

Dr. Meghna Chotaliya

The Companies Act, 2013 has replaced the six decade old legislation governing the functioning of corporate in India. Depreciation is the reduction in the value of an asset due to the normal wear & tear of Fixed Asset which is usually charged to Profit & loss Account. Depreciation is generally charged annually. The Companies Act, 2013 does not prescribe the Rate of Depreciation as stipulated under Income Tax Act, 1956. The methods for calculating depreciation have also changed and Schedule XIV has been replaced with Schedule II for Depreciation calculation, which requires systematic allocation of the depreciable amount of an asset over its useful life. The Ministry of Company Affairs vide general circular 08/2014, has clarified that the provisions of Schedule II have brought into force from 1st



April 2014. This new law has brought about major changes in the rules governing depreciation provisions.

Private Companies- Striking the balance between regulation and relaxation

» P-44

Alka Kapoor

The exemptions for Private Companies, Government Companies, Section 8 Companies and Nidhi companies have been notified by the Ministry of Corporate Affairs and have become effective from 5th June 2015. In this article the exemptions granted to private companies have been analysed. The notification applies to private companies as defined under section 2(68) of the Companies Act, 2013. With this notification as also the Companies (Amendment) Act, 2015, it is expected that private companies can carry on their business with ease.

» Legal World

P-50

▶ LW: 058:07:2015 Clause 7 of the Protocol Agreement which finds place in the Articles of MSL by virtue of incorporation of the Protocol Agreement in its Articles, only sets out how the Respondent and the Appellant are to deal with their respective shareholdings. It is not a blanket pre-emption clause which binds all the shareholders of MSL to sell their shares only to other members of MSL, which clauses are incorporated in the Articles of Association of a private company.[BOM] ▶ LW: 058:07:2015] ▶ The ground of fraud raised by the plaintiff can be duly addressed in proceedings under Section 17 of the SARFAESI Act, 2002 and the said plea of fraud, in the peculiar facts and circumstances of the case, does not fall in the exception carved out in Mardia Chemicals case.[DEL] ▶ LW: 059:07:2015 Supreme Court issues directions on public advertisement by Government, based on the recommendation of the committee. ▶ LW: 060:07:2015 Once notice under Section 251 Cr.P.C. stood framed, a complaint under Section 138 of the Act has reached the stage of recording of evidence.[DEL] ▶ LW: 061:07:2015 Delhi High Court refuses to stay the encashment of the bank guarantee.] ▶ LW: 062:07:2015 We are of the considered opinion that the time taken by the Collector of Stamps for adjudication is required to be excluded by the respondents in accepting the said document for registration.[BOM] ▶ LW: 063:07:2015 Even if the passenger tried to stand on the foot board and try to get down from the moving bus, taking into consideration that there were only two passengers, the conductor should have been vigilant enough to stop the passenger to stand on the foot board and also get down from the bus. Therefore, it is very clear that there was negligence on the part of the crew of the bus.[MAD]

» From the Government

P-58

▶ Clarification on repayment of deposits accepted by the companies before the commencement of the Companies Act, 2013 under section 74 of the said Act ▶ Extension of time for filing of Notice of appointment of the Cost Auditor for the F.Y. 2015-16 in Form CRA-2 and filing of cost audit report to the Central Government for the F.Y. 2014-15 in form CRA-4 ▶ The Companies (Cost Records and Audit) (Amendment) Rules, 2015 ▶ Exceptions, Modifications and Adaptations of certain provisions of the Companies Act, 2013 to a Government Company ▶ Exceptions, Modifications and Adaptations of certain provisions of the Companies Act, 2013 to Nidhis ▶ Exceptions, Modifications and Adaptations of

certain provisions of the Companies Act, 2013 to a Private Company ▶ Exceptions, Modifications and Adaptations of certain provisions of the Companies Act, 2013 to a body to which a license is granted under the provisions of section-8 ▶ Constitution of Companies Law Committee ▶ The Companies (Amendment) Act, 2015- Date of coming into force of certain provisions of the Act ▶ The Companies (Share Capital and Debentures) Second Amendment Rules, 2015 ▶ The Companies (Declaration and Payment of Dividend) Second Amendment Rules, 2015 ▶ The Companies (Incorporation) Second Amendment Rules, 2015 ▶ The Companies (Registration of Charges) Amendment Rules, 2015 ▶ The Companies (Registration Offices and Fees) Second Amendment Rules, 2015 ▶ Review of Offer for Sale (OFS) of Shares through Stock Exchange Mechanism ▶ Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2015 ▶ Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Second Amendment) Regulations, 2015 ▶ Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Second Amendment) Regulations, 2015 ▶ Database for Distinctive Number (DN) of Shares ▶ Clarification on grant of registration as a Foreign Portfolio Investor (FPI) to Registered Foreign Venture Capital Investors (FVCI) ▶ Revision of Activity Schedule of Auction Session ▶ Co-location / proximity hosting facility offered by stock exchanges ▶ Disclosures under SEBI (Prohibition of Insider Trading) Regulations, 2015 ▶ Product Labeling in Mutual Funds ▶ Stress Testing of Liquid Fund and Money Market Mutual Fund Schemes ▶ Exclusively listed companies of Derecognized/Non operational/exited Stock Exchanges ▶ Mechanism for acquisition of shares through Stock Exchange pursuant to Tender-Offers under Takeovers, Buy Back and Delisting ▶ The Securities and Exchange Board of India (Public Offer and Listing of Securitised Debt Instruments) (Amendment) Regulations, 2015 ▶ Fine structure for non-compliance with the requirement of Clause 49(II)(A)(1) of Listing Agreement ▶ Revision of limits relating to requirement of underlying exposure for currency derivatives contracts ▶ Review of Foreign Direct Investment (FDI) Policy on Investments by Non Resident Indians (NRIs), Persons of Indian Origin (PIOs) and Overseas Citizens of India (OCIs) ▶ Review of the investment limit for cases requiring prior approval of the Foreign Investment Promotion Board (FIPB)/Cabinet Committee on Economic Affairs (CCEA) ▶ Streamlining the Procedure for Grant of Industrial Licenses ▶ Policy on foreign investment in the Pension Sector- addition of paragraph 6.2.17.9 of 'Consolidated FDI Policy Circular of 2014' ▶ Review of Foreign Direct Investment (FDI) policy on Insurance Sector- amendment to 'Consolidated FDI Policy Circular of 2014' ▶ Review of the policy on Foreign Direct Investment (FDI) in Pharmaceutical Sector- carve out for medical devices. ▶ The Negotiable Instruments (Amendment) Ordinance, 2015

» Other Highlights

P-96

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

SECRETARIAL STANDARDS

EFFECTIVE FROM JULY 1, 2015



ICSI IS THE PIONEER AND THE ONLY INSTITUTION IN THE WORLD SO FAR TO HAVE ISSUED SECRETARIAL STANDARDS

Section 118(10) of the Companies Act, 2013 mandates every company to observe Secretarial Standards with respect to General and Board Meetings specified by the Institute of Company Secretaries of India and approved as such by the Central Government. The Ministry of Corporate Affairs has accorded its approval to the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) specified by the Institute of Company Secretaries of India (ICSI).

The Secretarial Standards have been notified vide **Notification No. ICSI NO. 1(SS) of 2015 dated April 23, 2015 and published in the Gazette of India Extraordinary Part III Section 4.**

These will be effective from July 1, 2015.

ICSI is the pioneer and the only institution in the world so far to have issued Secretarial Standards. The Secretarial Standards do not seek to substitute or supplant any existing laws or the rules and regulations framed there under but, in fact, seek to

supplement such laws, rules and regulations. By adhering to the Secretarial Standards in true letter and spirit, companies will be able to ensure adoption of uniform, consistent and best practices. It will result in better corporate accountability and disclosures leading to better value enhancement to stakeholders including shareholder, regulators and international investors.

The Secretarial Standards are formulated by the Secretarial Standards Board constituted by the Council of the Institute. It comprises experienced members of the CS profession, the representatives of regulatory bodies such as the Ministry of Corporate Affairs, Securities and Exchange Board of India, Reserve Bank of India, Representatives from Industry Associations and chambers such as CII, FICCI, ASSOCHAM as well as the nominees of sister professional bodies, the Institute of Chartered Accountants of India and the Institute of Cost Accountants of India.

Secretarial Standards are available on website at <http://www.icsi.edu/SecretarialStandards.aspx> these are also available at the E- book Store of the Institute for online purchase.



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

www.icsi.edu



Test ideas in the marketplace. You learn from hearing a range of perspectives. Consultation helps engender the support decisions need to be successfully implemented.

– Donald Rumsfeld, *American businessman and politician*



Dear Professional Colleagues,

Stakeholders' consultation is an instrument for success in a democratic system. It provides inputs from all constituents on a specific subject which help in arriving at a logical decision. You are aware that, after implementation of the Companies Act, 2013, we have witnessed practical difficulties, which the Ministry of Corporate Affairs has been resolving by issuing circulars/clarification, and providing much needed relief to corporates and professionals in complying with provisions of the Companies Act, 2013. In this context and with a view to weed out difficulties and to provide a userfriendly Company Law, Ministry of Corporate Affairs has constituted a Companies Law Committee on June 04th 2015, consisting *inter-alia* President of The Institute of Company Secretaries of India, The Institute of Chartered Accountants of India, The Institute of Cost Accountants of India, and the representatives from Industry, to make recommendations to the Government on issues arising from the implementation of Companies Act, 2013 and to examine the recommendations received from the Bankruptcy Law Reforms Committee, the High Level Committee on CSR, the Law Commission and other agencies.

Ministry of Corporate Affairs has invited suggestions/comments from all stakeholders through its online portal www.mca.gov.in in the prescribed format available on the website. The Committee has suggested the companies to route comments/suggestions through their respective Industry Chambers. Similarly, the professionals like

Chartered Accountants, Company Secretaries, Cost Accountants, Lawyers etc. should route comments/suggestions through their respective Institute or representative body. Accordingly, we request you to send your suggestions/ comments on the Companies Act, 2013 at the link provided on the website of the Institute.

The Government has notified certain exemptions on June 05, 2015 to Private Companies, Government Companies, Section 8 Companies and Nidhis under the Companies Act, 2013. I am sure these long awaited notifications would provide desired relief to such companies/organisations.

You are aware that the Secretarial Standards have been made effective from July 01, 2015. In this context it is clarified that in case there is any inconsistency identified in the Secretarial Standards, due to MCA Notification(s) referred to above, such corresponding provisions of the Act read with the MCA Notification(s) shall prevail. It was with a view to create awareness and to clarify doubts in this regard, the Institute organised a webinar on June 30, 2015 to deliberate on Secretarial Standards. I am pleased to note that webinar achieved its defined purpose as the participation of members was quite good and the queries were answered by experts.

I am happy to inform that myself alongwith a large group of



From the President

members participated in the 10th International Professional Development Fellowship Programme organised in Scandinavian countries, covering Denmark, Sweden, Estonia and Finland. As part of Fellowship Programme, 10th International Conference on the theme "Make in India: New Imperatives in Corporate Governance" was also organised on 22nd June, 2015 at Stockholm (Sweden) with the principal support of National Foundation for Corporate Governance (NFCG). The Conference was inaugurated by Her Excellency Mrs. Banashri Bose Harrison, Ambassador of India to Sweden and Latvia. The deliberations at the conference were highly enriching covering the recent trends in governance and corporate governance.

The Institute associated itself as a Knowledge Partner in IICA's Four Days Residential Training Programme on Companies Act, 2013: Issues and Challenges held on June 23-26, 2015 at IICA, Manesar. The topics discussed during the training programme included one person company; shareholder empowerment; CSR; corporate governance; insider trading; corporate insolvency; independent director; corporate frauds, etc.

The Institute extended academic support for SCOPE programme on Secretarial Audit for Directors, Senior Management Personnel, Chief Executive Officers and Company Secretaries from Public Sector Enterprises on 16th June, 2015 at New Delhi. The topics covered include regulatory perspective on secretarial audit, compliance of competition law, role and responsibility of management in secretarial audit and need and importance of a secretarial audit.

The Institute has partnered with PHD Chamber of Commerce for Workshop Series on Indirect Taxes scheduled for 19th June 2015 to February 12, 2016 at New Delhi. The topics for deliberations include service tax, GST, exemption notification, significant changes in service tax by Finance Act, 2015 and importance and relevance of service tax in GST regime.

The Institute in association with BSE Ltd., National Institute of Securities Markets (NISM) and FICCI organized a National

Conference on 'Competition Compliance for listed Companies' on June 29, 2014 at International Convention Hall, BSE Ltd. Mumbai. Mr. Ashok Chawla, Chairman, Competition Commission of India and Mr. Prashant Saran, Whole Time Member, SEBI were the Guests of Honour at the Programme. More than 1000 delegates participated in this conference.

Mr. M. S. Sahoo, Member, Competition Commission of India; Mr. Suhail Nathani, Partner, Economic Laws Practice, Advocates & Solicitors; Ms. Menaka Doshi, Executive Editor, CNBC TV18; Mr. S. L. Bunker, Member, Competition Commission of India; Mr. Cyril Shroff, Managing Partner, Cyril Amarchand Mangaldas; Mr. Uday Baldota, CFO, Sun Pharma; Mr. Ashok Gupta, Co-Chair, Corporate Laws Committee, FICCI and Group Legal Counsel & Chief Legal Officer, Aditya Birla Group deliberated on Competition Law-Regulatory Perspective and Competition Law-Practitioner Perspective.

The Institute is holding regular training programme for peer reviewers every week and in this series nine training programmes for peer reviewers have been conducted in different cities of country.

The much awaited Annual Congregation of Practising Members, National Conference of PCS is scheduled to be held at Kochi on August 13-14, 2015. The details of the Conference have been uploaded on the ICSI website. I invite all of you to book your tickets for the conference and participate in the conference in large numbers to make it a grand success.

With kind regards,

July 06, 2015.

Yours sincerely,

(CS ATUL H MEHTA)
president@icsi.edu

ATTENTION MEMBERS

43RD NATIONAL CONVENTION OF COMPANY SECRETARIES

Days & Dates: Thursday-Friday-Saturday, November 19-21, 2015

Venue: New Delhi

All Members are requested to block these dates. The details are being finalised and will be hosted on the ICSI website in due course.



Abha Jaiswal, FCS

Company Secretary
Pune

jaiswalabha1@gmail.com

Personal Data Protection: What the Information Technology Law Says*

- Recent initiatives indicate that the Government is serious on data protection laws. However, the need of the hour is to have a single comprehensive legislation with common procedures for personal data protection and stringent implementation and its adherence.

The 2014 EMC Privacy Index surveyed 15,000 people in 15 countries to rank the nations based on the consumer perceptions about data privacy, and their willingness to trade privacy for greater convenience and benefits online. In the survey, India got 1st rank showing overall confidence in privacy in India is low. The Survey result reflects that in India 78% think there should be law to prohibit companies buying and selling data without opt-in consent and 64% consumers have experienced a data breach, but have not taken any action to protect the breach and 21% are not interested in reading the privacy statements.¹

PRIVACY PROTECTION UNDER THE CONSTITUTION OF INDIA

In India the right to privacy is not statutorily enacted; however, in recent times this right has acquired a constitutional status. Article 21 of the Constitution of India guarantees that no person shall be deprived of his life or personal liberty except according to procedure established by law.

The Supreme Court in *R. Rajagopal alias R.R. Gopal and another v. State of Tamil Nadu and others*² held that "The right to privacy is



implicit in the right to life and liberty guaranteed to the citizens of this country by Article 21. It is a right to be let alone. A citizen has a right to safeguard the privacy of his own, his family, marriage, procreation, motherhood, child bearing and education among other matters."

In several judgments including *Kharak Singh v. State of U.P. and others*³, *Peoples Union for Civil Liberties (PUCL) v. Union of India and another*⁴ and *State of Maharashtra v. Bharat Shanti Lal Shah and others*⁵, the Supreme Court has recognized the right to

¹ Source: www.emc.com
² (1994) 6 SCC 632

³ AIR 1963 SC 1295
⁴ (1997) 1 SCC 301
⁵ (2008) 13 SCC 5

*The views expressed in this article are personal views of the author.





Article

Personal Data Protection: What the Information Technology Law Says

privacy as a fundamental right emanating from Article 21 of the Constitution of India.

The right to privacy is also recognized as a basic human right under Article 12 of the Universal Declaration of Human Rights Act, 1948, which states as follows: “No one shall be subjected to arbitrary interference with his privacy, family, home or correspondence, not to attack upon his honour and reputation. Everyone has the right to the protection of law against such interference or attacks.”

In *People’s Union for Civil Liberties (PUCL) v. Union of India*⁶ the Supreme Court held that the telephone tapping by Government under section 5(2) of Telegraph Act, 1885 amounted to infraction of Article 21 of the Constitution of India. The right to privacy is a part of the right to “life” and “personal liberty” enshrined under Article 21 of the Constitution. The said right cannot be curtailed “except according to the procedure established by law”.

Article 17 of the International Covenant on Civil and Political Rights Act, 1966, to which India is a party also protects that right and states that “No one shall be subjected to arbitrary or unlawful interference with his privacy, family, home and correspondence nor to unlawful attacks on his honour and reputation.”

NEW LAW ON INFORMATION TECHNOLOGY

On 11th April, 2011 the Ministry of Communications and Information Technology notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011⁷ (“SPDI Rules”) under the Information Technology Act, 2000. The Rules give protection to Sensitive Personal Data or information and does speak about protection to personal information as well.

The Personal Data Protection Bill (Personal Data Privacy Bill) introduced by the Centre for Internet and Society was passed by Lok Sabha and was referred to Rajya Sabha on 28th Nov., 2014; this is presently pending for approval. The Bill was introduced to provide for protection of personal data and information of an individual collected for a particular purpose by one organization, and to prevent its usage by other organization for commercial or other purposes and entitle the individual to claim compensation or damages due to disclosure of personal data or information of any individual without his consent and for matters connected therewith or incidental thereto. The broad heads for protection of personal data are:

- Personal data not to be disclosed
- Compensation for damages in case of disclosure of data information
- Obligation on organization collecting personal data

- Penalty

The Privacy (Protection) Bill, 2013 (Data Privacy Bill) was presented by the Centre for Internet and Society on 30th Sept., 2013 with the objective to establish an effective regime to protect the privacy of all persons and their personal data from Governments, public authorities, private entities and others, to set out conditions upon which surveillance of persons and interception and monitoring of communications may be conducted, to constitute a Privacy Commission, and for matters connected therewith and incidental thereto. The Bill is yet to be introduced in Parliament. The broad heads for protection of personal data are:

- Collection of personal data
- Storage and destruction of personal data
- Processing of personal data
- Security of personal data and duty of confidentiality
- Disclosure of personal data
- Quality and accuracy of personal data
- Special provisions for sensitive personal data
- Special provisions for intelligence organizations
- Punishment for offences related to personal data

WHAT IS SENSITIVE PERSONAL DATA OR INFORMATION (SPDI)

Sensitive personal data or information⁸ is defined to mean such personal information which consists of information relating to—

- password;
- financial information such as Bank account or credit card or debit card or other payment instrument details;
- physical, physiological and mental health condition;
- sexual orientation;
- medical records and history;
- biometric information;
- any detail relating to the above clauses as provided to body corporate for providing service; and
- any of the information received under above clauses by body corporate for processing, stored or processed under *lawful contract* or otherwise.

It is to be noted that the definition of SPDI is an inclusive definition as it uses the term “means” meaning no information other than listed in definition will be considered as SPDI.

WHAT IS NOT SPDI

Any information that is:

- freely available or accessible in public domain; or
- furnished under the Right to Information Act, 2005; or
- furnished under any other law for the time being in force shall

6 (1997) 1 SCC 301
7 Notification No. G.S.R. 313(E) dt.11 April 2011

8 Section 43A of IT Act read with SPDI Rule 3



not be regarded as SPDI.

Similarly proposed section 2(x) of the Data Privacy Bill defines “sensitive personal data” to mean personal data as to a person’s –

- (i) biometric data; and
- (ii) deoxyribonucleic acid data;

WHAT IS PERSONAL INFORMATION

The word "personal" means appertaining to the person; belonging to an individual; limited to the person; having the nature or partaking of the qualities of human beings, or of movable property. [See Black’s Law Dictionary, Sixth Edition].

‘Personal information’ would be information, in any form, that pertains to an individual. A person has a right to keep his private information, or in other words, his privacy guarded from disclosure. It is this right which has come to be recognized as fundamental to a person's life and liberty.

Personal information as defined in different IT Laws and carrying the same meaning relates to natural person only as evident from the following Table.

Rule 2(i) of SPDI Rules	Clause 2(c) of the Personal Data Protection Bill	Clause 2(p) of the Data Privacy Bill
" P e r s o n a l information" means any information that relates to a natural person, which, either directly or indirectly, in combination with other information available or likely to be available with a body corporate, is capable of identifying such person.	“Personal data” to mean information or data which relate to a living individual who can be identified from that information or data whether collected by any Government or any private organization or agency.	“Personal data” means any data which relates to a natural person if that person can, whether directly or indirectly in conjunction with any other data, be identified from it and includes sensitive personal data.

PRIVACY POLICY - MANDATORY FOR WHOM

SPDI Rule 4 directs a body corporate or its representative who collects, receives, possesses, stores, deals or handles data should provide a privacy policy for handling of or dealing in user information including sensitive personal information.

On 24th Aug., 2011, India’s Ministry of Communications and Information issued a Press Note which mandated only Indian companies to comply with the SPDI Rules.

The Privacy policy shall be published on the website of the body corporate or any person on its behalf and must cover the following areas:

- (i) clear and easily accessible statements of its practices and policies;
- (ii) type of personal or sensitive personal data or information collected;
- (iii) purpose of collection and usage of such information;
- (iv) disclosure of information including sensitive personal data or information;
- (v) reasonable security practices and procedures as provided under rule 8.

This policy should be made available for view by those who have provided their information under lawful contract. Therefore, the link to the privacy policy on the website can also be given to the information provider.

REASONABLE SECURITY PRACTICES AND PROCEDURES

SPDI Rule 8 set out what measures constitute “reasonable security practices and procedures”. A body corporate or its representative must implement security practices and procedures which include a comprehensive documented information security programme and information security policies. The information security policies should contain managerial, technical, operational and physical security control measures that are commensurate with the information assets being protected with the nature of business.

The international Standard IS/ISO/IEC 27001 on "Information Technology - Security Techniques - Information Security Management System - Requirements" is one such standard.

In the event of an information security breach, the body corporate





Article

Personal Data Protection: What the Information Technology Law Says

➤ A body corporate or its representative must implement security practices and procedures which include a comprehensive documented information security programme and information security policies. The information security policies should contain managerial, technical, operational and physical security control measures that are commensurate with the information assets being protected with the nature of business.

or its representative shall be required to demonstrate, as and when called upon to do so by the agency mandated under the law, that they have implemented security control measures as per their documented information security programme and information security policies.

Industry associations or industry clusters that follow security standards other than IS/ISO/IEC 27001 codes are required to get the same approved and notified by the Central Government for effective implementation.

The body corporate or its representative following IS/ISO/IEC 27001 codes shall be deemed to have implemented reasonable security practices and procedures.

METHOD AND MANNER OF COLLECTION OF SPDI

SPDI Rule 5 lays conditions for collection of information. Body corporate or any person on its behalf shall obtain consent in writing through letter or Fax or email from the provider of the sensitive personal data or information regarding purpose of usage before collection of such information. Press Note dt. 24th Aug., 2011 clarifies that consent may be obtained by any mode of electronic communication, and not just by fax or email. Further the obligations under Rules 5 and 6 of the SPDI Rules relating to the manner in which body corporate or its representatives can collect and disclose SPDI do not apply to Indian companies which collect, store, deal with or handle SPDI under a contractual obligation with a legal entity.

Clause 6 of the Data Privacy Bill also contemplates prior consent of the person whose personal data is to be collected and such consent may be obtained in any manner, and through any medium, but shall not be obtained as a result of a threat, duress or coercion. The person collecting information is under an obligation to inform

the person whose information is being collected of following details in respect of his personal data, namely: –

- (i) when it will be collected;
- (ii) its content and nature;
- (iii) the purpose of its collection;
- (iv) the manner in which it will be used;
- (v) the persons to whom it will be made available;
- (vi) the duration for which it will be stored;
- (vii) the manner in which it may be accessed, checked and modified;
- (viii) the security practices and other safeguards, if any, to which it will be subject;
- (ix) the privacy policies and other policies, if any, that will protect it;
- (x) whether, and the conditions and procedure upon which, it may be disclosed to others;
- (xi) the time and manner in which it will be destroyed; and,
- (xii) the procedure for recourse in case of any grievance in relation to it.

USAGE LIMITATION OF SPDI

SPDI collected should be used only for a lawful purpose connected with a function or activity of the body corporate or any person on its behalf and the collection of the SPDI is considered necessary for that purpose. The SPDI shall be used for the purpose for which it has been collected. The provider of SPDI shall have the knowledge of —

- a) the fact that the information is being collected;
- b) the purpose for which the information is being collected;
- c) the intended recipients of the information; and
- d) the name and address of —
 - (i) the agency that is collecting the information; and
 - (ii) the agency that will retain the information.





RETENTION OF SPDI

SPDI Rules do not provide for any specific time period for retention of SPDI. It shall not be retained for the period longer than is required for the purposes for which the information may lawfully be used or is otherwise required under any other law for the time being in force.

Similar provision is proposed in clause 7 of the Data Privacy Bill that personal data shall not be retained for a period longer than is necessary to achieve the purpose for which it was collected or received.

Though section 67C of the IT Act provides for retention of information by intermediary for such duration as may be specified by the Central Government with penalty in terms of imprisonment for a term upto 3 years and fine, so far no such period has been defined either in the IT Act or the Rules so provide for.

REVIEW AND UPDATION OF SPDI

SPDI Rule 5(6) gives the information providers, the right to review the information they have provided and ensure that any personal information or SPDI found to be inaccurate or deficient shall be corrected or amended as feasible.

CONSENT FOR INFORMATION: COMPULSORY

The information provider shall be provided an option to provide or not to provide the data or information sought to be collected.

The information provider shall, at any time while availing the services or otherwise, also have an option to withdraw its consent given earlier to the body corporate. Such withdrawal of the consent shall be sent in writing to the body corporate.

In the case of provider of information not providing or later on withdrawing his consent, the body corporate shall have the option



not to provide goods or services for which the said information was sought.

Under clause 3 of the Personal Data Protection Bill also the personal data of any person collected for a particular purpose or obtained in connection with any transaction, whether by appropriate Government or by any private organization, shall not be put to processing without the consent of the person concerned.

GRIEVANCE OFFICER

The body corporate shall designate a Grievance Officer who shall address any discrepancies and grievances of the provider of the information with respect to processing of within one month from the date of receipt of grievance. Name and contact details of Grievance Officer shall be published on the website of the body corporate.⁹

DISCLOSURE OF INFORMATION – PRIOR CONSENT MUST

Disclosure of SPDI by a body corporate to any third party shall require prior permission from the provider of such information unless such disclosure:

- (a) is agreed to in the contract with the information provider; or
- (b) is necessary for compliance of a legal obligation.

The body corporate or its representative is under an obligation not to publish the SPDI. Any third party receiving the SPDI from body corporate or its representative shall not disclose it further to any other party.¹⁰

Clause 4 of the Personal Data Privacy Bill prohibits disclosure of personal data of any person collected by an organization whether government or private for the purposes of direct marketing or for any commercial gain. Personal data is allowed to be disclosed to charity and voluntary organizations only after obtaining prior consent of the person.

In case of disclosure of personal data without consent, compensation provision shall get attracted.¹¹ In addition, defaulter shall be punishable with imprisonment for a term, which may extend to three years or with fine, which may extend upto Rs.10 lakh or with both.¹²

Clause 10 of the Data Privacy Bill prohibits disclosure of any personal data of another person without obtaining the prior consent of the person to whom it pertains and such consent may be obtained in any manner, and through any medium, but shall not be obtained as a result of a threat, duress or coercion.

⁹ SPDI Rule 5(9)

¹⁰ SPDI Rule 6

¹¹ Section 5 of the Personal Data Privacy Bill

¹² Section 9 of the Personal Data Privacy Bill



Article

Personal Data Protection: What the Information Technology Law Says

Any third party receiving the personal data shall under an agreement bind itself for adopting the same or stronger measures in respect of its storage, processing, destruction, disclosure or other handling.¹³

SHARING OF INFORMATION WITHOUT CONSENT– ONLY WHEN MANDATED BY LAW

No consent of the information provider is required for sharing the information with Government agencies mandated under the law to obtain information including SPDI for:

- verification of identity, or
- prevention, detection, investigation including cyber incidents, prosecution, and punishment of offences.

However, written request shall be made by the Government agency to the body corporate possessing the SPDI stating clearly the purpose of seeking such information. The Government agency shall also state that the information so obtained shall not be published or shared with any other person.¹⁴

Similar provision is contained in Personal Data Privacy Bill under the proviso to Clause 3 wherein personal data of any person may be processed for any of the following purposes:—

- the prevention or detection of crime;
- the prosecution of offenders; and
- the assessment or collection of any tax or duty;

It further allows processing the personal data without the consent of the individual if the personal data details of the individual are obtained through sources which have been made public.

Proposed clause 10(5) of the Data Privacy Bill also provides for sharing of the information without previous consent so far is necessary to:

- prevent a reasonable threat to national security, defence or public order, or
- prevent, investigate or prosecute a cognizable offence,

TRANSFER OF INFORMATION

A body corporate or its representatives may transfer SPDI including any information, to any other body corporate or a person in India, or located in any other country subject to following conditions:

- Transferee ensures the same level of data protection that is adhered to by the body corporate.
- Transfer may be allowed only if it is necessary for the performance of the lawful contract between the body corporate or any person on its behalf and information provider; or
- Information provider has consented to data transfer.

¹³ Section 10(4) of the Data Privacy Bill
¹⁴ SPDI Rule 6

WHAT INFORMATION TECHNOLOGY ACT, 2000 SAYS

The Information Technology Act, 2000 last amended vide the Information Technology (Amendment) Act, 2008 provides for certain penal provisions for Data privacy violation as under :

Sections	Crimes under the IT Act	Penalty
43A	Compensation for failure to protect data Failure to protect the SPDI in a computer resource owned, controlled, operated by the Body Corporate causing wrongful loss or wrongful gain to any person due to its negligence in implementing security measures. [Liability on all bodies corporate which possess, deal or handle SPDI in a computer resource] [Body corporate means any company and includes a firm, sole proprietorship or other association of individuals engaged in commercial or professional activities]	Body corporate shall be liable to pay damages by way of compensation, not exceeding Rs.5 crore, to the person so affected.
72	Breach of Confidentiality and Privacy Penalty on any person who, having secured access to any electronic record, correspondence, information, document or other material using powers conferred by the IT Act or rules, discloses such information without the consent of the person concerned.	Imprisonment for a term which may extend to two years, or with fine which may extend to Rs.1 Lakh, or with both.
72A	Disclosure of information in breach of lawful contract Penalty if any person including an intermediary who, while providing services under the terms of lawful contract, has secured access to any material containing personal information about another person, with the intent to cause or knowing that he is likely to cause wrongful loss or wrongful gain discloses, without the consent of the person concerned, or in breach of a lawful contract, such material to any other person.	Imprisonment up to 3 years, or with fine maximum up to Rs.5 Lakh, or with both
85	Person responsible in Company Every person who, at the time the contravention was committed, was in charge of, and was responsible to, the company for the conduct of business of the company as well as the company, shall be guilty of the contravention.	

The other important sections substituted and/or introduced by the IT Amendment Act, 2008 are as follows:

- Section 66 – Computer Related Offences
- Section 66A – Punishment for sending offensive messages through communication service, etc.



➤ Under the Indian Contract Act, 1872, a company can bind another through a contract to protect the data of the former. The contract executed may provide for confidentiality, data protection, restriction and limitations on data disclosure, retention period, most common form of such contract is signing of non-disclosure agreement or a secrecy undertaking or confidentiality obligations agreed in an agreement.

- through a contract to protect the data of the former. The contract executed may provide for confidentiality, data protection, restriction and limitations on data disclosure, retention period, most common form of such contract is signing of non-disclosure agreement or a secrecy undertaking or confidentiality obligations agreed in an agreement. The data protection violation can be challenged before the court of law. Such breach of contract gives the other party right to claim for compensation for any loss or damage caused to it against the breaching party.

- Section 66B – Punishment for dishonestly receiving stolen computer resource or communication device.
- Section 66C – Punishment for identity theft
- Section 66D – Punishment for cheating by personation by using computer resource
- Section 66E – Punishment for violation for privacy
- Section 66F – Punishment for cyber terrorism
- Section 67 – Punishment for publishing or transmitting obscene material in electronic form
- Section 67A – Punishment for publishing or transmitting of material containing sexually explicit act, etc. in electronic form
- Section 67B – Punishment for publishing or transmitting of material depicting children in sexually explicit act, etc. in electronic form
- Section 67C – Preservation and Retention of information by intermediaries
- Section 69 – Powers to issue directions for interception or monitoring or decryption of any information through any computer resource
- Section 69A – Power to issue directions for blocking for public access of any information through any computer resource
- Section 69B – Power to authorize to monitor and collect traffic data or information through any computer resource for cyber security.
- Section 79 – Exemption from liability of intermediary in certain cases
- Section 84A – Modes or methods for encryption.
- Section 84B – Punishment for abetment of offences
- Section 84C – Punishment for attempt to commit offences

WHAT INDIAN PENAL CODE SAYS?


Under the Indian Penal Code of 1860 there is no express punishment for breaching Data privacy. Thus liability for such breaches must be inferred from related crimes provided in different sections of IPC as under:

Sections	IPC	Penalty
403	Dishonest misappropriation or conversion of moveable property.	Imprisonment of either description for a term which may extend to two years, or with fine, or with both.
405, 406	Criminal breach of trust through dishonest misappropriation or conversion of property, or dishonest uses or disposes of that property in violation of any direction of law prescribing the mode in which such trust is to be discharged, or of any legal contract, express or implied, which he has made touching the discharge of such trust, or willfully suffers any other person so to do, commits criminal breach of trust.	Imprisonment of either description for a term which may extend to three years, or with fine, or with both.
409	Criminal breach of trust by public servant, or by banker, merchant or agent.	Imprisonment for life or with imprisonment of either description for a term which may extend to ten years, and shall also be liable to fine.
420	Cheating and dishonestly inducing delivery of property to any person, or to make, alter or destroy the whole or any part of a valuable security, or anything which is signed or sealed, and which is capable of being converted into a valuable security.	Imprisonment of either description for a term which may extend to seven years, and shall also be liable to fine.

DATA PRIVACY UNDER INDIAN CONTRACT ACT

Under the Indian Contract Act, 1872, a company can bind another

CONCLUSION

With the 2008 amendment of IT Act and introduction of new Privacy Law Bills, it is evident that Government is serious on data protection laws, however, the need of the hour is to have one strong legislation with common procedures for personal data protection for stringent implementation and its adherence. 



Prabir Bandyopadhyay, FCS

Company Secretary
Williamson Financial Services Ltd.
Kolkata

pb@mcleodrussel.com

Appointment of Independent Director and the Starting Point of Tenure

- The new company law has mandated the appointment of Independent Directors on the boards of both listed and unlisted companies. What is the exact starting point of the term of an Independent Director is the question which is examined in this article.

The Companies Act, 2013 (the Act) mandates that the composition of the Board must include Independent Directors in terms of the Act. What is the exact starting point of the term of an Independent Director i.e. strictly - the effective date of appointment as Independent Director? It may be as per the Board Resolution! It may be as per the Shareholders' Resolution! Let us explore with reference to the applicable provisions under the Act.

LISTED COMPANIES

The Act vide Section 149 has clearly mandated that every listed public company shall have at least one-third of the total number of Directors as Independent Directors and the Central Government may prescribe the minimum number of Independent Directors in case of any other class or classes of public companies. The computation of one third, if a fraction is produced, should be rounded off to the nearest whole number as explained in the Section.

UNLISTED COMPANIES

For an unlisted public company the minimum number of Independent Directors has been prescribed by the Central Government to be 'two' by Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 if it fulfills any one of



the following conditions as on the last date of its latest audited Financial Statements :

- (i) the paid up share capital is ten crore rupees or more; or
- (ii) the turnover is one hundred crore rupees or more; or
- (iii) the aggregate outstanding loans, debentures and deposits, exceeds fifty crore rupees.

EXISTING COMPANIES

According to Section 149(5) every company existing on or before the date of commencement of the Act shall, within one year from such commencement or from the date of notification of the rules



➤ Schedule IV to the Act prescribes, *inter alia*, the Code for Independent Directors in the form of guidelines for professional conduct, role and functions of Independent Directors etc. besides manner of appointment, resignation / removal and other relevant matters.

in this regard as may be applicable, comply with the requirements relating to the appointment of Independent Directors.

INDEPENDENCE

The criteria of independence have been elaborated in sub-Section (6) of Section 149, which reasonably excludes, *inter alia*, any Managing Director, Whole Time Director, Nominee Director, Promoter relations, Key Managerial Personnel of the Company or its Associate, etc.

Section 149 (6)(f) provides that an Independent Director should possess such other qualifications as may be prescribed. Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 prescribes that an Independent Director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company's business.

BEHAVIORAL CODE

Schedule IV to the Act prescribes, *inter alia*, the Code for Independent Directors in the form of guidelines for professional conduct, role and functions of Independent Directors etc. besides manner of appointment, resignation / removal and other relevant matters.

TENURE

To secure the position of an Independent Director for a reasonable period without break, Section 149 (10) provides, 'Subject to the provisions of section 152, an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for re-appointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report'.

Further, sub-Section (11) of Section 149 states, 'Notwithstanding anything contained in sub-section (10), no independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after the

expiration of three years of ceasing to become an independent director'. It further provides, 'an independent director shall not, during the said period of three years, be appointed in or be associated with the company in any other capacity, either directly or indirectly'.

Explanation to the afore-mentioned sub-Sections: For the purposes of sub-sections (10) and (11), any tenure of an Independent Director on the date of commencement of this Act shall not be counted as a term under those sub-sections'.

IMPORTANCE

A brief reference, as above, to the provisions in the Act regarding the appointment of Independent Directors, criteria of independence and qualification for Independent Director, their role and functions, fixed tenure and condition of reappointment shows the gravity behind positioning the Independent Directors among the Indian Corporates.

SELECTION

As per sub-Section (1) of Section 150, 'Subject to the provisions contained in sub-Section (5) of section 149, an independent director may be selected from a data bank containing names, addresses and qualifications of persons who are eligible and willing to act as Independent Directors, maintained by any body, institute or association, as may be notified by the Central Government, having expertise in creation and maintenance of such data bank and put on their website for the use by the company making the appointment of such Directors:

The Proviso to the sub-Section provides 'that the responsibility of exercising due diligence before selecting a person from the data bank referred to above, as an independent director shall lie with the company making such appointment'.

It is certainly apparent that the selection of an Independent Director from the Data Bank is not mandatory. Any person who fulfills the criteria of independence as provided in sub-section (6) of Section 149 of the Act may be selected for appointment as Independent Director.





Article

Appointment of Independent Director and the Starting Point of Tenure

➤ It is certainly apparent that the selection of an Independent Director from the Data Bank is not mandatory. Any person who fulfills the criteria of independence as provided in sub-section (6) of Section 149 of the Act may be selected for appointment as Independent Director.

THE BOARD'S RESPONSIBILITY IN SELECTION

Now, the responsibility of selection of Independent Director from the Data Bank or otherwise primarily lie on the Board of Directors because Section 179(1) of the Act establishes as under:

'The Board of Directors of a company shall be entitled to exercise all such powers and to do all such acts and things, as the company is authorised to exercise and do:

'Provided that in exercising such power or doing such act or thing, the Board shall be subject to the provisions contained in that behalf in this Act, or in the memorandum or articles, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the company in general meeting:

'Provided further that the Board shall not exercise any power or do

any act or thing which is directed or required, whether under this Act or by the memorandum or articles of the company or otherwise, to be exercised or done by the company in general meeting'.

Therefore the Board is the appropriate authority to make the selection under the Act.

NORMAL PROVISIONS REGARDING APPOINTMENT OF DIRECTOR

By the Members at General Meeting

Section 152 (6) (a) and (b) of the Act provide as under-

'(a) Unless the articles provide for the retirement of all directors at every annual general meeting, not less than two-thirds of the total number of directors of a public company shall—

- (i) be persons whose period of office is liable to determination by retirement of directors by rotation; and
- (ii) save as otherwise expressly provided in this Act, be appointed by the company in general meeting.

'(b) The remaining directors in the case of any such company shall, in default of, and subject to any regulations in the articles of the company, also be appointed by the company in general meeting'.

BY THE BOARD

With reference to Section 152(6)(b) of the Act it may be noted that Section 161 of the Act expressly provides for the Board's authority (subject to / in default of the provisions of Articles of Association of the company in terms of that Section) to appoint -

- a) Additional Director
- b) Alternate Director
- c) Nominee Directors
- d) Director to fill up the position vacated by a Director appointed at the General Meeting.

What about Independent Directors ? Let us examine the provisions relating to the appointment of Independent Directors (after selection as mentioned above), as relevant to this Article.

SPECIAL PROVISIONS IN RESPECT OF APPOINTMENT OF INDEPENDENT DIRECTOR

Section 150(2) :

'The appointment of independent director shall be approved by the company in general meeting as provided in sub-section (2)





of section 152 and the explanatory statement to the notice of the general meeting called to consider the said appointment shall indicate the justification for choosing the appointee for appointment as independent director.'

The words, 'shall be approved' and 'appointee' may be noted. This is being specifically taken up later.

Schedule IV to the Act:

IV. Manner of appointment:

'(1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.'

'(2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.'

'(3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.'

Nomination and Remuneration Committee

Before the Board selects any person for the position of Independent Director it must make sure that -

- ~ the Nomination and Remuneration Committee of the Board has identified the person to be qualified to become Director under Section 178(2) of the Act - if he is not already a Director and
- ~ the person satisfies the criteria for determining qualifications, positive attributes and independence of a Director, formulated by the Nomination and Remuneration Committee in terms of Section 178(3) of the Act.

APPOINTMENT PROCESS BEING INDEPENDENT OF THE COMPANY MANAGEMENT

As given in Schedule IV to the Act cited above, the appointment process should be independent of management. The process invariably starts from the identification of an Independent Director by the Nomination and Remuneration Committee of the Board.

The Nomination and Remuneration Committee is constituted with three or more Non-Executive Directors out of which not less than one-half has to be Independent Directors. Only Executive Director that may take place in this Committee may be the Executive

Director who is the Chairperson of the company. However, he /she cannot chair the Committee. [Sec. 178]. Its composition perceivably aims at keeping away from the company management.

The appointment process ends in the General Meeting of Shareholders.

The Board's role during this appointment process should not be considered as contrary to the tenets of the process, as the Board as such is not part of the management since it is principally a policy formulating body. (However, a company without Managing / Whole Time Director is called Board Managed). Only the Managing / Executive Directors are part of the management.

PRIMA FACIE INCOHERENCE

A careful reading of the concerned provisions will expose some incoherence, if not complete contradiction, as under :-

- Approval: According to the language of Section 150(2) read with Section 149(6) an Independent Director is a pre-appointed Director fulfilling the criteria of independence whose appointment as Independent Director is approved by the shareholders. 'Approval' of any action presumes its 'pre-existence'. The Shareholders will approve the appointment (ostensibly, previously made by the Board). According to the language of Section 150(2) the shareholders will look into 'the justification for choosing the appointee for appointment as independent director' as given in the explanatory statement.
- Appointee: The dictionary meaning (vide the Webster Dictionary) of the word 'appointee' is 'one who is appointed'. The Law Lexicon (by P. Ramanatha Aiyer and generally edited by Justice Y. V. Chandrachud) defines 'appointee' as 'One who benefits by the execution of a power of appointment'.
Therefore when the Shareholders take up the matter the person has already been appointed or his appointment has already been executed (subject to the approval of the shareholders at their General Meeting).
- Schedule V to the Act (which corresponds to Schedule XIII to the Companies Act, 1956) dealing with appointment of Managing Director, Whole Time Director and Manager in its Part III writes 'The appointment and remuneration referred to in Part I and Part II of this Schedule shall be subject to approval by a resolution of the shareholders in general meeting'. Accordingly, the appointment is made by the Board and later approved by the shareholders in their general meeting. This is a perfect example of what should be the course of actions when an appointment is to be approved by the shareholders according to the Act.
- Schedule IV : The Schedule in its Clause IV(2) (vide above) provides for approving the appointment by the shareholders. But while treating with the 'explanatory statement' in its Clause IV(3) (vide above) it calls the appointee as ' proposed



Article

Appointment of Independent Director and the Starting Point of Tenure

➤ Section 150(2), Section 152, Clause IV(2) of Schedule IV and Clause IV(3) of Schedule IV to the Act, while dealing with the same subject of appointment of Independent Director, are not harmonious with one another in so far as they mix up (i) 'appointment' with 'approval of appointment' and (ii) 'appointee' Director with 'proposed' Director.

director'!

- Section 152 of the Act (dealing with Appointment of Directors) in its sub -Section (5) Proviso states 'in the case of appointment of an independent director in the general meeting, an explanatory statement for such appointment, annexed to the notice for the general meeting, shall include a statement that in the opinion of the Board, he fulfils the conditions specified in this Act for such an appointment'.
- Therefore, Section 150(2), Section 152, Clause IV(2) of Schedule IV and Clause IV(3) of Schedule IV to the Act, while dealing with the same subject of appointment of Independent Director, are not harmonious with one another in so far as they mix up (i) 'appointment' with 'approval of appointment' and (ii) 'appointee' Director with 'proposed' Director.



EMERGING PRINCIPLES

1. The Independent Director must be a Director first like the Managing Director. [Refer to the definition of Managing Director '... means a director who,' – Section 2(54) and also the definition of Independent Director ... 'means a director other than a managing director or a whole-time director or a nominee director... who...']
2. A person *who is continuing as Director* being previously appointed by the Members of the company at the General Meeting and fulfills the criteria of independence and qualifications in terms of Section 149(6) of the Act read with Schedule IV to the Act and conforms to other applicable conditions under the Act in this regard, *may be appointed by the Board as Independent Director subject to the approval of the Members of the company at the General Meeting.*
3. *If he has not already been appointed as a Director* by the Company at its General Meeting, he may be appointed as Additional Director by the Board under Section 161 of the Act and then appointed as an Independent Director [provided he fulfills the criteria of independence and qualifications in terms of Section 149(6) of the Act read with Schedule IV to the Act and other applicable conditions under the Act] *subject to the approval of the shareholders of the Company at the forthcoming Annual General Meeting .*

At that Annual General Meeting he will be appointed as Director first as his tenure as Additional Director will expire on that date and then his appointment *as Independent Director will be approved by the Shareholders* (i.e. the procedure should be similar to such case of appointment of Managing Director).

4. Alternatively, the person, who fulfills the conditions as mentioned above, *may be appointed as Director first* (if he is not already a Director) and then appointed an Independent Director at the General Meeting of Shareholders.
5. In the cases of 3 and 4 above notice and the deposit of Rs. one lakh under Section 160 of the Act and other compliances in connection therewith will be mandatory, because the person concerned is 'not a retiring director in terms of Section 152'.
6. It is needless to say that in the case of 2. above the notice and deposit of Rupees one lakh in terms of Section 160 of the Act shall **not** be necessary.

FILLING OF INTERMITTENT VACANCY

As per Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 'any intermittent vacancy of an independent director shall be filled-up by the Board at the earliest but not later than immediate next Board meeting or three months from the date of such vacancy, whichever is later'. Needless to say, such person



➤ The Rules are silent as to whether such appointment should be regularised by approval of the Shareholders at their General Meeting and if that does not happen, whether the appointee shall vacate (like Additional Director) at the next Annual General Meeting or on effluxion of tenure of the previously appointed Independent Director.

must fulfill the requisite criteria of independence / qualifications and comply with other relevant conditions.

The Rules are silent as to whether such appointment should be regularised by approval of the Shareholders at their General Meeting and if that does not happen, whether the appointee shall vacate (like Additional Director) at the next Annual General Meeting or on effluxion of tenure of the previously appointed Independent Director (as in the case of a person inducted by the Board to fill up the vacancy created by a Director appointed in the General Meeting vide Section 161 of the Act).

MCA CLARIFIES FOR FRESH APPOINTMENT

According to the MCA General Circular No. 14/2014 dated 9th June 2014, the Independent Directors appointed before 1st April, 2014 i.e., coming into effect of the Act, must be appointed afresh as Independent Directors under the Act. This is obvious because such previously appointed Independent Directors were appointed as Directors only, by the Shareholders and fulfilled the conditions of independence under Clause 49 (Corporate Governance) of the Listing Agreement. But under the Act the Shareholders have to approve or appoint them - specifically with reference to their status of independence - at the General Meeting. Moreover, the definition, qualifications and other conditions of Independent Directors as per the Act do not match point to point with the same under the Listing Agreement.

CONCLUSION

Culmination of the applicable provisions regarding appointment of Independent Director lead to the following conclusions -

- ~ The Board may appoint and the Shareholders may approve.
 - ~ The Board may recommend and the Shareholders may appoint.
- Accordingly, the tenure of five consecutive years in terms of Section 149(10) of the Act commences on the date -

- ~ in case of appointment by the Board subject to the Shareholders' approval, as per the Board Resolution and
- ~ in case of appointment by the Shareholders, as per the Shareholders' Resolution. CS

CAUTION NOTICE

The Institute of Company Secretaries of India (The ICSI) hereby cautions all concerned that Mr. Rishi Mathur, S/o. Shri V. N. Mathur, Resident of B-97, Ashoka Enclave 2, Sector - 37, Faridabad, Haryana is not a member of the ICSI.

Any person/company/organization dealing with Mr. Rishi Mathur as a Company Secretary shall do so at his/her/its own risks and responsibilities.

Sutanu Sinha
Chief Executive & Officiating Secretary
The Institute of Company Secretaries of India

HINDI MEDIUM BOOKS FOR CS STUDENTS

FOR FOUNDATION PROGRAMME (NEW)

- Vyavsaik Vatavaran Avem Udhaymita—Gupta & Chaturvedi 320.00
- Vyavsaik Parbandh, Niti Shaster Avem Sanchar—Sharma 320.00
- Vyavsaik Arthshaster Part I Arthshaster—Dr. M.D. Agarwal 250.00
- Vyavsaik Arthshaster Part II Sankhyiki—Dr. S.C. Sharma 180.00
- Lekhankan Ke Mool Tatva Avem Ankekshan
—Gupta & Chaturvedi 360.00

EXECUTIVE PROGRAMME MODULE I & II

- Arthik Avem Vyaparik Vidhi—Jain & Gupta 295.00
- Company Khate—Chaturvedi 250.00
- Lagat Lekhankan—Maheshwari & Mittal 425.00
- Prabandh Lekhankan—Agarwal & Agarwal 200.00
- Seva Kar, Dhankar Avem VAT—Gupta & Gupta 140.00
- Adhunik Bhartiya Company Adhinyam—Kuchhal 240.00
- Audyogik, Sharam Avem Samanya Vidhi—Jain & Gupta 250.00
- Pratibhuti Sanniyam Avem Anupalan—Jain Gupta 260.00
- **Cost Accounting—Maheshwari & Mittal 520.00**
- **Modern Indian Company Law—M.C. Kuchhal 280.00**

FOR PROFESSIONAL PROGRAMME

- Prarupan (Drafting), Upasthiti Avem Vakalat—Jain 200.00

SHREE MAHAVIR BOOK DEPOT (PUBLISHERS)

2603, Nai Sarak, Delhi-6 Ph : 23262993, 23283331 Fax : 011-23270792
E-mail : info@mahavirpublications.com
Website : www.mahavirpublications.com



Prasanna Bairy G, ACS

General Manager (Finance)
DPK Engineers Private Ltd.
Bangalore

gpbairy@yahoo.com

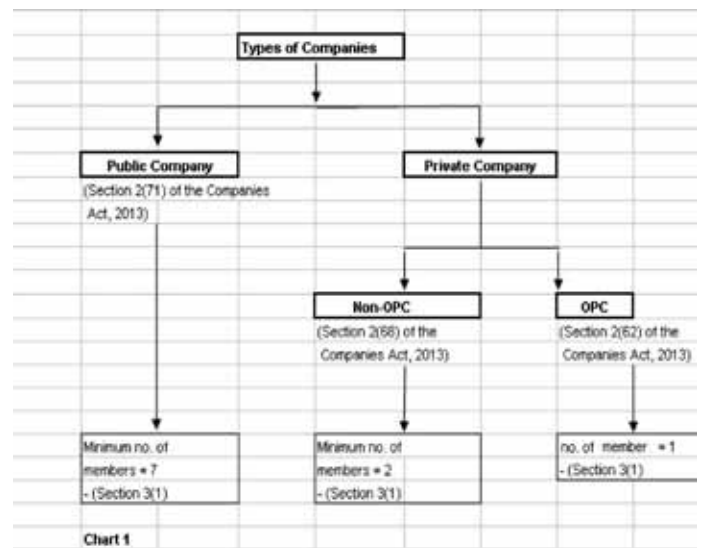
OPC - Corporate Entity or Glorified Proprietorship?*

- OPC is expected to result in conversion of many SMEs into corporates which were hitherto either proprietorships or partnerships. Hence, new breed of business entities are expected to tread and conquer the Indian business landscape.

ONE PERSON COMPANY (OPC) - MEANING

The Expert Committee on company law (headed by Dr. J J Irani) had recommended the formation of One Person Company (OPC) during the year 2005. This recommendation has become a reality with the introduction of OPC concept in the Companies Act, 2013. This concept has been hailed as path breaking by many experts. OPC is expected to result in conversion of many SMEs into corporates which were hitherto either proprietorships or partnerships. Hence, new breed of business entities are expected to tread and conquer the Indian business landscape. Few countries such as UK, China, Pakistan, Australia etc., permit formation of company by a single person.

As per Section 2(62) of the Companies Act, 2013, "One Person Company" means a company which has only one person as a member. In other words, OPC is a type of Private company which has only one individual as member. Minimum number of directors required to be in the Board of OPC is one. Different types of companies as per Companies Act, 2013 may be understood from the following chart :



As per Section 3(2) of the Companies Act, 2013 an OPC may be formed as :-

- Company limited by shares
- Company limited by guarantee or

*Views are strictly personal.



➤ The evolution of OPC is perceived to be path breaking. It is expected to enable the individual entrepreneurs to reap the benefits attached to corporate set-up i.e., brand value, access to cheaper bank finance, limited liability etc. Privileges extended to OPCs as regards compliance related issues are expected to help the individual entrepreneurs to conduct the affairs smoothly without requiring them to lose too much sleep over compliance related issues.

(c) Unlimited liability company.

Rule 3 of Companies (Incorporation) Rules, 2014 speaks about eligibility criteria for incorporation of OPC. As per this Rule, only an individual can become a member/nominee of OPC and he can be a member in only one OPC at a time. There are certain restrictions on business to be carried out by OPC/conversion of OPC etc.

STATISTICS OF OPCs OPENED UNDER COMPANIES ACT, 2013

Incorporation pattern (other than foreign companies) from May 2014 to May 2015 is understood from the table below :

Months	Incorporation Summary		
	OPC	Non-OPC	TOTAL
May-14	9	1780	1789
Jun-14	68	4733	4801
Jul-14	183	7046	7229
Aug-14	218	6458	6676
Sep-14	269	6595	6864
Oct-14	165	4118	4283
Nov-14	213	5258	5471
Dec-14	277	6169	6446
Jan-15	298	6604	6902
Feb-15	243	5895	6138
Mar-15	279	6752	7031
Apr-15	234	5818	6052
May-15	290	6567	6857
TOTAL	2746	73793	76539
PERCENTAGE	3.59%	96.41%	100.00%

Source : **Ministry of Corporate Affairs, Monthly Newsletter.**

Note : **Incorporation of foreign companies is not considered above.**

OPC V. SOLE PROPRIETORSHIP

Most striking difference between OPC and sole proprietorship is as regards the liability of owner. In OPC, liability of the member is limited whereas in sole proprietorship it is unlimited and may extend to personal assets of the proprietor.

CONTRACTS ENTERED BY OPC

Section 193(1) provides that where OPC limited by shares guarantee enters into contract with sole member of the company, who is also a director, the OPC shall (unless the contract is reduced to writing), ensure that terms of the contract are recorded in a memorandum or are recorded in the Minutes of first Board meeting held after entering into contract. However, this provision is not applicable to contracts entered into by the OPC in the ordinary course of business. *This provision makes it very clear that in an OPC a single individual can play dual role of member and director.*

As per Section 152(1), in case of an OPC, an individual being a member shall be deemed to be its first director until a director or directors are duly appointed in accordance with the provision of that section. *That means appointment of some other individual as director of OPC is not mandatory.*

In short, even single individual can act as owner as well as manager/administrator.

PERCEIVED BENEFITS OF OPC BUSINESS MODEL

The evolution of OPC is perceived to be path breaking. It is expected to enable the individual entrepreneurs to reap the benefits attached to corporate set-up i.e., brand value, access to cheaper bank finance, limited liability etc. Privileges extended to OPCs as regards compliance related issues are expected to help the individual entrepreneurs to conduct the affairs smoothly without requiring them to lose too much sleep over compliance related issues.

Having understood the prospective benefits which OPC business model can usher in, naturally one will have the question as to why the response from prospective entrepreneurs to this business model is tepid? Why share of OPCs as regards total companies incorporated is just over 3.50%? An attempt has been made to understand the probable reasons from the following perspectives :

- (1) Whether the concept of OPC is in consonance with the general meaning of company?
- (2) Whether the concept of 'lifting of corporate veil' will be more often in case of OPCs?
- (3) Whether the privileges granted to OPC are real privileges?



Article

OPC - Corporate Entity or Glorified Proprietorship?

- (4) Whether corporate status granted to OPC will result in real corporate ?
- (5) What may be stakeholders' perception as regards OPC.

We will briefly discuss each of the above aspects.

MEANING OF COMPANY

The word 'company' is derived from Latin word 'companis' ('com' = with/together ; 'panis' = bread). That means, group of people having bread/food together. During those times probably merchants/ business partners were discussing the business matters while having food in a group. Though the business organisations are much more dynamic and complex today and structured in such a manner that it would have been impossible to imagine during those times, nevertheless, underlying principle remains the same i.e., *company is an association of persons* with the striking feature of *collective decision making*.

Striking characteristics of a company (which all of us know) are as under :

- (1) Corporate personality - Company is a person different from the person/s who has/have formed/incorporated the same. Thus a company being a separate legal entity can enter into contracts, hold property, own property, enter into contracts, employ people in its own name and is capable to sue and being sued. The principle of corporate personality has been upheld in various judgements such as *Salomon v. Salomon and Co. Ltd.*, *Lee v. Lee's Air Farming Ltd.*
- (2) Limited Liability - Members of the company are not liable for the debts of the company. Their liability is limited to the extent of amount unpaid on the shares subscribed by them or the amount which they have guaranteed to contribute. This is the

most important privilege of corporate entity. Since company is a corporate person and decisions are based on collective majority of persons responsible for decision making (normally directors), members cannot be held liable for company's acts/ debts. Hence, members are of great advantage as compared to other forms of business entities such as proprietorship/ partnership.

- (3) Perpetual succession - A company may be wound up; but will never die. A company, being a corporate person and separate legal entity is not affected by the change in membership due to death or otherwise. Members may come and go but company will continue for ever (subject to provisions of Memorandum of Association).
- (4) Separate property - The company is capable of owning, holding and disposing property in its own name.
- (5) Transferability of shares - Members can freely transfer the shares as per their will and wish (of course, Private company but its Articles, restricts the right to transfer the shares).
- (6) Common Seal is the official signature of company. However, Companies (Amendment) Act, 2015 has relaxed the Common Seal requirements.
- (7) Capacity to sue and be sued in its own name.
- (8) Separation of management from ownership - Company is a unique organisation wherein ownership is separated from management. It is owned by the members whereas managed by the directors. However, in most of the Private Companies, the above two functions will be overlapping.

OPC may not strictly fit into the general meaning of company as there will be no collective decision making especially when there a single individual who is both member and director. At times OPC may not possess striking characteristics of a company such as corporate personality, perpetual succession, separate management etc. The reason being if a single individual is both decision maker (director) and approver of decision (member), it will be illogical to think that the entity has corporate personality in true sense though legally it may be so. Similarly, the feature of perpetual succession may not be very vibrant in an OPC especially when succession planning is not done in a proper manner and as a result nominee of member is incapable of running the business as effectively and vibrantly as the member. Management and ownership in OPC cannot be separated when a common individual is both member and director.

LIFTING OF CORPORATE VEIL

Privileges granted to company form of organisation such as separate legal entity and corporate personality should be used only for legitimate business purposes. If the entity is used for





➤ In the case of OPCs, corporate veil may have to be lifted very often by the Courts. The reason being, if a single individual is both member and director in OPC, all the decisions taken by him in the capacity of director will be binding on him in the capacity of member. In such a scenario, he cannot claim to be oblivious as he himself has taken the decision. Hence, Courts are bound to lift the corporate veil in case of any fraud, irregularity or so. Moreover, lifting the veil likely to be very easy and natural process to fix the responsibility and accountability.

fraudulent and dishonest purpose, culprits cannot take shelter behind the corporate personality. Courts are capable of breaking through the corporate veil to ascertain the persons behind the scene. This concept is known as 'lifting of corporate veil'. Corporate veil will also be raised if there is a tax evasion so as to bring the perpetrators into books.

Corporate veil can be lifted under statutory provisions and judicial interpretations. Certain provisions of the Companies Act, 2013 provide for lifting of the corporate veil so as to make the persons behind the scene accountable. Courts are also capable of lifting the corporate veil under certain circumstances i.e., when a company is used for fraudulent/illegal purpose, when the objects of the company is opposed to public policy or company has enemy character (especially during wars), when the company is formed to function as a machinery to evade tax etc.

In the case of OPCs, corporate veil may have to be lifted very often by the Courts. The reason being, if a single individual is both member and director in OPC, all the decisions taken by him in the capacity of director will be binding on him in the capacity of member. In such a scenario, he cannot claim to be oblivious as he himself has taken the decision. Hence, Courts are bound to lift the corporate veil in case of any fraud, irregularity or so. Moreover, lifting the veil likely to be very easy and natural process to fix the responsibility and accountability. Hence, though OPC has the feature of corporate personality like

any other company, it will be very difficult to take shelter behind corporate personality when the company has only one person at the helm of affairs.

PRIVILEGES GRANTED TO OPC

Though the law has granted many privileges to OPCs as regards compliance aspects, very few are privileges in real sense. Other privileges are inherent in the structure of OPC. Many privileges appears to have bestowed upon OPCs are actually part of the innate structure. Some of the privileges granted to OPCs in real sense are as under :-

Section 2(40) - Financial Statements does not include Cash Flow Statements.

Section 92(1) - Annual Return need to be signed only by a director. However, this privilege is available to a small company as well.

Section 190(4) - Provisions relating to contract of employment with Managing/Whole time directors are not applicable. However, this privilege is available to any other Private company as well.

Section 197(1) - Remuneration payable to the directors including Managing/Whole time directors may exceed 11% of net profits. However, this privilege is available to companies other than Public companies.

What are the privileges of OPC inherent in the structure ?

Privileges appear to have been granted to the OPCs in paper but are part of the inherent structure are as under :-

Section 96(1) - Exemption from holding AGM. When an OPC has only one individual who is both director and member, AGM does not serve any purpose as member himself is the person who has taken day to day decisions.

Section 122(1) - Exemption from the provisions of Section 98





Article

OPC - Corporate Entity or Glorified Proprietorship?



& Sections 100 - 111 (both inclusive). These provisions relate to Tribunal's Power to call for members if the company fails to do so, Calling of EGM, Provisions relating to calling/convening & conducting of meeting such as Notice of meeting/Quorum/Chairman/Proxy/Voting/Poll/Postal Ballot/ Circulation of Members' resolution and so on. All these provisions are relevant only when some collective decision is involved.

Section 122(3) - Exemption from passing formal resolution at AGM. This is also not a real privilege as the question of resolution will arise for deciding some matter when there is more than one opinion.

Section 122(4) - Exemption from passing formal resolution at Board Meeting. This privilege is similar to the one specified in Section 122(3).

Section 134(1) - Financial Statements, Board's Report need to be signed by one director. This is also not a real privilege as it is not logical to expect the documents to be signed by more than a director when there is only one director in the Board.

Section 134(4) - Board's report need to contain only explanations and comments by the Board on every qualification, reservation, adverse remarks and disclaimer made by the auditor in his report. There is no need to mention about state of affairs and other matters when same person is both director and member.

Close perusal of privileges indicate that there are only handful of real privileges to pursue this business model.

CORPORATE STATUS V. CORPORATE ENTITY

What does corporate mean ? As per Oxford Dictionary, the term

corporate means " Relating to a large company or group". General perception of corporate is "an entity where collective decision making is involved; an entity which is driven by systems and processes rather than persons; an entity which runs in a very professional and objective manner in the interest of all stakeholders".

Law grants corporate status to an OPC. But whether mere corporate status will make the OPC real corporate? The answer is a firm 'no'; lot of things need to be done at ground level so that OPC can become a real corporate. Lot of changes are required in work culture, behavioural aspects, value systems, systems and processes, perception of corporate governance etc. Most of the changes are required from the person at helm so that it can percolate down the line. To accept so many changes within shortest possible time is a real challenge which has to be effectively handled by the promoter of OPC in his own interest.

In this context it is relevant to note that most of the Private Limited companies in India are family owned business houses. It is quite natural that most of them are to some extent Proprietorships/ Partnerships as regards the corporate culture, values and other aspects of business management are concerned. The reason being :

- (1) Performance Evaluation of Directors may not be always objective - while appraising the directors who are relatives.
- (2) Collective Decision Making - Single individual (promoter/largest shareholder) can make/influence most of the decisions. As per *Charles Handy*, a leading authority on business cultures, there are four types on cultures i.e., power culture, role culture, task culture and person culture. As per him, in an organisation influenced by power culture, personal relationship with the top man will override all the hierarchy, formal title or position.
- (3) Non-family members will have limited say in decision making. Hence, absence of sense of belongingness among those persons may impair the growth of the company.
- (4) Perpetual succession may be a mirage in the light of restrictions on the free transferability of the shares and uncertainty about the ability of successor to carry on the business on 'going concern' basis.

Hence, lot of drive, zeal and enthusiasm are expected from the promoter of OPC to bring the changes so that OPC becomes a corporate entity in real sense. The OPCs are in advantageous position as compared to Private Limited companies due to the fact that promoter of OPC can bring the requisite changes in shortest possible time. Whereas in the case of Private Limited companies, there may be more than one decision maker at the helm and if their



mindsets does not synchronise, then the changes as necessitated by prevailing business environment may not happen immediately.

STAKEHOLDERS' PERCEPTION

What will be the perception of various stakeholders as regards OPC? An attempt has been made to understand the same from the point of view of various stakeholders.

- (1) Practicing Professionals - may find it very difficult to ensure total compliance unless the promoter is very particular about the compliance. However, if the promoter believes in total compliance, then the professionals will really enjoy working on this model; as the decision is taken by one person, there cannot be any deviation from others down the line. This business model also has lot of potential to generate professional fees due to incorporation and other services.
- (2) Government - will earn higher Income Tax as compared to proprietorship business due to absence of slab-wise taxation in OPC business model.
- (3) Banks - may not assign great brand value to OPC independent of the promoter. However, banker may change in view based on actual performance over the years.
- (4) Creditors - may not treat it different from proprietorship concern. However, the perception of creditors may change over the years based on actual performance.
- (5) Customers - may have doubt regarding the professionalism and delivery mechanism. They may not treat it different from that of promoter. However, the views of customers may change over the years based on actual performance of the OPC.
- (6) Employees - professionals may not be very keen to join this entity on full time basis. They may not attribute great brand value to this entity unless the promoter and his credentials are well known.

However, perception of the stakeholders can be changed by the promoter through his professionalism, hallmark and quality of delivery. However, it may take some time to build the reputation and brand value.

ISSUES TYPICAL TO OPCs

- (1) People with dubious intentions may set up OPCs to take advantage of privileges of limited liability. This may defeat the purpose of introducing the novel concept of OPC.
- (2) Unless the promoter is serious about doing lawful business on a 'going concern' basis, OPC may not yield the desired results.
- (3) Succession planning may be a big issue unless the nominee is

having enough experience/expertise in handling the business similar to the one in which OPC is engaged.

- (4) Success of OPC concept at developed countries may not guarantee the success in India due to difference in culture, value systems and so on.

CONCLUSION

OPC is a novel concept introduced by the Companies Act, 2013 with noble intention. However, as it is seen from the foregoing discussion that many of the exemptions/privileges granted to OPCs are not so lucrative to galvanise people to embrace this kind of business model. OPC as a business model can succeed if and only if the person incorporating OPC strives to create values for all the stakeholders and carry on business in the spirit in which it has been introduced. If that can be achieved, then OPC business model can go a long way in redefining the Indian business landscape. CS

Appointment

Required

Company Secretary at Delhi

Hollister Medical India Private Limited, having its registered office at Delhi, requires dynamic, diligent & result oriented Company Secretary.

The Candidate should be a qualified Company Secretary with 2 Years of experience preferably worked in Company or similar industry.

Candidate should be capable of liaising with various Government Authorities.

Should have flair for writing, drafting and vetting of legal documents, agreements, contracts, MOU. Drafting and filing of various returns with different Government Authorities.

Interested candidates fulfilling the above criteria can email their CVs to cs@skparekh.com.



(CIN : U29297DL2007PTC162862)

Hollister Medical India Private Limited
B-376, 3rd Floor, Nirman Vihar, Delhi-110092



C. M. Bindal, FCS

C.M. Bindal & Co.
Company Secretaries & Corporate Consultant
Jaipur

bindalcm@yahoo.com

Minority Protection *Vis-à-Vis* Class Action Under Companies Act, 2013

- Once the provisions in the Companies Act, 2013 relating to class action suits come into force and minority shareholders have authority to move their class action suit to protect their interests well, the companies' performance and reporting both are bound to improve with better transparency, an avowed object behind the new enactments.

Class Action Suits in India are recognized in the Code of Civil Procedure, 1902, as Order 1 Rule 8 of the Code permits filing of a representative suit with the permission of the court by one or more persons having an interest in the matter on behalf of the rest. However, Rule 8 applies only to suits and not to writ proceedings [*S.P. Gururaja v. Executive Member, Karnataka Industrial Areas Development Board*, AIR 1998 Kant 223]. The JJ Irani Committee was set up in December, 2004 to advise on a new company law. While recording that the courts had recognized and upheld class action and derivative action by the shareholders in sections 397 and 398 of 1956 Act, the Committee proposed its recognition and inclusion in the statute. The Committee in its report suggested as under:

CLASS ACTION/DERIVATIVE SUITS

10.1 In case of fraud on the minority by wrongdoers, who are in control and prevent the company itself bringing an action in its own name, derivative actions in respect of such wrong non-ratifiable decisions, have been allowed by courts. Such derivative actions are brought out by shareholder(s) on behalf of the company. Similarly the principle of "Class/Representative Action" by one shareholder on behalf of one or more of the shareholders of the same kind



have been allowed by courts on the grounds of persons having same *locus standi*.

MAJORITY SHAREHOLDERS HAVE FIDUCIARY DUTY TO MINORITY

Generally, stockholders in the close corporation owe one another substantially the same fiduciary duty in the operation of an



➤ Shareholders activism all over the world has brought a sea change in the situation and more ethical management of corporate sector and this forced the persons in management and control to take into account the minority interest as well. In India too, in cases of several big corporates where minority's interest has not been looked into, the minority has brought law suits to establish their rights or in some cases not warranting law suits warned the management for a conscious decision while keeping its wishes in view.

enterprise that partners owe to one another. The Supreme Judicial Court in England, in *Donahue v. Redd Electrottype Co. of New England Inc.* (1975) 328 NE 2nd 505 at 511, decided, "Stockholders in close corporation must discharge their management and stockholder responsibilities in conformity with this strict good faith standard. They may not act out of avarice, expediency or self interest in derogation of their duty of loyalty to the other stockholders and the corporation".

ACTION BY MINORITY/INDIVIDUAL SHAREHOLDER

In many cases the errant directors may both control the board and have sufficient influence over the decisions of the general meeting so as to ensure that neither organ initiates litigation against them in the company's name. In such situation the question arises as to whether an individual shareholder can bring litigation. If the shareholder can show breach of a duty owed to him personally by the defendant directors, his action will succeed. Such action may be brought in representative form where the plaintiff and the other shareholders, or a class of them, have a common interest and he sues on behalf of all [*Moseley v. Koffyfontein Mines* (1911) 1 Ch. 73, 80-81]. However, the duties of directors are normally owed to the company and not to individual shareholders. When he complains of a breach of duty on the directors, he may seek remedy either by suing in company's name or by suing on its behalf in a derivative action, as held by the courts in England.

Where any conduct in the affairs of company amounts to discrimination to the minority, it amounts to fraud on minority. Lord Evershed MR put it in these words – "special resolution would be liable to be impeached if the effect of it were to discriminate

between the majority shareholders and minority shareholders, so as to give to the former an advantage of which the latter were deprived." [*Greenhalgh v. Arderne Cinemas Ltd.* (1950) 2 All ER 1120]. Similarly, any sale of a company's property below its natural price is a fraud and, therefore, any shareholder can question its validity. [*Daniels v. Daniels*, (1978) 2 All ER 89 (Ch.D)]. In *Alexander v. Automatic Telephone Co.* (1900) 2 Ch.56, where the directors' action in calling upon other shareholders to pay their call money without paying the money due from the directors' themselves, was set aside by a derivative action. However, a derivative action may not lie where the act complained of has been ratified either by the Board of directors or by a majority of the shareholders having the competence to do so [*Atwool v. Merryweather* (1868) LR 5 Eq 464 at 468n].

Shareholders activism all over the world has brought a sea change in the situation and more ethical management of corporate sector and this forced the persons in management and control to take into account the minority interest as well. In India too, in cases of several big corporates where minority's interest has not been looked into, the minority has brought law suits to establish their rights or in some cases not warranting law suits warned the management for a conscious decision while keeping its wishes in view. Some of the recent instances occurred are enumerated below for a upfront view:

- (i) Two minority shareholders of chocolate maker (Cadbury India) challenged the single-bench Bombay HC order which directed the company to pay Rs. 2014.5 per share, or 50% more than the original offer, to buy-back shares from its minority shareholders. The division bench admitted the petition. [ET 26-9-2014]





Article

Minority Protection *Vis-à-Vis* Class Action Under Companies Act, 2013

➤ A class action is a right given to members or depositors (including their representatives) to file an application before a statutory authority for restraining the company from some specified wrongful acts and members/depositors can claim damages or compensation against the company, directors, auditors, experts, advisors for wrongful conduct if any.

- (ii) As reported, Maruti Suzuki India would go ahead with its planned voting of minority shareholders in next few months as it claims to have received the positive feedback from institutional investors to allow its parent Suzuki Motor to set up a new plant in Gujarat. Maruti Suzuki is embroiled in a controversy over its parent setting up a new manufacturing facility in Gujarat that would serve as a contract manufacturer of vehicles to Maruti, its largest global subsidiary. [ET 23-8-2014]
- (iii) It was so unusual for the chairmen of at least 1000 large US public companies to receive a letter from a group of shareholders representing more than \$ 10 trillion in assets with a demand – “Talk to us”. The letter signed by representatives of some of the biggest investment groups, including BlackRock, Vanguard and CalSTRS, insisted that boards open up. [ET 23-7-2014]
- (iv) In the case of Wipro Enterprises, its chairman assured in Extra-ordinary General Meeting the minority shareholders (at their request) to remain invested in the company however with the consent of the court, whereas section 100 of Companies Act, is used through buy back to force minority shareholders to exit a company. [Tol 14-1-2015]
- (v) Infosys (an IT major) received an offer from three retail shareholders to buy back their shares on the basis of its cash board and return on equity, which is subject to various parameters and the approval by the Board of Infosys. [ET 19-8-2014]
- (vi) Before the ensuing annual general meeting of Indiabulls Housing Finance, the minority shareholders moved the resolutions for improving the quality of the board and induct professionals on the board. [ET 11-8-2014]
- (vii) Institutional investors and public shareholders in Tata Motors defeated proposals by the company on remuneration for three executives on the ground that profit in the year to March was inadequate, in a move that reflects increasing activism by non-promoters. [ET 4-7-2014]

With the changed scenario in the corporate sector, it is now recognized that directors have proper engagement with the shareholders and take their views before major corporate decisions are taken. “Engagement between public company directors and their company shareholders is an idea whose time has come” wrote the group known as “Shareholder-Director Exchange, US”. The Shareholder-Director Exchange which was created in US by a law firm and corporate advisory firms, has drafted a series of guidelines it hopes public companies in US will adopt. The guidelines suggest that companies decide under what circumstance a shareholder’s request to meet with directors should be granted. The companies should decide in advance and transparently, how they plan to communicate directly with shareholders long before a proxy fight were to develop.

Shareholder’s activism and existence of minority gained more significance with the introduction of provisions under section 188 of Companies Act, 2013 (which came into force on 1-4-2014). First proviso to section 188(1) of the Act provides that no contract or arrangement in case of a company having a paid up share capital of not less than such amount, or transactions exceeding such sums, as may be prescribed, shall be entered into except with the prior approval of the company by a special resolution (now ordinary resolution w.e.f. 26-5-2015). Second Proviso thereto further provides that no member of the company shall vote on such resolution to approve any contract or arrangement which may be entered into by the company, if such member is a related party. Thus particularly in case of related party transactions, the company and its directors chiefly depend on minority shareholders to support the company proposals. This is equally applicable to a private company for the present. Where any contract/arrangement is entered into by a director/other employee, without obtaining the consent of the Board or approval by members’ resolution and if it is not ratified by the Board/shareholders within three months from the date on which such contract or arrangement was entered into, such contract/arrangement should be voidable at the option of the Board. If the contract/arrangement is with a related party to any director, or is authorized by any other director, the directors concerned shall indemnify the company against any loss incurred by it.

As far as a company is concerned, a class action is a right given to members or depositors (including their representatives) to file an application before a statutory authority for restraining the company from some specified wrongful acts and members/depositors can claim damages or compensation against the company, directors, auditors, experts, advisors for wrongful conduct if any.

Section 245 (not yet notified and not yet in force) of Companies Act, 2013 (for short “the Act”), being a new provision, introduced the concept of class action by shareholders and depositors, or an individual member or depositor, or a class of members or depositors who can file a petition for reliefs if they are of the view that the affairs of the company are being managed or conducted in a manner prejudicial to the interests of the company, its members or depositors. The concept of class suit is prevailing in developed



countries viz. US, UK, Singapore. This concept is now given a legal shape in India in light of the Satyam case where three years after the Satyam fraud, Indian investors are yet to have any meaningful compensation in Rs. 8000 crore fraud allegedly committed by the promoters of Satyam Computer Services. However, the American counterparts who owned American depository receipts (ADR) have made the company agree to pay \$ 125 million (over Rs. 625 crore) in settlement due to strong class action system in the US.

RULES UNDER CLASS ACTION SUIT

An application can be filed before the National Company Law Tribunal (NCLT) under sub-section (1) of section 245 of the Act for seeking any of the following reliefs:

- (a) To restrain the company from committing an act which is ultra vires the articles or memorandum of the company;
- (b) To restrain the company from committing breach of any provision of the company's memorandum or articles;
- (c) To declare a resolution altering the memorandum or articles of the company as void if the resolution was passed by suppression of material facts or obtained by mis-statement to the members or depositors;
- (d) To restrain the company and its directors from acting on such resolution;
- (e) To restrain the company from doing an act which is contrary to the provisions of this Act or any other law for the time being in force;
- (f) To restrain the company from taking action contrary to any resolution passed by the members, company or its directors for any fraudulent, unlawful or wrongful act or omission or conduct or any likely act or omission or conduct on its or their part; (ii) the auditor including audit firm of the company for any improper or misleading statement of particulars made in his audit report or for any fraudulent, unlawful or wrongful act or conduct; or (iii) any expert or advisor or consultant or any other person for any incorrect or misleading statement made to the company or for any fraudulent, unlawful or wrongful act or conduct or any likely act or conduct on his part;
- (g) To seek any other remedy as the NCLT may deem fit.

REQUISITE NUMBERS ELIGIBLE TO FILE CLASS ACTION SUIT

The requisite numbers eligible to file a class action suit under sub-section (3) of section 245 of the Act prescribed are as under :

- (a) BY MEMBERS: (i) In a company having share capital, not less than 100 members or not less than such percentage

of total number of its members as prescribed, whichever is less, or any member or members holding not less than such percentage of the issued share capital of company, as may be prescribed, subject to condition that applicant(s) have paid all calls and other sums due on their shares. (ii) In case of a company not having share capital, not less than one-fifth of the total number of members.

- (b) BY DEPOSITORS: By not less than 100 depositors or not less than such percentage of total number of depositors, as prescribed, whichever is less, or any depositor or depositors to whom the company owes such percentage of total deposits of company, as prescribed.
- (c) Sub-section (10) of section 245 of the Act also permits that an application under the section can be filed by any person, group of persons or association of persons representing the persons affected by any act or omission which is the subject matter of the complaint under section 245 of the Act. However, this is subject to the condition that the persons who are being represented meet the membership or depositor qualification under sub-section (3) of section 245 [as mentioned in (a) and (b) above].

NOTE: Rules under section 245 are yet to be notified.

PROCEDURE TO BE FOLLOWED BY THE NCLT

Under sub-section (5) of section 245 of the Act, the NCLT shall follow the following procedures after receipt and admission of the





Article

Minority Protection *Vis-à-Vis* Class Action Under Companies Act, 2013

application under these provisions:-

- (a) A public notice shall be given to all members or depositors of the class in the manner as prescribed.
- (b) All similar applications in a jurisdiction received shall be consolidated into a single application and members or depositors shall be allowed to choose a lead applicant. In case members or depositors do not come to consensus, the NCLT shall have power to appoint a lead applicant who shall be in charge of the proceedings from the applicant's side.
- (c) Two class action applications for a common cause of action shall not be allowed.
- (d) Cost/expenses connected with application for class action shall be defrayed by the company or any other person responsible for any oppressive act.
- (e) Any order passed by the NCLT shall be binding on the company and all its members, depositors and auditor/audit firm or expert or consultant or advisor or any other person associated with the company.

WHERE COMPANY FAILS TO COMPLY WITH THE ORDER

Under sub-section (7) of section 245 of the Act, if a company fails to comply with an order passed by the NCLT, it shall be punishable with fine which shall not be less than Rs. 5.00 lac but which may extend to Rs. 25.00 lac and every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to three years and with fine which shall not be less than Rs. 25,000 but which may extend to Rs. 1.00 lac.

WHERE CLASS ACTION APPLICATION IS FOUND FRIVOLOUS

Under sub-section (8) of section 245 of the Act, where such class action application is found frivolous or vexatious, it shall be rejected after recording reasons and an order shall be made that applicant shall pay to the opposite party such cost not exceeding Rs. 1.00 lac, as specified in the order.

BANKING COMPANY EXEMPTED

As provided in sub-section (9) of section 245 of the Act, provisions of class action suits shall not apply to a banking company. The Banking companies are governed by the RBI under Banking Companies Regulation Act and other banking legislations.

As provided in section 246 of the Act, the provisions of sections 337 to 341 (both inclusive) relating to power to punish for fraud

committed by officers, liability for improper keeping of accounts, liability for fraudulent conduct of business, etc. shall apply *mutatis mutandis* in relation to application made to the NCLT under section 245 of the Act.

CONCLUSION

The provisions of class action suit will definitely play a very important role to protect the interest of shareholders and depositors when notified alongwith Rules and procedures thereunder. Once the provisions come into force and minority shareholders have authority to move their class action suit to protect their interests well, the companies' performance and reporting both are bound to improve with better transparency, an avowed object behind the new enactments. This shall prove to be a real boon for the small investors in India and provide adequate wings to members and depositors to mitigate non-communicated corporate ills in India. CS

Worried about Risk of Non - Compliance?

Leverage technology to manage compliances better

ricago
risk • compliance • governance



- ✓ Compliance Library
- ✓ Workflow
- ✓ Alerts & Reminders
- ✓ Declaration & Certification
- ✓ Dashboard
- ✓ Reports & many more

Compliance Management System Insider Trading Management

For details contact sales@clonect.com
Ph: +91 9886772828 | Visit www.clonect.com

Get Control.... Get Peace Of Mind



Dr. Joffy George, FCS

Company Secretary & Dy. General
Manager (NBD), TELK
Ernakulam

mastersjoffy@gmail.com

How does a Company Secretary contribute for making a 'Good' Board, 'Great'

- Company Secretaries may have a natural skill set that makes them great candidates for a director's position. Their training and experience is often very valuable when boards face difficult challenges. They will be good at preventing accounting malpractice, reducing litigation and risk for the companies they serve, making them a very desirable group to be on any board.

Selecting the right directors to sit on your corporate board is not an easy task. When asked what qualities are most needed to be an effective director in today's business environment, there are the prerequisites like having global experience or perspective, passion for the business, diversity to bring something to the Board, etc. Most new board members are joining both to bring value and to learn about a successful global company. Asking questions of management that shareholders would if they were there and keeping abreast of business and governance trends are among the ways to shine in the boardroom.

It is important for all directors to understand that their role is to advance shareholders' interests and support management. A good Director must have common sense and integrity, ask tough questions and shall not be afraid to push for answers when they need more information to make a board decision.

INFORMATION IS POWER

Often, the contribution of a director is only as good as the information he or she can access. Directors need a comprehensive

list of key performance indicators and management's targets for short-term and long-term improvements; this is how one can determine whether the company has set sufficient targets and how well it is performing to those targets. It is very important to have benchmarks for best-in-class approaches to important business processes. Besides the financial statement information





Article

How does a Company Secretary contribute for making a 'Good' Board, 'Great'.

and analysis, charts, graphs and board agenda information, the most important information could be received through uninterrupted access to the senior management and the opportunity to visit company's locations and facilities.

IMPROVING THE BOARD

Companies are looking to outside sources to ensure that they recruit directors with the right skills. Today's boards are conscious of the skills they need in their directors, but experts believe that they may be falling short in recruiting individuals who have those attributes. Historically, companies have tried to recruit new directors by following the recommendations of other board members, but increasingly boards these days are turning to external candidates. The consequence of a row of scandals may push companies to look to outside sources in order to fill vacant board seats or replace ousted directors. In addition, an impartial perspective may be required if a board becomes dysfunctional and lacks the capability to recruit and train an effective director. When it's a case of the blind leading the blind, boards need an outside perspective to get out of the weeds and get some clarity.

If the current board is seen as not getting the job done, it doesn't want more of the same. It needs somebody to take the wheel of the ship in a hurry. Regardless of whether the board recruits from within or from outside itself, the process should be as transparent as possible so that the new director is equipped for the task ahead. Selection of a new board member is now becoming more and more challenging due to several factors such as public scrutiny, independence requirements, rise in the number of lawsuits, etc.

Board Development underscores the need to nominate talented directors with significant expertise in several subject areas. Companies should not only be concerned with selecting talented nominees, but also should focus on educating new directors so they can properly exercise their fiduciary duty of care in overseeing the company's operations, financials, reporting and risks. Providing new board members with substantial training enables their skills to evolve just as their company's business environment will certainly evolve over time. For getting and developing the right Director, companies should create a full-fledged Director Nomination & Orientation Mechanism.



MAXIMIZING BOARD DYNAMICS

While we should not give boards too much credit, a big problem with our system is that we have been leaving a lot on the table by not getting the best out of them. So what can you do to avoid being the next corporate disaster? Sometimes a Company Secretary needs to be provocative and stimulate conversation about steps management and directors should be taking to enhance the effectiveness of the board. Following are techniques designed to create board dynamics that give you a better chance of success:

- a) Keep the board small, no matter how big your company.
- b) Ethnic and gender diversity are important, but substantive diversity is critical. Experience and technical abilities to effectively strategize, innovate and manage risks in the industry are vital.
- c) Diversity of skill sets is vital, and directors' abilities must reflect the drivers of the business. A legal and financial expert will fit on almost every board.
- d) Set specific business objectives for the board's delivery of tangible value each year. Directors should be considered as partners in developing and executing corporate strategy.
- e) Directors may be made responsible for bringing related ideas and developments into deliberations.
- f) Allow open time for discussion, reactions and the questions that can lead to quantum leaps in creativity following management presentations. The primary objective of any presentation is to engage the board in a discussion and get its guidance.
- g) Give board members meaningful exposure to your people, customers and operations. Make sure it's not always the same company executives talking to the board. Encourage directors occasionally to attend some internal business meetings.
- h) Have directors meet with investors. Let the board hear what's on their minds and what they expect from their investment.
- i) Some focus from individual directors is a good thing on specialty topics like accounting and compensation, but every board member needs to have the full perspective of the issues that are often delegated to committees.
- j) Conduct board meetings at company premises and avoid holding meetings in hotels. The board members need to see company offices, and employees need to interact with the board. This will do wonders for all round perceptions and will give employees a feel for corporate governance.
- k) Ensure that directors really have time to attend meetings, do



➤ Management is not an island. The best management team will figure out how the board can contribute to the company's prosperity and sustainability in ways no one else can serve. Board members should be viewed as partners in the development of corporate strategy. If the Management sees the Board as a necessary evil or an intrusive annoyance, that is the wrong attitude which paves way for a big problem.

their homework and are available for value-added activities.

- l) Give board members direct access to the company's intranet so that they can stay abreast of internal company news. Alternatively, a summary of important internal news items can be forwarded to Directors to keep them connected to day-to-day operations.
- m) Have separate induction session for each new board member. Send out orientation materials and conduct a session in person. Highlight what they need to know most such as insider trading, board procedures, company policies, charters, etc.
- n) If managers delay giving the board bad news due to the fear of reaction they will get, you can bet the board will still hear it eventually, by which time it may be out of control. The board should account honest mistakes as long as it is informed promptly, and management can explain the lessons learned and what new preventive measures have been implemented.
- o) Creating a culture of ethics and compliance is an art, not a science, and there is no standard procedures to follow.
- p) Make board a model of fiscal prudence and sustainability. The rest of company employees will behave the way the board does; if the board spends wisely, so will they.
- q) Make a big deal about how the board uses new video conferencing technology to avoid in-person meetings and mandates double-sided, black-and-white-only copies in its board agenda, or has gone entirely paperless.
- r) Always be in the market for new board members, so that there will be a pool of candidates. These days it can take a long time to find someone your board is comfortable with and who is willing to serve.
- s) Regularly conduct joint strategy sessions among the board and senior executives. This will align their views, and it is great for succession planning to give the board direct familiarity with your senior team.
- t) Actively include directors in Crisis Planning. Disasters can be physical, financial, ethical or executive, and those are just some of the more obvious ones.
- u) Each board needs to determine what will work best for the company's own staff and unique business. What will really motivate people to show up every day and do their best? What will serve to retain top talent? What will promote intelligent risk taking?

MANAGEMENT IS NOT AN ISLAND

Whether any one of these ideas will work for a particular company will depend on culture, both the board's and the company's. Management is not an island. The best management team will figure out how the board can contribute to the company's prosperity and sustainability in ways no one else can serve. Board members should be viewed as partners in the development of corporate strategy. If the Management sees the Board as a necessary evil or an intrusive annoyance, that is the wrong attitude which paves way for a big problem.

Board of directors are facing a mixture of challenges and opportunities as they steer their companies through continuing uncertainty. With the European debt crisis still unresolved, China's economic growth slowing from its pace of the last decade and the US economy relapsing into recession, the global scenario does not impart a confidence feel for Directors. Most directors are feeling a bit uneasy these days, but global financial uncertainty is not the most pressing thing on their minds.

Whether the company is large or small, the damage that electronic security breaches can cause is too significant. Few things scare





Article

How does a Company Secretary contribute for making a 'Good' Board, 'Great'.

➤ Including Company Secretaries in the pool of board candidates will definitely improve the governance of companies. Company Secretaries are a good source for board, since they have a strong grasp on governance. Moreover, they tend to have a good view of the various issues that come before the board, the different influences and the different pressures.

customers away faster than the feeling that their credit card information and other pertinent data are not safe. These types of events also affect corporate credibility. After a data breach, companies can expect lawsuits and other costs like having to provide credit monitoring services and paying the expense of notifying millions of customers who may have been harmed. And no one can predict how much it will cost to get customers back – indeed, most of them may never return. Cyber-security has become an even bigger issue given the rise of mobile devices and the ever-increasing use of cloud computing. Data security is an area that can be difficult for board members to assess because the risks are dynamic and difficult to predict. Purchase of comprehensive data breach insurance can be a key step companies can take to help mitigate costs as well as legal and reputational damage from a data breach event. Directors must hold the company accountable for fulfilling the promise of protection. The board should also be conscious of how the company's privacy policy will be viewed by the public.

The good name and reputation of a company are priceless assets. Protecting a company's reputation is part of internal governance in contrast to external governance policies and procedures which comply with laws and regulations and it is one of the most important responsibilities of the board of directors. Reputation risk is top of priority for directors. With so many examples of verbal



implosions by corporate executives and the many casualties of the tough economic environment over the past few years, everyone is a bit more attuned to risk. Reputations can be made or broken exponentially faster through the use of technological tools to which we now have access. Board needs to make sure that the company has an effective and up-to-date crisis response plan in place. Companies that quickly confess their mistakes tend to recover faster than those that dance around the truth until the media spotlight shines so bright that they have no choice but to clean the mess.

Many companies still can't seem to find qualified candidates for jobs. Experts say the dearth of highly skilled and experienced employees is not expected to change soon. Boards need to understand the implications of this issue on overall strategy and the execution thereof. The overall approach and philosophy around human capital can stem from decisions made in the boardroom. Human resources representation in the boardroom becomes more important in taking on the demands of say on pay and other compensation issues. Boards will need to assess management's plans to address current and future talent needs. Is it the right time to begin hiring for expansion? Are succession plans for key employees in place? Has management identified the employees and skills that are most critical to the company's success? Are there appropriate strategies to attract and retain key talent?

COMPANY SECRETARY'S ROLE IN MENTORING EFFECTIVE DIRECTORS

Company Secretary's role in helping directors to excel can take many forms. Company Secretary provides legal advice on various issues. Directors may request for additional information and advice on transactions so that all the stakeholders' interests are represented during board discussions and votes. Company Secretary supports all requests for data and information needed for Directors to have insight and direction at board meetings. Company Secretary also provides orientation for each new director. He suggests seminars for directors to attend for updating on important shareholders' issues, governance issues and legal/regulatory requirements. Company Secretary also fills a larger role when they holds more than a single title.

TRANSFORMATION FROM THE 'ADVISORY ROLE' TO 'LEADING ROLE' AS A DIRECTOR

No one understands the risks and rewards of board membership better than the Company Secretary; at a time when the movement for board diversity has enjoyed significant support from legislators and investors, should the Company Secretaries be considered candidates for directorships? Being in the boardroom, Company Secretaries are getting a crash course in board member responsibility over a substantial period of time. Including Company



Secretaries in the pool of board candidates will definitely improve the governance of companies. Company Secretaries are a good source for board, since they have a strong grasp on governance. Moreover, they tend to have a good view of the various issues that come before the board, the different influences and the different pressures.

SPECIAL SKILL SETS OF COMPANY SECRETARIES

Company Secretaries may have a natural skill set that makes them great candidates for a director's position. Their training and experience is often very valuable when boards face difficult challenges. They will be good at preventing accounting malpractice, reducing litigation and risk for the companies they serve, making them a very desirable group to have on any board.

Company Secretaries' knowledge of how to handle crises is another attractive factor. They know better than anyone the challenges a board faces and how some decisions can be decisive. Since Company Secretaries manage entire boards over long periods of time, they know how to make a board function well. They know exactly what the Board's role is and how it's different from Management. They understand how to get the most out of the support management can provide in terms of information flow and access to senior executives.

CS ADDING VALUE TO PLACE THE RIGHT BOARD IN POSITION

While Company Secretaries may have great qualities for board service, it doesn't automatically follow that they will be right for every company's board. If a Company Secretary brings just a background in corporate governance, it would not be sufficient. If you analyze the skills you have on your board, the first director you would want to add is somebody who has helped to build a board before, someone who understands how to lead a company to greater heights. A seasoned Company Secretary can provide a blueprint for a governance structure long-term investors may like, and use his or her established relationships in the marketplace to attract the investors.

Of course, there are challenges to considering Company Secretaries for director positions. Some companies have policies that prevent officers from serving on outside corporate boards. A lot of companies don't want their executives to be on other boards because it's a diversion from their core job. The candidate's personality can also be a factor. Many Company Secretaries are very good at dealing with others' egos, and that could be good reason to be on a board. It is also possible that some might not be assertive enough because they tend to be conciliators, which is not the same as being a board member. Company Secretaries can serve as board members and still function at a high level.

Overall, Company Secretaries may make good candidates for director positions under very specific conditions.


REFERENCES

ABA Business Law Section Corporate Law Committee (2012) Corporate Director's Guidebook

Gregory V. Varallo & Daniel A. Dreisbach (2011) Fundamentals of Corporate Governance: A Guide for Directors and Corporate Counsel

Betsy Atkins (2012) Behind Boardroom Doors: Lessons from a Corporate Director

Ram Charan (2005) Boards That Deliver: Advancing Corporate Governance From Compliance to Competitive Advantage

Richard Leblanc & James Gillies (2010) Inside the Boardroom: How Boards Really Work and the Coming Revolution in Corporate Governance 

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.



Dr. Meghna Chotaliya

Assistant Professor in Accountancy
R.D.National College
Bandra (West)
Mumbai

meghnachotaliya@yahoo.co.in

Depreciation Accounting under the Companies Act, 2013

- The Companies Act, 1956 provided for different minimum rates of depreciation on depreciable assets, whereas Schedule II of the Act of 2013 provides for the allocation of depreciable amount of an asset over the useful life of an asset. The different aspects of depreciation as contained in the new Act and as compared to the old provisions are discussed here.

INTRODUCTION:

The recent implementation of the Companies Act, 2013 is rightly treated as commencement of a new era in corporate legislation in India. It has brought sweeping changes in different rules and regulations governing the functioning of corporates in India as compared to the old Companies Act, 1956 (the old Act). One such change pertains to Depreciation contained in Schedule II of this new Act, introducing the concept of useful life as against minimum rates of depreciation applied so far. The old Act of 1956 provided for different minimum rates of depreciation on depreciable assets, whereas Schedule II inserted under the new Act provides for the allocation of depreciable amount of an asset over the useful life of an asset. The different aspects of Depreciation as contained in the Companies Act, 2013 as compared to the old Companies Act, 1956 are discussed hereunder.

SALIENT FEATURES OF SCHEDULE II OF THE COMPANIES ACT, 2013

- Depreciation is the systematic allocation of the depreciable



amount of an asset over its useful life. The concept of useful life is pivotal in computation of depreciation as per the new provisions.

- The Companies Act, 2013 vide its Schedule –II prescribes for both calculation of depreciation based on useful life of an individual asset as well as accounting of depreciation.



➤ The new Act provides for the concept of componentization of assets. Where cost of a part of the asset is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part shall be determined separately.

- The ministry of corporate affairs vide its notification dated 16th February 2015 has clarified that a company which follows the accounting standards specified in the Companies (Accounting Standards) Rules, 2006 shall comply with such standards only and not the Standards specified in the rules specified in the new act. Accordingly, the standards of accounting related to depreciation accounting i.e. Accounting Standard 6 on Depreciation Accounting as specified under the old act shall be deemed to be the accounting standards and shall continue to operate till the accounting standards are specified by the Central Government under section 133 of the new Act.
- For the purpose of computing depreciation, the new act defines the term “depreciable amount” as the cost of an asset, or other amount substituted for cost, less its residual value, such residual value being 5 percent of the original cost of the asset. It also defines the term “Useful Life “ as the period over which an asset is available for use or as the number of production or similar units expected to be obtained from the asset by the entity.
- The useful life of an asset shall not be longer than the useful life specified in Part ‘C’ and the residual value of an asset shall not be more than 5% of the original cost of the asset. Provided that where a company uses a useful life or residual value of the asset which is different from the above limits, justification for the difference shall be disclosed in its financial statement. For a large number of assets, Schedule II prescribes useful lives that are significantly lower than those envisaged in Schedule XIV to the 1956 Act.
- Residual value is prescribed at 5% of the original cost as the maximum quantum. Earlier, there was no fixed Residual Value, but, while prescribing the rates; it had factored in only 95% of the cost of the assets, thereby leaving only 5% as Residual Value.
- The new Act provides for the concept of componentization of assets. Where cost of a part of the asset is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part shall be determined separately.
- List of Assets has become more exhaustive and specific.

APPLICABILITY OF THE COMPANIES ACT 2013

For the purpose of applicability of the provisions of the Companies Act, 2013 - Schedule II, the companies are divided into three classes as follows:

- For prescribed class of companies, whose financial statements are required to comply with Accounting Standard prescribed under the 2013 Act, the useful lives should normally be in accordance with the Schedule, provided that in case of departure from the same, the reasons for the same should be disclosed .
- Companies regulated by other law, e.g., electricity companies, useful life or residual value of any specified asset, as notified for accounting purposes by a Regulatory Authority constituted under an Act of Parliament or by the Central Government shall be applied in calculating the depreciation to be provided for such asset irrespective of the provisions in this Schedule.
- For other Companies, the useful life of an asset shall not be longer than the useful life than that prescribed and the residual value shall not be higher than that prescribed in Part C.

DIFFERENCES BETWEEN THE 2013 AND THE 1956 ACTS

The new Act has provisions related to depreciation contained in Schedule II whereas the old Act had Schedule XIV containing provisions for the same . Some of the differences between these two schedules regarding depreciation are stated hereunder:

- Schedule II deals not only with depreciation of tangible assets but also amortization of intangible assets, whereas Schedule XIV dealt only with depreciation of Tangible assets.
- Schedule II contains depreciation provision based on useful lives of tangible assets and does not prescribe the rates for





Article

Depreciation Accounting under the Companies Act, 2013

➤ As per the Companies Act, 2013, the depreciable amount of an asset is the cost of an asset or other amount substituted for cost, less its residual value. Therefore, in case of revaluation, depreciation will be based on the Revalued amount.

the same whereas Schedule XIV contained rates of tangible assets based on the cost and useful life of the depreciable asset.

- Schedule II under the new act has removed the provision for 100% depreciation on asset whose actual cost does not exceed Rs.5, 000/- while Schedule XIV under the old act provided for the same. This will result in small assets with negligible values appearing in the books of accounts adding to unnecessary small calculations and provisions.
- Schedule II provides for the concept of Extra Shift Depreciation (ESD) which is not applicable to items marked NESD in that schedule. ESD will apply to items of Plant/Machinery subject to a general rate which is useful life of 15 years. In Schedule XIV, ESD was not applicable to items marked NSED in that schedule and specified items of plant/machinery had general rate of depreciation in percentage. The new act has simplified the working of ESD by providing 50% more depreciation for that period for which the asset is used for double shift and 100% more depreciation for that period for which the asset is used for triple shift. Also Schedule XIV provided that ESD for double and triple shift was to be made separately proportionate to the number of days for which concern worked second shift or triple shift bears to normal number of working days in a year.
- The useful lives specified in Schedule II of the new Act for various assets will result in their depreciation over a different

period than currently applicable under Schedule XIV of the Act. If in an entity having Straight line method of depreciation under the Act, useful life has been reduced for the following:

- General plant and machinery from 21 years to 15 years;
- General furniture and fittings from 15 years to 10 years;
- Computers from 6 years to 3 years;

This change in the useful lives of the assets may result into companies charging much higher depreciation in the books of accounts as compared to earlier rates.

As per schedule II of Companies Act, 2013, for prescribed class of companies, whose financial statements comply with Accounting Standards prescribed for such class of companies under section 133 of the Act, it can have different useful life and residual value other than indicated in Part C of Schedule II of the Act, on disclosure of justification for the same. For other companies the useful life of an asset cannot be longer than the useful life and the residual value cannot be higher than that prescribed in Part C of schedule-II of the Act.

DEPRECIATION ON REVALUED ASSETS

- As per Guidance note given by the Institute of Chartered Accountants of India (ICAI) on "Treatment of Reserve created on Revaluation of Fixed assets", only depreciation pertaining to historical cost needs to be provided out of current profits of the company. The additional depreciation arising on account of upward revaluation of Fixed Assets is to be transferred from Revaluation Reserve to Profit & Loss account. But as per the Companies Act, 2013, the depreciable amount of an asset is the cost of an asset or other amount substituted for cost, less its residual value. Therefore, in case of revaluation, depreciation will be based on the Revalued amount. As a result, the Guidance Note may not apply and full depreciation on revalued amount is expected to be provided.

NEW PROVISIONS ON AMORTIZATION OF INTANGIBLE ASSETS

For intangible assets, the provisions of the accounting standards applicable for the time being in force shall apply, except in case of intangible assets (Toll Roads) created under 'Build, Operate and Transfer', or any other form of public private partnership route in case of road projects. In such cases, amortization shall be done in the prescribed manner:

$$\text{Rate of amortization} = \frac{\text{Amount of amortization}}{\text{Cost of Intangible asset}} \times 100$$

$$\text{Amount of amortization} = \frac{\text{Actual Revenue for the year}}{\text{Projected Revenue from the intangible asset}} \times \text{Cost of the intangible asset}$$





The amortisation amount or rate should ensure that the whole of the cost of the intangible asset is amortised over the concession period.

OTHER CONSIDERATIONS FOR DEPRECIATION IN THE COMPANIES ACT, 2013

The depreciation method applied by the company shall be disclosed in the accounts & useful lives of the assets for computing depreciation, if it is different from the life specified in the schedule. Also factory Buildings does not include offices, godowns, and staff quarters. During any financial year, in case of any addition made to any asset or sale, disposal demolition or destruction of any asset the depreciation on such assets shall be calculated on a *pro rata* basis from the date of such addition or, as the case may be, up to the date of such sale, disposal, demolition or destruction. Further while considering the useful life of the asset, the useful life specified in Part C of the Schedule is for whole of the asset and where cost of a part of the asset is only significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, the useful life of that significant part shall be determined separately and proportionately.

TRANSITIONAL PROVISIONS

From the date this Schedule comes into effect, the carrying amount of the asset as on that date—


- (a) shall be depreciated over the remaining useful life of the asset as per this Schedule;
- (b) after retaining the residual value, shall be recognised in the opening balance of retained earnings where the remaining useful life of an asset is NIL.

CONCLUSION

The Companies Act 2013 has been implemented in India from the financial year 2014-15. This transitional stage for companies from the old Companies Act 1956 to the new Companies Act 2013 has posed many challenges. One of such challenges is posed by Schedule II of the Companies Act, 2013 which is based on the concept of 'useful life' for the purpose of computation of depreciation. The change in the method of providing depreciation from fixed percentage as per Schedule-XIV of Companies Act 1956 to useful life as per Schedule-II of Companies Act, 2013 requires changes in the accounting policy of the company. For change in the accounting policy, the provisions contained in Accounting Standards-5 "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies" as well as AS-6 "Depreciation Accounting" both are required to be taken into consideration. It is however observed that, the provisions contained in Schedule-II

of Companies Act, 2013 and the provisions contained in AS-6 are violating each other. Earlier as per Companies Act, 1956, depreciation on fixed asset has been calculated as per the percentage provided in Schedule-XIV of Companies Act, 1956 and as far as Accounting of depreciation is concerned the provision contained in Accounting Standards-6: "Depreciation Accounting" is required to be followed. Such questions and other challenges in the implementation of the new Act will be settled when the new accounting standards will be introduced in line with these new provisions.

REFERENCES

- http://www.business-standard.com/article/companies/ten-things-you-wanted-to-know-about-the-new-companies-bill-113080800399_1.html
https://docs.google.com/file/d/0B_ik38gcTNpRYIgxSmRhSTVfVWc/edit?pli=1
<http://www.easylaw.in/articles/schedules-under-companies-act2013-analysis>
<http://famsssoftware.wordpress.com/2014/04/02/depreciation-under-the-companies-act-2013/>
<http://www.grantthornton.in/assurance-tax-regulatory-framework/companies-act-2013implementation-challenges/> 

Appointment

REQUIRED A COMPANY SECRETARY

A leading Private Ltd. company in the business of Real Estate, having its registered office in Jaipur, requires a qualified Company Secretary with 5-7 years relevant experience.

A prospective candidate should be well versed with the Companies Act, 2013 and should have good knowledge of Secretarial and legal matters such as compliances with various laws, filing of various documents/returns with ROC, drafting of minutes/agreements, and must have handled work related to secretarial formalities and regulations. A Law degree would be an added advantage.

Interested candidates may send their resume indicating expected remuneration to:
The Director

Opportunity Developers Private Limited

45 Pashchim Vihar, Vaishali Nagar, Jaipur
Rajasthan - 302021

Email id: opportunitydeveloper2009@rediffmail.com



Alka Kapoor, FCS

Joint Secretary
The ICSI
New Delhi

alka.kapoor@icsi.edu

Private Companies- Striking the balance between regulation and relaxation

- Exemptions for Private Companies, Government Companies, Section 8 Companies and Nidhi Companies have been notified by the Ministry of Corporate Affairs and have become effective from 5th June 2015. In this article the exemptions granted to private companies have been analysed.

Just as good rules are needed to allow traffic to flow smoothly, they are also essential to allow businesses to function with ease but the challenge is to strike the right balance between regulation and relaxation.

The impact of regulatory oversight on the cost of doing business for companies is an important consideration while framing the laws. Regulators always strive to achieve a balance so that a reasonable level of oversight is achieved without excess cost of compliance.

Section 462 empowers the Central Government to exempt certain class or classes of companies from any of the provisions of the Act and also to provide exceptions, modifications and adaptations that shall apply to certain class or classes of companies.

In this context, the exemptions for Private Companies, Government Companies, Section 8 Companies and Nidhi companies have been notified by the Ministry of Corporate Affairs and have become effective from 5th June 2015. In this article the exemption granted to private companies have been analysed.

APPLICABILITY

The notification applies to private companies as defined under section 2(68) of the Companies Act, 2013. The notification does



not apply to a private company which is a subsidiary of a public company as such a company is deemed to be a public company within the definition of “public company” under section 2(71).

Broadly, the exemptions relate to:

- Certain exemptions for entering into related party transactions
- Relaxation with regard to the kinds of share capital and voting rights
- Shorter period for offering securities to members through right offers



➤ Although holding, subsidiary, associate company and subsidiary of holding company are excluded from definition of 'related party', Director (other than independent Director), Key Managerial Personnel of holding company or their relative(s) are still included in definition of related party.

- Simple majority for issue of employee stock option plans
- Acceptance of deposits from members eased
- Relaxation of provisions relating to General Meetings
- Requirement of mandatory consent of shareholders for certain transactions omitted
- Participation of interested directors in the board meetings
- Loans to Directors permitted subject to conditions.

SECTION 2(76)(viii) IS NOT APPLICABLE WITH RESPECT TO SECTION 188 (RELATED PARTY TRANSACTIONS)

Certain related party transactions as specified in Section 188(1), require the approval of the Board of Directors at Board meeting, besides disclosure of certain information pertaining to such related party transactions in agenda of board meeting and that the interested director shall not remain present during discussion of related party transactions. In addition transactions whose value is beyond prescribed limits, require prior approval of shareholders.

Clause (viii) of section 2(76) includes in the list of related parties :

- i. Holding company
- ii. Subsidiary Company
- iii. Associate company
- iv. Subsidiary of its holding company

Section 2(76)(viii) is now not applicable to a private company with respect to Section 188. Accordingly, a contract by a private company will not be regarded as a related party transaction if it is entered into by a private company with its holding company, subsidiary company, associate company or a subsidiary of its' holding company.

Although holding, subsidiary, associate company and subsidiary of holding company are excluded from definition of 'related party', Director (other than independent Director), Key Managerial Personnel of holding company or their relative(s) are still included in definition of related party.

Further, compliances with respect to disclosure requirements of related party transactions shall be applicable to a private company.

Rule 15 of Companies (Meetings of Board and its Powers) Rules,

2014 may be amended to incorporate the exemption granted.

The term related party was not defined under Companies Act, 1956. The provisions relating to related party transactions were spread across few sections covering aspects such as contract with interested director, director holding place of profit, provisions relating to sole selling agent etc.

SECTION 188(1) SHALL NOT APPLY

With regard to related party transactions, second proviso to Section 188(1) which states that no member of the company shall vote on the resolution to approve any contract or arrangement which may be entered into by the company, if such member is a related party, has been exempted for private companies.

A special feature inserted in respect of RPTs in Companies Act, 2013 is that in general meeting for approval of a related party transaction, a member who is a related party is not allowed to vote on such a resolution. This provision shall not apply in case of private companies.

This implies that, if a private company enters into any contract or arrangement with a related party requiring prior approval of the company, the related parties are now allowed to vote on such a resolution.

Most of the contracts or arrangements by a private company with its other related parties like its directors, a firm in which its director is a partner, a private company in which its director is a member or director, will still require either consent of the Board or a resolution of the general body depending upon the threshold of the transaction. But members who are related parties will be allowed to vote on such resolutions.

This is a big relief to the private companies as having disinterested members was not at many times possible in private companies where there are few members who are mostly related to each other.

SECTION 43 AND SECTION 47 SHALL NOT APPLY WHERE MEMORANDUM OR ARTICLES OF ASSOCIATION OF THE PRIVATE COMPANY SO PROVIDE

Section 43 of Companies Act, 2013 deals with kinds of capital and Section 47 deals with voting rights. According to Section 43, a company shall have two kinds of capital viz equity capital (with voting rights/with differential voting rights) and preference capital. It is to be noted that kind and class of capital may have different meaning. Kinds of capital means two kinds only viz equity and preference. Class of capital may be equity with /without differential rights and preference capital may carry different rates of dividend.

Private Companies will now have full flexibility in structuring their share capital. They can do so through instruments like compulsorily



Article

Private Companies- Striking the balance between regulation and relaxation

convertible preference shares (CCPS) and compulsorily convertible debentures (CCDs). Private companies will be able to provide additional rights (including voting rights) to holders of CCDs and CCPS.

The exemption may boost investments as it gives freedom to private companies in case of joint venture or private equity funding to structure their capital and voting rights.

It may be noted that section 106 relating to restriction on voting rights is still applicable to a private company. In terms of section 106 the Articles of Association may prohibit a member from exercising his voting rights only on the ground that shares on which any calls or other sums presently payable by him have not been paid or in regard to which the company has a right of lien and has exercised that right.

Rule 3 of Companies(Share Capital and Debentures) Rules may be amended to incorporate the aforesaid exemption.

This is similar to Section 90(2) of Companies Act, 1956 which exempted private companies from complying with the provisions of kinds of capital as prescribed in Section 85 of the 1956 Act. Section 47 relating to voting rights corresponds to section 87 of the 1956 Act, which also exempted private companies.

MODIFICATION UNDER SECTION 62(1)(A) (I) AND SECTION 62(2)

Section 62 (1)(a)(i) requires companies issuing further shares to send notice along with offer letter to its equity shareholders and the offer shall remain open for subscription for minimum 15 days and maximum 30 days.

Further section 62(2) states that the offer letter to the existing shareholders under 62(1)(a)(i) has to be despatched at least three days before the opening of the issue.

A new proviso has now been added to section 62(1)(a) which states that the private companies can provide for:

- less than 15 days for accepting offer made under Section 62(1)(a)(i) and
- less than three days before the opening of the issue for despatching of the offer letter

if, the ninety per cent of the members of a private company have given their consent in writing or in electronic mode.

A private company need not wait for minimum 15 days and may close its offer for rights issue in less than 15 days period [the period may be reduced to less than 15 days but can not be extended beyond 30 days]. Further, The notice for making the rights offer may be despatched in less than 3 days period before opening of the issue.

Such exemption to private companies was also provided under Section 81(3)(a) of the Companies Act, 1956.

SECTION 62(1)(b), "ORDINARY RESOLUTION" REQUIRED INSTEAD OF "SPECIAL RESOLUTION"

Section 62(1) (b) of Companies Act, 2013, read with Rule 12 of Companies(Share Capital and Debentures) Rules 2014 requires passing of Special Resolution for further issue of capital under the scheme of Employee Stock Option.

Private Companies are now required to pass only Ordinary Resolution in the General meeting in place of the Special Resolution to issue the shares under the scheme of employees stock option. Rule 12 of Companies (Share Capital and Debentures) Rules 2014 may accordingly be amended to provide the aforesaid exception to private companies.

SECTION 67 SHALL NOT APPLY TO PRIVATE COMPANIES SUBJECT TO CONDITIONS

Section 67 deals with restrictions on purchase by a company of its own shares or giving of loans by it for purchase of its shares.

The provisions of Section 67 of Companies Act, 2013 have been exempted for Private Companies .

- I. in whose share capital no other body corporate has invested any money;
- II. If borrowings of such private company from banks or financial institutions or any body-corporate is less than twice its paid up share capital or fifty crores rupees, whichever is lower; and
- III. such a company is not in default in repayment of such borrowings subsisting at the time of making transactions under this section.

Section 67 is similar to Section 77 of the Companies Act, 1956 which had exempted private companies(which are not subsidiaries





➤ Private Companies can now borrow money from members up to 100% of paid-up share capital and free-reserves. They would not need to comply with “Deposit” conditions. This in turn would ensure free flow of hassle-free resources to private companies.

of public companies) from the provisions of this section. However, the three conditions mentioned in Section 67 now are new.

SECTION 73(2)(a) to (e) SHALL NOT APPLY TO PRIVATE COMPANIES SUBJECT TO CONDITIONS

Companies are prohibited from inviting, accepting or renewing deposits from public. Only eligible companies (public limited companies with net worth of Rs. 100 crores or turnover of Rs. 500 crores) can invite, accept or renew deposits from public subject to several stringent conditions.

Section 73(2) states that Companies can accept deposit from members by passing a Special Resolution in general meeting and by complying with the rules as prescribed in consultation with Reserve Bank of India, on such terms and conditions as are prescribed in the Section 73(2)(a) to (f) of Companies Act, 2013.

The Condition as specified in the Section 73(2)(a) to (e) includes issuance of circulars to its members, filing a copy of the same with registrar, depositing a prescribed amount in escrow account, providing for deposit insurance, certification with respect to zero default in repayment of deposits/interest accepted before the commencement of the 2013 Act.

Private Companies can now accept deposits from their members by passing a resolution in general meeting and subject to other requirements as mentioned below but without complying with conditions referred to in clauses (a) to (f) of Section 73(2):

- a. the monies accepted does not exceed one hundred per cent of aggregate of the paid up share capital and free reserves, and
- b. such company shall file the details of monies so accepted to the Registrar in such manner as may be specified. [The manner is yet to be prescribed under Companies (Acceptance of Deposits) Rules, 2014].

Rule 3(3) of the Companies (Acceptance of Deposits) rules, 2014, which states that maximum amount of deposit that a company may accept from its members shall not exceed 25% of its paid up share capital and free reserves as also rules 4,5,6,7, and 13

would require suitable modification.

A large number of private companies are formed as closely held companies. In these types of entities, loans and advances from relatives who are members are the most important sources of finance.

Private Companies can now borrow money from members up to 100% of paid-up share capital and free-reserves. They would not need to comply with “Deposit” conditions. This in turn would ensure free flow of hassle-free resources to private companies.

SECTIONS 101 TO 107 AND SECTION 109 SHALL NOT APPLY

Relaxation has been provided to the Private Companies with respect to the following sections that enable a private company to have different specification in its Articles of Association:

- Notice of General Meeting (Section 101)
- Statement to be annexed to notice (Section 102)
- Quorum for meeting (Section 103)
- Chairman of meetings (Section 104)
- Proxies (Section 105)
- Restriction on voting rights (Section 106)
- Voting by show of hands (Section 107)
- Demand for poll (Section 109),

Private Companies now have the option to provide their own regulations with respect to notice of general meeting, statement to be annexed to notice, quorum for meetings, chairman of meetings, proxies, restriction on voting rights, voting by show of hands and demand for poll to the exclusion of the corresponding provisions of the Companies Act, 2013.

Section 170(1) of Companies Act, 1956 also provided that the Articles of Private Company may provide for regulations relating to general meetings without being subject to the provisions of Sections 171 to 186 of Companies Act, 1956 which dealt with provisions relating to holding and conduct of General Meetings.

SECTION 117(3)(G) SHALL NOT APPLY

Section 117(3)(g) deals with resolutions to be filed with Registrar passed in pursuance of sub-section (3) of section 179.

Section 179(3) provides that Board shall exercise certain powers by means of a resolution passed at meeting of the Board:-

- Make calls on the shareholders
- Issue securities
- Borrow monies
- Invest funds of the company
- Approve financial statements
- Approve merger, amalgamation



Article

Private Companies- Striking the balance between regulation and relaxation

Private companies have now been exempted from provisions of Section 117(3)(g). Accordingly private companies do not have to file resolutions with the Registrar with respect to resolutions passed at the Board Meeting under Section 179(3).

Accordingly, the requirement of filing Form No. MGT. 14 for resolutions passed by the Board in exercise of its powers under section 179(3) is no longer applicable to a private company. The exemption from filing is a major relief as private company board minutes are an internal matter for the company and the filing requirement was perceived as a huge compliance burden.

No such provision was there in the Companies Act, 1956 (1956 Act) with regard to the filing of resolutions with the Registrar which have been passed by the Board. Only the Special Resolution and the specified resolutions were required to be filed with Registrar as per Section 192 of Companies Act, 1956 (1956 Act).

SECTION 141(3)(g) SHALL APPLY WITH MODIFICATIONS

Section 141(3) prescribes criteria for appointment as an auditor of the Company. Section 143(3)(g) states that following person shall not be eligible for appointment as an auditor:

- a. who is in full time employment elsewhere, or
- b. person or partner of a firm who holds at the date of appointment or reappointment, appointment as auditor of more than twenty companies.

Now the words “other than one person companies, dormant companies, small companies and private companies having paid up share capital of less than one hundred crores rupees” have been inserted after twenty companies. It implies that while calculating the limit of twenty companies, the one person companies, dormant companies, and the private companies with the paid up share capital of less than rupees 100 crores will be excluded.

This means a private Company having paid-up share capital of less than Rs 100 crores may appoint its Auditor irrespective of the limit of 20 audits provided under section 141(3)(g).

SECTION 160 SHALL NOT APPLY

Section 160 deals with right of persons other than retiring directors to stand for directorship subject to 14 days notice in writing before the meeting along with the deposit of rupees 1 lac.

This section has been exempted for private companies. Thus persons other than retiring directors may now stand for directorships in private companies:-

- without leaving a written notice 14 days before the meeting; and
- without deposit of Rs. 1 lac.

This is similar to Section 257 of Companies Act 1956 which was

not applicable to private companies.

SECTION 162 SHALL NOT APPLY

Section 162 deals with appointment of directors to be voted individually. Private Companies are exempted from this section and accordingly more than one director can be appointed through a single resolution.

SECTION 180 SHALL NOT APPLY

Section 180 deals with restrictions on powers of the Board and contains the list of transactions that have to be approved at the general meeting by passing a special resolution.

The private companies are now exempted. Hence, Board of Directors of private companies have been empowered to do following acts and are not required to seek the approval of members:

- a. to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company,
- b. to invest compensation received on merger or amalgamation;
- c. to borrow money in excess of aggregate of paid-up share capital and free reserves; and
- d. to remit, or give time for the repayment of, any debt due from a director.

The similar provisions of the section 293 of Companies Act, 1956 were not applicable to private companies.

SECTION 184(2) SHALL APPLY WITH THE EXCEPTION THAT THE INTERESTED DIRECTOR MAY PARTICIPATE IN SUCH MEETING AFTER DISCLOSURE OF HIS INTEREST

Section 184 deals with disclosure of interest by the directors of companies. Section 184(2) provides that the directors of a private company must refrain from participating in a board meeting where a matter in which they are interested is to be discussed.

This created impractical situation in case of private companies, which did not have any disinterested directors on a matter under consideration. The private companies have now been exempted from the provisions of Section 184(2), implying thereby that the interested director of the private companies can take part in the meetings of the board after disclosing their interest.

Although, this provision will certainly lead to ease of decision making by private companies, there seems to be some anomaly. Such an interested director may participate in a Board meeting of a private company after disclosure of his interest but he cannot be counted for the purpose of ascertaining quorum under section 174(3).



➤ The exemption notification for private companies is a much awaited one. With these exemptions, it is expected that many companies would be able to carry on their businesses with ease.

Section 300 of Companies Act, 1956 provided that director shall not take part in the discussion or vote on any contract or arrangement entered or proposed to be entered by the company if such director is interested. Further, the presence of interested director was not to be counted for the purpose of quorum. This section in entirety was not applicable to private companies.

The exemption now given to private companies allows an interested director to participate in a matter where he is interested. However, no exemption has been provided for private companies as regards quorum as section 174(3), which provides directors who are not interested and present at the meeting shall be the quorum. Whereby, there can be a situation where a Board Meeting of a private company may not be held for want of quorum of disinterested directors although exemption has been given for an interested director to vote in a matter where he is interested.

SECTION 185 SHALL NOT APPLY TO PRIVATE COMPANIES SUBJECT TO CONDITIONS

Section 185 of Companies Act, 2013, prohibits a company from advancing loan (including represented by book debt) to any of its directors or to any other person in which the director is interested. Prohibition even extends to giving of guarantee or providing any security in connection with any loan that the directors avail in their personal capacity.

Provisions of Section 185 shall not apply to a private company if the following conditions are fulfilled:

- (a) in whose share capital no other body corporate has invested any money;
- (b) if the borrowings of such a company from banks or financial institutions or anybody corporate is less than twice of its paid up share capital or fifty crore rupees, whichever is lower; and
- (c) Such a company has no default in repayment of such borrowings subsisting at the time of making transactions under this Section.

The limit on borrowings includes borrowings by way of inter-corporate deposits as well, thereby affecting the debt-to-equity ratio. The fact that the private company should not have a corporate shareholder has been perceived as impractical since inter-corporate shareholdings are prevalent in the corporate sector.

Section 185 of Companies Act, 2013 has parallel to Section 295 and 296 of Companies Act, 1956. The private companies were exempted from section 295 & 296 of Companies Act, 1956 without any conditions.

SECTION 196(4) & (5) SHALL NOT APPLY

Section 196(4) deals with approval of the terms and conditions of appointment of Managing/Whole time Director/Manager by the Board/General Meeting/Central Government as the case may be. Section 196(5) deals with validating actions of Managing/Whole time Director/Managers, if the appointment is not approved by a company in general meeting.

Section 196(4) and Section 196(5) are now not applicable to private companies. Thus, in case of private companies the appointment or remuneration of the Managing Director, Whole time Director or the Manager does not require approval at the Board Meeting/General Meeting and subsequently the approval of Central Government is also not required, even if the conditions for appointment are not as per the requirements of Schedule-V of the Act.

Section 196 of Companies Act, 2013 is similar to sections 197A, 267, 269, 317, 384, 385 and 388 of the Companies Act, 1956 read with Schedule XIII. Broadly they were not applicable to private companies which are not subsidiaries of public limited companies.

MINIMUM CAPITAL REQUIREMENT

Another relief to private companies has been brought through the Companies(Amendment) Act, 2015 whereby the requirement of minimum paid-up share capital of rupees 1 lac for private companies has been dispensed with.

CONCLUSION

Private companies have a critical role to play in the growth of the economy. Most of the start-ups are floated as private companies and therefore it is essential that such companies are not burdened with cumbersome compliances. In this context, the exemption notification for private companies is a much awaited one. With these exemptions, it is expected that many companies would be able to carry on their businesses with ease.

The Ministry of Corporate Affairs is mindful of the stakeholders' voice and it does consider the suggestions received and concerns expressed. The Ministry of Corporate Affairs has constituted Companies Law Committee to make recommendations to the Government on issues arising from the implementation of Companies Act, 2013. The Committee has invited suggestions/comments from the stakeholders in this regard, to assist its deliberations and is expected to submit its report to the Government in the next 6 months.

CS



Corporate Laws

LW: 057:07:2015

BAJAJ AUTO LTD v. WESTERN MAHARASHTRA DEVELOPMENT CORPORATION LTD [BOM]

Appeal No. 153 of 2010

Mohit S. Shah, C.J. & B.P. Colabawalla, J. [Decided on 08.05.2015]

Section 111A of Companies Act, 1956 read with section 58 of the Companies Act, 2013 – public company – free transferability of shares – two JV partners among themselves having provision of right of first refusal – whether tenable – Held, Yes.

Brief facts:

The arbitral award passed by the Arbitrator was in favour of the Appellant. In a nutshell, the Arbitrator held that the 27% shareholding of the Respondent (30,85,712 equity shares) in a company called Maharashtra Scooters Ltd. ("MSL"), are to be valued, for the purposes of sale to the Appellant, at the rate of Rs. 151.63 per share as on 3rd May, 2003. MSL is jointly promoted by the Appellant and the Respondent and is a public company whose shares are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

Being dissatisfied with the arbitral award, the Respondent before us (original Petitioners) challenged the same before the learned Single Judge under the provisions of section 34 of the Arbitration and Conciliation Act, 1996 ("Arbitration Act") on various grounds as set out in the Arbitration Petition. After hearing the parties, the learned Single Judge, by an elaborate and reasoned order, negated all the contentions of the Respondent, save and except one, on the basis of which the award was set aside. In a nutshell, the ground on which the award was set aside by the learned Judge was that Clause 7 of the Protocol Agreement entered into between the parties and which gave the right of first refusal to the Appellant

to purchase the shareholding of the Respondent, was contrary to section 111A of the Companies Act, 1956 ("the Companies Act").

The learned Judge held that the effect of Clause 7 of the said Agreement was to create a right of pre-emption between the Appellant and the Respondent for the purchase of each other's shares in MSL. The learned Judge held that MSL being a public company, the Appellant and the Respondent (being shareholders), could not have a pre-emption clause *inter-se* between themselves as the same was violative of section 111A(2) of the Companies Act. On that count alone the learned Judge set aside the arbitral award. Being aggrieved by this portion of the impugned order, the Appellant had appealed to the Division Bench.

Decision: Appeal allowed.

Reason:

In this Appeal, the real controversy revolves around clause 7 of the Protocol Agreement and whether it impinges on the free transferability of shares of a public company as contemplated under section 111A of the Companies Act.

Clause 7 of the Protocol Agreement *inter alia* provides that if either party desires to part with or transfer its shareholding or any part thereof in the equity share capital of MSL, such party shall give first option to the other party for the purchase of such shares at the agreed price, or in the absence of such agreement, decided upon by arbitration. The party desiring to part with or transfer its shareholding or any part thereof, is required to give written notice to the other party specifying its intention to do so and the rates at which it is willing to transfer / part with the same. Once this is done, clause 7 envisages 3 scenarios. (1) If the other party within 30 days of receipt of such notice agrees to such proposal, the party giving the notice is bound to sell such shares at the rate specified in the notice. (2) If the other party is willing to purchase the shares but considers the rate proposed in the notice as too high or unacceptable, it would communicate its intention to purchase the shares within 30 days from receipt of the notice and the question of rate is to be referred to arbitration. (3) If the other party, on receiving the notice to purchase the shares, fails to accept the said proposal within 30 days of its receipt, the party giving the notice is free to sell the shares to any other person, but only at a rate not less than the rate specified in such notice.

Having said this, we shall now turn our attention to certain statutory provisions. Before we deal with the provisions of section 111A, we must make a note of the provisions of section 22A of the Securities Contracts (Regulation) Act, 1956 which was inserted in the said Act by the Securities Contracts (Regulation) (Amendment) Bill, 1985 and was a predecessor to section 111A of the Companies Act.

The wordings of section 22A as well as the objects and reasons discussed above make it clear that section 22A was introduced to ensure that the Board of Directors of public companies exercising



powers under its Articles of Association, do not place an undue burden on small investors by refusing to transfer shares without assigning any reason. In light of the language of section 22A as well as the statement of objects and reasons, we do not read section 22A(2) to mean that it would affect the right of individual shareholders to deal with their own shares on such terms and conditions as they deem fit or to enter into any consensual arrangement / agreement regarding their own shares by way of sale, pledge, pre-emption or otherwise.

Once the context in which section 22A had been inserted is understood, it cannot be said that two individual shareholders entering into a consensual agreement to deal with their shares in a particular manner, either in *praesenti* or at a future date, would impinge or violate the concept of free transferability as contemplated under section 22A(2). The purpose of the said provision, as we understand it, was to ensure that the Board of Directors of the company cannot refuse transfer of shares except on the grounds specified in the said section. This does not mean that if an individual shareholder enters into a separate agreement with another shareholder to deal with his specified shares in a particular manner, the same would violate the concept of free transferability as envisaged under section 22A.

We have come to this conclusion because we find that shares of a company are movable property and the right of the shareholder to deal with his shares and / or to enter into contracts in relation thereto (either by way of sale, pledge, pre-emption etc.), is nothing but a shareholder exercising his property rights. Such contracts voluntarily entered into by a shareholder for his own shares giving rights of pre-emption to a third party / another shareholder, cannot constitute a restriction on free transferability as contemplated under section 22A. In fact, such contracts (either by way of sale, pledge or pre-emption) are entered into by a shareholder in exercise of his right to freely deal with and / or transfer his own shares.

Having said this, we now turn our attention to section 111A of the Companies Act. By the Depositories Act, 1996 the entire scheme/provisions of section 22A of the Securities Contracts (Regulation) Act, 1956 were deleted and simultaneously section 111A was inserted in the Companies Act.

We find that even the sweep of section 111A of the Companies Act is the same as section 22A of the Securities Contracts (Regulation) Act, 1956. Sub-section (2) opens with the expression "subject to the provisions of this section". In other words, it is a provision re-stating that the shares or debentures and any interest therein of a company shall be freely transferable subject, however, to the other provisions of section 111A. The proviso to sub-section (2) reinforces that section 111A is to regulate the powers of the Board of Directors of the company regarding transfer of shares or debentures or any interest therein of a company. As set out in the proviso to sub-section (2), the Board of Directors can refuse to register transfer of shares only if sufficient cause to do so is made out. Section 111A and more particularly sub-section (2) thereof,

is not a provision to curtail the rights of the shareholders to enter into a consensual agreement/arrangement with a purchaser in relation to their specific shares. The right to enter into a consensual agreement/arrangement must prevail so long as it is in conformity with the Articles of Association, the provisions of the Companies Act and Rules, and other governing laws. Therefore, the expression "freely transferable" appearing in sub-section (2) of section 111A cannot be construed to mean that it also intends to take away the right of shareholders to enter into consensual agreements/arrangements with the purchaser in relation to their specific shares.

We are of the view that if the legislature intended to take away that right, it would have made an express provision in that regard. It is now quite well settled by the Supreme Court that the Legislature does not interfere with the freedom of contract generally except when warranted by public policy and the Legislative intent in that regard is expressly made manifest. [See *Byram Pestonji Gariwala v. Union Bank of India* [(1992) 1 SCC 31]. The Supreme Court has also further expounded that while enacting a statute, Parliament cannot be presumed to have taken away the right in property and deprivation of a legal right existing in favour of a person. [See *ICICI Bank Ltd v. SIDCO Leathers Ltd.* (2006) 10 SCC 452].

The concept of free transferability would mean that a shareholder has the freedom to transfer his shares on terms defined by him, provided the terms are consistent with the Articles of Association as well as the Companies Act and Rules and other governing laws. The fact that the shares of a public company can be subscribed to by the public, unlike in the case of a private company, does not in any way whittle down the right of a shareholder of a public company to arrive at a consensual agreement/arrangement (either by way of sale, pledge, pre-emption etc.) with a third party or another shareholder, which is otherwise in conformity with the Articles of Association, the Companies Act and Rules, and any other governing laws.

Even otherwise, we find force in the argument that such a clause (clause 7), even if incorporated in the Articles of Association of a public company, would not in any way violate the principles of free transferability of shares as contemplated under section 111A of the Companies Act. Clause 7 of the Protocol Agreement and which finds place in the Articles of MSL by virtue of incorporation of the Protocol Agreement in its Articles, only sets out how the Respondent and the Appellant are to deal with their respective shareholdings. It is not a blanket pre-emption clause which binds all the shareholders of MSL to sell their shares only to other members of MSL, which clauses are incorporated in the Articles of Association of a private company. Pre-emption clauses in the Articles of a private company are in the nature of a blanket restriction on all its members, and such clauses if incorporated in the Articles of a public company would certainly amount to a restriction on free transferability of shares as envisaged under section 111A. However, that is not the case before us. Clause 7 of the Protocol Agreement and which has been incorporated in the Articles of Association of MSL, only relates to the shareholding of the Appellant and the Respondent and their rights and liabilities in relation thereto. It does not in any



way affect the rights and/or liabilities of the other members of MSL. In this view of the matter, we are of the view that merely because Clause 7 of the Protocol Agreement was incorporated in the Articles of MSL, would not invalidate the same. We are also persuaded to take this view because we find that in today's global reality, joint ventures are extremely common and clauses similar to Clause 7 of the Protocol Agreement may become necessary to ensure that a joint promoter of a company does not sell his shareholding to a competitor who then possibly could get control of his rival. In this view of the matter and looking to the totality of the facts and circumstances of the case, we are clearly of the view that Clause 7 of the Protocol Agreement does not in any way impinge upon the principle of free transferability of shares as contemplated under section 111A of the Companies Act, 1956.

We must also mention here that agreements like the one contained in clause 7 of the Protocol Agreement before us, have now been expressly made a part of section 58 of the Companies Act, 2013.

Sub-section (2) of section 58 specifically provides that without prejudice to sub-section (1), the securities or other interest of any member in a public company shall be freely transferable. However, the proviso to the said section stipulates that any contract or arrangement between two or more persons in respect of transfer of securities shall be enforceable as a contract.

For all the reasons set out earlier in this judgement, and coupled with the fact that the reasoning given in the impugned order before us has been specifically disagreed with by another Division Bench of this Court in the case of Messer Holdings Ltd., we are unable to uphold the order of the learned Single Judge insofar as it set aside the impugned award on the ground that Clause 7 of the Protocol Agreement imposed a restriction on free transferability of shares as contemplated under section 111A of the Companies Act, 1956.

In conclusion, we hold that Appeal No. 153 of 2010 is allowed and the impugned order dated 15th February 2010 is set aside insofar as it set aside the arbitral award on the ground that Clause 7 of the Protocol Agreement was in the nature of a restriction on free transferability of the shares and was therefore contrary to section 111A of the Companies Act, 1956.

LW: 058:07:2015

GOLF TECHNOLOGIES (P) LTD & ANR v. AXIS BANK LTD & ORS [DEL]

CS (OS) No.4095 of 2014

Najmi Waziri, J. [Decided on 29.05.2015]

SARFAESI Act – section 13 and 17 – jurisdiction of civil court- recovery proceedings initiated by bank against

the defaulting borrower- borrower filed civil suit alleging fraud played by the bank- whether maintainable- Held,No.

Brief facts:

This is a suit challenging the measures taken by defendant Bank under Section 13 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest. The ground alleged in the suit is fraud by the bank played upon the plaintiffs.

On 21.4.2015, after summons were issued, the Bank took a preliminary objection to the maintainability of the suit on the ground that the appropriate remedy available to the plaintiffs is under Section 17 of the Act and that it was always open to the plaintiffs to have approached the Debts Recovery Tribunal (for short "DRT") concerned for the reliefs sought in the present suit. Accordingly, the learned counsels for the parties were heard on the issue of maintainability of the suit.

Decision: Suit dismissed.

Reason:

The limited issue before this Court is whether the nature of fraud, as alleged by the plaintiffs, could form the basis of maintainability of the present suit under the exception carved out by the Supreme Court in *Mardia Chemicals* case reported in 2004 (4) SCC 311. In effect, it has to be determined whether this suit would be maintainable against measures taken under Section 13 of the Act.

It is evident that the bar of jurisdiction is twofold. Firstly, civil courts shall not entertain any suit or proceeding in respect of any matter which a DRT or the Appellate Tribunal is empowered by or under the Act. Secondly, no injunction shall be granted by any court or other authority in respect of any action taken or to be taken in pursuance of any order conferred under the SARFAESI Act or the RDDB Act. However, as per *Mardia Chemicals (supra)*, jurisdiction of civil courts can be invoked only when the action of the secured creditor is alleged to be fraudulent or his claim so absurd and untenable.

At this juncture, from the decisions of *V. Thulasi v. Indian Overseas Bank* (2011) 8 Mad LJ 441 and *State Bank of India v. Jigishaben B. Sanghavi & Ors* of the Bombay High Court the following legal propositions emerge apropos the maintainability of a suit on the ground of fraud:

- The exception carved out by the Supreme Court in *Mardia Chemicals (supra)* is a very limited exception. Like all exceptions, it has to be construed strictly.
- The averments in the plaint have to be considered as a whole. A mere allegation of fraud cannot lead to the maintainability of a suit. The Court is duty bound to see if the allegations of fraud are made only for the purpose of maintaining a suit.



c. Sufficiency of recourse under Section 17 of the Act would bar a suit.

On a meaningful reading of the plaint as a whole, it appears that in sum and substance, the plaintiffs' case is that the letter dated 31.12.2012 was not issued by them and that it was fraudulently created by the Bank, hence the transfer of monies from the plaintiffs' account to M/s. Tulip Telecom Limited was wrong and the said amount was depleted from their account only to classify it as an NPA. This according to the plaintiffs amounts to fraud and would form the basis of the maintainability of the present suit.

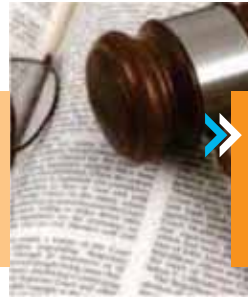
This Court is of the view that if a standard classic defence, such as fraud by the Bank, is allowed to form the basis for maintaining a suit, then the provisions of the Act would become redundant, all the more so in the face of the express stipulation in Section 34 thereof. Moreover, if the test laid down in *V. Thulasi (supra)* and *State Bank of India (supra)* are applied to the present case, this Court would have no hesitation in holding that the present suit does not fall within the exception carved out by *Mardia Chemicals (supra)*. Indeed, the Court cannot be oblivious to whether the allegations of fraud and misrepresentation are made only for the purpose of creating cause of action, thereby leading to the maintainability of the suit.

This Court is also of the view that in the present case, the plaint does not aver any complicated facts leading to the case of fraud or how the measures adopted by the Bank are fraudulent/absurd/untenable. There is nothing in the plaint which would lead to the conclusion that the plaintiffs' case falls under the exception carved out by *Mardia Chemicals (supra)*, i.e., the plaintiffs' grievances ought to be determined in a suit.

In the facts and circumstances of the case, this Court is of the view that the issue of fraud sought to be raised in this suit can well be agitated in proceedings under Section 17 of the Act since the plaintiffs evidently fall in the category of "any person" thereof.

Furthermore, there is no force in the contention of advanced on behalf of the plaintiffs that the DRT is not empowered to determine the issues sought to be agitated in the present suit. It is not as if the remedy provided under Section 17 of the Act is illusory. The expression "evidence produced by the parties" occurring in Section 17(3) would include all such which can be produced by the plaintiffs to show that the measures taken by the Bank under Section 13 were not in conformity with the provisions of the Act. It has been so held in *V. Thulasi (supra)*.

In the context of the preceding discussion this Court is of the view that the ground of fraud raised by the plaintiff can be duly addressed in proceedings under Section 17 of the SARFAESI Act, 2002 and the said plea of fraud, in the peculiar facts and circumstances of the case, does not fall in the exception carved out in *Mardia Chemicals (supra)*. Therefore, the suit is not maintainable and is accordingly, dismissed.



General Laws

LW: 059:07:2015

COMMON CAUSE vs UNION OF INDIA [SC]

W.P.(C) No. 13 of 2003 with W.P. (C) No. 197 of 2004 & W.P. (C) No.302 of 2012

Ranjan Gogoi & Pinaki Chandra Ghose, JJ. [Decided on 13/05/2015]

Public advertisement by government – Supreme Court issues directions based on the recommendation of the committee.

Brief facts:

Common Cause and Centre for Public Interest Litigation, two registered bodies, have approached the Supreme Court under Article 32 of the Constitution seeking an appropriate writ to restrain the Union of India and all State Governments from using public funds on Government advertisements which are primarily intended to project individual functionaries of the Government or a political party. The writ petitioners have also prayed for laying down of appropriate guidelines by this Court to regulate Government action in the matter so as to prevent misuse/wastage of public funds in connection with such advertisements.

The writ petitions, filed as public interest litigations, were resisted by the Union of India primarily on the ground that the issues sought to be raised pertain to governmental policies and executive decisions in respect of which it may not be appropriate for the Court to lay down binding guidelines under Article 142.

The issues arising in the writ petitions were considered by the Court and by order dated 23.04.2014, a three member committee was constituted to go into the matter and submit a report to the Court.

In terms of the order of this Court, the Committee was duly constituted and after full deliberations in the matter, a report had been submitted by the Committee suggesting a set of guidelines for approval of this Court. It is the plea of the petitioner that the said guidelines should be approved by this Court and directions be issued under Article 142 of the Constitution of



India for enforcement of the said guidelines until an appropriate legislation in this regard is brought into effect by the Parliament.

Decision & Reason:

We may very briefly deal with the situation prevailing in other jurisdictions across the globe. While, undoubtedly there can be no blind adherence to the practices followed in other jurisdictions as what may be appropriate to another country may not be ideal in the Indian context, the correct approach will be to discern some of the best practices prevailing in such jurisdictions and thereafter to test the relevance of the same to our own country.

In this regard we may usefully, though illustratively, make a reference to certain practices prevailing in Canada, United Kingdom, New Zealand and Australia. Insofar as Canada(Ontario) is concerned, it appears that the object of issuing a government advertisement is : (i) to inform the public of current or proposed government policies, programs or services available to them; (ii) to inform the public of their rights and responsibilities under the law and (iii) to encourage or discourage specific social behaviour in public interest. Such advertisements are not to include the name, voice or image of any functionary of the State and the primary objective of an advertisement ought not to be to foster a positive impression of the ruling government or a negative impression of any person, group or party critical of the government.

In some of the foreign jurisdictions there is a mechanism for review of advertisements on fixed parameters even before they are published and publication/issuance thereof only upon passing of the required test. In Australia and United Kingdom, there is an added emphasis on the cost effectiveness of advertising campaigns. In Australia, advertising campaigns of more than a particular pecuniary value i.e. 1million Australian dollars require to undergo a cost benefit analysis wherein the best options to achieve the intended objective of the campaign has to be determined before launching the same.

The good practices adopted in other jurisdictions as noticed above do find adequate reflection in the recommendations of the Committee which further fortify our conviction to adopt the same.

This will require the Court to consider the different aspects of a government advertisement campaign highlighted earlier on which we have reserved our comments. The first is with regard to publication of photographs of functionaries of the State and political leaders along with the advertisement issued. There can be no manner of doubt that one government advertisement or the other coinciding with some event or occasion is published practically every day. Publication of the photograph of an individual be a State or party functionary not only has the tendency of associating that particular individual with either the achievement(s) sought to be highlighted or being the architect of the benefits in respect of which information is sought to be percolated.

Alternatively, programmes/targets for the future as advertised carry the impression of being associated with the particular individual(s). Photographs, therefore, have the potential of developing the personality cult and the image of one or a few individuals which is a direct antithesis

of democratic functioning.

The legitimate and permissible object of an advertisement, as earlier discussed, can always be achieved without publication of the photograph of any particular functionary either in the State of a political party. We are, therefore, of the view that in departure to the views of the Committee which recommended permissibility of publication of the photographs of the President and Prime Minister of the country and Governor or Chief Minister of the State alongwith the advertisements, there should be an exception only in the case of the President, Prime Minister and Chief Justice of the country who may themselves decide the question. Advertisements issued to commemorate the anniversaries of acknowledged personalities like the father of the nation would of course carry the photograph of the departed leader.

Insofar as the recommendation with regard to the appointment of Ombudsman is concerned, we are of the view that for ironing out the creases that are bound to show from time to time in the implementation of the present directions and to oversee such implementation the government should constitute a three member body consisting of persons with unimpeachable neutrality and impartiality and who have excelled in their respective fields. We could have but we refrain from naming the specific persons and leave the said exercise to be performed by the Union Government.

Insofar as performance/special audit is concerned, we do not feel the necessity of any such special audit inasmuch as the machinery available is adequate to ensure due performance as well as accountability and proper utilization of public money.

If Government advertisements adhere to the objects and parameters mentioned above we do not feel the necessity of imposing a special curb on government advertisements on the eve of the elections, as suggested by the Committee.

We close the matters on the aforesaid note by approving and adopting the recommendations of the Committee except what has been specifically indicated above with regard to (1) publication of photographs of the Government functionaries and political leaders alongwith the advertisement(s). (2) appointment of an Ombudsman (3) the recommendation with regard to performance audit by each Ministry.

LW: 060:07:2015

SHREE LAXMI TRADING CORPORATION & ORS
v. PEC LTD [DEL]

CRL.M.C. NO.1509/2015 & CRL.M.A. NO. 5553/2015

Manmohan Singh, J. [Decided on 29/05/2015]

Negotiable Instruments Act,1881 – sections 138,142 and 145 – dishonour of cheque – jurisdiction of trial court – stage



of cross examination reached – whether ratio of Dashrath Rupsingh case applicable to return the complaint – Held, No.

Brief facts:

The petitioners were summoned for the offence punishable under Section 138 read with Section 142 of The Negotiable Instruments Act, 1881 (hereinafter referred to as the "Act"). Thereafter, notices under Section 251 Cr.P.C were served upon the petitioners. They pleaded not guilty and claimed trial. Thereafter the matter was posted for cross examination of CW1/complainant's witnesses. Many adjournments were obtained for the purposes of cross examination. The question of territorial jurisdiction was raised by the petitioners immediately when the judgment of *Dashrat Rupsingh Rathod v. State of Maharashtra & Anr reported in 2014 (9) SCC129* was rendered by the Supreme Court. The main contentions of the petitioners are that the drawee bank is situated in Mumbai and also the stage of recording of evidence under Section 145 (2) of the Act has yet not commenced, therefore the complaint is liable to be returned to the complainant for filing in the Court who has competent jurisdiction to try the same.

The trial court rejected the plea of the petitioners by order dated 29th November, 2014. The said order was challenged by the petitioners on filing of Revision Petitions, which were dismissed by a detailed order passed on 24th March, 2015 by a common judgment and the same has been challenged by the petitioners before this Court in the present petitions.

Decision: Petition dismissed.

Reason:

As already mentioned, the argument of the petitioners is that the stage of Section 145 (2) of the Act, has not arrived in the present proceedings and therefore, the complaint needs to be returned. The reply of the respondent before the trial court was that the matter has already reached the stage of Section 145 (2) of the Act and therefore, the complaints are not liable to be returned on the issue of the territorial jurisdiction and the matter has to be proceeded further under these circumstances.

Many adjournments for the purpose of cross-examination were taken by the petitioners. The exemptions for personal appearance of accused were also granted to the petitioners. It appears from the order sheets that even last and final opportunities for cross- examination of CW-1 were granted. The judgment by the Supreme Court was delivered on 1st August, 2014 and on the next date the question of territorial jurisdiction was raised on behalf of the petitioners.

From the scheme of Sections 251 to 255 Cr.P.C., it is apparent that once notice under Section 251 Cr.P.C. has been framed and the accused pleads not guilty, the matter goes to the stage of recording of evidence under Section 254 Cr.P.C. There is no other intermediate stage between framing of notice and recording of evidence.

As far as a complaint under Section 138 of the Act is concerned, Section 143 of the Act provides that all offences under the said Chapter are to be

tried in accordance with the provisions of Sections 262 to 265 Cr.P.C., which provides for summary trials. Section 145 (1) of the Act provides for reception of evidence on affidavit and 145 (2) of the Act provides an opportunity to the accused to move an application for cross examination of the complainant or his witnesses. Even under such procedure, there is no intermediate stage between framing of notice under Section 251 Cr.P.C. and recording of evidence, either under Section 145(1) or (2) of the Act. Once notice under Section 251 Cr.P.C. stood framed, a complaint under Section 138 of the Act has reached the stage of recording of evidence.

Counsel for the petitioners has admitted the fact that the respondent has admittedly adopted pre-summoning evidence as post summoning evidence. The said statement was made by the respondent on 20th December, 2013 and the matters were put up for cross-examination on behalf of the petitioners for 7th February, 2014. It shows that orders are passed for taking evidence which has already been adduced in view of statement made by the counsel before the Court on 20th December, 2013. For the reasons mentioned above, I do not find any infirmity in the impugned orders. The present petitions are dismissed.

LW: 061:07:2015

AIRWORTH TRAVEL & TOURS PVT LTD v. INTERNATIONAL AIR TRANSPORT ASSOCIATION [DEL]

OMP (I) 28/2015

P. S. Teji, J. [Decided on 29/05/2015]

Bank guarantee – stay against encashment – when can be granted – principles restated.

Brief facts:

The petitioner issued a cheque dated 09.02.2015 for a sum of Rs.11,80,40,844/- which was dishonoured on 11.02.2015 and as a consequence thereof, the notice of irregularity was issued to the petitioner on account of dishonour of cheque. Prior to 11.02.2015, the accounts were settled and the payment was made of the amount due against the sale of tickets till 31.01.2015. The notice of default was issued on 16.02.2015 by the respondent to the petitioner to settle its account by 31.03.2015.

On 17.02.2015, the request was made to the Travel Agency Commissioner to revoke the default notice issued by the respondent, restrain the respondent from invoking the bank guarantee amounting to Rs.4.10 crores and insurance cover amounting to Rs.14,28,72,000/- and the ground taken was of non- payment by the so called sub-agent against the tickets sold to the passengers. In the civil suit bearing CS(OS) No.406/2015, the petitioner had already been restrained from making recommendation seeking cancellation of passenger tickets vide order dated 15.02.2015.

The petitioner invoked arbitration and moved the present petition



seeking to restrain the respondent from invoking Bank Guarantee dated 24.12.2012 amounting to Rs.4.10 crores, insurance cover amounting to Rs.14,28,72,000/- and directing the respondent to revoke the notice of default dated 16.02.2015.

Decision: petition dismissed.

Reason:

Apparently, the dispute in the present case is settlement of account on account of dishonouring the cheque dated 09.02.2015 on 11.02.2015 against the admitted liability. During the pendency of civil suit bearing CS(OS) No.406/2015 in which the restrain order restraining the petitioner-herein to cancel the passenger tickets was already in operation, the plea of the cancellation of passenger tickets has been put forward on 17.02.2015 after passing of restrain order dated 15.02.2015 by this Court when the matter was already sub-judice before this Court and it was so observed by the Travel Agency Commissioner vide its order dated 02.03.2015.

It is apparent that the petitioner has issued a cheque dated 09.02.2015 for a sum of Rs.11,80,40,844/- and had not honoured its commitment; the cheque was dishonoured on 11.02.2015; thereafter, so the notice for settlement of account was given for the period till 31.03.2015; during the pendency of the petition, an application bearing I.A. No.5819/2015 was moved by the petitioner on 19.03.2015 with the request to restrain the respondent from further representing the cheque dated 09.02.2015; the said application came up for hearing on 20.03.2015 which was adjourned to 10.04.2015 on the request of the petitioner; the said application was withdrawn by the petitioner on 10.04.2015; the cheque was again presented; again on 30.03.2015 the cheque was dishonoured and the validity of the cheque has come to an end on 09.05.2015. So, the balance of convenience as well as equity does not favour the petitioner. The claim made before the Travel Agency Commissioner is to direct the IATA and other travel agencies to cancel the passenger tickets and adjustment of amount against the dues payable to the respondent on the account that the so called sub-agent has not made the payment of the amount collected from the passengers. Admittedly, civil suit bearing CS(OS) No.406/2015 filed by the so called sub-agent restraining the petitioner-herein to cancel the passenger tickets is pending having interim injunction dated 15.02.2015 against the petitioner- herein not to cancel the passenger tickets. Apart from the above mentioned CS(OS) No.406/2015, the so-called sub-agent has also filed a civil suit bearing CS(OS) No.576/2015 for recovery of a sum of Rs.9,25,50,502/- including Rs.5,00,00,000/- on account of dishonouring of cheque No.988676, dated 21.01.2015 amounting to Rs.5,00,00,000/- issued by the petitioner.

The petitioner despite the restrain order dated 15.02.2015 by this Court restraining them from seeking the cancellation of passenger tickets, does not deserve any discretionary relief. The petitioner has failed to establish the *prima facie* case and irreparable loss as the subject-matter is only the settlement of account, the payment due on the account of dishonour of cheque amounting Rs.11,80,40,844/-

The prayer of the petitioner for continuation of the *status quo* order till the decision of the matter before the Travel Agency Commissioner is not

acceptable since the insurance bond amounting to Rs.14,28,72,000/- is operative upto 30.06.2015. The same is the case of bank guarantee which is of total amount of Rs.4.10 crores against the claim due of Rs.24,92,52,787/-.

In the given circumstances, the petitioner has failed to demonstrate the balance of convenience in its favour and its entitlement for the relief under Section 9 of the Arbitration and Conciliation Act, 1996. More the reason, as per clause 1.14 of Resolution 830a of IATA, no passenger ticket can be cancelled or amended without the express permission of the passenger/customer, particularly when the matter is sub-judice before this Court in CS(OS) No.406/2015 in which the restrain order is operating and the same culminated into disentanglement of the petitioner to claim any relief under Section 9 of the Arbitration and Conciliation Act, 1996. Consequently, the present petition is dismissed. No order as to costs.

LW: 062:07:2015

NESTOR BUILDERS AND DEVELOPERS PVT LTD & ANR v. STATE OF MAHARASHTRA & ORS [BOM]

Writ Petition No.1480 of 2013

S.C. Dharmadhikari & G.S.Kulkarni, JJ [Decided on 24/06/2015]

Registration Act, 1908- section 23 – time for presenting documents for registration – Adjudication of stamp duty on conveyance deed took almost a year – deed when presented to the registrar for registration rejected on the ground of belated presentment- whether tenable – Held, No.

Brief facts:

In pursuance of a permission granted by the Charity Commissioner in favour of the erstwhile owner A.H. Wadia Trust the deed of conveyance in question dated 13 April 2012 came to be executed between A.H. Wadia Trust and the petitioners by which the said property came to be transferred and conveyed in favour of the petitioners. The above said conveyance deed could not be registered within four months i.e. on or before 12/8/2012 due to pending adjudication proceedings before the Collector of Stamps for the determination of the market value of the property. The adjudication was completed and order was passed on 18/02/2013 accepting the market value of the said property at Rs.1,50,00,000/- and determined a stamp duty of Rs.7,50,000/- payable on the said Deed of Conveyance which was paid by the petitioners.

When the petitioners went to register the document with the sub-Registrar under the Registration act, the same was refused to be registered on the ground that it was presented for registration after four months. Aggrieved, the petitioners have approached the High Court.



Decision: Petition allowed.

Reason:

A legal right accrued to the petitioners to get the document registered as per the provisions of the Registration Act cannot stand defeated when such reasons exist which are beyond the control of the party presenting the document for registration.

Having examined the relevant provisions of the Registration Act and applying the above principles of law as laid down by the Supreme Court in *Raj Kumar Dey & Ors v. Tarapada Dey & Ors* reported in AIR 1987 SC 2195, we are of the considered opinion that the time taken by the Collector of Stamps for adjudication is required to be excluded by the respondents in accepting the said document for registration. It would thus be appropriate that in the facts of the present case the respondents are directed not to take into consideration the period from 11 May 2012 to 18 February 2013 which was spent in the adjudication of the said document and excluding the said period, register the petitioners' deed of conveyance.

In the light of the above observations, the respondents are directed to accept the Deed of Conveyance dated 13 April 2012 as presented by the petitioners for its registration under the provisions of the Registration Act.

LW: 063:07:2015

**MANAGING DIRECTOR, TAMIL NADU STATE
TRANSPORT CORPORATION v. HARANI (MINOR)
[MAD]**

CMA No.712 of 2015 and M.P.No.1 of 2015

N. Kirubakaran, J. [Decided on 17/06/2015]

Bus accident- negligence of the crew- death of passenger- compensation awarded by the Tribunal enhanced by the High Court.

Brief facts:

The deceased namely Thangam, claimed to have been doing saree business and earning a sum of Rs.10,000/- per month, was travelling in the bus belonging to the appellant/transport corporation from Koyambedu to Kalpakkam and when she was getting down from the bus at ECR Road, the driver, without noticing the passenger getting down, suddenly started the bus resulting in falling of the victim and sustaining fatal injuries. Therefore, the claim petition has been filed. The tribunal passed an award of Rs.10,78,000/- as compensation. The appellant corporation challenged the award.

Decision: Appeal dismissed.

Reason:

The tribunal, based on evidence of PW2, eye-witness, rightly came to the conclusion that the accident occurred because of the negligent driving of the bus. Therefore the said finding cannot be found fault with. Even though FIR was registered against the deceased, it is to be seen that the complaint was given by the conductor of the bus who cannot be expected by anybody to file complaint against his own driver. Therefore, the conductor of the Transport Corporation filed the complaint alleging the negligence on the part of the deceased. Therefore, the said fact cannot be taken into consideration. RW1 stated that only two passengers were there and the deceased was standing at the steps of the backside of the bus and fell down even before the bus stop was reached. When a passenger wanted to get down in a bus stop, definitely she would wait for the bus stop as she intended to get down at that particular stopping. Moreover, as rightly pointed out by the tribunal, when two passengers were alone left in the bus, both the conductor as well as the driver should have been careful enough to stop the bus. There was no necessity for the deceased to get down even before the bus stop. RW1 himself admitted that the conductor blew the whistle and that itself would prove that only at the instruction of the deceased the conductor blew the whistle compelling the driver of the bus to stop the vehicle at the bus stop. The very fact that she fell down from the bus would show that the bus was stopped and while getting down from the bus, the driver started the bus even before she could get down and therefore she fell down and sustained fatal injuries.

Even if the passenger tried to stand on the foot board and try to get down from the moving bus, taking into consideration that there were only two passengers, the conductor should have been vigilant enough to stop the passenger to stand on the foot board and also get down from the bus. Therefore, it is very clear that there was negligence on the part of the crew of the bus. Therefore the tribunal rightly observed that hurriedness and carelessness of the crew of the bus alone caused the life of the passenger.

The tribunal, considering the loss of father and mother, very justifiably awarded Rs.75,000/- each to the respondents/claimants totalling to Rs.1,50,000/- towards loss of love & affection which is confirmed. Similarly Rs.10,000/- awarded towards funeral expenses is also very reasonable and the same is also confirmed. Since no amount was awarded towards transportation, a sum of Rs.10,000/- is hereby awarded. Thus, the amount of Rs.10,78,000/- awarded by the tribunal is hereby enhanced to Rs.15,47,000/-, rounded off to Rs.15,50,000/- *suo motu* by this Court, in the appeal filed by the transport corporation, in favour of the claimants, invoking Order XLI Rule 33, by re-appreciating the evidence on record.

Even though a point was raised with regard to the awarding of amount in excess of the amount of Rs.8,00,000/- claimed by the claimants, this court, as well as the tribunal is not bound by the amount claimed by the claimants. What is required to be awarded is only a just compensation based on evidence and therefore the said contention is not sustainable and there is no prohibition for this Court to award more compensation than sought for. The rate of interest awarded by the tribunal @ 7.5% is very reasonable and the same is confirmed.



Corporate Laws

01 Clarification on repayment of deposits accepted by the companies before the commencement of the Companies Act, 2013 under section 74 of the said Act

[Issued by the Ministry of Corporate Affairs vide General Circular No.9/2015, dated 18.06.2015.]

This Ministry has received representations seeking clarification regarding processing of the deposits related complaints received from investors under section 74 of the Companies Act, 2013 (the said Act) in respect of defaults made by companies in repayment of deposits accepted by them before the commencement of the said Act i.e. before 1st April, 2014 and filing of prosecutions against defaulting companies by the Registrars of Companies/Regional Directors.

- The matter has been examined in the Ministry and it is clarified that vide Removal of Difficulties (Second) Order [S.O. 1428(E)] dated 2nd June, 2014 and Removal of Difficulties (Fourth) Order I.S.O. 1460(E) dated 6th June, 2014, the Company Law Board has been empowered to exercise the powers of National Company Law Tribunal under sub-section (4) of section 73 and subsection (2) of section 74 of the said Act, till the latter's constitution. Thus, a depositor is free to file an application under section 73(4) of the said Act, with the Company Law Board if the company fails to make repayment of deposits accepted by it. Further the company may also file application under section 74(2) of the said Act with the Company Law Board seeking extension of time in making the repayment of deposits accepted by it before the commencement of the provisions of the said Act.
- Further, attention is also drawn to Explanation appearing below Rule 19 of the Companies (Acceptance of Deposits) Rules, 2014 which clarifies the conditions subject to which a company would be deemed to have complied with the requirements laid down in Section 7a(1)(b) of the Companies Act, 2013

Companies can repay deposits accepted prior to 1st April, 2014 in accordance with terms and conditions for which the deposits had been accepted.

- It is also clarified that there is no bar on the Registrar of Companies for filing of prosecution against a company if such company fails to make repayment of deposits accepted by it under the provisions of the Companies Act, 1956 or Companies Act, 2013, subject to the contents of para 3 above.

This issues with the approval of the competent authority.

K.M.S. Narayanan
Assistant Director

02 Extension of time for filing of Notice of appointment of the Cost Auditor for the F.Y. 2015-16 in Form CRA-2 and filing of cost audit report to the Central Government for the F.Y. 2014-15 in form CRA-4

[Issued by the Ministry of Corporate Affairs vide General Circular No.8/2015, dated 12.06.2015.]

The Ministry has received several representations about the non-availability of the revised form CRA-z on MCA-21 required for filing of notice of appointment of the Cost Auditor for the F.Y. 2015-16, although the time Limit for filing of the same has either lapsed or will be lapsing. The revised form CRA-2 has now been notified on 12th June, 2015 and is available on the MCA21 system for filing.

- In view of the delay in availability of revised Form CRA-2 on the MCA21 portal, however, the additional fee on account of any delay beyond the prescribed period of 30 days from the date of Board Meeting in which the appointment of the Auditor was made for filing of CRA-2 for the financial year starting on or after 1st April, 2015 is waived for all such filings till 30th June, 2015.
- The revised e-Form CRA-4 has also been notified vide the above mentioned notification and will be made available on MCA-21 portal shortly. Therefore, on the similar lines mentioned in above paras, additional fees on delayed filing of form CRA-4 beyond the prescribed period of 30 days from the date of receipt of a copy of Cost Audit Report from the Cost Auditor for the Financial Year starting on or after 1st April, 2014 is also waived for all such filings till 31st August, 2015.
- This issues with the approval of the Competent Authority.

K.M.S. Narayanan
Assistant Director



03 The Companies (Cost Records and Audit) (Amendment) Rules, 2015

[Issued by the Ministry of Corporate Affairs vide F.No. 1/40/2013-CL-V, dated 12.06.2015. To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)]

In exercise of the powers conferred by sub-sections (1) and (2) of section 469 and section 148 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (cost records and audit) Rules, 2014, namely:-

1. (1) These rules may be called the Companies (cost records and audit) (Amendment) Rules, 2015.
- (2) They shall come into force from the date of their publication in the official Gazette.

In the Companies (cost records and audit) Rules, 2014, in the Annexure, for Forms CRA-2 and CRA-4, the following forms shall respectively be substituted, namely:

"FORM - CRA-2
(Pursuant to sub-rule (2) of rule 6 and sub-rule (3A) of rule 6)

Form of intimation of appointment of cost auditor by the company to Central Government.

Form language: English Hindi

Note: Refer the instruction kit for filing the form. All fields marked in * are to be mandatorily filled. IN CASE OF REVISED CRA-2, ALL THE DETAILS MUST BE FILLED AFRESH.

1. (a) *Corporate identity number (CIN) or foreign company registration number (FCRN) of the company **Pre-fill**
- (b) Global location number (GLN) of company
2. (a) Name of the company
- (b) Address of the registered office or of the principal place of business in India of the company
- (c) *e-mail ID of the company
- (d) *Phone (with STD code)
- (e) *Nature of intimation of appointment of cost auditor(s)
- (f) (i) *SRN of CRA-2/3C filed earlier for appointment of cost auditor(s) for the current Financial Year
- (ii) *Number of such auditor(s) whose place of office is vacated
- (g) Particulars of the auditor(s) whose place of office is vacated
 - (i) *Firm registration number (FRN) of the Cost Auditor/Cost Auditor's Firm/LLP
 - (ii) *Name of the Cost Auditor/Cost Auditor's Firm/LLP
 - (iii) *Date of casual vacancy
 - (iv) *Reason of casual vacancy
3. *Product(s)/Service(s) to which Cost Audit relates
 - (a) Number of Industries/Sectors/Product(s)/Service(s) (CETA Heading Level, wherever applicable as per rules covered under regulated sectors)
Details of such industries/sectors/product(s)/service(s)

Industries/sectors/product(s)/service(s)	CETA heading (wherever Applicable)	No. of tariff items/ Product(s)/ service(s)

 - (b) Number of Industries/Sectors/Product(s)/Service(s) (CETA heading level, wherever applicable as per rules) covered under non regulated sectors
Details of such industries/sectors/product(s)/service(s)

Industries/sectors/product(s)/service(s)	CETA heading (wherever Applicable)	No. of tariff items/Product(s)/ service(s)
4. *Details of all the cost auditor(s) appointed
 - (i) *Number of cost auditor(s)
 - (ii) *Category of the auditor: Individual Partnership firm Limited liability partnership (LLP)
 - (iii) *Membership number of the Cost Auditor/ member representing the Cost Auditor's Firm/LLP
 - (iv) *Name of the Cost Auditor/ member representing the Cost Auditor's Firm/LLP
 - (v) *Firm Registration Number (FRN) of the Cost Auditor/Cost Auditor's Firm/LLP

- (iv) *Name of the Cost Auditor's firm/LLP
- (c) (i) Address: *Line I
Line II
- (ii) *City
- (iii) *State
- (iv) *Country
- (v) *Pin Code
- (vi) *e-mail ID of the firm or member
- (d) *Date of the board meeting in which cost auditor was appointed (DD/MM/YYYY)
- (e) *Type of appointment:
 Original Appointment due to casual vacancy Appointment for new products/services/location
- (f) *Scope of audit of the cost auditor/firm/LLP

5. *Financial year to be covered under the cost audit
From (DD/MM/YYYY) To (DD/MM/YYYY)

6. (a) *Is there any change in cost auditor(s) appointed, from the previous financial year? Yes No Not applicable

(b) *Mention the Firm Registration number(s) and name of the previous cost auditor(s) which has not been reappointed.

(c) *Reasons for change

(d) *Whether the previous cost auditor(s) has/have been informed about the change? Yes No

Attachments

(1) *Copy of Board resolution of the company **Mark**

(2) Optional attachment, if any. **Attach**

List of attachments

Remove Attachment

Declaration

I am authorized by the Board of Directors of the Company vide resolution number dated to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. I also declare that all the information given herein above is true, correct and complete including the attachments to this form and nothing material has been suppressed.

*To be digitally signed by: **DSC BOX**

*Designation:

*Director identification number of the director, or PAN of the Member or CEO or CFO or authorized representative, or Membership number of the Company Secretary

Note: Attention is drawn to provisions of sections 448 and 449 of the Companies Act, 2013 which provide for punishment for false statement / certificate and punishment for false evidence respectively.

Modify **Check Form** **Prescribing** **Submit**

This e-form has been taken on file maintained by the Central Government through electronic mode and on the basis of statement of correctness given by the company.



From the Government

FORM - CRA-4

(Pursuant to sub-rule (6) of rule 6)

Form for filing Cost Audit Report with the Central Government

Form language: English Hindi

Note: Refer the instruction kit for filing the form. All fields marked in * are to be mandatorily filled.

1. (a) *Corporate identity number (CIN) or foreign company registration number (FCRN) of the company **Pre-fill**

(b) Global location number (GLN) of company

2. (a) Name of the company

(b) Address of the registered office or of the principal place of business in India of the company

(c) *e-mail ID of the company

(d) *SRN of ZIC/ CIA-2 used for appointment of Cost Auditor(s) **Pre-fill**

3. (a) Financial year for which cost auditor was initially appointed
From (DD/MM/YYYY) To (DD/MM/YYYY)

(b) *Whether any change in Financial Year: Yes NO

(c) *Changed Financial Year for which report is being filed: From (DD/MM/YYYY) To (DD/MM/YYYY)

(d) *Date of Board of Directors meeting in which Assent to the cost audit report was approved (DD/MM/YYYY)

4. (a) *State number of Industries/ Sectors/ Product(s)/ Service(s) (CETA heading level, wherever applicable as per Rules) for which the Cost Audit Report is being submitted

(i) Regulated

(ii) Non Regulated

(b) Details of such Industries/ Sectors/ product(s)/ service(s) of the company

(c) Details of such industries/sectors/products/services under regulated sectors

Industries/sectors/products/services	CETA heading (wherever Applicable)	No. of tariff items/Product/ services
(a) Details of such industries/sectors/products/services under non-regulated sectors *		
Industries/sectors/products/services	CETA heading (wherever Applicable)	No. of tariff items/Product/ services
5. (a) *State number of Industries/ Sectors/ Product(s)/ Service(s) (CETA heading level, wherever applicable as per Rules) not covered in the Cost Audit Report		
(i) Regulated <input type="checkbox"/>		
(ii) Non-Regulated <input type="checkbox"/>		
(b) (i) Details of such Industries/ Sectors/ product(s)/ service(s) of the company under regulated sector		
Industries/sectors/products/services	CETA heading (wherever Applicable)	No. of tariff items/Product/ services
(ii) (ii) Details of such Industries/ Sectors/ product(s)/ service(s) of the company under non-regulated sector		
Industries/sectors/products/services	CETA heading (wherever Applicable)	No. of tariff items/Product/ services
6. Details of the cost auditor(s) appointed		
*Number of cost auditor(s) appointed <input type="text"/>		
(a) *Category of the auditor: <input type="radio"/> Individual <input type="radio"/> Partnership firm <input type="radio"/> Limited liability partnership (LLP)		
(b) (i) *Membership number of the cost auditor or member representing the cost auditor's firm/LLP <input type="text"/>		
(ii) *Name of the Cost Auditor/ member representing the Cost Auditor's firm/LLP <input type="text"/>		
(c) *Firm registration number(FRN) of the Cost Auditor/Cost Auditor's firm/LLP <input type="text"/>		
(d) *Name of the Cost Auditor's firm/LLP <input type="text"/>		
(ii) (ii) Address: *Line I <input type="text"/>		
Line II <input type="text"/>		
(iii) *City <input type="text"/>		
(iv) *State <input type="text"/>		
(v) *Country <input type="text"/>		
(vi) *Pin Code <input type="text"/>		

(h) *e-mail ID of the firm or member

(i) *Date of the board meeting in which cost auditor was appointed (DD/MM/YYYY)

(e) *Type of appointment: Original Appointment due to casual vacancy Appointment for new products/services/locations

(f) *Scope of audit of the cost auditor/firm/LLP

(g) *Date of receipt of copy of cost audit report by the company (DD/MM/YYYY)

7. (x) *Whether the cost auditor's report has been qualified: Yes No
If yes, please state

(y) *Whether cost auditor's report has any reservations: Yes No
If yes, please state

(z) *Whether cost auditor's report has any adverse remarks: Yes No
If yes, please state

(aa) *Whether the cost auditor's report contain any observations or suggestions: Yes No
If yes, cost auditor's observations/ suggestions

Attachments

- (1) *XBRL document in respect of the cost audit report and Company's information and explanations on every qualification and reservation contained therein
- (2) Optional attachments, if any.

List of attachments

Declaration

To the best of my knowledge and belief, the information given in this form and its attachments is correct and complete. I have been authorised by the Board of Director's resolution number dated (DD/MM/YYYY)

to sign and submit the application.

It is confirmed that the attached XBRL document(s) are the XBRL converted copy(s) of the duly signed cost audit report as required under Section 148(2) and company's information and explanations as required under Section 148(5) of the Companies Act, 2013 and the rules made thereunder. It is further confirmed that such document(s) have been prepared using XBRL taxonomy as notified by the Ministry of Corporate Affairs for this purpose.

To be digitally signed by

Director or Manager or CEO or CFO or Secretary of the company (in case of Indian company) or authorised representative (in case of Foreign company)

*Designation

*Director identification number of the Director; or PAN of the Manager or CEO or CFO or authorized representative; or membership number of the Company Secretary

Note: Attention is drawn to provisions of sections 448 and 449 of the Companies Act, 2013 which provide for punishment for false statement / certificate and punishment for false evidence respectively.

This e-form has been taken on file maintained by the Central Government through electronic mode and on the basis of statement of correctness given by the company*.

Amardeep Singh Bhatia
Joint Secretary



04 Exceptions, Modifications and Adaptations of certain provisions of the Companies Act, 2013 to a Government Company

[Issued by the Ministry of Corporate Affairs vide Notification No. G.S.R. 463(E), dated 05.06.2015. Published in the Gazette of India, Extraordinary, Part-II, Section 3, Sub-section (i), dated 05.06.2015.]

In exercise of the powers conferred by clauses (a) and (b) of sub-section (1) of Section 462 and in pursuance of sub-section (2) of said Section of the Companies Act, 2013 (18 of 2013) and in supersession of notifications issued under section 620 of the Companies Act, 1956 (1 of 1956), except as respects things done or omitted to be done before such supersession, the Central Government, in the interest of public, hereby directs that certain provisions of the Companies Act, 2013, as specified in column (2) of the Table, shall not apply or shall apply with such exceptions, modifications and adaptations, as specified in column (3) of the said Table, to a Government company, namely:-

Serial number	Chapter Number/Section number/Sub-section(s) in the Companies Act, 2013	Exceptions, Modifications and Adaptations
(1)	(2)	(3)
1.	Chapter II, section 4.	In section 4, in sub-section (1), in clause (a), the words 'in the case of a public limited company, or the last words "Private Limited" in the case of a private limited company' shall be omitted.
2.	Chapter IV, section 56.	In sub-section (1), after the proviso, the following provisos shall be inserted, namely:— Provided further that the provisions of this sub-section, in so far as it requires a proper instrument of transfer, to be duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee, shall not apply with respect to bonds issued by a Government company, provided that an intimation by the transferee specifying his name, address and occupation, if any, has been delivered to the company along with the certificate relating to the bond; and if no such certificate is in existence, along with the letter of allotment of the bond: Provided also that the provisions of this sub-section shall not apply to a Government Company in respect of securities held by nominees of the Government.
3.	Chapter VII, section 89.	Shall not apply.
4.	Chapter VII, section 90.	Shall not apply.
5.	Chapter VII, sub-section (2) of section 96.	In sub-section (2), for the words "some other place within the city, town or village in which the registered office of the company is situate", the words "such other place as the Central Government may approve in this behalf" shall be substituted.
6.	Chapter VIII, second proviso to sub-section (1) of section 123.	Shall not apply to a Government Company in which the entire paid up share capital is held by the Central Government, or by any State Government or Governments or by the Central Government and one or more State Governments.
7.	Chapter VIII, sub-section (4) of section 123.	Shall not apply to a Government Company in which the entire paid up share capital is held by the Central Government, or by any State Government or Governments or by the Central Government and one or more State Governments or by one or more Government Company.
8.	Chapter IX, section 129.	Shall not apply to the extent of application of Accounting Standard 17 (Segment Reporting) to the companies engaged in defence production.
9.	Chapter IX, clause (e) of sub-section (3) of section 134.	Shall not apply.



From the Government

10.	Chapter IX, clause (p) of sub-section (3) of section 134.	Shall not apply in case the directors are evaluated by the Ministry or Department of the Central Government which is administratively in charge of the company, or, as the case may be, the State Government, as per its own evaluation methodology.
11.	Chapter XI, section 149(1)(b) and first proviso to sub-section (1) of section 149.	Shall not apply.
12.	Chapter XI, clause (a) of sub-section (6) of section 149.	In section 149, in sub-section (6), in clause (a), for the word "Board", the words "Ministry or Department of the Central Government which is administratively in charge of the company, or, as the case may be, the State Government" shall be substituted.
13.	Chapter XI, clause (c) of sub-section (6) of section 149.	Shall not apply.
14.	Chapter XI, sub-section (5) of section 152.	Shall not apply where appointment of such director is done by the Central Government or State Government, as the case may be.
15.	Chapter XI, sub-sections (6) and (7) of section 152.	Shall not apply to – (a) a Government Company in which the entire paid up share capital is held by the Central Government, or by any State Government or Governments or by the Central Government and one or more State Governments; (b) a subsidiary of a Government company, referred to in (a) above, in which the entire paid up share capital is held by that Government company.
16.	Chapter XI, section 160.	Shall not apply to— (a) a Government Company in which the entire paid up share capital is held by the Central Government, or by any State Government or Governments or by the Central Government and one or more State Governments; (b) a subsidiary of a Government company, referred to in (a) above, in which the entire paid up share capital is held by that Government company.
17.	Chapter XI, section 162.	Shall not apply to — (a) a Government Company in which the entire paid up share capital is held by the Central Government, or by any State Government or Governments or by the Central Government and one or more State Governments; (b) a subsidiary of a Government company, referred to in (a) above, in which the entire paid up share capital is held by that Government company.
18.	Chapter XI, section 163.	Shall not apply to— (a) a Government Company in which the entire paid up share capital is held by the Central Government, or by any State Government or Governments or by the Central Government and one or more State Governments; (b) a subsidiary of a Government company, referred to in (a) above, in which the entire paid up share capital is held by that Government company.



19.	Chapter XI, sub-section (2) of section 164.	Shall not apply.
20.	Chapter XI, section 170.	Shall not apply to a Government Company in which the entire share capital is held by the Central Government, or by any State Government or Governments or by the Central Government or by one or more State Governments.
21.	Chapter XI, section 171	Shall not apply to a Government Company in which the entire share capital is held by the Central Government, or by any State Government or Governments or by the Central Government or by one or more State Governments.
22.	Chapter XII, clause (i) of sub-section (4) of section 177.	In clause (i) of sub-section (4) of the section 177, for the words "recommendation for appointment, remuneration and terms of appointment" the words "recommendation for remuneration" shall be substituted.
23.	Chapter XII, sub-sections (2), (3) and (4) of section 178.	Shall not apply to Government company except with regard to appointment of 'senior management' and other employees.
24.	Chapter XII, section 185.	Shall not apply to Government company in case such company obtains approval of the Ministry or Department of the Central Government which is administratively in charge of the company, or, as the case may be, the State Government before making any loan or giving any guarantee or providing any security under the section.
25.	Chapter XII, section 186.	Shall not apply to -- (a) a Government company engaged in defence production; (b) a Government company, other than a listed company, in case such company obtains approval of the Ministry or Department of the Central Government which is administratively in charge of the company, or, as the case may be, the State Government before making any loan or giving any guarantee or providing any security or making any investment under the section.
26.	Chapter XII, first and second proviso to sub-section (1) of section 188.	Shall not apply to -- (a) a Government company in respect of contracts or arrangements entered into by it with any other Government company; (b) a Government company, other than a listed company, in respect of contracts or arrangements other than those referred to in clause (a), in case such company obtains approval of the Ministry or Department of the Central Government which is administratively in charge of the company, or, as the case may be, the State Government before entering into such contract or arrangement.
27.	Chapter XIII, sub-sections (2), (4) and (5) of section 196.	Shall not apply.
28.	Chapter XIII, section 197	Shall not apply..
29.	Chapter XIII, sub-sections (1), (2), (3) and (4) of section 203.	After sub-section (4), the following sub-section shall be inserted, namely:- "(4A) The provisions of sub-sections (1), (2), (3) and (4) of this section shall not apply to a managing director or Chief Executive Officer or manager and in their absence, a whole-time director of the Government Company."
30.	Chapter XXIX, sub-section (2) of section 439.	In sub-section (2), the words "the Registrar, a shareholder of the company, or of" shall be omitted.

2. The Government companies, while complying with such exceptions, modifications and adaptations, as specified in column (3) of the aforesaid Table, shall ensure that the interests of their shareholders are protected.

3. A copy of this notification has been laid in draft before both Houses of Parliament as required by sub-section (2) of section 462 of the Companies Act, 2013.

[F. No. 1/2/2014-CL.-V]
AMARDEEP SINGH BHATIA, Jt. Secy.



05

Exceptions, Modifications and Adaptations of certain provisions of the Companies Act, 2013 to Nidhis

[Issued by the Ministry of Corporate Affairs vide Notification No. G.S.R. 465(E), dated 05.06.2015. Published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), dated 05.06.2015.]

G.S.R. 465(E).—In exercise of the powers conferred by clauses (a) and (b) of sub-section (1) of Section 462 read with section 406 of the Companies Act, 2013 (18 of 2013) and in supersession of notification number GSR 517(E), dated the 31st August, 2006 and GSR 326(E), dated the 8th April, 2011 or any other notification issued under section 620A of the Companies Act, 1956, except as respects things done or omitted to be done before such supersession, the Central Government in the interest of public, hereby directs that certain provisions of the Companies Act, 2013, as specified in column (2) of the Table, shall not apply or shall apply with such exceptions, modifications and adaptations, as specified in column (3) of the said Table, to *Nidhis*, namely:—

Serial No.	Provisions of the Companies Act, 2013	Exceptions, modifications and adaptations
(1)	(2)	(3)
1.	Sub-section (2) of Section 20	Shall apply subject to the modification that in the case of a Nidhi, the document may be served only on members who hold shares of more than one thousand rupees in face value or more than one per cent. of the total paid-up share capital of the Nidhis whichever is less. For other shareholders, document may be served by a public notice in newspaper circulated in the district where the Registered Office of the Nidhi is situated; and publication of the same on the notice board of the Nidhi.
2.	Section 42 except sub-section (1), explanation (II) to sub-section (2), sub-sections (4), (6), (8), (9) and (10)	Shall not apply.
3.	Clause (b) of sub-section (1) of Section 47	Shall apply, subject to the modification that no member shall exercise voting rights on poll in excess of five per cent. of total voting rights of equity shareholders.
4.	Section 62	Shall not apply.
5.	Sub-section (1) of Section 67	Shall not apply, when shares are purchased by the company from a member on his ceasing to be a depositor or borrower and it shall not be considered as reduction of capital under section 66 of the Companies Act, 2013.
6.	Sub-section (5) of Section 123	Shall apply, subject to the modification that any dividend payable in cash may be paid by crediting the same to the account of the member, if the dividend is not claimed within 30 days from the date of declaration of the dividend.
7.	Section 127	Shall apply, subject to the modification that where the dividend payable to a member is one hundred rupees or less, it shall be sufficient compliance of the provisions of the section, if the declaration of dividend is announced in the local language in one local newspaper of wide circulation and announcement of the said declaration is also displayed on the notice board of the Nidhis for at least three months.
8.	Sub-section (1) of Section 136	Shall apply, subject to the modification that, in the case of members who do not individually or jointly hold shares of more than one thousand rupees in face value or more than one per cent. of the total paid-up share capital whichever is less, it shall be sufficient compliance with the provisions of the section if an intimation is sent by public notice in newspaper circulated in the district in which the Registered Office of the Nidhi is situated stating the date, time and venue of Annual General Meeting and the financial statement with its enclosures can be inspected at the registered office of the company, and the financial statement with enclosures are affixed in the Notice Board of the company and a member is entitled to vote either in person or through proxy.



9.	Section 160	In sub-section (1), for the words “one lakh rupees”, the words “ten thousand rupees” shall be substituted.
10.	Section 185	Shall not apply, provided the loan is given to a director or his relative in their capacity as members and such transaction is disclosed in the annual accounts by a note.
11.	Second proviso to sub-section (1) of Section 197	<p>Shall apply with the modification that the remuneration of a director who is neither managing director nor whole-time director or manager for performing special services to the Nidhis specified in the articles of association may be paid by way of monthly payment subject to the approval of the company in general meeting and also to the provisions of section 197 :</p> <p>Provided that no approval of the company in general meeting shall be required where,—</p> <p>(a) a Nidhi does not have a managing director or a whole-time director or a manager;</p> <p>(b) the remuneration payable during a financial year to all the directors of the Nidhi does not exceed ten per cent. of the net profits of such Nidhi or fifteen lakh rupees, whichever is less; and</p> <p>(c) a remuneration payable under clause (b) is approved by a special resolution passed in this behalf by the Nidhi.</p>
12.	Section 403	Shall apply, with the modification that the filing fees in respect of every return of allotment under sub-section (9) of section 42 shall be calculated at the rate of one rupee for every one hundred rupees or parts thereof on the face value of the shares included in the return but shall not exceed the amount of normal filing fee payable.

2. The Nidhis, while complying with such exceptions, modifications and adaptations, as specified in column (3) of the aforesaid Table, shall ensure that the interests of their shareholders are protected.

3. A copy of this notification has been laid in draft before both Houses of Parliament as required by sub-section (2) of section 462 of the Companies Act, 2013.

[F. No. 2/11/2014-CL.V]

AMARDEEP SINGH BHATIA, Jt. Secy.



06 Exceptions, Modifications and Adaptations of certain provisions of the Companies Act, 2013 to a Private Company

[Issued by the Ministry of Corporate Affairs vide G.S.R. 464(E) dated 05.06.2015. Published in the Gazette of India, Extraordinary, Part-II, Section 3, Sub-section (i), dated 05.06.2015.]

In exercise of the powers conferred by clauses (a) and (b) of sub-section (i) of section 462 and in pursuance of sub-section (2) of said section of the Companies Act, 2013 (18 of 2013), the Central Government in the interest of public, hereby directs that certain provisions of the Companies Act, 2013, as specified in column (2) of the Table, shall not apply or shall apply with such exceptions, modifications and adaptations, as specified in column(3) of the said Table, to a private company, namely:—

Serial number	Chapter/ Section number/ Sub-section(s) in the Companies Act, 2013	Exceptions/ Modifications/Adaptations
(1)	(2)	(3)
1.	Chapter I, sub-clause (viii) of clause (76) of section 2.	Shall not apply with respect to section 188.
2.	Chapter IV, section 43 and section 47.	Shall not apply where memorandum or articles of association of the private company so provides.
3.	Chapter IV, sub-clause (i) of clause (a) of sub-section (1) and sub-section (2) of section 62.	Shall apply with following modifications:— In clause (a), in sub-clause (i), the following proviso shall be inserted, namely:— Provided that notwithstanding anything contained in this sub-clause and sub-section (2) of this section, in case ninety per cent. of the members of a private company have given their consent in writing or in electronic mode, the periods lesser than those specified in the said sub-clause or sub-section shall apply.
4.	Chapter IV, clause (b) of sub-section (1) of section 62.	In clause (b), for the words “special resolution”, the words “ordinary resolution” shall be substituted.
5.	Chapter IV, section 67.	Shall not apply to private companies - (a) in whose share capital no other body corporate has invested any money; (b) if the borrowings of such a company from banks or financial institutions or any body corporate is less than twice its paid up share capital or fifty crore rupees, whichever is lower; and (c) such a company is not in default in repayment of such borrowings subsisting at the time of making transactions under this section.
6.	Chapter V, clauses (a) to (e) of sub-section (2) of section 73.	Shall not apply to a private company which accepts from its members monies not exceeding one hundred per cent. of aggregate of the paid up share capital and free reserves, and



		such company shall file the details of monies so accepted to the Registrar in such manner as may be specified.
7.	Chapter VII, sections 101 to 107 and section 109.	Shall apply unless otherwise specified in respective sections or the articles of the company provide otherwise.
8.	Chapter VII, clause (g) of sub-section (3) of section 117.	Shall not apply.
9.	Chapter X, Clause (g) of sub-section (3) of section 141.	Shall apply with the modification that the words "other than one person companies, dormant companies, small companies and private companies having paid-up share capital less than one hundred crore rupees" shall be inserted after the words "twenty companies".
10.	Chapter XI, section 160.	Shall not apply.
11.	Chapter XI, section 162.	Shall not apply.
12.	Chapter XII, section 180.	Shall not apply.
13.	Chapter XII, sub-section (2) of section 184.	Shall apply with the exception that the interested director may participate in such meeting after disclosure of his interest.
14.	Chapter XII, section 185.	Shall not apply to a private company - (a) in whose share capital no other body corporate has invested any money; (b) if the borrowings of such a company from banks or financial institutions or any body corporate is less than twice of its paid up share capital or fifty crore rupees, whichever is lower; and (c) such a company has no default in repayment of such borrowings subsisting at the time of making transactions under this section.
15.	Chapter XII, second proviso to sub-section (1) of section 188.	Shall not apply.
16.	Chapter XIII, sub-sections (4) and (5) of section 196.	Shall not apply.

2. The private companies, while complying with such exceptions, modifications and adaptations, as specified in column (3) of the aforesaid Table, shall ensure that the interests of their shareholders are protected.

3. A copy of this notification has been laid in draft before both Houses of Parliament as required by sub-section (2) of section 462 of the Companies Act, 2013.

[F. No. 1/1 /2014-CL.V]

AMARDEEP SINGH BHATIA, Jt. Secy.



07 Exceptions, Modifications and Adaptations of certain provisions of the Companies Act, 2013 to a body to which a license is granted under the provisions of section-8

[Issued by the Ministry of Corporate Affairs vide Notification No. G.S.R. 466(E), dated 05.06.2015. Published in the Gazette of India, Extraordinary, Part-II, Section 3, Sub-section (i), dated 05.06.2015.]

In exercise of the powers conferred by clauses (a) and (b) of sub-section (1) of Section 462 and in pursuance of sub-section (2) of said Section read with Section 8 of the Companies Act, 2013 (18 of 2013), and in supersession of notifications issued under section 25 of the Companies Act, 1956 (1 of 1956) except as respects things done or omitted to be done before such supersession, the Central Government in the interest of public, hereby directs that certain provisions of the Companies Act, 2013, as specified in column (2) of the Table, shall not apply or shall apply with such exceptions, modifications and adaptations, as specified in column (3) of the said Table, to a body to which a licence is granted under the provisions of the aforesaid Section 8, namely :—

Serial Number	Provisions of the Act	Exceptions, Modifications and Adaptations
(1)	(2)	(3)
1.	Clause (24) of section 2.	The provisions of clause (24) of section 2 shall not apply.
2.	Clause (68) of section 2.	The requirement of having minimum paid-up share capital shall not apply.
3.	Clause (71) of section 2.	The requirement of having minimum paid-up share capital shall not apply.
4.	Sub-section (2) of section 96.	In sub-section (2), after the proviso and before the explanation, the following proviso shall be inserted, namely:- Provided further that the time, date and place of each annual general meeting are decided upon before-hand by the board of directors having regard to the directions, if any, given in this regard by the company in its general meeting.
5.	Sub-section (1) of section 101.	In sub-section (1), for the words "twenty one days", the words "fourteen days" shall be substituted.
6.	Section 118.	The section shall not apply as a whole except that minutes may be recorded within thirty days of the conclusion of every meeting in case of companies where the articles of association provide for confirmation of minutes by circulation.
7.	Sub-section (1) of section 136.	In sub-section (1), for the words "twenty one days", the words "fourteen days" shall be substituted.
8.	Sub-section (1) of section 149 and the first proviso to sub-section (1).	Shall not apply.



9.	Sub-sections (4), (5), (6), (7), (8), (9), (10), (11), clause (i) of sub-section (12) and sub-section (13) of section 149.	Shall not apply.
10.	Section 150.	Shall not apply.
11.	Proviso to sub-section (5) of section 152.	Shall not apply.
12.	Section 160.	Shall not apply to companies whose articles provide for election of directors by ballot.
13.	Sub-section (1) of section 165.	Shall not apply.
14.	Sub-section (1) of section 173.	Shall apply only to the extent that the Board of Directors, of such Companies shall hold at least one meeting within every six calendar months.
15.	Sub-section (1) of section 174.	In sub-section (1),-- (a) for the words "one-third of its total strength or two directors, whichever is higher", the words "either eight members or twenty five per cent. of its total strength whichever is less" shall be substituted; (b) the following proviso shall be inserted, namely:- "Provided that the quorum shall not be less than two members".
16.	Sub-section (2) of section 177.	The words "with independent directors forming a majority" shall be omitted.
17.	Section 178.	Shall not apply.
18.	Section 179.	Matters referred to in clauses (d), (e) and (f) of sub-section (3) may be decided by the Board by circulation instead of at a meeting.
19.	Sub-section (2) of section 184.	Shall apply only if the transaction with reference to section 188 on the basis of terms and conditions of the contract or arrangement exceeds one lakh rupees.
20.	Section 189.	Shall apply only if the transaction with reference to section 188 on the basis of terms and conditions of the contract or arrangement exceeds one lakh rupees.

2. The companies covered under Section 8 of the Companies Act, 2013, while complying with such exceptions, modifications and adaptations, as specified in column (3) of the aforesaid Table, shall ensure that the interests of their shareholders are protected.

3. A copy of this notification has been laid in draft before both Houses of Parliament as required by sub-section (2) of Section 462 of the Companies Act, 2013.

[F. No. 1/2/2014-CL.I]

AMARDEEP SINGH BHATIA, Jt. Secy.



08 Constitution of Companies Law Committee

[Issued by the Ministry of Corporate Affairs vide F. No. 2/19/2011-CL-V, dated 04.06.2015.]

The Government hereby constitutes a Companies Law Committee consisting of the following:-

S. No.	Name of Person/Institution	Position
1.	Secretary, Ministry of Corporate Affairs	Chairperson
2.	Ms. Reva Khetarpal, former Judge, Delhi High Court	Member
3.	Sh. Manoj Fadnis, President, The Institute of Chartered Accountants of India	Member
4.	Sh. Atul H Mehta, President, The Institute of Company Secretaries of India	Member
5.	Dr. A.S. Durga Prasad, President, The Institute of Cost Accountants of India	Member
6.	Shri Bharat Vasani, Chief Legal & Group General Counsel, Tata Sons Ltd, Industry nominee	Member
7.	Shri Y.M. Deosthalee, Chairman, L&T Finance Holdings, Industry nominee	Member
8.	Joint Secretary (Policy), Ministry of Corporate Affairs	Member - Convener

- The Committee may invite or co-opt subject matter experts relating to corporate law or any other subject matter, as well as experts from SEBI, RBI, C&AG as needed. The Committee may also invite any other person or body in the interest of broad-based consultation.
- The terms of reference of the Committee are as follows:
 - to make recommendations to the Government on issues arising from the implementation of the Companies Act, 2013 and
 - to examine the recommendations received from the Bankruptcy Law Reforms Committee, the High Level Committee on CSR, the Law Commission and other agencies, while undertaking (i) above.
- Non-official members of the Committee will be eligible for travelling, conveyance and other allowances as per extant Government instructions, wherever the sponsoring agency is unable to bear their expenditure. Secretarial support to the Committee will be given by the Ministry of Corporate Affairs.
- The Committee shall submit its recommendations within six months of its first meeting.

Alok Samantrai
Director

09 The Companies (Amendment) Act, 2015- Date of coming into force of certain provisions of the Act

[Issued by the Ministry of Corporate Affairs vide File No. 1/6/2015-CL-V, dated 29.05.2015. To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section(ii)]

In exercise of the powers conferred by sub-section (2) of section 1 of the Companies (Amendment) Act, 2015 (21 of 2015), the Central Government hereby appoints the 29th May, 2015 as the date on which the provisions of sections 1 to 12 and 15 to 23 of the said Act shall come into force.

Amardeep Singh Bhatia
Joint Secretary

10 The Companies (Share Capital and Debentures) Second Amendment Rules, 2015

[Issued by the Ministry of Corporate Affairs vide F. No. 1/4/2013-CL-V, dated 29.05.2015. To be published in the Gazette of India, Extraordinary, Part-II, Section 3, Sub-Section (i)]

In exercise of the powers conferred by sub-sections (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Share Capital and Debentures) Rules, 2014, namely:-

- These rules may be called the Companies (Share Capital and Debentures) Second Amendment Rules, 2015.
 - They shall come into force from the date of their publication in the Official Gazette.
- In the Companies (Share Capital and Debentures) Rules, 2014, in rule 5, in sub-rule (3):-
 - for the words "issued under the seal of the company", the words "issued under the seal, if any, of the company", shall be substituted.
 - for clause (b), the following clause (b) shall be substituted, namely:-

"(b) the secretary or any person authorised by the Board for the purposes

Provided that in case a company does not have a common seat, the share certificate shall be signed by two directors or by a director and the Company Secretary, wherever the company has appointed a Company Secretary:

Provided further that, if the composition of the Board permits of it, at least one of the aforesaid two directors



shall be a person other than a managing director or a whole time director:

Provided also that, in case of a One person Company, every share certificate shall be issued under the seal, if any, of the company, which shall be affixed in the presence of and signed by one director or a person authorised by the Board of Directors of the company for the purpose and the Company Secretary, or any other person authorised by the Board for the purpose, and in case the One person Company does not have a common seal, the share Certificate Shall be signed by the persons in the presence of whom the seal is required to be affixed in this proviso."

Amardeep Singh Bhatia
Joint Secretary

11 The Companies (Declaration and Payment of Dividend) Second Amendment Rules, 2015

[Issued by the Ministry of Corporate Affairs vide F. No. 1/31/2013-CL-V-Part, dated 29.05.2015. To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)]

In exercise of the powers conferred under sub section (1) of section 123 read with section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Declaration and Payment of Dividend) Rules, 2014, namely:-

1. (1) These rules may be called the Companies (Declaration and Payment of Dividend) Second Amendment Rules, 2015.
- (2) They shall come into force on the date of their publication in the Official Gazette.
2. In the Companies (Declaration and Payment of Dividend) Rules, 2014, in rule 3, sub-rule (5) shall be omitted.

Amardeep Singh Bhatia
Joint Secretary

12 The Companies (Incorporation) Second Amendment Rules, 2015

[Issued by the Ministry of Corporate Affairs vide File No. 1/13/2013-CL-V, dated 29.05.2015. To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)]

In exercise of the powers conferred by section 7 read with sub-sections (1) and (2) of section 469 of the Companies Act, 2013

(18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Incorporation) Rules, 2014, namely:-

1. (1) These rules may be called the Companies (Incorporation) Second Amendment Rules, 2015.
- (2) They shall come into force from the date of their publication in the Official Gazette.
2. In the Companies (Incorporation) Rules, 2014,-
 - (a) in rule 12, the following proviso shall be inserted, namely:-
"Provided that in case pursuing of any of the objects of a company requires registration or approval from sectoral regulators such as Reserve Bank of India, Securities and Exchange Board, registration or approval, as the case may be, from such regulator shall be obtained by the company before pursuing such objects and a declaration in this behalf shall be submitted at the stage of incorporation of the company.";
 - (b) rule 24 shall be omitted;
 - (c) in the Annexure, -
 - (i) for the existing Form INC-13 and Form INC-16, the following Form INC-13 and Form INC-16 shall respectively be substituted, namely:-

"Form No. INC-13 Memorandum of Association

[See rule 19(2) the Companies (Incorporation) Rules, 2014].

1. The name of the company is ".....".
2. The registered office of the company will be situated in the State of.....
3. The objects for which the company is established are:
.....
..... the doing of all such other lawful things as considered necessary for the furtherance of the above objects:

Provided that the company shall not support with its funds, or endeavour to impose on, or procure to be observed by its members or others, any regulation or restriction which, as an object of the company, would make it a trade union.

4. The objects of the company extend to the..... [Here enter the name of the State or States, and Country or Countries]



From the Government

5. (i) The profits, if any, or other income and property of the company, whensoever derived, shall be applied, solely for the promotion of its objects as set forth in this memorandum.
- (ii) No portion of the profits, other income or property aforesaid shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise by way of profit, to persons who, at any time are, or have been, members of the company or to any one or more of them or to any persons claiming through any one or more of them.
- (iii) No remuneration or other benefit in money or money's worth shall be given by the company to any of its members, whether officers or members of the company or not, except payment of out-of-pocket expenses, reasonable and proper interest on money lent, or reasonable and proper rent on premises let to the company.
- (iv) Nothing in this clause shall prevent the payment by the company in good faith of prudent remuneration to any of its officers or servants (not being members) or to any other person (not being member), in return for any services actually rendered to the company.
- (v) Nothing in clauses (iii) and (iv) shall prevent the payment by the company in good faith of prudent remuneration to any of its members in return for any services (not being services of a kind which are required to be rendered by a member), actually rendered to the company;
6. No alteration shall be made to this memorandum of association or to the articles of association of the company which are for the time being in force, unless the alteration has been previously submitted to and approved by the Registrar.
7. The liability of the members is limited.
8. [FOR COMPANIES LIMITED BY GUARANTEE]
- Each member, undertakes to contribute to the assets of the company in the event of its being wound up while he is a member or within one year afterwards, for payment of the debts or liabilities of the company contracted before he ceases to be a member and of the costs, charges and expenses of winding up, and for adjustment of the rights of the contributories among them selves such amount as may be required not exceeding a sum of Rs.....
- [FOR COMPANIES LIMITED BY SHARES]
The share capital of the company will consist of Rs..... divided into..... Shares of..... Rs. each.

9. (1) True accounts shall be kept of all sums of money received and expended by the company and the matters in respect of which such receipts and expenditure take place, and of the property, credits and liabilities of the company; and, subject to any reasonable restrictions as to the time and manner of inspecting the same that may be imposed in accordance with the regulations of the company for the time being in force, the accounts shall be open to the inspection of the members.
- (2) Once at least in every year, the accounts of the company shall be examined and the correctness of the balance-sheet and the income and expenditure account ascertained by one or more properly qualified auditor or auditors.
- **10. If upon a winding up or dissolution of the company, there remains, after the satisfaction of all the debts and liabilities, any property whatsoever, the same shall not be distributed amongst the members of the company but shall be given or transferred to such other company having objects similar to the objects of this company, subject to such conditions as the Tribunal may impose, or may be sold and proceeds thereof credited to the Rehabilitation and Insolvency Fund formed under section 269 of the Act.
- **11. The Company can be amalgamated only with another company registered under section 8 of the Act and having similar objects.
12. We, the several persons whose names, addresses, descriptions and occupations are hereunto subscribed are desirous of being formed into a company not for profit, in pursuance of this Memorandum of Association: Names, addresses, descriptions and occupations of subscribers:
- 1.....Of.....*
- 2.....Of.....*
- 3.....Of.....*
- 4.....Of.....*
- 5.....Of.....*
- 6.....Of.....*
- 7.....Of.....*
- Witnesses to the above signatures of:
- 1.....
- 2.....
- Dated the.....day of
- 20.....
- *If the association is a company limited by shares, here enter



"number of shares" taken by each subscriber.

**Note: Section 8 company which is an Electoral Trust as per the Electoral Trusts Scheme, 2013 read with section 2(22AAA) of the Income-tax Act, 1961 may amalgamate with another section 8 company having the object of an Electoral Trust or may wind up or dissolve only after disbursing all its funds as per the scheme.";

**"Form No. INC-16
Licence under section 8 (1) of the
Companies Act, 2013**

[See rule 20 the Companies (Incorporation) Rules, 2014]

WHEREAS it has been proved to my satisfaction that....., a person or an association of persons to be registered as a company under the Companies Act, 2013, for promoting objects of the nature specified in clause (a) of sub-section (1) of section 8 of the said Act, and that it intends to apply its profits, if any, or other income and property in promoting its objects and to prohibit the payment of any dividend to its members;

NOW, THEREFORE, in exercise of the powers conferred by section 8 of the said Act, I, the Registrar at.....
....., hereby grant, this Licence, directing that the said person or association or persons be registered as a company with limited liability without the addition of the word "Limited", or as the case may be, the words "Private Limited" to its name, subject to the following conditions, namely:-

- (1) that the said company shall in all respects be subject to and governed by the conditions and provisions contained in its memorandum of association;
- (2) that the profits, if any or other income and property of the said company, whensoever derived, shall be applied solely for the promotion of the object as set forth in its memorandum of association and that no portion thereof shall be paid or transferred, directly or indirectly, by way of dividend, bonus, or otherwise by way of profit, to persons who at any time are or have been members of the said company or to any of them or to any person claiming through any one or more of them;
- (3) that no remuneration or other benefit in money or money's worth shall be given by the company to any of its members except payment of out-of-pocket expenses, reasonable and proper interest on money lent, or reasonable and proper rent on premises let to the company;
- (4) that nothing in this clause shall prevent the payment by the company in good faith of prudent remuneration to any of its

officers or servants (not being members) or to any other person (not being member), in return for any services actually rendered to the company;

- (5) that nothing in clauses (3), (4) and (5) shall prevent the payment by the company in good faith of prudent remuneration to any of its members in return for any services (not being services of a kind which are required to be rendered by a member), actually rendered to the company;
- (6) that no alteration shall be made to the memorandum of association or to the articles of association of the company, which are for the time being in force, unless the alteration has been previously submitted to and approved by the Registrar;
- *(7) The Company can be amalgamated only with another company registered under section 8 of the Act and having similar objects; and
- (8) that, without prejudice to action under any law for the time being in force, this Licence shall be liable to be revoked, if the company:
 - (a) contravenes any of the requirements of section 8 of the Act or the rules made thereunder or any of the conditions subject to which a Licence is issued;
 - (b) if the affairs of the company are conducted fraudulently or in a manner violative of the objects of the company or prejudicial to public interest.

.....
Registrar

Dated thisday of.....20.....

*Note: Section 8 company which is an Electoral Trust as per the Electoral Trusts Scheme, 2013 read with section 2(22AAA) of the Income-tax Act, 1961 may amalgamate with another section 8 company having the object of an Electoral Trust or may wind up or dissolve only after disbursing all its funds as per the scheme."

(ii) Form INC-21 shall be omitted.

Amardeep Singh Bhatia
Joint Secretary



13 The Companies (Registration of Charges) Amendment Rules, 2015

[Issued by the Ministry of Corporate Affairs vide, File No. 1/10/2013-CL-V, dated 29.05.2015. To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)]

In exercise of the powers conferred by sections 77, 78 and 79 read with sub-sections (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Registration of Charges) Rules, 2014, namely:-

1. (1) These rules may be called the Companies (Registration of Charges) Amendment Rules, 2015,
(2) They shall come into force from the date of their publication in the Official Gazette.
2. In the Companies (Registration of Charges) Rules, 2014, in rule 3, in sub-rule (4), in clause (a), for the words 'under the seal of the company', the words "under the seal, if any, of the company" shall be substituted;

Amardeep Singh Bhatia
Joint Secretary

14 The Companies (Registration Offices and Fees) Second Amendment Rules, 2015

[Issued by the Ministry of Corporate Affairs vide File No. 1/16/2013-CL-V, dated 29.05.2015. To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)]

In exercise of the powers conferred by section 399 read with sub-sections (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Registration Offices and Fees) Rules, 2014, namely: —

1. (1) These rules may be called the Companies (Registration Offices and Fees) Second Amendment Rules, 2015.
(2) They shall come into force from the date of their publication in the Official Gazette.
2. In the Companies (Registration Offices and Fees) Rules, 2014, in rule 15, the following proviso shall be inserted:

"Provided that no person shall be entitled under section 399 to inspect or obtain copies of resolutions referred to in clause (g) of sub-section (3) of section 117 of the Act."

Amardeep Singh Bhatia
Joint Secretary

15 Review of Offer for Sale (OFS) of Shares through Stock Exchange Mechanism

[Issued by the Securities and Exchange Board of India vide Circular CIR/MRD/DP/12/2015, dated 26.06.2015.]

1. Comprehensive guidelines on sale of shares through Offer for Sale mechanism were issued vide circular no CIR/MRD/DP/18/2012 dated July 18, 2012. The OFS framework has been modified subsequently from time to time on the basis of representation/suggestion received from market participants.
2. SEBI has been taking steps to encourage retail investors to participate in the OFS. In order to enhance more retail participation in the OFS process and to simplify the bidding process for retail investors, it has been decided that: -
 - 2.1. OFS notice shall continue to be given latest by 5 pm on T-2 days. However T-2 days shall be reckoned from banking day instead of trading day.
 - 2.2. It would be mandatory for sellers to provide the option to retail investors to place their bids at cut off price in addition to placing price bids.
3. Accordingly, para 3.9 of OFS circular dated August 08, 2014 and para 2 of OFS circular dated December 01, 2014 stands modified as above. All other conditions for sale of shares through OFS framework contained in the circulars CIR/MRD/DP/18/2012 dated July 18, 2012, CIR/MRD/DP/04/2013 dated January 25, 2013, CIR/MRD/DP/17/2013 dated May 30, 2013, CIR/MRD/DP/24/2014 August 08, 2014 and CIR/MRD/DP/32/2014 December 01, 2014 remain unchanged.
4. Stock Exchanges are advised to:
 - 4.1. take necessary steps and put in place necessary systems for implementation of above immediately.
 - 4.2. make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision.
 - 4.3. bring the provisions of this circular to the notice of the member brokers of the stock exchange to also to disseminate the same on their website.
5. 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



16 Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2015

[Issued by the Securities and Exchange Board of India vide No.NRO-OIAE/GN/2015-16/005, dated 15.05.2015. Published in the The Gazette of India Extraordinary, Part-III – Section 4, dated 15.05.2015.]

In exercise of the powers conferred by section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following regulations to further amend the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, namely:-

1. These Regulations may be called the Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2015.
2. They shall come into force on the date of their publication in the Official Gazette.
3. In the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, in regulation 24,
 - (i) in clause (b), after the words and symbol "provident funds," and before the words "if any of such activities", the following shall be inserted namely,-

"or Category I foreign portfolio investor as specified in Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014," ;
 - (ii) in clause (b), in the first proviso, after clause (vi), the following proviso shall be inserted, namely,

"Provided that the requirements of this clause shall not apply if the funds managed are of Category I foreign portfolio investors and/or Category II foreign portfolio investors which are appropriately regulated broad based funds, as specified in Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014."
 - (iii) in the Explanation, after the words "For the purpose of this regulation" and before the comma, the symbol and words ", with the exception of proviso to clause (vi) of first proviso to clause (b)" shall be inserted.

U. K. Sinha
Chairman

17 Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Second Amendment) Regulations, 2015

[Issued by the Securities and Exchange Board of India vide No. SEBI-NRO/OIAE/GN/2015-16/004, dated 05.05.2015. Published in the The Gazette of India Extraordinary, Part-III – Section 4, dated 05.05.2015.]

In exercise of the powers conferred under section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following Regulations to amend the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, namely:-

1. These regulations may be called the SEBI (Substantial Acquisition of Shares and Takeovers) (Second Amendment) Regulations, 2015.
2. They shall come into force on the date of their publication in the Official Gazette.
3. In the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 in regulation 10, after clause (h) of sub-regulation (1) the following shall be inserted namely:-

"(i) Conversion of debt into equity under Strategic Debt Restructuring Scheme -

Acquisition of equity shares by the consortium of banks, financial institutions and other secured lenders pursuant to conversion of their debt as part of the Strategic Debt Restructuring Scheme in accordance with the guidelines specified by the Reserve Bank of India:

Provided that the conditions specified under sub-regulation (5) or (6) of regulation 70 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as may be applicable, are complied with."

U. K. Sinha
Chairman

18 Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Second Amendment) Regulations, 2015

[Issued by the Securities and Exchange Board of India vide No.SEBI-NRO/OIAE/GN/2015-16/003, dated 05.05.2015.]

In exercise of the powers conferred by section 30 of the Securities



and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following regulations to further amend the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, namely:-

1. These regulations may be called the SEBI (Issue of Capital and Disclosure Requirements) (Second Amendment) Regulations, 2015.
2. They shall come into force on the date of their publication in the Official Gazette.
3. In the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, in regulation 70, after sub-regulation (4), the following shall be inserted, namely, -

“(5)Conversion of debt into equity under strategic debt restructuring scheme -

The provisions of this Chapter shall not apply where the preferential issue of equity shares is made to the consortium of banks and financial institutions pursuant to conversion of their debt, as part of the strategic debt restructuring scheme in accordance with the guidelines specified by the Reserve Bank of India, subject to the following conditions:

- (a) conversion price shall be determined in accordance with the guidelines specified by the Reserve Bank of India for strategic debt restructuring scheme, which shall not be less than the face value of the equity shares;
- (b) conversion price shall be certified by two independent qualified valuers, and for this purpose 'valuer' shall have the same meaning as assigned to it under clause (r) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Issue of Sweat Equity) Regulations, 2002;
- (c) equity shares so allotted shall be locked-in for a period of one year from the date of trading approval:

Provided that for the purposes of transferring the control, the consortium of banks and financial institutions may transfer their shareholding to an entity before completion of the lock-in period subject to continuation of the lock-in on such shares for the remaining period with the transferee;

- (d) applicable provisions of Companies Act, 2013 are complied with, including the requirement of special resolution.
- (6) The provisions of this Chapter shall not apply when any other secured lenders opt to join the strategic debt restructuring scheme in accordance with the guidelines

specified by the Reserve Bank of India and convert their debt into equity share in accordance with sub-regulation (5)."

U. K. Sinha
Chairman

19 Database for Distinctive Number (DN) of Shares

[Issued by the Securities and Exchange Board of India vide Circular CIR/ MRD/DP/10/2015, dated 05.06.2015.]

1. Share capital reconciliation of the entire issued capital of the company by the issuer or its agent is a mandatory requirement under Regulation 55 of the SEBI (Depositories & Participants) Regulations, 1996.
2. The Depository System Review Committee (DSRC) constituted by SEBI while emphasising on the issuer's responsibility for reconciling records of total issued capital, listed capital and capital held by depositories in dematerialized form, recommended that the depositories may maintain complete reconciled record of total issued and listed capital, including both physical and dematerialized shares.
3. In order to ensure centralised record of all securities, including both physical and dematerialised shares, issued by the company and its reconciliation thereof, it has been decided that the Depositories shall create and maintain a database of distinctive numbers (DN) of equity shares of listed companies with details of DN in respect of all physical shares and overall DN range for dematerialised shares.
4. The DN database shall make available, information in respect of issued capital, such as DN Range, number of equity shares issued, name of stock exchange where the shares are listed, date of in-principle listing / final trading approval / dealing permission, shares held in physical or demat form, date of allotment, shares dematerialized under temporary (frozen) ISIN (International Securities Identification Number) or Permanent (active) ISIN etc., at one place.
5. Based on consultations with the Depositories and Stock Exchanges, the following guidelines are given for the operationalisation of the DN database -
 - 5.1. Instructions to the Depositories
 - 5.1.1. The depositories shall create and maintain a database to capture DN in respect of all physical equity shares and overall DN range for dematerialised equity shares issued by listed companies.
 - 5.1.2. The depositories shall provide an interface to the Stock Exchange, Issuers/RTAs for online updation and to the



DPs for online enquiry. The same shall be released for live updates latest by September 30, 2015.

5.1.3. The database shall include the following information -

i. Distinctive Numbers (From)	vii. Trading start date
ii. Distinctive Numbers (To)	viii. Physical/demat
iii. Number of Equity shares	ix. Date of allotment and date of issue (date of credit to BO account)
iv. Name of stock exchange	x. ISIN along with name of company
v. Date of in-principle listing approval	xi. Nature of ISIN [Temporary (Frozen) or Permanent (Active)]
vi. Date of final trading approval / dealing permission	

5.1.4. The depositories shall ensure that the database maintained by them is continuously updated and synchronised. The initial synchronisation may be in batch mode and shall thereafter shift to online mode.

5.1.5 The Depositories, in co-ordination with the Stock Exchanges, having nationwide trading terminals and the Issuers/RTAs, shall facilitate the process of populating the database with details of equity share capital and the corresponding DN information as on September 30, 2015.

5.2. Instructions to the Stock Exchanges

5.2.1. The Stock Exchanges shall provide the following information of all companies listed on the concerned Stock Exchange as on September 30, 2015-

- i. Total number of equity shares (A) for which final trading approval / dealing permission has been granted,
- ii. Total number of equity shares (B) for which in-principle listing approval has been granted but final trading approval / dealing permission is pending,
- iii. Total number of equity shares comprising the paid-up capital i.e. (A+B).

5.2.2. The Stock Exchanges shall use the interface provided by the Depositories for the following -

- i. In respect of companies where the final trading approval / dealing permission was awaited as on September 30, 2015, consequent to update of DN

information by Issuers/RTAs, the stock exchange shall validate the DN information updated by the Issuer/RTA and update the date of 'in-principle' listing approval, date of final trading approval / dealing permission and trading start date [as per point nos. (v), (vi) and (vii) of 5.1.3], immediately upon granting of such permissions.

- ii. In respect of further issue of shares by listed companies, consequent to update of DN information by Issuers/RTAs, the stock exchange shall validate the DN information updated by the Issuer/RTA and update the date of 'in-principle' listing approval, date of final trading approval / dealing permission and trading start date [as per point nos. (v), (vi) and (vii) of 5.1.3], immediately upon granting of such permissions.

- iii. In respect of companies coming out with initial public offer or new listings on stock exchanges, the stock exchange shall update the DN database with the total number of equity shares for which final trading approval / dealing permission has been granted.

- iv. In respect of companies whose capital is changed/ altered for any reason other than further issuance of shares such as buy-back of shares, forfeiture of shares, capital reduction, etc., the stock exchange shall confirm such change/alteration in the capital as updated by the Issuer/RTA in the DN database.

5.2.3. In case the DN data on listed shares as per the records of Issuers/RTAs does not match with records of the Stock Exchanges, the Stock Exchanges shall coordinate with the Issuer/RTA to reconcile such differences.

5.3. Instructions to the Issuers/RTAs

5.3.1. Issuers/RTAs shall use the interface provided by the Depositories for the following -

- i. To update DN information in respect of all physical share capital and overall DN range for dematerialised share capital for all listed companies.
- ii. Updating the fields (i)-(iv), (viii) and (ix) given in para 5.1.3, on a continuous basis for subsequent changes including changes in case of further issue, fresh issuance / new listing and other change / alteration in capital (such as buy-back of shares, forfeiture of shares, capital reduction, etc.).
- iii. Capturing / updating the DN information on a continuous basis while processing, dematerialisation / rematerialisation requests confirmation, executing corporate action, etc.



5.3.2. Issuers/RTAs shall take all necessary steps to update the DN database. If there is mismatch in the DN information with the data provided / updated by the Stock Exchanges in the DN database, the Issuer/RTA shall take steps to match the records and update the same latest by December 31, 2015.

5.3.3. Failure by the Issuers/RTAs to ensure reconciliation of the records as required in terms of para above shall attract appropriate actions under the extant laws.

5.4. Instructions to the DPs

5.4.1. The DPs shall use the interface provided by the Depositories to check the DNs of certificates of equity shares submitted for dematerialisation and ensure that appropriate ISIN is filled in Dematerialisation Request Form, as applicable, while processing request for dematerialisation.

6. Exchanges and Depositories are advised to

- a) make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision.
 - b) bring the provisions of this Circular to the notice of the listed companies of the Exchange and DPs and RTAs/ Issuers and also to disseminate the same on the website.
 - c) communicate the status of the implementation of this Circular in the Monthly Development Report to SEBI.
7. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Maninder Cheema
Deputy General Manager

20 Clarification on grant of registration as a Foreign Portfolio Investor (FPI) to Registered Foreign Venture Capital Investors (FVCI).

[Issued by the Securities and Exchange Board of India vide Circular CIR/IMD/FIIC/05/2015, dated 05.05.2015.]

1. SEBI has received a query from a Designated Depository participant (DDP) seeking clarification with regard to any restrictions/conditions on applicants, holding registration as a FVCI, from obtaining registration as a FPI.
2. The SEBI (Foreign Portfolio Investors Regulations,

2014 ("FPI Regulations") as well as the SEBI (Foreign Venture Capital Investors) Regulations, 2000 ("FVCI Regulations") do not expressly prohibit FVCI from holding registration as a FPI.

3. The investment conditions and restrictions for an entity registered as FVCI under FVCI Regulations are different as compared to the investment conditions and restrictions as prescribed for an entity registered as FPI under the FPI Regulations. Thus, such an entity would be required to have a clear segregation of funds/ securities which are proposed to be invested / held under the respective registrations.
4. Accordingly, it is clarified that a DDP may consider an applicant, holding FVCI registration, for grant of registration as an FPI subject to the following:
 - a. The applicant complies with the eligibility criteria as prescribed under the FPI Regulations.
 - b. The funds raised, allocated and invested must be clearly segregated for both the registrations.
 - c. Separate accounts must be maintained with the custodian for execution of trades. However, such an applicant shall have same custodian for its activities as FPI and FVCI.
 - d. The securities held under FVCI and FPI registrations should be clearly segregated.
 - e. Reporting of transactions must be done separately according to the conditions applicable under the specific registration.
 - f. All the conditions applicable to the entity under the respective registrations must be complied with at the level of the segregated funds and activities with respect to the specific registrations.
 - g. The investment restrictions as applicable to FPI, in terms of Regulation 21 of FPI Regulations and SEBI Circular No. CIR/IMD/FIIC/20/2014 dated November 24, 2014 shall be applicable.
 - h. The applicant does not have opaque structure(s), as defined under Explanation 1 of Regulation 32(1) (f) of FPI Regulations.

5. The applicant shall be required to comply with the provisions of FPI Regulations, FVCI Regulations and the circulars etc., issued there under from time to time.
6. This circular is 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.
7. The circular is available on SEBI website at www.sebi.gov in under the categories "Legal framework" and "information



for- FPI".

Achal Singh
Deputy General Manager

21 Revision of Activity Schedule of Auction Session

[Issued by the Securities and Exchange Board of India vide Circular CIR/MRD/DRMNP/8/2015, dated 14.05.2015.]

1. As per extant practice in Equity Cash segment (prescribed vide SEBI Circular CIR/MRD/DP/39/2010 dated December 28, 2010 (hereinafter referred to as "the said Circular")) in case of default by the selling broker in a normal settlement, the security delivered short is bought in the auction session (conducted on T+2 day) and is delivered to the buying broker on T+3 day.
2. Based upon suggestions of Clearing Corporations and Stock Exchanges and in order to facilitate the reduction of time involved in delivering the shares to the buying broker, in case of default by selling broker, it has been decided to provide flexibility to Clearing Corporations to decide the time for conducting the settlement of Auction session on or before T+3 day.
3. Thus the activity schedule for conducting the settlement of auction session and close-out as prescribed by the said circular stands revised as given below:

Auction Settlement for T day trade:

Auction session	By T+2
Pay-in/pay-out of auction and close-out	By T+3

Other provisions of the said circular would remain unchanged.

4. 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.
5. The Stock Exchanges/Clearing Corporations are advised to:
 - i. put in place the adequate systems and issue the necessary guidelines for implementing the above decision.
 - ii. make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above.
 - iii. bring the provisions of this circular to the notice of the

members and also disseminate the same on their website.

- iv. intimate SEBI the status of implementation of the provisions of this circular.
6. This circular is being issued in exercise of powers conferred under Section 11 (1) of 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.
7. This circular is available on SEBI website at www.sebi.gov.in under the category "Circulars".

Shashi Kumar
General Manager

22 Co-location / proximity hosting facility offered by stock exchanges

[Issued by the Securities and Exchange Board of India vide Circular CIR/MRD/DP/07/2015, dated 13.05.2015.]

The facility of co-location or proximity hosting (or by whatever name called) is offered by the stock exchanges to stock brokers and data vendors whereby their trading or data-vending systems are allowed to be located within or at close proximity to the premises of the stock exchanges, and are allowed to connect to the trading platform of stock exchanges through direct and private network.

2. Based on the recommendations of SEBI's Technical Advisory Committee (TAC), it has been decided that stock exchanges while facilitating co-location / proximity hosting shall follow the guidelines given below.
3. In order to ensure fair and equitable access to the co-location facility, stock exchanges shall:
 - 3.1. provide co-location/proximity hosting in a fair, transparent and equitable manner.
 - 3.2. ensure that all participants who avail co-location / proximity hosting facility have fair and equal access to facilities and data feeds provided by the stock exchange.
 - 3.3. ensure that all stock brokers and data vendors using co-location / proximity hosting experience similar latency with respect to exchange provided infrastructure.
 - 3.4. ensure that the size of the co located / proximity hosting space is sufficient to accommodate all the stock brokers and data vendors who are desirous of availing the facility.
 - 3.5. provide the flexibility to avail rack space in the co-location / proximity hosting so as to meet the needs of all stock



brokers desirous of availing such facility.

- 3.6. expeditiously decide on the request of the desirous stock brokers / data vendors for availing co-location / proximity hosting and communicate the decision within fifteen working days from the receipt of the request from the stock brokers / data vendors. In case of a rejection, stock exchanges shall also provide reasons in writing to the stock brokers / data vendors.
- 3.7. facilitate stock brokers to receive data feeds from other recognised stock exchanges at the co-location facilities and allow routing of orders to other recognised stock exchanges from the co-location facilities.
- 3.8. make available on their websites description of the co-location / proximity hosting, including requirements to be fulfilled by stock brokers / data vendors who avail the facility, details on fees / charges associated with the facility, etc.
- 3.9. publish on their websites suitable quarterly reports on latencies observed at the exchange.
- 3.10. be able to identify orders emanating from the co-located servers of stock brokers and the resultant trades. Suitable statistics relating to such orders and trades shall be disseminated by the stock exchanges
4. In order to ensure that the facility of co location / proximity hosting does not compromise integrity and security of the data and trading systems, stock exchanges shall:
 - 4.1. implement suitable mechanism to protect their systems and systems of stock brokers and data vendors at co-location / proximity hosting from unauthorized access.
 - 4.2. frame guidelines on access and conduct of the personnel of stock brokers / data vendors in the premises of the stock exchange, including in the co-located space.
 - 4.3. not provide access in any form to the personnel of stock brokers / data vendors to the stock exchange's trading platform and databases.
5. Stock exchanges are directed to:
 - 5.1. 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 three months from the date of the circular.
 - 5.2. bring the provisions of this circular to the notice of the stock brokers and also disseminate the same on its website.

5.3. communicate to SEBI the status of implementation of the provisions of this circular.

6. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Maninder Cheema
Deputy General Manager

23 Disclosures under SEBI (Prohibition of Insider Trading) Regulations, 2015

[Issued by the Securities and Exchange Board of India vide Circular CIR/ISD/01/2015, dated 11.05.2015.]

With reference to the requirements of regulation 6 of SEBI (Prohibition of Insider Trading) Regulations 2015 ("the Regulations"),:-

- i. Formats for disclosures are as Annexed.
- ii. Such disclosures may be maintained by the company in physical/electronic mode.
2. With reference to the requirements of the regulation 8 (Code of Fair Disclosure) and regulation 9 (Code of Conduct of the Regulations), the companies shall also ensure that:
 - i. Formulated and published (on its official website), code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information (UPS), is confirmed to the stock exchanges, immediately.
 - ii. Formulated code of conduct is confirmed to the stock exchanges, immediately,
 - iii. a company deals with only such market intermediary / every other person, who is required to handle UPS, who have formulated a code of conduct as per the requirements of the Regulations.
3. The Stock Exchanges are advised to:
 - a. Put in place the adequate systems and issue the necessary guidelines for implementing the above decision.
 - b. Make necessary amendments to the relevant bye-laws, rules and regulations as applicable for the implementation of the above decision immediately.
 - c. Bring the provisions of this circular to the notice of the listed companies/issuers and also to disseminate the same on the website immediately.
4. This circular is being issued in exercise of the powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act 1992 and under regulations 4(3) and 11 of the Regulations and, to protect the interests of investors in



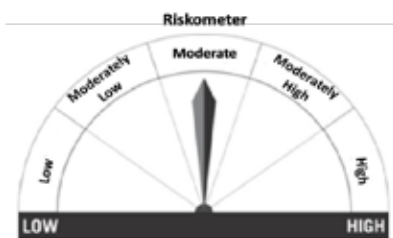
securities and to promote the development of, and to regulate the securities market.

Manoj Kumar
General Manager

24 Product Labeling in Mutual Funds

[Issued by the Securities and Exchange Board of India vide Circular CIR/IMD/DF/4/2015, dated 30.04.2015.]

1. Please refer to SEBI circular no. CIR IMD/DF/5/2013 dated March 18, 2013, captioned 'Product Labeling in Mutual Funds'.
2. In consultation with Mutual Fund Advisory Committee, SEBI has reviewed the system of product labeling in mutual funds and in partial modification to the aforesaid circular, it has been decided that:
 - a. The level of risk in mutual fund schemes shall be increased from three to five as under:
 - i. Low - principal at low risk
 - ii. Moderately Low - principal at moderately low risk
 - iii. Moderate - principal at moderate risk
 - iv. Moderately High - principal at moderately high risk
 - v. High - principal at high risk
 - b. The depiction of risk using colour codes would be replaced by pictorial meter named "Riskometer" and this meter would appropriately depict the level of risk in any specific scheme. For enumeration, a scheme having moderate risk would be depicted as under:



Investors understand that their principal will be at moderate risk

3. Mutual funds may 'product label' their schemes on the basis of the best practice guidelines issued by Association of Mutual Funds in India (AMFI) in this regard.
4. This circular shall be applicable with effect from July 01, 2015, to all the existing schemes and all schemes to be launched on or thereafter. However, mutual funds may choose to adopt the provisions of this circular before the effective date.
5. This circular is issued in exercise of the powers conferred

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

Parag Basu
Chief General Manager

25 Stress Testing of Liquid Fund and Money Market Mutual Fund Schemes

[Issued by the Securities and Exchange Board of India vide Circular CIR/IMD/DF/03/2015, dated 30.04.2015.]

1. Risk Management framework has been prescribed by SEBI vide circular dated September 30, 2002. As a part of risk management framework, Mutual Funds (MFs) carry out stress testing of their portfolio, particularly for debt schemes. In order to standardize this practice across industry, AMFI came out with Best Practice Guidelines dated September 12, 2014 on stress testing of Liquid Funds and Money Market Mutual Fund Schemes (MMMMFs).
2. In order to further strengthen the risk management practices and to develop a sound framework that would evaluate potential vulnerabilities on account of plausible events and provide early warning on the health of the underlying portfolio of Liquid Fund and MMMF Schemes, it has been decided to stipulate the following guidelines:
 - a. As a part of the extant risk management framework, AMCs should have stress testing policy in place which mandates them to conduct stress test on all Liquid Fund and MMMF Schemes.
 - b. The stress test should be carried out internally at least on a monthly basis, and if the market conditions require so, AMC should conduct more frequent stress test.
 - c. The concerned schemes shall be tested on the following risk parameters, among others deemed necessary by the AMC:
 - i. Interest rate risk
 - ii. Credit risk
 - iii. Liquidity & Redemption risk
 - d. While conducting stress test, it will be required to evaluate impact of the various risk parameters on the scheme and its Net Asset Value (NAV). The parameters used and the methodology adopted for conducting stress test on such type of scheme, should be detailed in the stress testing policy, which is required to be approved by the Board of AMC.



- e. Further, in the event of stress test revealing any vulnerability or early warning signal, it would be required to bring it to the notice of the Trustees and take corrective action as deemed necessary, to reinforce their robustness. Each AMC should also be required to have documented guidelines, to deal with the adverse situation effectively.
- f. Such stress-testing policy shall be reviewed by the Board of AMC and Trustees, at least on an annual basis, in light of the evolving market scenarios and should cover the following aspects:
 - i. Adequacy of the documentation for various elements of the stress testing framework
 - ii. Scope of coverage of the stress testing policy and the levels of stress applied
 - iii. Integration of the stress testing framework in the day-to-day risk management processes
 - iv. Adequacy of the corrective actions and the efficacy of the systems for their activation
- g. Further, Trustees shall be required to report compliance with this circular and steps taken to deal with adverse situations faced, if any, in the Half Yearly Trustee Report submitted to SEBI.

This circular shall be applicable with immediate effect.

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

Parag Basu
Chief General Manager

26 Exclusively listed companies of De-recognized/Non operational/exited Stock Exchanges

[Issued by the Securities and Exchange Board of India vide Circular CIR/MRD/DSA/05/2015, dated 17.04.2015.]

1. SEBI vide circular dated May 30, 2012 (Exit Circular) issued guidelines for exit of De-recognized/Non-operational stock exchanges. Subsequently, vide circular dated May 22, 2014, SEBI issued directions to the stock exchanges to address issues faced by companies exclusively listed in non-operational stock exchanges.
2. As per the above referred circulars, inter alia, the exclusively listed companies which fail to obtain listing in any other nationwide stock exchange will cease to be a listed company and will be moved to the dissemination board by the existing stock exchange.
3. Subsequently, SEBI has been in receipt of representations from exclusively listed companies stating that although they are interested and eligible to migrate to the main boards of nationwide stock exchanges, they are not in a position to opt for the same due to paucity of time. Such companies have sought time to list in nationwide stock exchanges. In the interest of investors of such companies, it has been decided to allow a time line of eighteen months, within which such companies shall obtain listing upon compliance with the listing requirements of the nation-wide stock exchange, subject to the following:-
 - a) Listing in nationwide stock exchanges is permitted only in respect of those class of securities that were already listed in the non-operational stock exchanges.
 - b) The exclusively listed companies seeking listing on nationwide exchanges shall not undergo any material changes in their shareholding pattern which suggests change of control at the time of listing on nationwide stock exchanges.
 - c) Pursuant to exit or de-recognition of the non-operational stock exchanges, the exclusively listed companies of such stock exchanges which have been moved to the Dissemination Boards of nation-wide stock exchanges may be desirous of migrating to the main boards of the nation-wide stock exchanges. However, they may not be in a position to obtain the NOC or other requisite confirmations from the non operational/exited stock exchanges wherein they were originally listed.

In such instances, for the purpose of direct listing, the exclusively listed companies which were filing returns for the last two financial years with their respective Registrar of Companies ("RoC") may be treated as a compliant company and the requirement of No Objection Certificate ("NOC") or any other documents from non-operational/exited stock exchanges may not be insisted upon by the nationwide exchange which is providing the listing platform. For the listing purpose, the company shall obtain compliance certification from any independent professionals and submit to the nationwide stock exchanges. The nationwide stock exchanges shall also carry out independent verification for ensuring the compliance of the requirements.
 - d) All the promoters and directors of such companies, who have failed to provide the trading platform or exit to its shareholders, even after the extended time of eighteen months will have to undergo stricter scrutiny for their any future association with securities market. Any company/entity/person which proposes to make public offer or get registered with SEBI in any capacity and has/is promoter



or director whose company is in dissemination board has to demonstrate that they have made adequate efforts for providing exit to their shareholders and that upon failure of such efforts, such companies have remained on the dissemination board. This shall be notwithstanding any other action that may be taken against such promoters/directors/companies by SEBI.

- e) Nationwide Stock exchange shall have a dedicated cell to process the application of exclusively listed companies of non-operational/exited stock exchanges. The applications of these companies for compliance with this circular shall be disposed off as early as possible but not later than 2 months from the date of receipt of the application.
4. Until such listing, these companies shall continue to remain in the Dissemination Boards of the nation-wide stock exchanges.
5. The companies which are referred to the respective Registrar of Companies (RoC) by the non-operational exchanges for the purpose of declaring as 'vanishing company' may be removed from the dissemination board once the company is identified as 'Vanishing' by the Ministry of Corporate Affairs ("MCA") or RoC.

Applicability

6. The provisions of this Circular are applicable to the exclusively listed companies of all de-recognized/non operational stock exchanges exited/exiting (Compulsory or Voluntarily) in terms of exit circular dated May 30, 2012.
7. This circular is issued in exercise of powers conferred under Section 11 (1) and 11(2)(j) 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.
8. This circular is available on SEBI website at www.sebi.gov.in.

Sunil Kadam
General Manager

27 Mechanism for acquisition of shares through Stock Exchange pursuant to Tender-Offers under Takeovers, Buy Back and Delisting

[Issued by the Securities and Exchange Board of India vide Circular CIR/CFD/POLICYCELL/1/2015, dated 13.04.2015.]

1. SEBI (Buy Back of Securities) Regulations, 1998 (hereinafter referred to as "Buy Back Regulations"), SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as "Takeover Regulations"), SEBI (Delisting of Equity Shares) Regulations, 2009 (hereinafter referred to as "Delisting Regulations") were amended vide

notification dated March 24, 2015 to facilitate tendering of shares by the shareholders and settlement of the same, through the stock exchange mechanism as specified by the Board.

2. After due deliberations and consultations with the market participants, the procedure for tendering and settlement of shares through stock exchange is specified in Annexure-1.
3. Applicability
 - a. This circular shall be applicable to all the offers for which Public Announcement is made on or after July 01, 2015.
 - b. For all impending offers, acquirer promoter/ company shall have the option to follow this mechanism or the existing one.
 - c. In case an acquirer or any person acting in concert with the acquirer who proposes to acquire shares under the offer is not eligible to acquire shares through stock exchange due to operation of any other law, such offers would follow the existing 'tender offer method'.
 - d. In case of competing offers under Regulation 20 of the Takeover Regulations, in order to have a level playing field, in the event one of the acquirers is ineligible to acquire shares through stock exchange mechanism, then all acquirers shall follow the existing 'tender offer method'.
4. Stock Exchanges shall take necessary steps and put in place necessary infrastructure and systems for implementation of the mechanism and to ensure compliance with requirements of this circular.
5. This Circular is being issued in exercise of the powers conferred under section 11 (1) of the Securities and Exchange Board of India Act, 1992 read with regulation 13(1 A) of Delisting Regulations, regulation 9(3A) of Buy Back Regulations, regulation 18(6A) of Takeover Regulations as amended.
6. This Circular along with the Annexure is available on the SEBI website at www.sebi.gov.in under the category "Legal framework".

Amit Tandon
Deputy General Manager

ANNEXURE-1 Procedure for tendering and settlement of shares through Stock Exchange

Acquisition Window

- a. The facility for acquisition of shares through Stock Exchange mechanism pursuant to offer shall be available on the Stock Exchanges having nationwide trading terminals in the form of a separate window (the "Acquisition Window").
- b. The acquirer or company may choose to use the Acquisition



From the Government

Window provided by more than one Stock Exchange having nationwide trading terminal and in that case, one of the exchanges shall be chosen as the "Designated Stock Exchange"(DSE).

- c. The Recognised Stock Exchanges having nationwide trading terminals shall also facilitate acquirers to provide the platform in case of companies exclusively listed on Recognised Regional Stock Exchanges.
- d. In case of competing offers under Regulation 20 of the Takeover Regulations, each acquirer will apply for and use separate Acquisition Windows during the tendering period. If one acquirer chooses to use acquisition window of one Stock Exchange having nationwide trading terminal, it would not be mandatory for the other acquirer to choose the same Stock Exchange.
- e. The acquirer/ company shall appoint a stock broker registered with the Board for the offer. Such broker may also undertake transactions on behalf of sellers.

Placing of orders and basis of acceptance

- f. At the beginning of the tendering period, the order for buying the required number of shares shall be placed by acquirer/ company through his stock broker.
- g. During the tendering period, the order for selling the shares will be placed by eligible sellers through their respective stock brokers during normal trading hours of the secondary market.
- h. Such shares would be transferred to a special account of the clearing corporation specifically created for this purpose prior to placing the bid. The stock brokers shall also forward to the Clearing Corporation such details regarding the shares tendered as may be required by the Merchant Banker.
- i. The cumulative quantity tendered shall be made available online to the market throughout the trading session at specific intervals by each of the Stock Exchanges during the tendering period on the basis of shares transferred to the special account of the clearing corporation.

Finalisation of basis of acceptance

- j. In case of offer under Takeover Regulations, the Merchant Banker to the offer shall finalise the basis of acceptance of the shares depending upon the level of acceptances received in the offer.
- k. In case of offer under Buy Back Regulations, the company is required to announce a Record Date for the purpose of determining the entitlement and the names of the security holders who are eligible to participate in the proposed Buy-Back. Based on this information, eligible shareholders can tender shares in the Buy-Back using the Acquisition Window of the Stock Exchanges through selling brokers. However, reconciliation for acceptances

shall be conducted by the Merchant banker and the Registrar to the offer after closing of the Offer and the final list shall be provided to the Stock Exchanges to facilitate settlement.

Execution of trades and settlement

- l. Once the basis of acceptance is finalised, the clearing corporation would facilitate execution and settlement of trades by transferring the required number of shares from the special account to the escrow account of the acquirer/ company.
- m. The trades shall be carried out in the manner similar to settlement of trades in the secondary market process including providing an option for direct payout to the shareholders. This would include settlement of trades of physical shares as well.
- n. Excess shares, if any, would be returned to the seller brokers by Clearing Corporation.
- o. The seller broker would then issue contract note for the shares accepted and also return the balance to their respective clients.
- p. Disclosures

Additional disclosures required in Detailed Public Statement, Letter of Offer for Takeover Regulations, in Public Announcement for Buyback Regulations and Delisting Regulations:

- i. Name and address of the stock broker appointed by the Acquirer/Company;
- ii. Name of the Recognised Stock Exchanges with nationwide trading terminals where the Acquisition Window shall be available including the name of the Designated Stock Exchange,
- iii. Methodology for placement of orders, acceptances and settlement of shares held in dematerialised form and physical form
- iv. Details of the special account opened with Clearing Corporation.
- q. Participation by Physical Shareholders

With regard to the participation of shareholders holding physical shares, the procedure similar to the buyback for physical shares through the open market method of buyback as specified in regulation 15A of SEBI (Buyback of Securities) regulations, 1998 shall apply.

- r. Tendering of Locked in-shares

For shares which are locked-in, the selling shareholder can tender the shares in the same manner which is in existence currently i.e. through off-market.

28 The Securities and Exchange Board of India (Public Offer and Listing of Securitised Debt Instruments)



(Amendment) Regulations, 2015

[Issued by the Securities and Exchange Board of India vide No. SEBI-NRO/OIAE/GN/2015-16/001, dated 09.04.2015. Published in the Gazette of India, Extraordinary, Part III-Sec. 4, dated 09.04.2015]

In exercise of the powers conferred by section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following Regulations to further amend the Securities and Exchange Board of India (Public Offer and Listing of Securitised Debt Instruments) Regulations, 2008, namely:—

1. These Regulations may be called the Securities and Exchange Board of India (Public Offer and Listing of Securitised Debt Instruments) (Amendment) Regulations, 2015.
2. They shall come into force on the date of their publication in the Official Gazette.
3. In the Securities and Exchange Board of India (Public Offer and Listing of Securitised Debt Instruments) Regulations, 2008, —

(i) in regulation 4,-

- (a) in sub-regulation (2), after clause (d), the following shall be inserted, namely :-(e) any scheduled commercial bank other than a regional rural bank; (f) any public financial Institution as defined under clause (72) of section 2 of the Companies Act, 2013; and (g) any other person as may be specified by Board."

(b) after sub-regulation (2), following sub-regulation shall be inserted,

namely:-

"(2A) An applicant seeking registration to act as a trustee shall,-

- (a) have a networth of not less than two crore rupees. Explanation.— For the purposes of this regulation, "networth" means the aggregate value of paid up share capital plus free reserves (excluding reserves created out of revaluation) reduced by the aggregate value of accumulated losses and deferred expenditure not written off;
- (b) have in its employment a minimum of two persons who, between them, have atleast five years experience in activities related to securitisation and atleast one among them shall have a professional qualification in law from any university or institution recognised by the Central Government or any State Government or a foreign university;

Provided that the above-said requirements are not applicable on the National Housing Bank established by the National Housing Bank Act, 1987 and National Bank for Agriculture and Rural Development established by the National Bank for Agriculture and Rural Development Act, 1981 (61 of 1981)."

(ii) in regulation 11, after sub-regulation (2), the following sub-regulation shall be inserted, namely:-"(3) A trustee shall,-

- (a) supervise the implementation of the covenants regarding creation of security for the securitised debt instruments;
- (b) do such acts as are necessary in the event the security becomes enforceable and supervise the enforcement of the security in the interest of the investors;
- (c) carry out such acts as are necessary for resolving the grievances of the investors and for the protection of interest of the investors;
- (d) ensure on a continuous basis that the trust property of a particular scheme/tranche is available at all times to pay the securitised debt instruments holders of that particular scheme/tranche;
- (e) exercise due diligence to ensure compliance by the originators, with the listing agreements (if applicable), the trust deed or any other transaction document and if the originator is a banking company or non-banking financial company as defined in the Reserve Bank of India Act, 1934, trustee shall ensure that it has complied with the guidelines prescribed for securitisation by Reserve Bank of India;
- (f) take appropriate measures for protecting the interest of the investors including informing the board about any action, legal proceeding, etc., initiated against it in respect of any material breach or non-compliance by it, of any law, rules, regulations, directions of the Board or of any other regulatory body;
- (g) ensure that the securitised debt instruments have been repaid or redeemed in accordance with the provisions and conditions under which they were offered to the investors;
- (h) call for periodic reports from the originator regarding the performance of the underlying asset pool, atleast on quarterly basis;
- (i) communicate to the investors regarding the compliance by the servicer with its obligations and the actions taken thereof, atleast on quarterly basis;
- (j) obtain a certificate from the auditor(s) of originator regarding the disclosures of underlying asset pool assigned to the securitisation trust, as made by the originator, on quarterly basis;
- (k) share such reports and auditors certificate as received



From the Government

from the originator or the auditor(s) of originator, with the credit rating agency which is rating the securitised debt instrument;

- (l) call a meeting of all the investors on a requisition, in writing signed by at least one-tenth of investors in value for the time being outstanding or at the occurrence of an event, which constitutes a servicer default or which in the opinion of the trustees affects the interest of the investors;
- (m) maintain the net worth as per the requirements specified in these regulations on a continuous basis and inform the Board immediately in respect of any shortfall in the net worth and take necessary corrective action to restore the net worth within a period of six months;
- (n) ensure that any change in registration status or any administrative, civil or penal action taken by Board or any material change in financial position which may adversely affect the interests of investors is promptly informed to the investors;
- (o) not relinquish responsibility as trustee in respect of the issue, unless and until another trustee is appointed in its place;
- (p) have necessary infrastructure to discharge its duties including the following:
 - (i) collecting information and reports from servicers/originator;
 - (ii) generating cash flow reports, payment reports and meet all reporting requirements required under the Board's or Reserve Bank of India's guidelines/circulars;
 - (iii) recording investor information;
 - (iv) entering and maintaining data for the special purpose distinct entity, including cash flows, audited financials, taxation aspects etc.;
 - (v) issuing cheques/demand drafts or generating RTGS/NEFT requests etc., for interest and principal payments;
 - (vi) sufficient access controls to ensure confidentiality of data;
 - (vii) sufficient systems for backup and disaster recovery,
- (q) appoint a compliance officer for performing duties including:
 - (i) monitoring the compliance of the acts, rules and regulations, notifications, guidelines, instructions, etc., issued by the Board, Central Government and State Government(s);
 - (ii) redressal of investors grievances.
 - (iii) in Schedule III, after para 11, following shall be inserted, namely:-

"12. A special purpose distinct entity and its trustee shall fulfill its obligations in a prompt, ethical and professional manner.

13. A special purpose distinct entity and its trustee shall not divulge to anybody either orally or in writing, directly or indirectly, any confidential information about its investors which has come to its knowledge, without taking prior permission of its investors, except where such disclosures are required to be made in compliance with any law for the time being in force.

14. A special purpose distinct entity and its trustee or any of its directors, partners or managers, shall not either through its account or through associates or family members, relatives or friends indulge in any insider trading.

15. A special purpose distinct entity and its trustee shall have internal control procedures and financial and operational capabilities which can be reasonably expected to protect its operations, its investors and other registered entities from financial loss arising from theft, fraud, and other dishonest acts, professional misconduct or omissions.

16. A special purpose distinct entity and its trustee shall ensure that good corporate policies and corporate governance is in place and shall develop internal code of conduct for governing its internal operations and laying down standards of appropriate conduct for its employees for carrying out their duties.

17. A special purpose distinct entity and its trustee shall not be party to—
i. creation of false market;
ii. price rigging or manipulation."

(iv) in Schedule V, after para 4.2, following shall be inserted, namely:-

"4.3 Summary term sheet including at least following information (wherever relevant pertaining to the securitised debt instrument:-

Originators	(each referred to as an "Originator" and collectively referred to as the "Originators")
Trustee	[name of trustee]
Issuer	[name of special purpose distinct entity(SPDE)]
Trust Property	
Initial Contribution to the SPDE	INR[]



Transaction Size	INR[]
Pool Principal on Settlement Date	INR[]
Pool Cut Off Date	[date] [Specify future cut offs (if revolving in nature) or purchase of future receivables]
Settlement Date	[date]
Payout Dates	[date]
Transaction Structure	Each Originator proposes to sell the following assets to the Issuer on the Settlement Date: [nature of assets] [description of assets] [amount] The aggregate of the assets shall be referred to as the "Total Pool". [specify if par / premium / discount deal] The Issuer intends to issue [] securitised debt instruments representing an undivided beneficial interest in the Issuer's property including the Pool. [specify if there are future sales]
Receivables	[detailed description of the receivables] [Aggregate of all the receivables]
Disclosure on key pool features and composition	LTV-based, tenure-based, ticket size based distribution etc
Collection Period	-----
Servicer	-----,----- (individually referred to as a "Servicer" and collectively referred to as the "Servicers") <ul style="list-style-type: none"> • Obligations of the Servicer(s) (including reporting obligations) • Events of default of the Servicer(s) • Right to change the Servicer(s)
Servicer Fee and Incentives	
Legal Counsel	[specify whom the Counsel represents]
Credit Enhancement for the Transaction	<ul style="list-style-type: none"> • Internal credit enhancement available for each class of securitised debt instruments, expressed in absolute amounts and as a proportion of the Pool Principal • External credit enhancement available for each class of securitised debt instruments, expressed in absolute amounts and as a proportion of the Pool Principal • Annexure that indicates how the above credit enhancement has been calculated, along with assumptions • Provider of credit enhancement

Utilisation process and conditions for utilization of Credit Enhancement	[]
Name of Designated bank (with which Cash Collateral and / or Collection and payment Account is maintained)	
Swap	Nature of the swap Swap counterparty, rating of the swap counterparty
Refund / top up of Credit Enhancement	[]
Clean-Up Call Option	[]
Details of Listing	- Timing for listing - - Conditions for remaining listed - Consequence of de-listing
Rating Agency(ies)	[]
Series of securitised debt instruments	[specify seniority and subordination]

Day count convention	[]		
	Series A1 Securitised Debt Instruments	Series A2 Securitised Debt Instruments	Series A3 Securitised Debt Instruments
Seniority			
Face Value			
Initial rating			
Final Maturity Date			
Expected Maturity Date			
Expected Yield			
Payment Schedule			
Expected payment schedule			
Promised payment schedule			
First Payout Date			
Portfolio Audit			
Eligibility Criteria for the Receivables	Regulatory requirements Investor requirements (concentration etc.)		
Minimum Holding Period, if any	Minimum Holding Period, if any, during which the receivables are held by the Originator		
Minimum Retention Requirement, if any	Continuing stake, if any, of Originator, if any, on the receivables		
Details of Transaction Documents			
Applicable Law and Jurisdiction			

*Not reproduced here for want of space.





Waterfall Mechanism	Rules for cash flow to each investor and swap counterparty, and treatment of excess interest / residual cash flows and treatment, in case of prepayment of underlying loans or change in interest rate on loan
---------------------	--

U.K. Sinha
Chairman

29 Fine structure for non-compliance with the requirement of Clause 49(II)(A)(1) of Listing Agreement

[Issued by the Securities and Exchange Board of India vide Circular No. CIR/CFD/CMD/1/2015, dated 08.04.2015.]

- SEBI, vide Circular No. CIR/CFD POLICY CELL/2/2014 dated April 17, 2014, amended the provisions of Clause 49 of Listing Agreement relating to Corporate Governance, mandating, inter-alia, that the Board of Directors of listed entities shall have an optimum combination of executive and non-executive directors with at least one woman director. Further, vide Circular No. CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014, the timeline to comply with the aforesaid requirement was extended to March 31, 2015.
- SEBI vide Circular No. CIR/MRD DSA/31/2013 dated September 30, 2013 has prescribed the uniform fine structure for non-compliance with certain provisions of Listing Agreement including Clause 49. The Stock Exchanges have amended their bye laws to the effect that issuer shall be liable to pay fine(s) as prescribed by Stock Exchanges and/or SEBI for non-compliance with the provisions of Listing Agreement etc. In continuation to the aforesaid circular, the Stock Exchanges are advised to impose the following fine on listed entities for non-compliance with the requirement of Clause 49(II)(A)(1) of Listing Agreement:

Compliance Status	Fine Structure
Listed entities complying between April 1, 2015 and June 30, 2015	₹ 50,000/-
Listed entities complying between July 1, 2015 and September 30, 2015	₹50,000 + ₹1000/- per day w.e.f. July 1, 2015 till the date of compliance
Listed entities complying on or after October 1, 2015	₹1,42,000/- + ₹5000/- per day from October 1, 2015 till the date of compliance

- For any non-compliance beyond September 30, 2015, SEBI may take any other action, against the non compliant entities, their promoters and/or directors or issue such directions in accordance with law, as considered appropriate.

- This circular is issued in exercise of the powers conferred under sections 11(1) and 11A (2) of the Securities and Exchange Board of India Act 1992, read with section 10 of the Securities Contracts (Regulation) Act, 1956 in the interest of trade and public interest and for the protection of the interests of investors in securities and to promote the development of, and to regulate the securities market and shall come into effect immediately.
- This Circular is also available on SEBI website at www.sebi.gov.in.

Harini Balaji
Deputy General Manager

30 Revision of limits relating to requirement of underlying exposure for currency derivatives contracts

[Issued by the Securities and Exchange Board of India vide Circular No. CIR/MRD/DP/ 04 /2015, dated 08.04.2015.]

This is further to SEBI circular no. CIR/MRD/DP/20/2014 dated June 20, 2014, wherein, limits were specified for the USD-INR, EUR-INR, GBP-INR and JPY-INR currency derivatives contracts beyond which market participants were required to establish proof of underlying exposure.

- RBI vide A.P. (DIR Series) Circular no. 90 dated March 31, 2015 and A.P. (DIR Series) Circular no. 91 dated March 31, 2015 has revised the limits beyond which market participants would be required to establish underlying exposure in the currency derivatives segment. Copy of the RBI circulars are enclosed for reference*.

- Accordingly, it has been decided to modify para 5 and para 9 of SEBI circular CIR/MRD/DP/20/2014 dated June 20, 2014 as under:

3.1. Para 5 of aforementioned circular shall read as under:

- Foreign Portfolio Investors (FPIs) may take long as well as short positions per stock exchange upto the following limit without having to establish the existence of any underlying exposure:
 - USD-INR currency pair: USD 15 million;
 - EUR-INR, GBP-INR and JPY-INR currency pairs (all put together): USD 5 million.
- FPIs shall ensure that their short positions at a stock exchange across all contracts in USD-INR pair do not exceed USD 15 million and do not exceed USD 5 million in EUR-INR, GBP-INR and JPY-INR pairs, all put together.
- In the event a FPI breaches the short position limit, stock exchanges shall restrict the FPI from increasing its existing short positions or creating new short positions in the currency



pair till such time FPI complies with the said requirement.

- (d) To take long positions in excess of USD 15 million in USD-INR pair and in excess of USD 5 million in EUR-INR, GBP-INR and JPY-INR pairs, all put together, FPIs shall be required to have an underlying exposure in Indian debt or equity securities, including units of equity/debt mutual funds.

3.2. Para 9 of aforementioned circular shall read as under:

- (a) Domestic clients may take long as well as short positions per stock exchange upto the following limit without having to establish the existence of any underlying exposure:

- (i) USD-INR currency pair: USD 15 million;
 (ii) EUR-INR, GBP-INR and JPY-INR currency pairs (all put together): USD 5 million.

- (b) Domestic clients may take positions in excess of USD 15 million in USD-INR pair and in excess of USD 5 million in EUR-INR, GBP-INR and JPY-INR pairs, all put together, subject to the conditions specified in the RBI A.P. (DIR Series) Circular no. 147 dated June 20, 2014 and RBI A.P. (DIR Series) Circular no. 90 dated March 31, 2015.

3.3. Stock exchanges, under intimation to SEBI, may prescribe fixed limits for EUR-INR, GBP-INR and JPY-INR currency pairs within the equivalent of USD 5 million.

3.4. The limits mentioned above at para 3.1 and para 3.2 shall be monitored by stock exchanges and/or clearing corporations and breaches, if any, shall be reported to the Market Surveillance Team of Financial Markets Regulation Department (FMRD), RBI.

4. All other requirements, terms and conditions shall remain unchanged.

5. Stock Exchanges and Clearing Corporations are directed to:

- (a) take necessary steps to put in place systems for implementation of the circular, including necessary amendments to the relevant bye-laws, rules and regulations;
 (b) bring the provisions of this circular to the notice of the stock brokers / clearing members and also disseminate the same on their website;
 (c) communicate to SEBI the status of implementation of the provisions of this circular.

6. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Maninder Cheema
 Deputy General Manager



31 Review of Foreign Direct Investment (FDI) Policy on Investments by Non Resident Indians (NRIs), Persons of Indian Origin (PIOs) and Overseas Citizens of India (OCIs)

[Issued by the Ministry of Commerce & Industry, Department of Industrial Policy & Promotion vide Press Note No. 7 (2015 Series) dated 03.06.2015.]

1.0 Present Position:

1.1 Paragraph 2.1.27 of 'Consolidated FDI Policy Circular of 2015', effective from May 12, 2015, relating to the definition of Non Resident Indian (NRI), presently reads as below:

'Non-Resident Indian' (NRI) means an individual resident outside India who is a citizen of India or is a person of Indian origin.

2.0 Revised Position:

2.1 The Government of India has reviewed the FDI policy relating to investments by Non Resident Indians (NRIs), Persons of Indian Origin (PIOs) and Overseas Citizens of India (OCIs). It has been decided to amend the definition of Non Resident Indian as contained in the FDI policy, and also to provide that for the purposes of FDI policy, investment by NRIs under Schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident Outside India) Regulations will be deemed to be domestic investment at par with the investment made by residents.

3.0 Accordingly, the following amendments are made in the 'Consolidated FDI Policy Circular of 2015', effective from May 12, 2015:

(i) Para 2.1.27 is amended to read as below:

'Non-Resident Indian' (NRI) means an individual resident outside India who is a citizen of India or is an 'Overseas Citizen of India' cardholder within the meaning of section 7 (A) of the Citizenship Act, 1955. 'Persons of Indian Origin' cardholders registered as such under Notification No. 26011/4/98 F.I., dated 19.8.2002, issued by the Central Government are deemed to be 'Overseas Citizen of India'



cardholders.

(ii) Insertion of a new para 3.6.2 (vii), after para 3.6.2 (vi) of the Consolidated FDI Policy Circular of 2015:

Investment by NRIs under Schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident Outside India) Regulations will be deemed to be domestic investment at par with the investment made by residents.

4.0 The words 'Non-Resident Indian' (NRI) / 'Person of Indian Origin' (PIO) appearing in the Consolidated FDI Policy Circular of 2015 will be deemed to be having the same meaning as provided at Para 3.0 above.

5.0 The above decision will take effect from 18.06.2015.

Atul Chaturvedi
Joint Secretary

32 Review of the investment limit for cases requiring prior approval of the Foreign Investment Promotion Board (FIPB)/ Cabinet Committee on Economic Affairs (CCEA)

[Issued by the Ministry of Commerce & Industry, Department of Industrial Policy & Promotion vide Press Note No. 6 (2015 Series) dated 03.06.2015.]

1.0 Present Position:

1.1 Paragraph 5.2 of 'Consolidated FDI Policy Circular of 2015', effective from May 12, 2015, relating to levels of approvals for cases under Government route, presently reads as below:

5.2 Levels of Approvals for Cases under Government Route

5.2.1 The Minister of Finance who is in-charge of FIPB would consider the recommendations of FIPB on proposals with total foreign equity inflow of and below Rs. 2000 crore.

5.2.2 The recommendations of FIPB on proposals with total foreign equity inflow of more than Rs. 2000 crore would be placed for consideration of Cabinet Committee on Economic Affairs (CCEA).

5.2.3 The CCEA would also consider the proposals which may be referred to it by the FIPB/the Minister of Finance (in-charge of FIPB).

2.0 Revised Position:

2.1 The Government of India has reviewed the position in this regard and decided to revise the investment limit for cases requiring prior approval of the Foreign Investment Promotion Board (FIPB)/ Cabinet Committee on Economic Affairs (CCEA).

3.0 Amendment to paragraph 5.2:

3.1 Accordingly, Para 5.2 of 'Consolidated FDI Policy Circular of 2015', effective from May 12, 2015, is amended, as below:

5.2 Levels of Approvals for Cases under Government Route

5.2.1 The Minister of Finance who is in-charge of FIPB would consider the recommendations of FIPB on proposals with total foreign equity inflow up to Rs. 3000 crore.

5.2.2 The recommendations of FIPB on proposals with total foreign equity inflow of more than Rs. 3000 crore would be placed for consideration of Cabinet Committee on Economic Affairs (CCEA).

5.2.3 The CCEA would also consider the proposals which may be referred to it by the FIPB/the Minister of Finance (in-charge of FIPB).

5.2.4 The FIPB Secretariat in Department of Economic Affairs will process the recommendations of FIPB to obtain the approval of Minister of Finance and CCEA.

4.0 The above decision will take immediate from 18.06.2015.

Atul Chaturvedi
Joint Secretary

33 Streamlining the Procedure for Grant of Industrial Licenses

[Issued by the Ministry of Commerce & Industry, Department of Industrial Policy & Promotion vide Press Note No. 5 (2015 Series) dated 27.04.2015.]

The initial validity of Industrial License for Defence Sector, as per Press Note 5 (2014 series) and Press Note 9 (2014 series), is presently three years, extendable up to seven years.

2. In partial modification of the above mentioned Press Notes, the initial validity of Industrial License for Defence Sector is being revised to seven years, further extendable up to three years for existing as well as future Licenses. This is being done as a measure to further promote ease of doing business, in view of the long gestation period of Defence Contracts to mature.

Shubhra Singh
Joint Secretary

34 Policy on foreign investment in the Pension Sector- addition of paragraph 6.2.17.9 of 'Consolidated FDI Policy Circular of 2014'

[Issued by the Ministry of Commerce & Industry, Department of Industrial Policy & Promotion vide Press Note No. 4 (2015 Series) dated 24.04.2015.]



In pursuance of enactment of Insurance Regulatory & Development Authority Act, 2013 Government has decided to permit Foreign Direct Investment in the Pension Sector as under:

S.No.	Sector/ Activity	% of FDI Cap/ Equity	Entry route
6.2.17.9	Pension Sector	49% {FDI+FPI (FII, QFI + NRI - FVCI + DR)}	Automatic up to 26% Government route beyond 26% and up to 49%
6.2.17.9.1	Other conditions		
	<p>(1) FDI in the Pension Funds is allowed as per the Pension Fund Regulatory and Development Authority (PFRDA) Act, 2013.</p> <p>(2) Foreign Investment in Pension Funds will be subject to the condition that entities bringing in foreign equity investment as per Section 24 of the PFRDA Act shall obtain necessary registration from the Pension Fund Regulatory and Development Authority and comply with other requirements as per the PFRDA Act, 2013 and Rules and Regulations framed under it for so participating in Pension Fund Management activities in India.</p> <p>(3) Wherever such foreign equity investment involves control or ownership by the foreign investor or, transfer of control or ownership of an existing pension fund from resident Indian citizens and or Indian companies owned and controlled by resident Indian citizens to such foreign investing entities as a consequence of the investment, including through transfer of shares and or fresh issue of shares to Non-Resident entities through acquisition, amalgamation, merger etc., it would require FIPB approval in consultation with the Department of Financial Services, PFRDA and other entities concerned and the onus of compliance to these conditions will be on investee Indian pension fund company. The meaning of ownership and control would be as per the Foreign Direct Investment policy.</p>		

2.0 The above decision will take immediate effect.

Atul Chaturvedi
Joint Secretary

35 Review of Foreign Direct Investment (FDI) policy on Insurance Sector-amendment to 'Consolidated FDI Policy Circular of 2014'

[Issued by the Ministry of Commerce & Industry, Department of Industrial Policy & Promotion vide Press Note No. 3 (2015 Series) dated 02.03.2015.]

1.0 Present Position:

1.1 Paragraph 6.2.17.7 of 'Consolidated FDI Policy Circular 2014', effective from April 17, 2014, relating to insurance sector, presently reads as below:

S. No.	Sector/ Activity	% of FDI Cap/ Equity	Entry route
6.2.17.7	Insurance		
6.2.17.7.1	(i) Insurance Company (ii) Insurance Brokers (iii) Third party Administrators (iv) Surveyors and Loss Assessors	26% (FDI+FII/ FPI+NRI)	Automatic
6.2.17.7.2	Other conditions		
	<p>(1) FDI in the Insurance sector, as prescribed in the Insurance Act, 1938, is allowed under the automatic route.</p> <p>(2) This will be subject to the condition that Companies bringing in FDI shall obtain necessary license from the Insurance Regulatory & Development Authority for undertaking insurance activities.</p> <p>(3) The provisions of paragraphs 6.2.17.2.2(i) (c) & (e), relating to 'Banking-Private Sector', shall be applicable in respect of bank promoted insurance companies.</p> <p>(4) Indian Insurance Company is defined as a company: (a) which is formed and registered under the Companies Act, 1956; (b) in which the aggregate holdings of equity shares by a foreign company either by itself or through its subsidiary companies or its nominees, do not exceed 26% paid-up equity capital of such Indian insurance company; (c) whose sole purpose is to carry on life insurance business or general insurance business or re-insurance business.</p> <p>(5) As per IRDA (Insurance Brokers) Regulations, 2002, "insurance broker" means a person for the time-being licensed by the Authority under regulation 11, who for remuneration arranges insurance contracts with insurance companies and/or reinsurance companies on behalf of his clients.</p> <p>(6) As per IRDA (TPA-Health Services) Regulations, 2001, "TPA" means a Third Party Administrator who, for the time being, is licensed by the Authority, and is engaged, for a fee or remuneration, by whatever name called as may be specified in the agreement with an insurance company, for the provision of health services.</p> <p>(7) Surveyors and Loss Assessors will be governed by the IRDA Insurance Surveyors and Loss Assessors (Licencing, Professional Requirements and Code of Conduct) Regulations, 2000.</p>		

2.0 Revised Position:



From the Government

2.1 The Government of India has reviewed the foreign investment policy on the insurance sector. Accordingly, Paragraph 6.2.17.7 of 'Consolidated FDI Policy Circular of 2014', effective from 17.4.2014, is amended to read as below:

S. No.	Sector/ Activity	% of FDI Cap/ Equity	Entry route
6.2.17.7	Insurance		
6.2.17.7.1	(i) Insurance Company (ii) Insurance Brokers (iii) Third Party Administrators (iv) Surveyors and Loss Assessors (v) Other Insurance Intermediaries appointed under the provisions of Insurance Regulatory and Development Authority Act, 1999 (41 of 1999)	49% {(FDI+FPI (FII,QFI) + NRI + FVCI +DR}	Automatic up to 26% Government route beyond 26% and up to 49%
6.2.17.7.2	Other conditions		
	(a) No Indian insurance company shall allow the aggregate holdings by way of total foreign investment in its equity shares by foreign investors, including portfolio investors, to exceed forty-nine percent of the paid up equity capital of such Indian insurance company, (b) Foreign direct investment proposals which take the total foreign investment in the Indian insurance company above 26 percent and upto the cap of 49 percent shall be under Government route, (c) Foreign investment in the sector is subject to compliance of the provisions of the Insurance Act, 1938 and the condition that Companies bringing in FDI shall obtain necessary license from the Insurance Regulatory & Development Authority of India for undertaking insurance activities. (d) An Indian insurance company shall ensure that its ownership and control remains at all times in the hands of resident Indian entities referred to in Notification No. G.S.R 115 (E), dated 19th February, 2015. (e) Foreign portfolio investment in an Indian insurance company shall be governed by the provisions contained in sub-regulations (2), (2A), (3) and (8) of regulation 5 of FEMA Regulations, 2000 and provisions of the Securities Exchange Board of India (Foreign Portfolio Investors) Regulations. (f) Any increase of foreign investment of an Indian insurance company shall be in accordance with the pricing guidelines specified by Reserve Bank of India under the FEMA.		

(g) The foreign equity investment cap of 49 percent shall apply on the same terms as above to Insurance Brokers, Third Party Administrators, Surveyors and Loss Assessors and Other Insurance Intermediaries appointed under the provisions of the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999):
(h) Provided that where an entity like a bank, whose primary business is outside the insurance area, is allowed by the Insurance Regulatory and Development Authority of India to function as an insurance intermediary, the foreign equity investment caps applicable in that sector shall continue to apply, subject to the condition that the revenues of such entities from their primary (i.e. non-insurance related) business must remain above 50 percent of their total revenues in any financial year.
(i) The provisions of paragraphs 6.2.17.2.2(4) (i) (c) & (e), relating to 'Banking-Private Sector', shall be applicable in respect of bank promoted insurance companies.
(j) Terms 'Control', 'Equity Share Capital', 'Foreign Direct Investment' (FDI), 'Foreign Investors', 'Foreign Portfolio Investment', 'Indian Insurance Company', 'Indian Company', 'Indian Control of an Indian Insurance Company', 'Indian Ownership', 'Non-resident Entity', 'Public Financial Institution', 'Resident Indian Citizen', 'Total Foreign Investment' will have the same meaning as provided in Notification No. G.S.R 115 (E), dated 19th February, 2015.

3.0 Consequent to above, Para 6.2.17.2.2 (4) (i) (c) of the Consolidated FDI Policy Circular of 2014 is amended as under:

3.1 Present Position

Paragraph 6.2.17.2.2 (4) (i) (c) of 'Consolidated FDI Policy Circular 2014', effective from April 17, 2014, presently reads as below:

"Applications for foreign direct investment in private banks having joint venture/subsidiary in insurance sector may be addressed to the Reserve Bank of India (RBI) for consideration in consultation with the Insurance Regulatory and Development Authority (IRDA) in order to ensure that the 26 per cent limit of foreign shareholding applicable for the insurance sector is not being breached."

3.2 Revised Position

"Applications for foreign direct investment in private banks having joint venture/subsidiary in insurance sector may be addressed to the Reserve Bank of India (RBI) for consideration in consultation with the Insurance Regulatory and Development Authority of India (IRDAI) in order to ensure that the 49 per cent limit of foreign shareholding applicable for the insurance sector is not being breached."



4.0 The above decision will take immediate effect.

Atul Chaturvedi
Joint Secretary

36 Review of the policy on Foreign Direct Investment (FDI) in Pharmaceutical Sector- carve out for medical devices.

[Issued by the Ministry of Commerce & Industry, Department of Industrial Policy & Promotion vide Press Note No. 2 (2015 Series) dated 06.01.2015.]

1.0 Present Position:

1.1 Paragraph 6.2.18 of 'Consolidated FDI Policy Circular of 2014', effective from April 17, 2014, relating to Foreign Direct Investment policy in Pharmaceuticals sector is as under:

6.2.18	Pharmaceuticals		
6.2.18.1	Greenfield	100%	Automatic
6.2.18.2	Brownfield	100%	Government
6.2.18.3	Other Conditions:		
	(i) 'Non-compete' clause would not be allowed except in special circumstances with the approval of the Foreign Investment Promotion Board. (ii) The prospective investor and the prospective investee are required to provide a certificate along with the FIPB application. (iii) Government may incorporate appropriate conditions for FDI in brownfield cases, at the time of granting approval.		

2.0 Revised Position:

2.1 The Government of India has reviewed the position in this regard and the policy will now be read as under:

6.2.18	Pharmaceuticals		
6.2.18.1	Greenfield	100%	Automatic
6.2.18.2	Brownfield	100%	Government
6.2.18.3	Other Conditions:		
	(i) 'Non-compete' clause would not be allowed except in special circumstances with the approval of the Foreign Investment Promotion Board. (ii) The prospective investor and the prospective investee are required to provide a certificate along with the FIPB application. (iii) Government may incorporate appropriate conditions for FDI in brown field cases, at the time of granting approval. Note: i. FDI up to 100%, under the automatic route is permitted for manufacturing of medical devices. The above mentioned conditions will, therefore, not be applicable to greenfield as well as brown field projects of this industry.		

- ii. Medical device means-
- a. any instrument, apparatus, appliance, implant, material or other article, whether used alone or in combination, including the software, intended by its manufacturer to be used specially for human beings or animals for one or more of the specific purposes of-
 - (aa) diagnosis, prevention, monitoring, treatment or alleviation of any disease or disorder;
 - (ab) diagnosis, monitoring, treatment, alleviation of, or assistance for, any injury or handicap;
 - (ac) investigation, replacement or modification or support of the anatomy or of a physiological process;
 - (ad) supporting or sustaining life;
 - (ae) disinfection of medical devices;
 - (af) control of conception,

and which does not achieve its primary intended action in or on the human body or animals by any pharmacological or immunological or metabolic means, but which may be assisted in its intended function by such means;

- b. an accessory to such an instrument, apparatus, appliance, material or other article;
- c. a device which is reagent, reagent product, calibrator, control material, kit, instrument, apparatus, equipment or system whether used alone or in combination thereof intended to be used for examination and providing information for medical or diagnostic purposes by means of in vitro examination of specimens derived from the human body or animals.
- iii. The definition of medical device at Note (ii) above would be subject to the amendment in Drugs and Cosmetics Act.

3. The above decision will take effect from 21.01.2015.

Atul Chaturvedi
Joint Secretary



General Laws

37

The Negotiable Instruments (Amendment) Ordinance, 2015

[Issued by the Ministry of Law & Justice, (Legislative Department). Published in the Gazette of India, Extraordinary, Part-II, Section 1, dated 15.06.2015.]

Promulgated by the President in the Sixty-sixth Year of the Republic of India.

An Ordinance further to amend the Negotiable Instruments Act, 1881.

WHEREAS the Negotiable Instruments (Amendment) Bill, 2015 has been passed by the House of the People and is pending in the Council of States;

AND WHEREAS, Parliament is not in session and the President is satisfied that circumstances exist which render it necessary for him to take immediate action;

NOW THEREFORE, in exercise of the powers conferred by clause (1) of article 123 of the Constitution, the President is pleased to promulgate the following Ordinance:—

1. (1) This Ordinance may be called the Negotiable Instruments (Amendment) Ordinance, 2015.

Short title and commencement.

(2) It shall come into force at once.

Amendment of section 6.

2. In the Negotiable Instruments Act, 1881 (hereinafter referred to as the principal Act), in section 6,—

26 of 1881.

(i) in *Explanation I*, for clause (a), the following clause shall be substituted, namely:—

‘(a) “a cheque in the electronic form” means a cheque drawn in electronic form by using any computer resource and signed in a secure system with digital signature (with or without biometrics signature) and asymmetric crypto system or with electronic signature, as the case may be;’;

(ii) after *Explanation II*, the following *Explanation* shall be inserted, namely:—

‘*Explanation III*.—For the purposes of this section, the expressions “asymmetric crypto system”, “computer resource”, “digital signature”, “electronic form” and “electronic signature” shall have the same meanings respectively assigned to them in the Information Technology Act, 2000.’.

21 of 2000.



Amendment
of section
142.

3. In the principal Act, section 142 shall be numbered as sub-section (1) thereof and after sub-section (1) as so numbered, the following sub-section shall be inserted, namely:—

“(2) The offence under section 138 shall be inquired into and tried only by a court within whose local jurisdiction,—

(a) if the cheque is delivered for collection through an account, the branch of the bank where the payee or holder in due course, as the case may be, maintains the account, is situated; or

(b) if the cheque is presented for payment by the payee or holder in due course otherwise through an account, the branch of the drawee bank where the drawer maintains the account, is situated.

Explanation.—For the purposes of clause (a), where a cheque is delivered for collection at any branch of the bank of the payee or holder in due course, then, the cheque shall be deemed to have been delivered to the branch of the bank in which the payee or holder in due course, as the case may be, maintains the account.”

Validation for
transfer of
pending cases.

4. In the principal Act, after section 142, the following section shall be inserted, namely:—

“142A. (1) Notwithstanding anything contained in the Code of Criminal Procedure, 1973 or any judgment, decree, order or directions of any court, all cases arising out of section 138 which were pending in any court, whether filed before it, or transferred to it, before the commencement of the Negotiable Instruments (Amendment) Ordinance, 2015 shall be transferred to the court having jurisdiction under sub-section (2) of section 142 as if that sub-section had been in force at all material times.

2 of 1974.

(2) Notwithstanding anything contained in sub-section (2) of section 142 or sub-section (1), where the payee or the holder in due course, as the case may be, has filed a complaint against the drawer of a cheque in the court having jurisdiction under sub-section (2) of section 142 or the case has been transferred to that court under sub-section (1), and such complaint is pending in that court, all subsequent complaints arising out of section 138 against the same drawer shall be filed before the same court irrespective of whether those cheques were delivered for collection or presented for payment within the territorial jurisdiction of that court.

(3) If, on the date of the commencement of the Negotiable Instruments (Amendment) Ordinance, 2015, more than one prosecution filed by the same payee or holder in due course, as the case may be, against the same drawer of cheques is pending before different courts, upon the said fact having been brought to the notice of the court, such court shall transfer the case to the court having jurisdiction under sub-section (2) of section 142 before which the first case was filed and is pending, as if that sub-section had been in force at all material times.”

PRANAB MUKHERJEE
President

DR. MUKULITA VIJAYAWARGIYA
Additional Secretary to the Government of India



News From the Institute



Institute News

Members Admitted

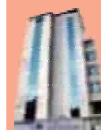
S. No.	Name	Membership No.	Region
FELLOWS*			
1	SH. ANIL KUMAR M.	FCS - 8046	SIRC
2	SH. NITIN KUMAR GARG	FCS - 8047	NIRC
3	SH. RAGHUNATH S BHANDARI	FCS - 8048	WIRC
4	SH. KULDEEP BENGANI	FCS - 8049	SIRC
5	MS. SAMIKSHA AGRAWAL	FCS - 8050	NIRC
6	SH. ABHIMANUEE RAJPUROHIT	FCS - 8051	NIRC
7	MR. MANEESH KUMAR SHUKLA	FCS - 8052	NIRC
8	MS. PAYAL SHARMA	FCS - 8053	NIRC
9	MS. SEEMA SHARMA	FCS - 8054	NIRC
10	SH. AWANISH KUMAR DWIVEDI	FCS - 8055	NIRC
11	SH. SAURABH TANEJA	FCS - 8056	NIRC
12	MRS. ISHA GUPTA	FCS - 8057	NIRC
13	SH. SURESH BALKRISHNA MARULKAR	FCS - 8058	WIRC
14	MS. A. PADMASRI	FCS - 8059	SIRC
15	MS. SHEETAL CHAUHAN	FCS - 8060	NIRC
16	MS. BHANUPRIYA PARMESHWAR RAO	FCS - 8061	WIRC
17	SH. GYANENDRA SINGH	FCS - 8062	NIRC
18	MS. HETAL BHARATKUMAR SHAH	FCS - 8063	WIRC
19	SH. DINESH G BHIMANI	FCS - 8064	WIRC
20	SH. SANJIV AGRAWAL	FCS - 8065	NIRC
21	SH. HUZEFA ALI	FCS - 8066	WIRC
22	SH GAURAV GARG	FCS - 8067	NIRC
23	SH. PRADEEP KUMAR	FCS - 8068	NIRC
24	MS. T.S. MAHARANI	FCS - 8069	SIRC
25	SH. T SAMPATHKUMAR	FCS - 8070	SIRC
26	SH. BINU K B	FCS - 8071	SIRC
27	MS. MONICA SADANA	FCS - 8072	NIRC
28	SH T P UDAYA KUMAR	FCS - 8073	SIRC
29	MRS. PUJA KASERA	FCS - 8074	EIRC
30	SH. JASMEET SINGH MARWAH	FCS - 8075	NIRC
31	SH. R ADITYAN	FCS - 8076	NIRC
32	SH. VIJAY KUMAR LAKSHMIPATHY	FCS - 8077	EIRC
33	MRS. DIPIKA KATARIA	FCS - 8078	WIRC
34	MS. ALKA ROHITKUMAR DOLASIYA	FCS - 8079	WIRC
35	SH. GAGAN KAUSHIK	FCS - 8080	NIRC

36	SH. VIKASH KUMAR	FCS - 8081	NIRC
37	MS. SHEFALI TRIPATHI	FCS - 8082	NIRC
38	SH. TAPWARDHAN	FCS - 8083	NIRC
39	SH. SANJAY TANWANI	FCS - 8084	NIRC
40	SH. SHAILENDRA KUMAR SINGHAL	FCS - 8085	NIRC
41	SH RAMAN KUMAR JHA	FCS - 8086	NIRC
42	MS HEMA KUMARI	FCS - 8087	NIRC
43	SH. YOGESH BHARDWAJ	FCS - 8088	NIRC
44	MR. SUBBURAYALU DAYALU	FCS - 8089	SIRC
45	SH. ANURAG SINGHAL	FCS - 8090	NIRC
46	SH. S K PATAWARI	FCS - 8091	NIRC
47	MS. POOJA GURWALA	FCS - 8092	NIRC
48	SH. KELLA APPA RAO	FCS - 8093	SIRC
49	SH. URMIL DHIRAJLAL VED	FCS - 8094	WIRC
50	SH. BAL KRISHNA DWIVEDI	FCS - 8095	NIRC
51	SH. PAWAN TALESARA	FCS - 8096	NIRC
52	SH. VIPUL GARG	FCS - 8097	NIRC
53	MRS. SHWETA K. KHARANGATE	FCS - 8098	WIRC
54	MS. APRAJITA PUNDIR	FCS - 8099	WIRC
55	SH. T V SATISH BABU	FCS - 8100	SIRC

ASSOCIATES*

1	MR. AMIT KUMAR JAIN	ACS - 39779	WIRC
2	MR. SUMIT TALREJA	ACS - 39780	WIRC
3	MS. VARSHA RANI MEHNDIRATTA	ACS - 39781	NIRC
4	MS. MAITRI HARESH VORA	ACS - 39782	WIRC
5	MS. POOJA BHARAT DABHI	ACS - 39783	WIRC
6	MS. PREKSHA JAIN	ACS - 39784	NIRC
7	MR. MANDAR MADHUSUDAN KARMARKAR	ACS - 39785	WIRC
8	MR. VIKAS SHARMA	ACS - 39786	NIRC
9	MR. JYOT SANDIPBHAI SHUKLA	ACS - 39787	WIRC
10	MR. VINAY KUMAR KANODIA	ACS - 39788	EIRC
11	MR. DEVENDRA PRASAD	ACS - 39789	EIRC
12	MR. ROHIT KUMAR	ACS - 39790	NIRC
13	MS. ALKA SINGH	ACS - 39791	NIRC
14	MR. SHAILENDRA VISHWAKARMA	ACS - 39792	NIRC
15	MS. GAZAL BADLANI	ACS - 39793	NIRC
16	MS. AKANSHA SINGH	ACS - 39794	NIRC
17	MR. NIKHIL BHATNAGAR	ACS - 39795	NIRC
18	MS. NEELAM KATHARIA	ACS - 39796	NIRC
19	MR. ASHISH GUPTA	ACS - 39797	NIRC
20	MR. MAHAVEER CHHAPARWAL	ACS - 39798	NIRC
21	MS. SANGEETA RANA	ACS - 39799	NIRC
22	MR. CHIRAG KALRA	ACS - 39800	NIRC
23	MR. P MUTHUKUMAR	ACS - 39801	SIRC
24	MS. MAMTA	ACS - 39802	NIRC
25	MS. NISHITHA PRABHU	ACS - 39803	SIRC
26	MS. BHOOMIKA JAIN	ACS - 39804	WIRC
27	MR. PRAVIN PUNDLIK KOKAM	ACS - 39805	WIRC
28	MS. CRYSTAL CARMELINA FERNANDES	ACS - 39806	WIRC
29	MR. CHIRAG GOVINDBHAI PANCHANI	ACS - 39807	WIRC
30	MS. APARNA SHASHIKANT DHORE	ACS - 39808	WIRC

*Admitted during the period from 20.05.2015 to 19.06.2015.

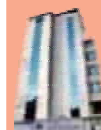


31	MR. DEEPAK BILLAIYA	ACS - 39809	WIRC	83	MRS. SUCHITRA PUROHIT	ACS - 39861	NIRC
32	MS. ZAINAB AKBAR JANAB	ACS - 39810	WIRC	84	MS. KANCHAN YADAV	ACS - 39862	EIRC
33	MS. ADITI AMIT BRAHMABHATT	ACS - 39811	WIRC	85	MS. PAOULOMI MOZUMDER	ACS - 39863	EIRC
34	MR. PRIYANK TIWARI	ACS - 39812	NIRC	86	MS. NEHA BHOJAK	ACS - 39864	EIRC
35	MR. DILIP MOHAN GAIKWAD	ACS - 39813	WIRC	87	MS. NEHA AGARWAL	ACS - 39865	WIRC
36	MS. RUCHITA BIYALA	ACS - 39814	EIRC	88	MS. SONAKSHI SWAMI	ACS - 39866	EIRC
37	MR. VAIBHAV RAJESHKUMAR GANDHI	ACS - 39815	WIRC	89	MR. RAHUL SHAW	ACS - 39867	EIRC
38	MS. MITI TAILONG	ACS - 39816	NIRC	90	MR. BINIT KUMAR	ACS - 39868	EIRC
39	MR. NELSON MANDELA	ACS - 39817	NIRC	91	MS. TRIPTI BHOTIKA	ACS - 39869	EIRC
40	MS. KANIKA	ACS - 39818	NIRC	92	MS. UMA AGARWAL	ACS - 39870	EIRC
41	MS. KOMAL SULANIYA	ACS - 39819	NIRC	93	MS. NEHA BAHETY	ACS - 39871	EIRC
42	MR. DEEPAK RAI	ACS - 39820	NIRC	94	MS. SHAGUN DEWAN	ACS - 39872	NIRC
43	MS. SURYA JACOB	ACS - 39821	SIRC	95	MS. VERSHA JAIN	ACS - 39873	NIRC
44	MS. NAVIK SAVITA RAMLAL	ACS - 39822	WIRC	96	MR. AJAY GOEL	ACS - 39874	NIRC
45	MS. RUCHITA PRABHULAL JAIS	ACS - 39823	WIRC	97	MS. PRIYANKA CHANANA	ACS - 39875	NIRC
46	MS. SAILI SATISH UPALEKAR	ACS - 39824	WIRC	98	MS. RASHI BEHAL	ACS - 39876	NIRC
47	MS. MINAL MUKESH GOYAL	ACS - 39825	WIRC	99	MR. HARSHIT ARORA	ACS - 39877	NIRC
48	MR. NILAY MILANKUMAR GANDHI	ACS - 39826	WIRC	100	MR. SANTOSH BHATT	ACS - 39878	NIRC
49	MS. LAVEENA PANJWANI	ACS - 39827	WIRC	101	MS. PRIYANKA KOTHARI	ACS - 39879	NIRC
50	MR. CHINTAN NARESHKUMAR AMLANI	ACS - 39828	WIRC	102	MS. MATRIKAA SHARMA	ACS - 39880	NIRC
51	MR. HEMANT AGARWAL	ACS - 39829	EIRC	103	MS. VISHU ARORA	ACS - 39881	NIRC
52	MR. RAJNISH KUMAR GUPTA	ACS - 39830	EIRC	104	MS. PRIYA MAHAJAN	ACS - 39882	NIRC
53	MR. ABHISHEK PANDEY	ACS - 39831	EIRC	105	MS. NRITIGYA GUPTA	ACS - 39883	NIRC
54	MR. ATANU PRAMANICK	ACS - 39832	EIRC	106	MS. ISHA SHARMA	ACS - 39884	NIRC
55	MS. CHARU SHARMA	ACS - 39833	NIRC	107	MS. VIDHI AGRAWAL	ACS - 39885	NIRC
56	MR. DEEPAK SHARMA	ACS - 39834	NIRC	108	MS. GARIMA JAIN	ACS - 39886	NIRC
57	MS. DEEPTI CHADHA	ACS - 39835	NIRC	109	MS. SAPNA	ACS - 39887	NIRC
58	MR. RAJENDER KUMAR	ACS - 39836	NIRC	110	MS. CHETNA MANN	ACS - 39888	NIRC
59	MS. ANURADHA	ACS - 39837	NIRC	111	MS. SHIVANGI PRADHAN	ACS - 39889	NIRC
60	MS. SWATI AGAL	ACS - 39838	NIRC	112	MS. PARUL	ACS - 39890	NIRC
61	MR. PRAVEEN GANAPATI BAJANTRI	ACS - 39839	SIRC	113	MR. AKSHAY SHARMA	ACS - 39891	NIRC
62	MS. ISHITHA K	ACS - 39840	SIRC	114	MS. SWEETI SHAIKALI	ACS - 39892	NIRC
63	MS. BINIKA SHASHIKANT VAIYATA	ACS - 39841	WIRC	115	MS. PRAJAKTA SULE	ACS - 39893	NIRC
64	MR. SANDESH KRISHNAJI JADHAV	ACS - 39842	WIRC	116	MR. RACHIT MALHOTRA	ACS - 39894	NIRC
65	MS. MRUDULA UDHALIKAR	ACS - 39843	WIRC	117	MS. NAINA GARG	ACS - 39895	NIRC
66	MR. HARSHAD NARESH THAKKAR	ACS - 39844	WIRC	118	MS. APOORVA JAIN	ACS - 39896	NIRC
67	MR. SHAUNAKBHAI ASHOKKUMAR SONI	ACS - 39845	WIRC	119	MS. TINA SARAFF	ACS - 39897	NIRC
68	MR. NILESH THAKARSIBHAI KALSARIYA	ACS - 39846	WIRC	120	MS. DEEPIKA SEHGAL	ACS - 39898	NIRC
69	MS. RICHA PATHAK	ACS - 39847	WIRC	121	MR. ASHU BATRA	ACS - 39899	NIRC
70	MS. REENA RADHAKISHAN KHANDELWAL	ACS - 39848	WIRC	122	MS. DEEPIKA	ACS - 39900	NIRC
71	MS. PURVI SHASHIKANT SHAH	ACS - 39849	WIRC	123	MS. RIKTA GUPTA	ACS - 39901	NIRC
72	MR. VINAY SUBHASH DESARDA	ACS - 39850	WIRC	124	MS. ANJU ARORA	ACS - 39902	NIRC
73	MR. TUSHAR SURESH RAMCHANDANI	ACS - 39851	WIRC	125	MS. CAUVERY RAWAL	ACS - 39903	NIRC
74	MR. PARESHKUMAR KANTIBHAI PARMAR	ACS - 39852	WIRC	126	MS. GAYATHRI S	ACS - 39904	SIRC
75	MS. NAVITA SHIVDAYAL JHAMNANI	ACS - 39853	WIRC	127	MR. P S SENTHIL KUMARAVEL PANDIAN	ACS - 39905	SIRC
76	MS. PALLAVI DEEPAK CHAUDHARY	ACS - 39854	WIRC	128	MS. MADHURI JEEVAN ANKALKHOPE	ACS - 39906	WIRC
77	MR. HITENDRAKUMAR MAHENDRAKUMAR RANKA	ACS - 39855	WIRC	129	MR. SHASHI KIRAN M V	ACS - 39907	SIRC
78	MS. ADITI SHARMA	ACS - 39856	NIRC	130	MR. KUSHANG SURENDRAKUMAR THAKKAR	ACS - 39908	WIRC
79	MR. HIMANSHU KHANDELWAL	ACS - 39857	NIRC	131	MR. MANOJ PARIDA	ACS - 39909	WIRC
80	MS. MONIKA MUNDRA	ACS - 39858	WIRC	132	MS. HIRAL JIMEET MEHTA	ACS - 39910	WIRC
81	MR. KRUNALKUMAR SANJAYBHAI SHAH	ACS - 39859	WIRC	133	MS. URJA VIJAYKUMAR SHAH	ACS - 39911	WIRC
82	MS. PUNITA SHARMA	ACS - 39860	EIRC	134	MS. PUJABEN RAJENDRAKUMAR SHAH	ACS - 39912	WIRC
				135	MR. RAJDEEP VILAS MAKOTE	ACS - 39913	WIRC
				136	MR. YOGESH DATTARAM WAINGANKAR	ACS - 39914	WIRC



News From the Institute

137	MS. SIMRAN MANGAT SINGH PANESAR	ACS - 39915	WIRC	192	MS. SHAILY GOEL	ACS - 39970	NIRC
138	MR. MANISHKUMAR VINUBHAI DALWADI	ACS - 39916	WIRC	193	MS. ANU MALHOTRA	ACS - 39971	NIRC
139	MS. APARNA ROSHAN CASTELINO	ACS - 39917	WIRC	194	MS. VIJAYATA DIXIT	ACS - 39972	NIRC
140	MS. SWAPNIL KSHIRSAGAR	ACS - 39918	WIRC	195	MS. NAVALAKSHMI N	ACS - 39973	SIRC
141	MS. RIMA PRAVINBHAI RAJPARA	ACS - 39919	WIRC	196	MS. SHARAYU DHANANJAY UPADHYE	ACS - 39974	SIRC
142	MR. HARDIK HARSHADBHAI JOSHI	ACS - 39920	WIRC	197	MS. ALICE SANTHIYA S	ACS - 39975	SIRC
143	MR. SACHIN NANDLAL KANOJIYA	ACS - 39921	WIRC	198	MS. SINDHU S	ACS - 39976	SIRC
144	MR. AMEY DEELIPRAO JOGAS	ACS - 39922	WIRC	199	MS. PALLAVI SUKUMAR	ACS - 39977	SIRC
145	MS. PRIYA RAJESHKUMAR VYAS	ACS - 39923	WIRC	200	MR. KARTIK BAKUL SHAH	ACS - 39978	WIRC
146	MR. PIYUSH SONI	ACS - 39924	WIRC	201	MR. TARPAN RAJNIKANT SHAH	ACS - 39979	WIRC
147	MR. RAKESH KUMAR DINESH MISHRA	ACS - 39925	WIRC	202	MR. SUMIT NIRMAL DAS	ACS - 39980	WIRC
148	MS. TRIPTI MAHESH SHARMA	ACS - 39926	WIRC	203	MR. KENAN SURESHBHAI PATEL	ACS - 39981	WIRC
149	MS. NISHA BRAHMBHATT	ACS - 39927	WIRC	204	MS. DHANSHRI CHANDRAKANT KULKARNI	ACS - 39982	WIRC
150	MR. NILESH MOHAN MANKAR	ACS - 39928	WIRC	205	MR. DENZIL FRANCIS RODRIGUES	ACS - 39983	WIRC
151	MR. JAY KIRITBHAI MEHTA	ACS - 39929	WIRC	206	MR. AMIT K SHUKLA	ACS - 39984	WIRC
152	MS. DIMPLE RAJENDRASINH PADHIAR	ACS - 39930	WIRC	207	MS. NIKITA PANKAJ KOTHARI	ACS - 39985	WIRC
153	MR. HARDIK DHIMANTBHAI GANDHI	ACS - 39931	WIRC	208	MS. HARSHA KAUR AJIT SINGH HOTSINGHANI	ACS - 39986	WIRC
154	MR. AMIT SUBHASH DADAPURE	ACS - 39932	WIRC	209	MS. POOJA RAJESH MEHTA	ACS - 39987	WIRC
155	MR. SUYOG MUKUND AGARKAR	ACS - 39933	WIRC	210	MR. KHADIR SADAHSAB SHAIKH	ACS - 39988	WIRC
156	MS. SHAH KAJAL DILIPKUMAR	ACS - 39934	WIRC	211	MS. SEJAL CHANDRAKANT BHANOSE	ACS - 39989	WIRC
157	MS. VIDHI KIRITKUMAR VYAS	ACS - 39935	WIRC	212	MR. NAKUL SHIVAJIRAO PATIL	ACS - 39990	WIRC
158	MR. JAY BHADRESHKUMAR SONI	ACS - 39936	WIRC	213	MS. SHILPA DAYAL BHAGCHANDANI	ACS - 39991	WIRC
159	MS. NEETI ASHOK PATEL	ACS - 39937	WIRC	214	MR. GANESH NAMDEO HEDAU	ACS - 39992	WIRC
160	MS. RUHI JAIN	ACS - 39938	WIRC	215	MS. HARSHITA JEEVAL LAL JAIN	ACS - 39993	WIRC
161	MR. SHAIL NISHITBHAI SHAH	ACS - 39939	WIRC	216	MR. SACHIN VIJAY TORASKAR	ACS - 39994	WIRC
162	MS. SHIKHA GANGRADE	ACS - 39940	WIRC	217	MR. PANKAJ JAIN	ACS - 39995	NIRC
163	MR. TUSHARBHAI DONDA	ACS - 39941	WIRC	218	MR. DEEPESH VIKRAM KUMAR JAIN	ACS - 39996	WIRC
164	MR. ROHIT VIMAL BAGADIA	ACS - 39942	WIRC	219	MS. MALINI MAHAPATRA	ACS - 39997	EIRC
165	MS. VIRAL ARVINDBHAI GARACHH	ACS - 39943	WIRC	220	MS. HEENA GUPTA	ACS - 39998	EIRC
166	MR. KISHAN KUMAR	ACS - 39944	NIRC	221	MR. HIMANSHU LUTHRA	ACS - 39999	NIRC
167	MR. PRETIUSH KUMAR	ACS - 39945	EIRC	222	MR. SATRAJIT NEOG	ACS - 40000	NIRC
168	MR. NAVEEN SHARMA	ACS - 39946	EIRC	223	MR. SHRIKANT ASHOK PAI	ACS - 40001	SIRC
169	MS. POOJA AGARWAL	ACS - 39947	EIRC	224	MS. ADITI SUHAS KULKARNI	ACS - 40002	WIRC
170	MS. ARCHANA GUPTA	ACS - 39948	EIRC	225	MR. DHARMESHKUMAR ASHWINBHAI CHAUHAN	ACS - 40003	WIRC
171	MS. GUNEET MAYALL	ACS - 39949	WIRC	226	MS. DHRUTI JANAKKUMAR JARIWALA	ACS - 40004	WIRC
172	MR. AWASHESH DIXIT	ACS - 39950	NIRC	227	MS. HEENA PUKHRAJ JAIN	ACS - 40005	WIRC
173	MR. TAUQEER KHAN	ACS - 39951	NIRC	228	MR. RAJESH KUMAR DAS	ACS - 40006	NIRC
174	MS. NISTHA MISHRA	ACS - 39952	NIRC	229	MS. PRIYA BOTHRA	ACS - 40007	NIRC
175	MR. PRAKASH SINGH ALOK	ACS - 39953	NIRC	230	MS. ASHWINI DEVIDAS PHENANY	ACS - 40008	WIRC
176	MS. SHUBHANGI BHARDWAJ	ACS - 39954	NIRC	231	MS. SHWETA MOHANTY	ACS - 40009	WIRC
177	MS. AYUSHI AGARWAL	ACS - 39955	NIRC	232	MR. DALWINDER SINGH	ACS - 40010	EIRC
178	MS. DIMPLE SHARMA	ACS - 39956	NIRC	233	MR. ABHISHEK MISHRA	ACS - 40011	EIRC
179	MS. ARCHANA AGGARWAL	ACS - 39957	NIRC	234	MS. RIMA PANDEY	ACS - 40012	EIRC
180	MR. MANOJ KUMAR SHARMA	ACS - 39958	NIRC	235	MR. NIKHIL JAIN GANGWAL	ACS - 40013	EIRC
181	MS. RACHITA CHATTER	ACS - 39959	NIRC	236	MS. JINAL PATEL	ACS - 40014	EIRC
182	MR. SANTOSH KUMAR SAHU	ACS - 39960	NIRC	237	MS. CHANDNI SATNALIWALA	ACS - 40015	EIRC
183	MR. PRITESH JAIN	ACS - 39961	NIRC	238	MS. ROZY JAIN	ACS - 40016	EIRC
184	MR. GURPREET SINGH	ACS - 39962	NIRC	239	MS. JYOTI SRIVASTVA	ACS - 40017	EIRC
185	MS. NEHA ARORA	ACS - 39963	NIRC	240	MS. HETAL C GUDGUD	ACS - 40018	EIRC
186	MS. PRIYA DHINGRA	ACS - 39964	NIRC	241	MS. AKANKSHA SAHNI	ACS - 40019	NIRC
187	MS. SUPRIYA SHARMA	ACS - 39965	NIRC	242	MS. YOGITA	ACS - 40020	NIRC
188	MS. SONAL GANGWAL	ACS - 39966	NIRC	243	MS. MONICA SEHGAL	ACS - 40021	NIRC
189	MS. TULIKA KATARIA	ACS - 39967	NIRC	244	MS. NEHA SHARMA	ACS - 40022	NIRC
190	MS. NEHA BANSAL	ACS - 39968	NIRC				
191	MS. CHAVVI GUPTA	ACS - 39969	NIRC				



245	MS. NEHA WASON	ACS - 40023	NIRC	299	MS. MANIKA MISRA	ACS - 40077	WIRC
246	MS. JYOTI GANDHI	ACS - 40024	NIRC	300	MS. SHIKHA KIRAN VAIDYA	ACS - 40078	WIRC
247	MR. GAURAV GOYAL	ACS - 40025	NIRC	301	MS. DEVANSHI PRADIP SHAH	ACS - 40079	WIRC
248	MR. VIPIN SONI	ACS - 40026	NIRC	302	MS. VIDHI BIPIN JOSHI	ACS - 40080	WIRC
249	MR. DEEPAK PAREEK	ACS - 40027	NIRC	303	MR. JAMSHED SAM PATEL	ACS - 40081	WIRC
250	MS. ARUSHI KHURANA	ACS - 40028	NIRC	304	MS. NEHA PUKHRAJ POKHRANA	ACS - 40082	WIRC
251	MS. NITIKA GARG	ACS - 40029	NIRC	305	MR. PARIMAL SATISH PENDHARKAR	ACS - 40083	WIRC
252	MS. RITIKA VYAS	ACS - 40030	NIRC	306	MR. VIPUL AGAR	ACS - 40084	WIRC
253	MS. MUNMUN GHOSH	ACS - 40031	NIRC	307	MR. BHUSHAN RAVINDRA JOSHI	ACS - 40085	WIRC
254	MR. PANKAJ SINGH	ACS - 40032	NIRC	308	MS. SONAM ASHOKKUMAR GANDHI	ACS - 40086	WIRC
255	MS. NEHA BANSAL	ACS - 40033	NIRC	309	MS. SWETHA SHANKARAN	ACS - 40087	WIRC
256	MR. JITENDER	ACS - 40034	NIRC	310	MS. ANITA OM PRAKASH SHARMA	ACS - 40088	WIRC
257	MS. RACHNA KANWAR PANWAR	ACS - 40035	NIRC	311	MS. RADHIKA NARENDRA BAGTHARIA	ACS - 40089	WIRC
258	MR. RAHUL TIWARI	ACS - 40036	NIRC	312	MS. ARCHIE GANGRADE	ACS - 40090	WIRC
259	MR. VISHAL GAMBHIR	ACS - 40037	NIRC	313	MR. KAVIN PARMANAND KHATRI	ACS - 40091	WIRC
260	MS. NIKITA JAIN	ACS - 40038	NIRC	314	MS. JENNY HUKMICHAND BAGRECHA	ACS - 40092	WIRC
261	MR. PRATHAM MALHOTRA	ACS - 40039	NIRC	315	MS. KAVITA PRAFUL GANATRA	ACS - 40093	WIRC
262	MS. PRERNA JAIN	ACS - 40040	NIRC	316	MS. NIDHI BAGLIKAR	ACS - 40094	WIRC
263	MS. CHARU NAGPAL	ACS - 40041	NIRC	317	MS. PINKY ARUN DUTTA	ACS - 40095	WIRC
264	MS. PRIYANKA MUKESH SHAH	ACS - 40042	WIRC	318	MR. SANDESH ROOPCHAND	ACS - 40096	WIRC
265	MS. MANSI SURESH SHAH	ACS - 40043	WIRC		POKHRIYAL		
266	MS. POOJA SAXENA	ACS - 40044	NIRC	319	MR. SACHIN KUMAR	ACS - 40097	WIRC
267	MS. SHILPI RASTOGI	ACS - 40045	NIRC	320	MS. POOJA RAVIKANT SAWANT	ACS - 40098	WIRC
268	MR. VIPUL ARORA	ACS - 40046	NIRC	321	MR. NARENDER KUMAR	ACS - 40099	NIRC
269	MS. KHUSHBOO AGARWAL	ACS - 40047	NIRC	322	MS. MANPREET KAUR	ACS - 40100	NIRC
270	MS. KHUSHBU SETHI	ACS - 40048	NIRC	323	MR. SUMIT MAAN	ACS - 40101	NIRC
271	MS. SUMAN	ACS - 40049	NIRC	324	MR. GURVINDER SINGH	ACS - 40102	NIRC
272	MS. TEENA RANI	ACS - 40050	NIRC	325	MS. KOMAL SINHA	ACS - 40103	NIRC
273	MS. MANISHA LALWANI	ACS - 40051	NIRC	326	MS. ANURADHA KAUSHIK	ACS - 40104	NIRC
274	MR. MANOJ KALITA	ACS - 40052	NIRC	327	MR. SUMUKH SNAJEEV VALIMBE	ACS - 40105	NIRC
275	MS. KOMAL SHARMA	ACS - 40053	NIRC	328	MS. RADHIKA GUPTA	ACS - 40106	NIRC
276	MS. NISHI KAPOOR	ACS - 40054	NIRC	329	MS. EKTA DARSHIL GANDHI	ACS - 40107	WIRC
277	MR. ABHINAV SABHARWAL	ACS - 40055	NIRC	330	MS. ANCHAL KABRA	ACS - 40108	WIRC
278	MS. NIDHI JAIN	ACS - 40056	NIRC	331	MR. BURHAN SHABBIRBHAI	ACS - 40109	WIRC
279	MS. KRATI JOSHI	ACS - 40057	NIRC		AFRICAWALA		
280	MS. NISHTHA GUPTA	ACS - 40058	NIRC	332	MR. SANDEEP DHAWAN	ACS - 40110	WIRC
281	MR. ANKUSH THEREJA	ACS - 40059	NIRC	333	MR. PRADEEPTO DE	ACS - 40111	WIRC
282	MS. RITU GUPTA	ACS - 40060	NIRC	334	MR. PAWAN KUMAR MITTAL	ACS - 40112	SIRC
283	MS. MANJUSHA P R	ACS - 40061	SIRC	335	MR. TARUN PRASAD	ACS - 40113	EIRC
284	MS. BAVNEET KAUR OBEROI	ACS - 40062	NIRC	336	MS. NIDHI DAHLAN	ACS - 40114	EIRC
285	MR. RAKESH KALAGOUDA	ACS - 40063	SIRC	337	MS. NIKITA KEDIA	ACS - 40115	EIRC
	GOUDAPPANAVAR			338	MS. AVERI MISRA	ACS - 40116	EIRC
286	MS. KAVYA B PARSAM	ACS - 40064	SIRC	339	MR. VARUN KOHLI	ACS - 40117	EIRC
287	MR. RAGHAVENDRA RAMNATH	ACS - 40065	SIRC	340	MR. VIJAY KUMAR	ACS - 40118	NIRC
	KOTEMANE			341	MR. MANISH JAIN	ACS - 40119	NIRC
288	MS. SHALINI N	ACS - 40066	SIRC	342	MR. RAMKESH PAL	ACS - 40120	NIRC
289	MR. NITISH VISHWANATH SHETTY	ACS - 40067	SIRC	343	MS. BHAWNA SAUNKHIYA	ACS - 40121	NIRC
290	MR. SRINIVAS R	ACS - 40068	SIRC	344	MR. HRIDYA NAND YADAV	ACS - 40122	NIRC
291	MR. R ARVIND	ACS - 40069	SIRC	345	MS. VARSHA MANIYAR	ACS - 40123	NIRC
292	MR. PRAKASH NAGARAJAN	ACS - 40070	SIRC	346	MS. ANJU KUMARI	ACS - 40124	NIRC
293	MR. GNANESH M	ACS - 40071	SIRC	347	MS. NIDHI BHUTRA	ACS - 40125	NIRC
294	MR. YASHVNTH V	ACS - 40072	SIRC	348	MS. GEETA RAWAT	ACS - 40126	NIRC
295	MR. HERAMB VISHWANATH CHARATI	ACS - 40073	WIRC	349	MS. DEEPANSHI JAIN	ACS - 40127	NIRC
296	MS. JYOTI SHANTARAM GADE	ACS - 40074	WIRC	350	MR. RAVI TIRTHANI	ACS - 40128	NIRC
297	MS. RIDDHI MAHESH MEHTA	ACS - 40075	WIRC	351	MS. DEEPALI SHRIVASTAVA	ACS - 40129	NIRC
298	MS. SHREYA LALIT RAUT	ACS - 40076	WIRC	352	MS. DEEPIKA HOTANI	ACS - 40130	NIRC



News From the Institute

353	MR. RANJITH KUMAR	ACS - 40131	SIRC	409	MS. YECHURI NAGA SUMANGALI	ACS - 40187	SIRC
354	MS. B REKHA	ACS - 40132	SIRC	410	MR. MUKUNDA G S	ACS - 40188	SIRC
355	MS. B YAMINI	ACS - 40133	SIRC	411	MS. MUNMUN BAID	ACS - 40189	SIRC
356	MS. SHARADHA S	ACS - 40134	SIRC	412	MR. KUNAL MAHENDRA SHAHUKAR	ACS - 40190	WIRC
357	MR. PRASHANT KUMAR MISHRA	ACS - 40135	NIRC	413	MS. NILAM SHAHAJI JADHAV	ACS - 40191	WIRC
358	MS. BALASHRI SHANKAR JALGAR	ACS - 40136	WIRC	414	MS. SARITA SHIVVRAT PATHAK	ACS - 40192	WIRC
359	MS. PRIYANKI MAHADEV NIMBARE	ACS - 40137	WIRC	415	MR. HITESH PRAVIN VORA	ACS - 40193	WIRC
360	MS. AKSHATA YASHWANT BHOSALE	ACS - 40138	WIRC	416	MS. BHARTI GIRDHARBHAI AJUDIYA	ACS - 40194	WIRC
361	MS. DEEPIKA CHANDRABHAN YADAV	ACS - 40139	WIRC	417	MR. SAURABH MAHESHWARI	ACS - 40195	WIRC
362	MR. AKHIL KUMAR SHAH	ACS - 40140	EIRC	418	MR. KAUSHAL KISHOR AGRAWAL	ACS - 40196	WIRC
363	MS. SHILPI BAIN	ACS - 40141	WIRC	419	MS. S NALINEE	ACS - 40197	WIRC
364	MS. POONAM RAJKUMAR SANGWANI	ACS - 40142	WIRC	420	MR. SHASHANK HASMUKH DAVE	ACS - 40198	WIRC
365	MS. VIBHA DINESH MEHTA	ACS - 40143	WIRC	421	MR. ABDULLAH RASHID FAKIH	ACS - 40199	WIRC
366	MR. THAKKAR UMANG NAVINBHAI	ACS - 40144	WIRC	422	MR. RUSHI JAGDISH SATHE	ACS - 40200	WIRC
367	MR. KARN SINGH	ACS - 40145	NIRC	423	MR. SHREY NATVARBHAI TRANGADIYA	ACS - 40201	WIRC
368	MS. POOJA DINDAYAL JINDAL	ACS - 40146	WIRC	424	MS. KHUSHBU GIRISH KUMAR SHAH	ACS - 40202	WIRC
369	MS. SENDRA ROSINO CARDOZO	ACS - 40147	WIRC	425	MR. BILAL ABDULKADAR TOPIA	ACS - 40203	WIRC
370	MR. PRADEEP KUMAR NATH	ACS - 40148	EIRC	426	MR. SHETH CHINTAN BHARAT KUMAR	ACS - 40204	WIRC
371	MR. VINOD KUMAR	ACS - 40149	NIRC	427	MS. RAJANI JATAN RAWAT	ACS - 40205	NIRC
372	MR. NAVIN SURANA	ACS - 40150	EIRC	428	MR. VISWANATHAN R.	ACS - 40206	SIRC
373	MR. AKASH DHANUKA	ACS - 40151	EIRC				
374	MR. SUMIT JAMAD	ACS - 40152	NIRC				
375	MR. HARSHIT AGARWAL	ACS - 40153	NIRC				
376	MR. JAI PRAKASH	ACS - 40154	NIRC				
377	MS. SHALU GARG	ACS - 40155	NIRC				
378	MR. MEHNUDDIN JALALUDDIN KHAN	ACS - 40156	WIRC				
379	MS. HARSHIKA JAGDISH THAKKAR	ACS - 40157	WIRC				
380	MS. KENA SANJAYKUMAR SHARMA	ACS - 40158	WIRC				
381	MS. AAFRIN MUSHTAQUE SHEIKH	ACS - 40159	WIRC				
382	MR. C ANAND GIRI	ACS - 40160	SIRC				
383	MS. LACHHMI DEVI PANDAY	ACS - 40161	NIRC				
384	MS. PRIYA VAISHNAV	ACS - 40162	WIRC				
385	MS. ESHMEET THAPAR	ACS - 40163	WIRC				
386	MR. PRATEEK GHATIYA	ACS - 40164	WIRC				
387	MR. DIWAKAR JAIN	ACS - 40165	NIRC				
388	MS. SHWETA LADDHA	ACS - 40166	WIRC				
389	MS. NIRMA JAIN	ACS - 40167	EIRC				
390	MS. NIDHI JASRASARIA	ACS - 40168	EIRC				
391	MS. KOMAL JOSHI	ACS - 40169	EIRC				
392	MR. MANMOHAN THANVI	ACS - 40170	WIRC				
393	MR. PRATYUS KUMAR	ACS - 40171	NIRC				
394	MR. RAJEEV CHAWLA	ACS - 40172	NIRC				
395	MR. SURENDER SINGH	ACS - 40173	NIRC				
396	MS. RAMANDEEP KAUR	ACS - 40174	NIRC				
397	MR. NARENDER KUMAR	ACS - 40175	NIRC				
398	MR. AJAY KUMAR GULATI	ACS - 40176	NIRC				
399	MR. FARAAZ SHAMSI	ACS - 40177	NIRC				
400	MS. NIKITA MAHNOT	ACS - 40178	EIRC				
401	MR. BASANT KUMAR	ACS - 40179	NIRC				
402	MS. SANIYA SIDDIQUI	ACS - 40180	NIRC				
403	MR. RAGHAV SHARMA	ACS - 40181	NIRC				
404	MR. RAJEEV KUMAR JAIN	ACS - 40182	NIRC				
405	MS. TANVI SACHDEVA	ACS - 40183	NIRC				
406	MS. DIVYA AGARWAL	ACS - 40184	NIRC				
407	MS. KRISHANA SHARMA	ACS - 40185	NIRC				
408	MR. NITESH GUPTA	ACS - 40186	NIRC				

MEMBERS RESTORED*

Sl.No.	Name	ACS/FCS No.	Region
1	SH. M A ANAND	A12854	SIRC
2	MS. SHILPA AGGARWAL	A32344	EIRC
3	SH. AHMED MUNSHI RIAZ	F3057	NIRC
4	MS. KAVITA SHARMA	A17414	WIRC
5	MS. DISHA HASMUKH MANDALIA	A25388	WIRC
6	MR. ANIKET NANDKUMAR BHANANG	A34552	WIRC
7	SH. RAJESH BAGGA	A12900	WIRC
8	MS. CHARU SAXENA	A23774	NIRC
9	SH. GULAB CHAND AGARWAL	A10737	NIRC
10	SH. VIVEK PATNI	A18601	NIRC
11	SH. SANDEEP KUMAR CHOPRA	A13076	NIRC
12	SH. HITESH KUMAR	A15317	NIRC
13	SH. C. RAJENDRAN	A12847	SIRC
14	SH. VIMAL KUMAR AGARAWAL	A13538	WIRC
15	SH. NITIN GUPTA	A16495	NIRC
16	MR. PRASHANT KUMAR	A26564	EIRC
17	MS. DIPIKA HARLALKA	A24348	SIRC
18	MS. RASHMI K MANKODI	A3411	WIRC
19	SH. M M GOENKA	A6678	EIRC
20	MS. POONAM	A34664	NIRC
21	MS. REVATHI RAJARAM	F2865	WIRC
22	SH. PRASHANT SHIRISH DALAL	A9862	WIRC
23	SH. AVNEESH KUMAR	A27708	NIRC
24	SH. TUMULURI CHANDRASEKHER	A9309	SIRC
25	MR. AJAY AGARWAL	A27637	NIRC
26	MS. KOMATHI KESAVAN	A25984	SIRC
27	SH. RAJESH KUMAR AGRAWAL	A12032	EIRC

*Restored from 21.05.2015 to 20.06.2015.



Certificate of Practice**

SL. No.	NAME	MEMB NO	COP NO.	REGION					
1	MRS. REETU GOEL	ACS - 16402	NIRC	14632	49	MRS. JAANVI NARENDRA VANWANI	ACS - 22940	WIRC	14680
2	MRS. RADHIKA KETAK KULKARNI	ACS - 20329	WIRC	14633	50	SH. RAMESH BANDARI	ACS - 24519	SIRC	14681
3	MS. PRACHI GARG	ACS - 37985	NIRC	14634	51	SH. S T PRABHU	ACS - 9878	SIRC	14682
4	MR. MANISH KARWA	ACS - 28027	EIRC	14635	52	MR. SAILESH KUMAR CHOUBEY	ACS - 37233	EIRC	14683
5	MR. RAJIV KUMAR	ACS - 39045	NIRC	14636	53	SH. RAJESH KUMAR	ACS - 20979	NIRC	14684
6	MS. PUJA AGARWAL	ACS - 36736	EIRC	14637	54	SH. RAGHUNATH RAVI	FCS - 3584	SIRC	14685
7	MR. SUNNY GULATI	ACS - 38320	NIRC	14638	55	MS. K MALLESHWARI	ACS - 37210	SIRC	14686
8	SH. T K KRISHNAN	FCS - 3445	SIRC	14639	56	SH. G P SRINATH	FCS - 4246	SIRC	14687
9	SH. MANOJ MAHESHWARI	FCS - 7878	WIRC	14640	57	SH. RAMAKRISHNA G HEGDE	FCS - 4774	SIRC	14688
10	SH. NAVNIT PADIA	FCS - 1778	WIRC	14641	58	SH. DEVARAJAN RAMAN	ACS - 5034	WIRC	14689
11	SH. JAYANTH VISWANATHAN	FCS - 7968	SIRC	14642	59	SH. RITESH JAIN	ACS - 17350	NIRC	14690
12	SH. VIJAY ARVINDLAL SHAH	FCS - 2556	WIRC	14643	60	MR. NIKHIL MADHUKAR SAWANT	ACS - 37819	WIRC	14691
13	MS. BEENA K NAYAR	FCS - 3312	SIRC	14644	61	MR. ASHISH KHANDELWAL	ACS - 39112	NIRC	14692
14	MS PREETI JAIN	ACS - 19888	NIRC	14645	62	MR. MANISH SINHA	ACS - 39188	NIRC	14693
15	MS. PARUL MEHTA	ACS - 32434	NIRC	14646	63	MR. SUMIT GUPTA	ACS - 39594	NIRC	14694
16	MS. PAYAL BANSAL	ACS - 38833	NIRC	14647	64	MR. NIRAV SURESHBHAI SONI	ACS - 39566	WIRC	14695
17	MRS. SHIPRA KHITHA	ACS - 26430	NIRC	14648	65	MR. PRINCE TIWARI	ACS - 39574	NIRC	14696
18	MS. YOGITA BHATIA	ACS - 39107	NIRC	14649	66	MR. HARDIK KUMAR MUBARAKBHAI HUDDA	ACS - 39621	WIRC	14697
19	MS. VIDISHA CHOUDHARY	ACS - 31761	NIRC	14650	67	MR. K R JAGANNATHAN	ACS - 39636	SIRC	14698
20	MS. KINJAL SACHIN DEDHIA	ACS - 39276	WIRC	14651	68	MR. LEKH RAJ AGARWAL	ACS - 35034	EIRC	14699
21	MS. NUPUR AMERIYA	ACS - 39455	NIRC	14652	69	MR. RAKESH KUMAR	ACS - 32443	NIRC	14700
22	MS. SHRUTI VAISH	ACS - 39285	NIRC	14653	70	MR. RAKESH SAHA	ACS - 34681	WIRC	14701
23	MR. SUDEEP C	ACS - 39244	SIRC	14654	71	MRS. KAVITA KSHITIJ KUMAR	ACS - 18514	NIRC	14702
24	MR. VIPIN KUMAR CHHAWCHHRIYA	ACS - 39361	WIRC	14655	72	MS. KHUSBOOLAXMI BHAGAT	ACS - 28176	SIRC	14703
25	MR. SUNIL BALASAHEB DHOKCHAULE	ACS - 39392	WIRC	14656	73	MS. JYOTI KAUR	ACS - 36304	NIRC	14704
26	MR. CHETAN SUBHASH DESHPANDE	ACS - 39478	WIRC	14657	74	MS. SHUBHANGI SONI	ACS - 36775	WIRC	14705
27	MR. GURU PRASAD SIRSI	ACS - 39418	SIRC	14658	75	MS. SALONI NAGPAL	ACS - 36995	NIRC	14706
28	MR. AJAY KUMAR CHAUHAN	ACS - 38579	NIRC	14659	76	MS. VISHU BALA	ACS - 37194	NIRC	14707
29	MR. KAMLESH OJHA	ACS - 39476	WIRC	14660	77	MS. VINTI TANGRI	ACS - 38118	SIRC	14708
30	MR. NASEEJ C	ACS - 39223	SIRC	14661	78	MS. NEHA JAIN	ACS - 38227	NIRC	14709
31	MR. KANIGILIPPAI SREEDHARAN SAILESHACS - 39224	SIRC	14662	79	MS. KANCHAN	ACS - 38245	NIRC	14710	
32	MR. BIJLANI NARENDRA MOTILAL	ACS - 39404	WIRC	14663	80	MS. SUPRIYA KABRA	ACS - 38656	EIRC	14711
33	MR. ASIT KUMAR LABH	ACS - 32891	EIRC	14664	81	MS. PALLAVI PRADEEP HARVI	ACS - 39261	WIRC	14712
34	MR. PRATEEK NAWAL	ACS - 39204	NIRC	14665	82	MS. MANSI SETHI	ACS - 39292	NIRC	14713
35	SH. SACHIN GAJANAN BIDKAR	ACS - 27380	WIRC	14666	83	MS. CHITRA S	ACS - 39332	SIRC	14714
36	MR. KRISHNA MURTHY P R	ACS - 39538	SIRC	14667	84	MRS. SHWETA AGGARWAL	ACS - 39457	NIRC	14715
37	MR. JIGNESH KUMAR J SUKHADIA	ACS - 39417	WIRC	14668	85	MS. SHRUTI SHARAD PATIL	ACS - 39474	WIRC	14716
38	MR. JITENDRA PATIL	ACS - 39055	WIRC	14669	86	MS. SHRADDHA JAIN	ACS - 39488	WIRC	14717
39	MS. KUKKADAPU SINDHUSHA	ACS - 39539	SIRC	14670	87	MS. JYOTI NADHERIYA	ACS - 39531	NIRC	14718
40	MS. KRITIKA SHARMA	ACS - 39335	SIRC	14671	88	SH. YOGESH CHOUDHARY	ACS - 26033	WIRC	14719
41	MS. RENU	ACS - 38898	NIRC	14672	89	MR. SANTANU DEKA	ACS - 27740	NIRC	14720
42	MS. SHIKHA PUGALIA	ACS - 37953	EIRC	14673	90	MR. VINEET KUMAR	ACS - 38462	NIRC	14721
43	MRS. ROOPALI AGRAWAL	FCS - 6172	NIRC	14674	91	MR. SHASHANK TANDON	ACS - 35126	NIRC	14722
44	MS. MEENAKSHI SHARMA	ACS - 39268	WIRC	14675	92	MS. PRITI ARORA	ACS - 31236	EIRC	14723
45	MS. PRITY AGARWAL	ACS - 33094	EIRC	14676	93	MR. GURMINDER SINGH DHAMI	ACS - 39620	NIRC	14724
46	MS. PRATIBHA SABHARWAL	ACS - 29484	NIRC	14677	94	MR. NAND KISHORE SHARMA	ACS - 39238	EIRC	14725
47	MS. VINITA RANI	ACS - 38662	NIRC	14678	95	MR. ASHWANI KUMAR KHANDELWAL	ACS - 39530	NIRC	14726
48	MRS. MONALI SWAPNIL PATIL	ACS - 33878	WIRC	14679	96	MS. DIVYA BHARATKUMAR ZAVERI	ACS - 39586	WIRC	14727
					97	MR. DEEPAK KUMAR SAHA	ACS - 39661	EIRC	14728
					98	MS. DURGA BANSAL	ACS - 34249	NIRC	14729

**Issued during the Month of May, 2015





News From the Institute

99	SH. SHREEGOPAL KANKANI	FCS - 3127	WIRC	14730	16	MR. RAVINDER SINGH	ACS 37603	14287	NIRC
100	MS. MADHU VERMA	ACS - 30985	NIRC	14731	17	MR. JOSE GEORGE	ACS 30386	11079	SIRC
101	MS. MAITRI NITIN PAREKH	ACS - 38526	WIRC	14732	18	MR. SANJEEV CHOUDHARY	ACS 24795	12067	NIRC
102	MS. SAVITA	ACS - 38718	NIRC	14733	19	MS. NEELU RAMVILAS SINGH	ACS 38540	14608	WIRC
103	MS. DEEPA H R	ACS - 33843	SIRC	14734	20	MS. REENA SHARMA	ACS 29171	11222	NIRC
104	MRS. VIJAYA LAKSHMI VARSHNEY	ACS - 26741	NIRC	14735	21	MR. G SOMA SUNDRANM	ACS 20462	13870	SIRC
105	MS. SHEENA NARANG	ACS - 37159	NIRC	14736	22	MS. POONAM SINGH	ACS 37785	14207	NIRC
106	MS. DIPIKA SENAPATI	ACS - 36536	EIRC	14737	23	MR. NITIN MADAAN	ACS 36368	13635	NIRC
107	MS. SUHITA MUKHOPADHYAY	ACS - 17150	EIRC	14738	24	MS. MEENAKSHI SURESH POT-DAR	ACS 25087	8969	WIRC
108	MS. ANKITA SAMPATLAL JAIN	ACS - 37182	WIRC	14739	25	MS. ROSHNI NAKUL SHAH	ACS 37035	14172	WIRC
109	MS. SHREYA BHANDARI	ACS - 30045	NIRC	14740	26	MS. UPMA JAIN	ACS 32486	12441	NIRC
110	MR. DIGVIJAY SINGH	ACS - 38771	NIRC	14741	27	MR. DHARM NATH PRASAD	FCS 7781	8600	WIRC
111	MR. YASHLOK DUBEY	ACS - 39066	NIRC	14742	28	MS. RANJANA HANDA	ACS 30295	13075	NIRC
112	MR. RACHIT SHARMA	ACS - 39439	NIRC	14743	29	MS. SHANU AGRAWAL	ACS 36257	14072	NIRC
113	MR. VINAY SUBHASH DESARDA	ACS - 39850	WIRC	14744	30	MS. SANGEETHA S T	ACS 32120	13807	SIRC
114	MR. MADHUR JAIN	ACS - 29111	NIRC	14745	31	MR. HARSHAL VIRENDRA KU-MAR GANDHI	ACS 32595	12534	WIRC
115	MR. HUSAIN SHAHBUDDIN	ACS - 29738	WIRC	14746	32	MR. NAVIN T SHAH	FCS 203	11272	WIRC
116	MR. SIDDHARTH MITTAL	ACS - 39740	NIRC	14747	33	MS. DEEPALI MAHAJAN	ACS 34592	13026	NIRC
117	MR. MUMTAJ	ACS - 36948	NIRC	14748	34	MR. SANTOSH J R	ACS 22695	13433	SIRC
118	MR. BENI GOPAL LAHOTI	ACS - 37056	EIRC	14749	35	MRS. SNEH GUPTA	ACS 27367	9954	EIRC
119	MR. ROHIT	ACS - 39749	NIRC	14750	36	MS. TEJASWI KALRA	ACS 35275	13820	NIRC
120	MR. LALAN KUMAR SINGH	ACS - 22287	NIRC	14751	37	MS. PARIDHI KASLIWAL	ACS 26522	12798	WIRC
121	MR. MUKUL SURYAPRAKASH KEWAL-RAMANI	ACS - 39051	WIRC	14752	38	MS. SUSMITA A SEN	ACS 34368	14098	EIRC
122	MR. RAHUL JAISWAL	ACS - 37393	EIRC	14753	39	MR. MANPREET SINGH BHATIA	ACS 30924	12424	NIRC
123	MR. HIMANSHU KHANDELWAL	ACS - 39524	NIRC	14754	40	MR. VIVEK KHOSLA	ACS 26608	14104	NIRC
124	SH. RAVI SHANKAR AGARWAL	FCS - 3564	NIRC	14755	41	MR. DIPAK J RACHCHHA	FCS 3878	2191	WIRC
125	MR. ADITYA DANESH SHAH	ACS - 37969	WIRC	14756	42	MR. AMITAVA BANERJEE	ACS 21175	13140	NIRC
126	SH. VINAY PRABHAKAR ULPE	ACS - 10708	WIRC	14757	43	MS. RITU TIWARI	ACS 35342	14175	WIRC
127	MR. LOKESH MATHUR	ACS - 37251	NIRC	14758	44	MS. MEENAKSHI NAAG	ACS 38479	14428	WIRC
128	MS. ANU SINGH	ACS - 24760	EIRC	14759	45	MS. SWATI RAMPURIA	ACS 34918	14491	EIRC
129	MS. SMITHA SINGH	ACS - 14288	WIRC	14760	46	MS. MALINI SESHADRI	ACS 5493	1323	SIRC

CANCELLED*

SL. No.	NAME	MEMB NO	COP NO.	REGION
1	MR. SANDEEP KUMAR	ACS 34268	14387	NIRC
2	MS. ASTHA MAHESHWARI	ACS 23428	14099	WIRC
3	MS. SEEPIKA GUPTA	ACS 37984	14228	NIRC
4	MR. SATISH SHARMA	FCS 6989	10051	WIRC
5	MR. SURENDRA CHAMPALAL JAIN	ACS 16035	8222	WIRC
6	MR. VIVEK KUMAR	FCS 5557	13871	NIRC
7	MS. DEEPIKA DHIMAN	ACS 21848	9814	NIRC
8	MS. SRADHA GUPTA	ACS 36534	13583	EIRC
9	MS. DEEPA ARCHAMMA JOHN	ACS 31719	11628	SIRC
10	MR. DHEERAJ SHARMA	ACS 21999	10333	WIRC
11	MRS. PALLAVI AGARWAL	ACS 23138	10622	NIRC
12	MS. UMA GANAPATHY SUBRAMANIAN	ACS 8849	6952	SIRC
13	MS. AVANI RAMESH PIPALIA	ACS 26508	11335	WIRC
14	MR. ASHOK KUMAR MONGA	FCS 3828	13763	NIRC
15	MS. DEEPAKSHA GARG	ACS 30582	11643	NIRC

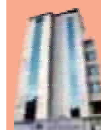
*Cancelled during the Month of May, 2015.

16	MR. RAVINDER SINGH	ACS 37603	14287	NIRC
17	MR. JOSE GEORGE	ACS 30386	11079	SIRC
18	MR. SANJEEV CHOUDHARY	ACS 24795	12067	NIRC
19	MS. NEELU RAMVILAS SINGH	ACS 38540	14608	WIRC
20	MS. REENA SHARMA	ACS 29171	11222	NIRC
21	MR. G SOMA SUNDRANM	ACS 20462	13870	SIRC
22	MS. POONAM SINGH	ACS 37785	14207	NIRC
23	MR. NITIN MADAAN	ACS 36368	13635	NIRC
24	MS. MEENAKSHI SURESH POT-DAR	ACS 25087	8969	WIRC
25	MS. ROSHNI NAKUL SHAH	ACS 37035	14172	WIRC
26	MS. UPMA JAIN	ACS 32486	12441	NIRC
27	MR. DHARM NATH PRASAD	FCS 7781	8600	WIRC
28	MS. RANJANA HANDA	ACS 30295	13075	NIRC
29	MS. SHANU AGRAWAL	ACS 36257	14072	NIRC
30	MS. SANGEETHA S T	ACS 32120	13807	SIRC
31	MR. HARSHAL VIRENDRA KU-MAR GANDHI	ACS 32595	12534	WIRC
32	MR. NAVIN T SHAH	FCS 203	11272	WIRC
33	MS. DEEPALI MAHAJAN	ACS 34592	13026	NIRC
34	MR. SANTOSH J R	ACS 22695	13433	SIRC
35	MRS. SNEH GUPTA	ACS 27367	9954	EIRC
36	MS. TEJASWI KALRA	ACS 35275	13820	NIRC
37	MS. PARIDHI KASLIWAL	ACS 26522	12798	WIRC
38	MS. SUSMITA A SEN	ACS 34368	14098	EIRC
39	MR. MANPREET SINGH BHATIA	ACS 30924	12424	NIRC
40	MR. VIVEK KHOSLA	ACS 26608	14104	NIRC
41	MR. DIPAK J RACHCHHA	FCS 3878	2191	WIRC
42	MR. AMITAVA BANERJEE	ACS 21175	13140	NIRC
43	MS. RITU TIWARI	ACS 35342	14175	WIRC
44	MS. MEENAKSHI NAAG	ACS 38479	14428	WIRC
45	MS. SWATI RAMPURIA	ACS 34918	14491	EIRC
46	MS. MALINI SESHADRI	ACS 5493	1323	SIRC
47	MS. PRIYANKA LUTHRA	ACS 26779	12607	NIRC
48	MS. DIMPI KISHORBHAI SAMPAT	ACS 33893	12671	NIRC
49	MR. AMIT KUMAR	ACS 29371	11265	NIRC
50	MRS. POOJA PAVAN RATHI	ACS 27579	10765	WIRC
51	MR. MUKESH RATHI	FCS 6020	4795	EIRC
52	MS. POONAM RAJUL	ACS 11023	5263	WIRC
53	MR. SUNIL SINGH BARTWAL	ACS 35194	14080	NIRC
54	MS. LEELA K S	ACS 31944	13073	SIRC
55	MR. N THIGARAJAN	FCS 2986	12413	SIRC

LICENTIATE ICSI**

Sl. No.	L.No.	NAME	Region
1	6749	MR. GIRISH R BANDODAKAR	SIRC
2	6750	MR. N. CHANDRA KUMAR	SIRC
3	6751	MR. ASHOK KUMAR S	SIRC
4	6752	MR. VIRUPAKSH HIPPARAGI	SIRC
5	6753	MR. RUSHABH PARESHBHAI SHAH	WIRC
6	6754	MS. FRENNE PAREKH	EIRC
7	6755	MS. NEHA DATTA SAHA	EIRC

**Admitted during the Month of May, 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
NIRC					WIRC				
1	10886	MR. BHUPESH KUMAR	ACS - 32550	NEW DELHI	19	10913	SH. K S SURESH	ACS - 9566	CHENNAI
2	10889	MR. ABHISHEK PALIWAL	ACS - 39500	ALLGARH	20	10915	SH. BALAJI G	ACS - 25227	CHENNAI
3	10890	MR. AMIT JAIN	ACS - 38574	GURGAON	21	10884	MR. TEJAS ROHITKUMAR SHAH	ACS - 30948	MUMBAI
4	10891	MR. AJAY KUMAR CHAUHAN	ACS - 38579	SHIMLA	22	10885	MR. MANISH MAROTHIYA	ACS - 39160	THANE
5	10892	MS. ANUSHI GUPTA	ACS - 37373	DELHI	23	10887	MS. NILAM DEEPAK KUMAT	ACS - 39481	NASHIK
6	10896	MS. GUNJAN TYAGI	ACS - 37888	NEW DELHI	24	10888	MR. JEKIL JITENDRAKUMAR PANCHOLI	ACS - 37920	AHMEDABAD
7	10899	MS. RIMPI JAIN	ACS - 37018	DELHI	25	10893	MR. HEMANT ASHOKBHAI PALANPURI	ACS - 39547	AHMEDABAD
8	10901	MR. RAHUL JOGI	ACS - 38723	JIND DISTT	26	10894	MR. KAMLESH OJHA	ACS - 39476	RAIPUR
9	10902	SH. NAVEEN BANSAL	ACS - 19804	LUDHIANA	27	10895	MR. GAJENDRA SINGH SENGAR	ACS - 36329	RAIPUR
10	10907	SH. ANKIT JAIN	ACS - 25745	GURGAON	28	10897	MR. MOHAMMAD YAWAR USMANI	ACS - 39407	NARDINGHPUR
11	10908	SH. ROSHAN GARG	ACS - 10185	PANCHKULA	29	10900	MR. NISHANT KIRTIKUMAR PATEL	ACS - 37146	MUMBAI
12	10909	SH. VIVEK TREHAN	FCS - 2919	CHANDIGARH	30	10903	MR. DEEPESH VIKRAM KUMAR JAIN	ACS - 39996	MUMBAI
13	10916	MR. RAJEEV KUMAR JAIN	ACS - 40182	DELHI	31	10906	MR. SANDEEP DHAWAN	ACS - 40110	MUMBAI
14	10917	MR. ANKIT SHARMA	ACS - 39175	REWARI	32	10910	MR. RAJESH DATTARAM SHREEGADI	ACS - 38101	BHIWANDI
SIRC					33	10912	MR. DHANANJAI RAJARAM APTE	ACS - 39312	PUNE
15	10898	MR. GANAPATI BHAT	ACS - 37568	BANGALORE	34	10914	MS. MITALI PRADEEP OZA	ACS - 31757	MUMBAI
16	10904	MR. PRAKASH NAGARAJAN	ACS - 40070	MYSORE					
17	10905	MS. RAJANI KILARI	FCS - 8026	HYDERABAD					
18	10911	MS. B YAMINI	ACS - 40133	MADURAI					

*Enrolled during the period from 21/05/2015 to 20/06/2015.

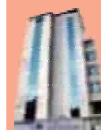


News From the Institute

LIST OF MEMBERS WHOSE CERTIFICATE OF PRACTICE HAS BEEN CANCELLED DUE TO NON-PAYMENT OF ANNUAL CERTIFICATE OF PRACTICE FEE FOR THE YEAR 2014-2015

Sl No.	Member No.	CP.NO.	MEMBER'S NAME	REGION
1	ACS - 1373	9286	SH. R MANI PARTHASARATHY	SIRC
2	ACS - 2586	3776	SH. J ANANTHANARAYANAN	SIRC
3	ACS - 6269	9242	SH. V RADHAKRISHNAN	SIRC
4	ACS - 7570	3272	SH. R MURALIMOHAN	WIRC
5	ACS - 10180	8534	SH. RAVI JOSHI	EIRC
6	ACS - 11778	3300	MS. TANVI PUSHKAR KULKARNI	WIRC
7	ACS - 12897	3810	SH. VIKAS GOYAL	NIRC
8	ACS - 13529	4972	MS. GARIMA MADAN	NIRC
9	ACS - 14688	11191	SH. RAJ MANI MISHRA	NIRC
10	ACS - 14816	8917	SH. SANTOSH KUMAR	NIRC
11	ACS - 14928	4203	SH. ASHOK KUMAR GULGULIA JAIN	EIRC
12	ACS - 15139	11733	SH. SUNIL RAMDAS NAYAK	WIRC
13	ACS - 15486	12288	SH. AMIT KUMAR JAIN	NIRC
14	ACS - 15928	11090	MS. MANISHA GUPTA	NIRC
15	ACS - 16035	8222	SH. SURENDRA CHAMPALAL JAIN	WIRC
16	ACS - 17298	6799	SH. DHIRAJ AGARWAL	EIRC
17	ACS - 17390	5850	MS. NANDITA JHAWAR	EIRC
18	ACS - 17803	9818	MRS. ANSHU SUNIL SHROFF	WIRC
19	ACS - 18105	11527	MS. AMRAPALI SINGHAL	NIRC
20	ACS - 18128	6252	MS. SMITA JHAWAR	EIRC
21	ACS - 19166	6842	MS. SWEETY KILLA	EIRC
22	ACS - 19342	9343	MS. NIDHI SHARMA	NIRC
23	ACS - 20119	8171	MS RACHNA AGARWAL	NIRC
24	ACS - 20326	9425	MRS. RITIKA MANSINGHKA	WIRC
25	ACS - 21292	9063	MS. ANURADHA VARMA	WIRC
26	ACS - 21401	7785	SH NITIN D DESHPANDE	WIRC
27	ACS - 21424	9523	MRS. INDERPREET KAUR BHATIA	NIRC
28	ACS - 21536	9744	MS. TANYA GAUR	NIRC
29	ACS - 22258	9030	MRS. KHUSHBOO SINGHAL	WIRC
30	ACS - 23390	10835	MRS. JALPA GAURANG BHATT	WIRC
31	ACS - 23392	9066	MRS. GARIMA MEHTA	WIRC
32	ACS - 23662	11537	MS. SHEETAL VERMA	WIRC
33	ACS - 23970	9550	MS. KADAMBRI PANIYA	NIRC
34	ACS - 24020	8739	MS. NEHA BAKLIWAL	NIRC
35	ACS - 24550	9806	MS. SUJATA AGARWAL	EIRC
36	ACS - 25261	10569	SH. RAVENDRA PRATAP SINGH	NIRC
37	ACS - 25442	11164	MS. DEEPTI	NIRC
38	ACS - 25657	11654	MS. TANVI GUPTA	NIRC
39	ACS - 25765	12027	MS. DEEPIKA VISHNOI	NIRC
40	ACS - 26065	9403	SH. ANKUR GOYAL	NIRC
41	ACS - 26689	11626	MS. VITHI SHARMA	NIRC
42	ACS - 26730	9641	MS. MEGHNA JAIN	EIRC
43	ACS - 26801	10133	MRS. DEA NIKHIL VACHHANI	WIRC

44	ACS - 27009	10637	MS. NAZIA AJAZ	NIRC
45	ACS - 27075	9710	SH. AKSHAY SATYAVIJAY RANJANIKAR	WIRC
46	ACS - 27200	10429	MS. MEGHNA JHAWAR	NIRC
47	ACS - 27427	11066	MS. NITI SARAF	EIRC
48	ACS - 27544	13046	MR. DEV MANI SHARMA	NIRC
49	ACS - 27679	10766	MRS. RUCHIKA BERIWAL	NIRC
50	ACS - 28114	10422	MS. SONIA ARORA	NIRC
51	ACS - 28532	11427	MS. PRIYANKA TARUN AGRAWAL	WIRC
52	ACS - 28715	10401	MR. AMIT KUMAR SURANA	EIRC
53	ACS - 29277	11344	MRS. DIPALI PRAFUL BHANUSHALI	WIRC
54	ACS - 29370	10708	MS. NEEMA JAIN	NIRC
55	ACS - 29483	10851	MS. KUSHMANJALI SHARMA	NIRC
56	ACS - 29754	12398	MRS. KANTA BINWAL	NIRC
57	ACS - 29818	12079	MRS. NATASHA CHAUDHARY	NIRC
58	ACS - 29895	11841	MS. RITASHA	NIRC
59	ACS - 30075	11400	MR. AMIT KUMAR JAIN	EIRC
60	ACS - 30235	11030	SH. RAHUL BALRAJ THAKWANI	WIRC
61	ACS - 30280	12915	MS. SONAVANE NALANDA GOVIND	WIRC
62	ACS - 30929	11382	MS. PRIYANKA SINGH	NIRC
63	ACS - 31223	11565	MR. VISHNU DUTT SHARMA	WIRC
64	ACS - 31309	11574	MR. RAKESH JOSHI	NIRC
65	ACS - 31356	11690	MR. DHARMENDRA VERMA	NIRC
66	ACS - 31649	12793	MS. JINAL HARSHKUMAR BHAVSAR	WIRC
67	ACS - 31999	11924	MS. R VINITHA	SIRC
68	ACS - 32097	11767	MS. PUNITA DINESH JOOTHAWAT	WIRC
69	ACS - 32913	12143	MS. RAVINDER KAUR	NIRC
70	ACS - 33295	12632	MR. SUNNY AGARWAL	EIRC
71	ACS - 33376	12410	MS. MEGHA BATRA	NIRC
72	ACS - 33466	12435	MR. GAURAV SOVASARIA	EIRC
73	ACS - 33480	12467	MS. MANISHA AGARWAL	EIRC
74	ACS - 33619	12601	MR. SUDHIR KUMAR	EIRC
75	ACS - 33715	12603	MS. SHILPI KARNANI	SIRC
76	ACS - 33725	12625	MR. ANUJ KUMAR	NIRC
77	ACS - 33728	12878	MR. RAHUL RUNGTA	EIRC
78	ACS - 34521	12871	MR. PUTHI SRIKANT KUMAR	SIRC
79	ACS - 34575	12876	MS. G BOWTHIRA	SIRC
80	ACS - 34621	12977	MS. SHAILZA MALHOTRA	NIRC
81	FCS - 481	4004	SH. RADHA KRISHNA PANDEY	NIRC
82	FCS - 893	7640	SH. VENKATESAN RAMACHANDRAN	WIRC
83	FCS - 1049	7286	SH. RAM SANWARA	NIRC
84	FCS - 1489	10100	SH. VITHALDAS DAHYALAL TALATI	WIRC
85	FCS - 1492	3487	MS. M YASHAPRABHA	WIRC
86	FCS - 1508	8369	SH. E GOVINDAN	SIRC
87	FCS - 1829	7389	SH. K V VIJAYAN	SIRC
88	FCS - 1924	2695	SH. KRISHNA LAL BHASIN	WIRC
89	FCS - 2471	7907	SH. T VENKATARAMANAN	WIRC
90	FCS - 2646	12654	SH. V RAMACHANDRAN	WIRC
91	FCS - 3211	3395	SH. MEHUL NITIN MEHTA	WIRC
92	FCS - 3277	8464	MR. SUKU KOSHY JOHN	SIRC



93	FCS - 3718	9980	SH. ISAIAH JOSE MATHIAS	SIRC	33	5973	SHAH PRATIK GUNVANTKUMAR
94	FCS - 4230	7757	MS. VIJAYALAKSHMI KRISHNAN	NIRC	34	5977	NIKHIL JAJU
95	FCS - 5154	11830	SH. SHEO KISHORE TRIPATHI	WIRC	35	5984	PANKAJ AGRAWAL
96	FCS - 5179	4252	SH. DEEPAK PRATAPBHAI THAKKER	WIRC	36	5995	SHYAM SUNDAR AGARWAL
97	FCS - 6228	10928	MS. GARIMA GUPTA	NIRC	37	5997	VIMAL BHARATKUMAR PANDYA
98	FCS - 6305	6832	SH. PRAGYESH KUMAR SINGH	NIRC	38	5998	JAIMIN HIMANSHUBHAI DESAI
99	FCS - 6461	9844	SH. BALAJI PRASAD	NIRC	39	6010	GAUTAM KUMAR MALCHANDKA
100	FCS - 6464	6447	SH. AKHILESH KUMAR SHRIVASTAVA	EIRC	40	6011	SHRUTI GUPTA
101	FCS - 6479	11123	SH. AJAY KUMAR SIWACH	NIRC	41	6012	DHARMENDRA SINGH MOHTA
102	FCS - 6909	11061	SH. A K SRIVASTAV	NIRC	42	6016	SENTHILKUMAR S
103	FCS - 6911	7507	MRS. SONIA BHIMRAJKA	NIRC	43	6019	PUNIT VAMAN MANKAME
104	FCS - 7318	7699	MS. SUMAN MANTRI	WIRC	44	6020	KRISHNAM RAJU ADAVI
105	FCS - 7352	8022	SH. INDERPREET SINGH DHALIWAL	NIRC	45	6025	MURULIKRISHNA R
					46	6026	NISHA CHOUDHARY
					47	6027	GOURAV MEHTA
					48	6033	JITENDRA RAMESHBHAI SANGHANI
					49	6034	MANISH AGARWAL
					50	6035	SOURABH SURESH KULKARNI
					51	6037	ARUN AJIT BAFNA
					52	6039	DHIRAJ RAMNATH BHANDARI
					53	6043	MAHESH KUMAR B
					54	6046	S VIJAYARAGHAVAN
					55	6048	ARVIND GIRIRAJ
					56	6050	ROHIT KUMAR JAIN S
					57	6052	ANAMIKA SARSWAT
					58	6056	MOITRAYEE BHATTACHARYA
					59	6057	GAURAV BHARDWAJ
					60	6058	T UMA
					61	6059	RAVI WADHAWAN
					62	6065	NAINA CHITLANGIA
					63	6070	NAVEEN PURBA
					64	6071	S SREE MADAVAN
					65	6073	MOHIT AGARWAL
					66	6074	RAJESHWARI H M
					67	6075	ANKIT VIJAY AGRAWAL
					68	6076	GIRISH NIRMAL NAGPAL
					69	6077	JAGDISH PRASAD SHARMA
					70	6083	MOHANRAJ P
					71	6085	RAHUL GARG
					72	6086	SUJATA KUMARI
					73	6094	PRATIK UPENDRA SHIRSIKAR
					74	6095	PIYUSH ARVIND BOTHRA
					75	6097	NIRANJAN BABU R
					76	6100	SUJATA SHIV PRABHAKAR
					77	6107	RATAN DHIRAJLAL CHAWDA
					78	6110	MOHIT KUMAR AGARWAL
					79	6117	ANUP KUMAR BISWAL
					80	6129	MANISH HARESHKUMAR KHEMANI
					81	6133	VICKY RAJANDAS ADWANI
					82	6137	PRASHANT BANSAL
					83	6142	RAVI KIRAN R
					84	6143	PANKAJ VISHNU HADADE
					85	6148	SHIPRA GUPTA
					86	6151	VINEET AGARWAL
					87	6154	SHASHIDHARA B S
					88	6155	GAURAV SUKUMAR DESHPANDE
					89	6156	JIGAR JATINKUMAR SHAH
					90	6157	DEVENDU PAUL

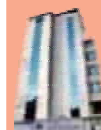
LIST OF LICENTIATES WHO HAVE BEEN DISENTITLED TO USE THE DESCRIPTIVE LETTERS "LICENTIATE – ICSI" W.E.F. 1ST APRIL, 2015 DUE TO NON PAYMENT OF ANNUAL SUBSCRIPTION FOR 2014-15

S.no	Licentiate No	Name
1	5891	MANIVANNAN GOKULAKRISHNAN
2	5894	VIJAYAGIRI E
3	5895	BALASAHEB EKATPURE
4	5896	VIJAY SANTOSH
5	5899	MITULKUMAR SHAH
6	5903	ANANTHAKRISHNAN P R
7	5904	GANESH B
8	5907	PUNIT SHAH
9	5908	PAWAN BHAGWANDAS LOHIYA
10	5909	GOPAL PRASAD GUPTA
11	5912	AMOL KABRA
12	5916	UMANG SOMESHWAR
13	5917	RAJKUMAR AGARWAL
14	5918	HEMANT PATNI
15	5920	GARIMA JAIN
16	5921	SUJAM R
17	5922	KANCHAN GARG
18	5926	MOHIT MAHAJAN
19	5929	MANOJ J V
20	5930	ABHISHEK SHAH
21	5935	NAWAL ANKIT
22	5939	ANUJ KUMAR AGARWAL
23	5941	OM PRAKASH KASERA
24	5942	VIKAS GUPTA
25	5948	ASHISH DODIYA
26	5949	SHUVODIP PAUL
27	5952	ULHAS SHIVNATH BORSE
28	5954	B CHANDRA SEKHAR
29	5957	SHUBHAM GIRISH CHAND GOYAL
30	5960	VIJAY KALANI
31	5962	VIRENDRA DIGAMBAR FIRAKE
32	5967	ANKIT DANGAYACH



News From the Institute

91	6167	HEMSHREE SINGH	149	6356	SANJAY PREMCHAND SANGTANI
92	6175	SUMIT RUSTOGI	150	6358	ABHISHEK KUMAR
93	6176	RAVI KUMAR GUMBER	151	6360	VIKRAM U
94	6177	AJAY G PRASAD	152	6363	ANANT KASHLIWAL
95	6180	AKHILESH KANGSIA	153	6364	ATULKUMAR KIRTIBHAI SIDDHPURA
96	6181	ASHISH JAIN	154	6370	HARINI VIJAYAKUMAR
97	6185	NITIN MADHUSUDANJI MANTRI	155	6372	ANKIT MITTAL
98	6192	VIDYASAGAR TRIVEDI S	156	6381	SOLOMON B
99	6194	HINA RAWAT	157	6390	AZMIM NAEEM KHAN
100	6196	BALJIT SINGH	158	6394	MINAL B MITTAL
101	6199	UDAI BHAN SINGH SAINI	159	6395	MUDRA SITARAM DADHICH
102	6201	VINOD NARAYANAN	160	6396	BALKRISHAN AGARWAL
103	6203	NIKI KALYANMAL JAIN	161	6398	DUSHYANTH KUMAR MODHI
104	6215	ANAND MUKESH TRIVEDI	162	6401	RITUL HARESHBHAI KANSARA
105	6218	ATUL DNYANESH TALEKAR	163	6406	G SANTHIL KUMAR
106	6223	MOTHI V HAREESH	164	6407	AYUSH SARAF
107	6227	ASHUTOSH YADAV	165	6410	PRACHI ANIL PODDAR
108	6229	NIKHIL SAVIO D SOUZA	166	6413	DHIRAJ GUPTA
109	6230	ANKIT GARG	167	6415	ISHA MODI
110	6231	ANKUR GARG	168	6418	PRIYANKA GUPTA
111	6235	J KAUSHIK	169	6419	AKASHDEEP SINGHAL
112	6236	PATEL BHAVIN BHARATKUMAR	170	6420	AMIT DAHIYA
113	6237	VISHAL BHUPENDRA GOSALIA	171	6423	ROHINI MUKHERJEE
114	6241	KRISHNA PRIYA H	172	6427	PRATYUSH SHARMA
115	6243	SUMAT SINGHAL	173	6428	SACHIN ASHOK KUMA SHARMA
116	6253	MANISHA SOHANLAL SIKARIA	174	6430	SUNIL CHOUDHARY
117	6255	JASON DIAS	175	6431	HIMANSHU PATEL
118	6256	GHAZALI SHADAB	176	6436	HARISH ASHOK MATHARIYA
119	6258	MEGHA JHAJHARIA	177	6440	ABHINAV SHARMA
120	6261	SAHIL CHANDRAMOHAN GROVER	178	6445	SUDHEESH KUMAR K
121	6262	MALHAR KAMALKUMAR JAIN	179	6452	EKTA BHARGAVA
122	6263	V P MUTHUKUMARAN	180	6456	PRANAY VIJAYKUMAR JHAWAR
123	6266	MEENAKSHI VENKATARAMAN	181	6457	BHARATH SUNDAR RAMAN
124	6268	ANKIT JAIN	182	6466	ANUP AGARWAL
125	6270	SANDIP VISHNU PATIL	183	6471	AJEET KUMAR
126	6274	HITEN KESHAVJI DEDHIA	184	6479	RUMKI MANNA
127	6280	SHALU JAICHAND JAIN	185	6481	BHARATH BHUSHAN BOTHRA
128	6281	DARSHAN KIRANRAJ JAIN	186	6487	PRASHANT AGGARWAL
129	6292	AMBIKA PRASAD SENAPATI	187	6489	NIKITA AGARWAL
130	6297	APOORVA NANDKISHOR BHAGAWAT	188	6492	AMIT KUMAR
131	6303	CHAIN PRAKASH KABRA	189	6494	MEERA SHRIVASTAV
132	6307	PRAMOD AGARWAL	190	6498	SHANKAR RAJ M.V.
133	6309	ANSHUL ANIL AGRAWAL	191	6500	RANJAN KUMAR PRUSTY
134	6314	NILESH LAGHATE	192	6505	PARVEEN BANSAL
135	6315	GAURAV SHARMA	193	6507	N ROHIT
136	6316	SAGAR RAJENDRA CHORDIYA	194	6510	M MOHIT
137	6318	AMRITHA E R	195	6511	RANJIT B SANGAONKAR
138	6320	SHRADHA BHAMASHAH GUPTA	196	6514	RAHUL PRAKASH RAUT
139	6321	SUMIT NANDKISHOR AGRAWAL	197	6526	ESHA AGARWAL
140	6326	AMIT KUMAR AGARWAL	198	6531	ANKIT JAIN
141	6328	AISHWARYA RAMANI	199	6535	SHRUTI SHAILESH SHAH
142	6335	PARUL MEHRA	200	6536	ASTHA JAIN
143	6339	SOURABH KUMAR	201	6537	ROSHNI RAJIV
144	6341	VINILKUMAR TARUNBHAI PATEL	202	6540	YASHWANT BANGANI
145	6345	SHYAM SUNDAR S	203	6549	AMIT TOSHNIWAL
146	6346	JAGDISH HEMANTKUMAR TRIVEDI	204	6554	DEEPIKA KHULLAR
147	6354	CHANDRASHEKARA ACHARYA	205	6560	ABHINAV JAIN JAIPUR
148	6355	SANJAY JAIN	206	6565	SANJEEV AGGARWAL



207	6566	AMAN RAJESH JAIN	265	6679	DEEPA JOSEPH KOKKANDATHIL
208	6571	LALIT JHA	266	6680	SWETA CHUGH
209	6573	ANKITA GUPTA	267	6681	E NARASIMHAN
210	6574	NAVNEET N KUMBHANI	268	6682	SURESH NAMBOODIRI K
211	6578	VINAY SINGHANIA	269	6684	ARUN KANNAN V B
212	6581	RAKESH SINGH RAJAWAT	270	6685	SURABHI AGRAWAL
213	6585	NAGARAJ SHETTY	271	6686	DEEPIKA AGARWAL
214	6589	SOMYA SETHI	272	6687	SIDDHANT DAMANI
215	6590	PRITI N ATKULWAR	273	6688	ADITYA JANAKKUMAR PANDYA
216	6595	ANKIT AGARWALA	274	6689	AMIT NAWANI
217	6598	ASHISH PATHAK	275	6692	NIMESH VINOD PATEL
218	6602	AJAY RAJENDRA VASWANI	276	6693	HARISH ASNANI
219	6604	SRIVIDYA MOVVA	277	6694	SNEHA GHURIANI
220	6609	AKANKSHA GUPTA	278	6696	PRIYAVARSHINI V
221	6610	NIDHI KEDARDAS MOHOTA	279	6697	AMIT JINDAL
222	6611	KALIDAS P.S.	280	6698	S. RAVI KUMAR
223	6612	R HUSTHANA	281	6699	RAHUL JAISWAL
224	6613	NISHANT SURESH BHAI PATEL	282	6700	SNEHA RUIYA
225	6615	SUBHASHREE GUHAN	283	6701	RAHUL SINGHAL
226	6621	AMAN JAIN	284	6703	ANGAD SINGH
227	6623	ASHWIN G.R	285	6704	VAIBHAV GUPTA
228	6625	SAKET SINGHANIA	286	6705	PRIYANKA KOTWANI
229	6630	PARAS VARDHAMAN GANGWAL	287	6706	GAURAV BANSAL
230	6631	JAFAR AHMAD KHAN	288	6707	SHRADDHA RAO
231	6637	IRA RAVI KAPOOR	289	6708	PERSIS KHAMBATTA
232	6639	SOURABH AGARWAL	290	6709	RENGANATHAN K T
233	6640	S AMUDHA	291	6710	ANANDPRIYA S
234	6641	PARIDHI MUNDHRA	292	6711	PAWAN KUMAR MADANGOPAL SHAH
235	6642	K. SARAVANAN	293	6713	VRUSHALI VILAS CHITNIS
236	6643	MEHA BHAGIRATH	294	6714	ANUJ MOUR
237	6646	GANESH RAMNATH SHANBHAG	295	6715	K. KISHORE KUMAR
238	6647	KHUSBHU AGARWAL	296	6716	P. RAJA
239	6648	ANKIT BHARGAVA	297	6717	VIVEK AGARWAL
240	6649	ASHOK R. MERWADE GADAG	298	6719	SARTHAK RAJVANSHI
241	6650	PRATIBHA GUPTA	299	6720	ANKITA BANSAL
242	6653	MADHUKAR GOYAL	300	6721	ARIF ALI
243	6654	NAMAN JHALANI	301	6723	GARIMA GULATI
244	6656	KAPIL KHANDELWAL	302	6724	SAMEER PANDURANG KULKARNI
245	6658	VISHAL V TAKALKAR	303	6725	PRADEEP S.M.
246	6659	GEETHA R	304	6726	SUHAS V
247	6660	CHINKI JALAN	305	6727	TARUNA KUKREJA
248	6661	ABHILASH PARDA	306	6728	RAJATHI S
249	6662	SAGAR DHAMANI	307	6729	MOHIT BHANSALI
250	6663	PRASANNA SHENOY MANGALPADY	308	6730	C ARUN KUMAR
251	6664	AKSHAY KABRA	309	6731	PANKAJ KAPOOR
252	6665	KUNAL VIJAY KATARIYA	310	6732	ARPIT GUPTA
253	6666	BHAVYA SHANTILAL MOTTA	311	6733	SUMANA CHANDRASHEKAR
254	6667	AMIT GOYAL	312	6734	SUNNY GUPTA
255	6668	JAYENDRA SAHU	313	6736	ABHISHEK AGARWAL
256	6669	SWATHI G	314	6737	KANUPRIYA CHOWKHANI
257	6670	ADAPA JASWANTH	315	6739	DHARA RAMESHCHANDRA BHAYANI
258	6671	SNEHA AGAL	316	6740	GAURAV SAINI
259	6672	PREETIKA MATHUR	317	6741	RITU SANGHI
260	6673	IYER SEETHALAKSHMI	318	6742	VIVEK GUPTA
261	6675	MANISH GUPTA	319	6743	BIJAL RAJESH DOSHI
262	6676	B G SANTOSH	320	6744	SAMARTH BHARGAVA
263	6677	ARCHANA NULL			
264	6678	VIDHI MITTAL			

For clarification / information if any, please write at email id – meena.bisht@icsi.edu



News From the Institute

**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)		



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.

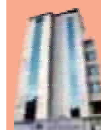


News From the Institute



List of Practising Members Registered For The Purpose of Imparting Training During The Month of May, 2015

S No	PCS Name	Address	Membership No
1	AMIT LOONKER	101, GLADDIOLA, ABOVE ING VYSYA BANK, HANUMAN ROAD, VILE PARLE (E) Pincode:400057, MUMBAI	A25075
2	AMOD KUMAR	SHOP NO-15, BLOCK C-18, II FLOOR, NEAR GG NURSING HOME, SANJAY PLACE Pincode:282002, AGRA	A28189
3	ANIL KUMAR	I-10A, FRIENDS COLONY, Pincode:302015, JAIPUR	A36197
4	BHARGAV RAJNIKANT PATEL	SHOP NO.3, ASHAPURA TOWER, 3RD FLOOR, OPP. NEW S T STAND SANALA ROAD Pincode:363641, MORBI	A37327
5	DEVENDRASINH JADUVENDRASINH JADEJA	SUBHASH ROAD, MOTI TANKI CHOWK, Pincode:360001, RAJKOT	A36894
6	GANAPATI BHAT	NO.19, 7TH CROSS, 7TH MAIN, ITTAMADU, MAIN ROAD, BSK -3 Pincode:560085, BANGALORE	A37568
7	GAURI SURENDRA BALANKHE	46/2, NARASIMHA TOWERS, 2ND FLOOR, 4TH CROSS, MALLESWARAM Pincode:560003, BANGALORE	F7786
8	GOKUL R I	DE SQUARE, MANJALY HOUSE, XIII/330, KALATHIL LANE EXTN, BEHIND YMCA, KRRA -35, ALUVA Pincode:683101, ERNAKULAM	A21269
9	HEMANT KUMAR SAJNANI	MI-307, BARRA-2, Pincode:208027, KANPUR	F7348
10	IPSA HEMNANI	B-34/11517, RAJEEV COLONY, GURU NANAK DEV NAGAR, BADI HAIBOWAL Pincode:141001, LUDHIANA	A33756
11	KAJAL RAI	B-1/620/5, KUNDAN PURI, CIVIL LINES Pincode:141001, LUDHIANA	A21442
12	MAKARAND MADHAV PATWARDHAN	B/503, PRESTIGE PARK CHS, GANESHWADI, PANCHPAKHADI, Pincode:400601, THANE	A11872
13	MOHIT RAMESH SARAOGI	316, MANISH CHAMBER, SONAWALA RD., ABOVE POST OFFICE, NEAR GOREGAON, STATION, GOREGAON (E) Pincode:400063, MUMBAI	A33564
14	MONA AGARWAL	63 OLD, 248 G T ROAD, LILUAH, OPP FUSION RESTAURENT Pincode:711204, HOWRAH	A33191
15	POOJA GARG	4TH FLOOR, KAVERI TOWER-1, 211, SECTOR D, POCKET-6, VASANT KUNJ Pincode:110070, NEW DELHI	A14572
16	PRADIP PRABHAKAR RASANKAR	ABOVE SANKET MEDICAL, MHAISHALKAR SHINDE, HOSPITAL BLDG. CIVIL HOSPITAL CONCR Pincode:416416, SANGLI	A36004
17	PRAFULLA KUMAR SAHOO	VIM - 740, SAILASREE VIHAR, Pincode:751021, BHUBANESWAR	F3756
18	RAHUL KISHOR VED	429/E, S V P ROAD, PRARTHANA SAMAJ G T M BLDG, 3RD FLOOR, ROOM NO. 37 Pincode:400004, MUMBAI	A34791
19	RAJESH KUMAR	ONESTEP CORPORATE SOLUTION, 41/16A, NELSON MANICKAM ROAD, CHOOLAIMEDU Pincode:600094, CHENNAI	A31829
20	RASHIDA TAIYABIBHAI RATLAMWALA	STREET NO. 4, DHOLKAWALA, BLDNG, SAIFEE SOCIETY, SARASPUR Pincode:380018, AHMEDABAD	A35530
21	REKHA GOENKA	7, RABINDRA SARANI, 1ST FLOOR, Pincode:700001, KOLKATA	A17805
22	RIMPI JAIN	H.NO.378, GALI NO.9, NEW KARDAM PURI, SHAHDARA Pincode:110094 DELHI	A37018
23	S HARIHARAN	PAVITHRA T.C. 37/520, LAKSHMINAGAR, THIRUMALA P.O., Pincode:695006 THIRUVANANTHAPURAM	F317



24	SANDEEP BAID	831, AJANTA SHOPPING CENTER, NR. KINNERY TALKIES, RING ROAD Pincode:395002, SURAT	A26436
25	SARANYA R	NO. 5, LAKSHMIPURAM, 1ST STREET, DEIVASIGAMANI ROAD (NEAR MUSIC ACADEMY), ROYAPETTAH Pincode:600014, CHENNAI	A35827
26	SAYYID MUSHIK FASALURAHMAN K N	KANNANTHALI NALINTAKOTH CHS, TANALLOOR (PO), TIRUR (VIA) Pincode:676307, MALAPPURAM	A39316
27	SEEMA BOTHRA	C/O BHUTORIA BROS LTD. 56, N S ROAD, 2ND FLOOR Pincode:700001, KOLKATA	A23393
28	SHIKHA MEHRA	IIA/56, FLAT NO. S-1, NEAR PNB, SECTOR 2, VAISHALI Pincode:201010 GHAZIABAD	A34986
29	SHRISTI AGARWAL	1/2 CHETLA ROAD, NEW ALIPORE, Pincode:700053, KOLKATA	A36493
30	SIMRAN JEET KAUR	I-LA-6, VIGYAN NAGAR, Pincode:324005, KOTA	A36242
31	SURAJ	192-C, GROUND FLOOR, ARJUN NAGAR Pincode:110029, NEW DELHI	A36240
32	VIJAY KANT ASIJA	A-227, TRIVENI NAGAR, GOPAL PURA BYPASS, Pincode:302018, JAIPUR	A13390
33	VIKRAM KAPOOR	76/70 RAJPUR ROAD, SAKET LANE 4, Pincode:248001, DEHRADUN	A20818
34	VIVEK BHATIA	191/1, POCKET D- 6, SECTOR- 6, ROHINI Pincode:110085, NEW DELHI	A27563
35	YOGESH CHOUDHARY	1311 DALAMAL TOWER, 211 NARIMAN POINT, Pincode:400021, MUMBAI	A26033



List of Companies Registered for Imparting Training during the month of May, 2015

A T O (I) LTD.
60 C, COLOOTOLLA STREET, KOLKATA - 700073

AMBER ENTERPRISES INDIA PRIVATE LIMITED
UNIVERSAL TRADE TOWER SECTOR - 49, SOHNA ROAD GURGAON

ARIS CAPITAL PRIVATE LIMITED
60 C, COLOOTOLLA STREET, KOLKATA - 700073

AWASTHI CORPORATE SERVICES
178/116, HAIDER MIRZA ROAD GOLAGANJ, 226018 LUCKNOW

BHILANGANA HYDRO POWER LIMITED
THIRD FLOOR B - 37, SECTOR - 1 NOIDA

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED 5TH FLOOR, PRAGATI MAIDAN METRO STATION BUILDING COMPLEX, DELHI

DIFFION CONSULTING LLP
214, 2ND FLOOR, OCAC NEW TOWER, BHUBANESWAR

EESHAN CORPORATION LIMITED
436 - C, SPAZE ITECH PARK, BLOCK - B, SOHNA ROAD GURGAON

EMKOR SOLUTIONS LIMITED
511/2/1 RAJOKRI, DELHI

FINANCIAL SOFTWARE AND SYSTEMS PRIVATE LIMITED
G 4, 1ST CROSS STREET, SIPCOT IT PARK, RAJIV GANDHI SALAI (OMR), SIRUSERI, NAVALUR, CHENNAI - 603103

GANESH ORES PRIVATE LIMITED
LL-2, MANIKA TOWERS, SUITE NO-3B, 3RD FLOOR, CIVIL TOWNSHIP, ROURKELA, ROURKELA

HARLEEN KAUR & ASSOCIATES
121, POCKET-1 JASOLA, SARITA VIHAR, DELHI

IIFCL ASSET MANAGEMENT COMPANY LIMITED
IAMCL 301-312, 3RD FLOOR AMBADEEP BUILDING, K G MARG CONNAUGHT PLACE, DELHI

KAKINADA SEZ PRIVATE LIMITED
4TH FLOOR, GMR AERO TOWERS, RAJIV GANDHI INTERNATIONAL AIRPORT, SHAMSHABAD, HYDERABAD



News From the Institute

KUNAL SHARMA & ASSOCIATES
F-712, TITANIUM CITY CENTRE, 100FT SHYAMAL TO
PRAHLADNAGAR ROAD SATELLITE, AHMEDABAD

LUCID COLLOIDS LIMITED
401A NAVBHARAT ESTATES, ZAKARIA BUNDER ROAD,
SEWRI WEST, MUMBAI 400015

MALAYALAM BENEFIT FUND LIMITED
NH-17, KARTHIKA APARTMENT, ENGANDIYUR POST
THRISSUR

NALWA STEEL AND POWER LIMITED
POST BOX NO 7 VILLAGE TARAIMAL, GHARGHODA ROAD
RAIGARH 496001, RAIPUR

NATURES BASKET LIMITED
PIROJSANAGAR EASTERN EXPRESS HIGHWAY, VIKHROLI
EAST, MUMBAI

NEW HOLLAND FIAT (INDIA) PRIVATE LIMITED
PLOT NO 3, UDHYOG KENDRA, GREATER NOIDA

RAJASTHAN STATE POWER FINANCE CORPORATION
LIMITED
PLOT NO. 1, BAJAJ NAGAR ENCLAVE, NEAR GANDHI
NAGAR RAILWAY STATION, JAIPUR

RANISATI MINERALS PRIVATE LIMITED
K-2, KAMALA COMPLEX, POWER HOUSE ROAD,
ROURKELA

RITU HEIGHTS PRIVATE LIMITED
251/1, NAGENDRA NATH ROAD BLOCK - 11
KOLKATA

SAPPHIRE PAPERS MILL PRIVATE LIMITED
3RD FLOOR, LILASHRI BUILDING SUBHASH MARKET
GEORGE MAHABERT ROAD, SILIGURI

SWAKARM CORPORATE MENTOR LLP
K 67 H, YASHODA NAGAR, KANPUR

TARUNA GUPTA AND ASSOCIATES
3/186, CHHOTA THAKUR DWARA, NEAR TELIWARA
SHAHDARA, DELHI

TATA STEEL PROCESSING AND DISTRIBUTION LIMITED
TATA CENTRE 43, CHOWRINGHEE ROAD, KOLKATA

THE NILGIRI DAIRY FARM PRIVATE LIMITED
MFAR SILVERLINE TECH PARK, 1ST FLOOR, EPIP PHASE II
WHITEFIELD- 560066, BANGALORE

ULTIMATE INVESTOFIN LIMITED
119, FIRST FLOOR, VARDHMAN FORTUNE MALL,
COMMUNITY CENTRE, G.T. KARNAL ROAD
NEW DELHI - 110033

YOGAKSHEMAM LOANS LTD
YOGAKSHEMAM APPARTMENTS KALLINGAL LANE
THRISSUR

EROS INTERNATIONAL MEDIA LIMITED
901/902, SUPREME CHAMBERS, OFF VEERA DESAI ROAD
ANDHERI WEST, MUMBAI

GENUS PAPER & BOARDS LIMITED
VILLAGE AGHWANPUR, KANTH ROAD, MORADABAD

HIND SYNTEX LIMITED
PLOT NOS. 2,3,4 & 5, SECTOR-A, INDUSTRIAL GROWTH
CENTRE, PILLUKHEDI, RAJGARH, INDORE

JSW INVESTMENTS PRIVATE LIMITED
JSW CENTRE, BANDRA KURLA COMPLEX, BANDRA EAST
MUMBAI

KCL INFRA PROJECTS LIMITED
KCL BUSINESS PARK, PLOT NO.-46-47, PU-4, BEHIND C21
MALL, AB ROAD, INDORE

KIRAN VYAPAR LIMITED
KRISHNA, 224 A J C BOSE ROAD 7TH FLOOR ROOM NO
706, KOLKATA

ORIENT ABRASIVES LIMITED
1307 CHIRANJIV TOWER, 43 NEHRU PLACE, DELHI

RCC CEMENTS LIMITED
807, ARUNACHAL BUILDING, 19, BARAKHAMBA ROAD
CONNAUGHT PLACE, NEW DELHI - 110001

SUBROS LTD
B 188, NOIDA PHASE 2, NOIDA



News From the Regions

> EASTERN INDIA REGIONAL COUNCIL

ICSI Convocation - Eastern Region 2015

On 12.6.2015 ICSI Convocation – Eastern Region was held at Kalamandir, Shakespeare Sarani, Kolkata.

Hon'ble Justice Amitava Lala, Former Acting Chief Justice, Allahabad High Court was the Chief Guest of the Convocation. Sanjay Agarwal, Managing Director, Century Plyboards (India) Limited was the Guest of Honour. Hon'ble Justice Amitava Lala in his address said that learning is a continuous process and it is by learning that a professional can become indispensable for an organisation. He said that a person should not succumb to ego and try to learn from everyone, that humility is important and for a learned professional arrogance is a strict no. Nothing in this world is above honesty, ethics and integrity. He opined that a Company Secretary's role and responsibility is increasing and he needs to be bold and proactive. As we enter an era where we are looking to have a regulatory regime that is more compliant to the practices around the globe, it is important for each company secretary to keep himself completely updated to the new regime in India, new compliances, new regulations, and also various practices around the world.

Sanjay Agarwal, Managing Director, Century Plyboards (India) and Guest of Honour of the day in his address congratulated the new members and urged that all of them should keep educating themselves in different ways. He narrated that in his personal journey as an entrepreneur he had multiple failures and realized that every successful person passes through the phases of failure, anger and dejection. But to be successful, a person should be self-motivated and in the right spirit and should rise above the basic needs. He ended his speech by quoting "not taking the risk is the biggest risk."

CS Atul H. Mehta in his Presidential Address congratulated the new members and said that a CS is a specialist in corporate laws. Specialisation, upgradation and communication skill always make the difference. An entrepreneur who sets up a business is conversant in pricing and marketing but a CS guides them through laws and compliances. A CS also at the same time needs to be updated with the latest developments in business and should go beyond the Companies Act. He advised that, each new member should consider investing in oneself so as to witness a transformation. "With this investment which is essentially long term one will gain

market appreciation over time. Like companies which practise good governance gain in their value overtime and provide long-term gains in the form of dividends and price-appreciation, members too should govern themselves well" he said and added that "the need to remain credible is the most critical challenge today as words hold out for you, employers, being credible is nothing else but doing what you say and saying what you do. The ability to distinguish between right and wrong has always been the most challenging assignment in life which is never taught in the classrooms".

CS Mamta Binani, Vice-President, ICSI and Programme Director in her address congratulated the new Members and said "it is our attitude that determines the altitude to which we could reach". She requested the new members to thank their parents who have been with them during their student days and urged that they should promise to be always by their side. She also said that in the journey of life there would be lot of negativity but one has to decide what he would listen to and what not and not to get distracted from their path. This, she said, is how one can enjoy the journey called life.

CS Santosh Kr. Agarwala in his address congratulated the new members and said that they will be part of a great transition from Company Secretaries to Corporate Governance professionals. He said that the Companies Act, 2013 has given new scope to CS. The Introduction of Secretarial Standards and Secretarial Audit are important milestones recognising the importance of CS. He stressed on the point that a young member needs to be dedicated and ethical in the performance of his duties and responsibilities.

CS Sunita Mohanty, Chairperson, EIRC of ICSI and Programme Co-ordinator in her address congratulated the new members and wished them luck in their professional career and said that they should uphold the values and ideals which are expected from them as members of this prestigious profession. She said the new members to face challenges and develop capabilities and uphold the importance of a CS in an organisation and adhere to the code of conduct. She concluded by urging the new members to evolve themselves as a perfect human being and said "great things always begin from inside".

After the welcome addresses, the Convocation Ceremony began with the Oath being led by CS Mamta Binani. The Chief Guest and Guest of Honour handed over the certificate to the new members. The Convocation concluded after rendition of the National Anthem.

ICSI Capital Markets Week

EIRC of ICSI observed the ICSI Capital Markets Week on Capital Markets - The Engine for Economic Growth on 30.5.2015 at Kolkata. P Srinivas, MD & CEO, United Bank of India, the Chief Guest for the programme congratulated ICSI for organizing the Capital Markets Week and acknowledged that the Institute has been actively engaged in promoting the interest of the investors and the orderly development of the Capital Markets in India. Capital markets are an important source of financing for the corporate sector and thus are vital for economic development. He further added that the momentum in the Indian Capital Market gained after the liberalisation of 1991 when



News From the Institute & Regions

FDI infused a lot of money in the capital market. He also said that a better regulated capital market automatically brings development for the country and a strong regulated capital market instils confidence among the investors that their money is safe. He said that the role of a CS as a Key Managerial Personnel is of responsibility as he takes care of Corporate Governance, Board of Directors and important disclosures. A CS is an ombudsman for the investors in the company.

N. K. Bhola, Regional Director (ER & NER), MCA, Govt. of India, was the Guest of Honour who in his address said that a CS plays a vital role in ensuring good corporate governance for companies and for their clients. He opined that this type of programmes is a good initiative taken by ICSI to help in Investor Awareness and protection. He said that these programmes also create awareness about role of CS in capital markets and how CS helps in ensuring that companies follow fair business practices and good corporate governance.

CS Atul H Mehta, President, The ICSI, in his address said that Company Secretaries, over a period of time, have developed themselves as professionals having core competence in compliances and corporate governance, moving from their traditional role of Company Secretary of the Company. They are now popularly known as governance professionals and are more frequently called upon to guide the Corporate Boards on various strategic, governance and compliance issues. Under various securities laws such as Securities Contracts (Regulation) Act, 1956, Depositories Act, 1996, Regulations and Guidelines issued by SEBI under SEBI Act, 1992 and the Listing Agreement of the Stock Exchanges for Equity, Debt listing, IDRs, Company Secretaries have been recognized to verify compliances and to issue certificates.

CS Mamta Binani, Vice President, ICSIn her address said that Capital Markets teach us discipline, innovation and invention and also teach us that human needs can be created. Today capital markets are available at the click of a button which was unthinkable some years ago. She said that by organizing these types of programmes, we are sending a signal to the government that they need to strengthen the capital markets as strong capital markets attract investment and strengthen investor confidence.

CS Santosh Kr. Agarwala, Central Council Member and Programme Director, in his address highlighted the Secretarial Audit and said that, the Companies Act, 2013 mandates every listed company and public companies with paid up capital exceeding Rs.50 crore or turnover exceeding Rs.250 crore to annex with its Board's report made in terms of sub-section (3) of section 134, a Secretarial Audit report, given by a company secretary in practice. He also said that the CS has got good professional knowledge of Capital Market and Company Law and emphasized that a CS has developed himself to be a governance professional.

CS Sunita Mohanty, Chairperson, EIRC of ICSIn her welcome address said that the Capital Markets play a pivotal role in the development of economy. The stronger the Capital Market, the better the prospects of economic development. Hence, a developed,

dynamic and vibrant capital market contributes immensely to economic growth and development.

CS Makarand Lele, Central Council Member, ICSI and Chairman Financial Services Committee, ICSI said that the moment was historical for the Institute as the Institute has become the first institution to issue Secretarial Standards anywhere in the world and that the same would be effective from July 1, 2015 and around 8 lakh companies in India will have to comply with these Secretarial Standards to be fully compliant under Companies Act 2013. Secretarial Standards will create enormous confidence in the minds of investors particularly fund managers and overseas investors as these investors are very much concerned about good governance practices and sound procedures.

The First Technical Session was on 'Convergence of Company Law and Securities Laws'.

CS Makarand Lele, Chairman of the session in his deliberation said that Companies Act 2013 has not bifurcated the requirements meant for small companies and non-small Companies. The government is attempting to converge securities Laws and Corporate Laws in order to create a shield of protection for investors by avoiding duplication of procedures. He informed that the topic has been selected to understand the provisions in relation to the convergence and the way forward for the convergence.

CS Vinod Kothari, Practicing Company Secretary and Past Chairman, EIRC of ICSI in his deliberation said that in India there are nearly 12,000 listed companies in various exchanges and the corporate governance of a listed company is different from a small company. He while explaining the need for convergence of laws spoke on the recommendations of J J Irani Committee, recent amendments of SEBI and MCA, overview of securities regulations framed by SEBI and so on. He then explained the public offer, preferential allotment, preferential issues and private placement, corporate laws v. ICDR, Audit Committee and independent directors.

The Second Technical Session was on 'Investor Protection and Rebuilding Investor Confidence'.

Monika Halan, Editor, Mint Money said that investors in the market need to be protected from fraudulent investment choices and they should be educated on the intricacies like how markets work, computing the better rates of return, measuring and analysing risk, consumer protection, making wise choices in a highly diversified market and so on.

CS B. Mohanty, ROC, West Bengal and Chairman of the session in his address said that the topic of the session is apt and investor protection today is a contemporary topic as investments impact economy in a big way and investor protection is important and protection is for both insiders and outsiders of a company.

The Third Technical Session of the Capital Market Programme was on 'Microfinance – Growth Engine for Tiny Industries'.



Chandra Shekhar Ghosh, Chairman and Managing Director, Bandhan Financial Services Ltd. and Chairman of the session in his address said that his company is the first micro finance company to have banking license of India. He said that the MSME sector has contributed in big way to the growth of the country but there are problems in Indian MSME sectors like low technology penetration, lack of product variety, inability to increase manpower, credit issues and so on. There are limitations with the credit limits which is very recently revised from Rs. 50, 000 to Rs. 1,00,000 by Reserve Bank of India. He said that with the right funding initiatives MSMEs can contribute in the growth of India. CS Amit Sen, Past Vice President, ICSI said that MSME units are less in this part of India as there are few heavy industries here and MSMEs act as ancillary units for heavy industries. He stated that measures should be taken to promote small and medium units for generating employment and to spruce up growth in the economy.

Half Day Workshop on Internal Finance Control & Deposit Rules

EIRC of ICSI organised a Half Day Workshop on Internal Finance Control & Deposit Rules on 23.5.2015 at ICSI-EIRC House, Kolkata.

Dr. Debashish Mitra, Member, ICSI, Past Chairman EIRC of ICAI, Member, Regional Direct Tax Advisory Committee, Government of India in his address stated that the auditors have to report on the operational effectiveness of internal financial control. There are three frameworks for internal financial controls to suit business environment and generally accepted all over the world, these are COSO, COCO and Turnbull. He said that Schedule II of Companies Act 2013, effective from 1st April 2015, has prescribed useful lives for companies to depreciate their various assets. He stressed on the fact that once companies follow the standards of financial control system they cannot be held up for negligence. Internal financial control system is different for listed and unlisted company.

CA Mohit Bhuteria, Practising CA deliberated on an Overview of the Company's Acceptance of Deposit Rule and the NBFC provisions. He stated that no company can commence or carry on business as Non-Banking institution without certificate of registration from Reserve Bank of India. He said that companies may accept deposit from its members by passing a resolution in general meeting and subject to conditions as may be prescribed in the Rules including Credit Rating, Deposit insurance and so on. Companies accepting deposit from members or eligible companies as defined have to fulfil the conditions specified in Companies (Acceptance of Deposits) Rules, 2014.

The programme was attended by a large number of members and students of the Institute.

Study Circle Meeting on Secretarial Standards

EIRC of ICSI organised a Study Circle Meeting on 'Secretarial Standards' on 29.5.2015 at ICSI-EIRC House. CS Rupanjana De,

Secretary, EIRC of ICSI and Chairperson, Study Circle Committee was the Moderator of the meeting. CS Kavita Bhavsar, Member in employment and CS Yogina Kochar and CS Anil Dubey, Practising Company Secretaries were present in the session as Experts. They deliberated on topics and replied various queries raised by the participants. The meeting was actively participated by both members and students of the Institute and there were queries, open discussion and feedback coming from all angles.

Study Circle Meeting on NBFCs

The Eastern India Regional Council of the Institute of Company Secretaries of India (EIRC of ICSI) organised a Study Circle Meeting on NBFCs (Non-Banking Financial Companies) on 13.6.2015. CS Rupanjana De, Secretary, EIRC of ICSI and Chairperson, Study Circle Committee was the Moderator of the meeting. CS Nidhi Bothra was invited as the Expert during the session to deliberate on the topic and to resolve queries of members. The session was a very interactive one with everybody participating in the discussion.

Career Fair

EIRC of ICSI participated in the AFAIRS Career fair held on 8 and 9.6.2015 at Ice Skating Rink, Kolkata. The event turned out to be a successful one as the fair attracted around 2000 visitors and a good majority of the visitors came to the ICSI stall and sought information about the course and the profession. The ICSI stall attracted students, parents, student counselors, teachers, members of professional bodies, media and so on.

The ICSI stall was decorated with ICSI flex banners. Books, ICSI Posters and Role of CS Fact sheet were displayed at the stall. The visitors were inquisitive about the CS course and had queries on topics like the time period of the course, the fee structure, contents, opportunities available to the profession, etc. On account of completion of ISC, WBCHSE and CBSE examinations, there was a good influx of visitors as many of them were curious about which career to choose. The fair continued for two days and the attractive advertisements of the fair were carried out in Times of India and The Telegraph thus attracting a swarm of visitors.

The fair was also participated by reputed colleges/universities like Amity University, British Council, United States India Education Fund, Acharya Group of Institutions, Bengaluru, Indian Air Force, Indian Army, Indian Navy, Indian Coast Guard, Overseas Education Consultants and other leading Colleges/Educational Institutions.

The ICSI was represented by ICSI officials S. Sreejesh, Section Officer and Uma Banik Joarder. They handled the queries well and informed visitors about the ICSI Students Education Fund, course subjects, syllabus, ICSI E-learning initiatives and the flexibility of the course to study wherever a student wants to in India. The fair proved to be an eye opener of the various opportunities that students can avail, once they clear their senior secondary examinations in India. Visitors were also very happy to learn about the economical fees charged by the Institute for the course.



News From the Institute & Regions

Times Education Boutique

EIRC of ICSI participated in the Times Education Boutique at Kolkata from on 16 and 17.5.2015. The event saw a huge number of visitors most of whom also came to the ICSI stall and sought information about the course and the profession. For information of visitors the ICSI stall was decorated with ICSI banners, books, Chartered Secretary magazine and Role of CS fact sheet. Leaflets on the CS profession were also distributed. The visitors were inquisitive about the CS course and their queries were properly addressed. The attractive advertisements of the fair had been carried out in the Times of India (Kolkata Edition) which resulted in attracting a swarm of visitors to the fair. The other participants in the fair were reputed colleges/universities like Amity University, Sharada University, Malaysia University, Overseas Education Consultants and other leading Colleges/Educational Institutions.

The ICSI stall was represented by S. Sreejesh, ICSI Official. He handled the queries well and informed visitors about the ICSI Students Education Fund, the fee concession to reserved classes, online virtual classes and the flexibility of the course to study wherever a student wants to be in India.

Synergy 2015

The Department of Micro Small & Medium Enterprises and Textiles, Govt. of West Bengal organised Synergy 2015 North 24 Parganas – Nadia at Guru Nanak Institute of Technology Campus at Panihati on 30 and 31.5.2015 as a platform to create awareness for the development of MSMEs in North 24 Parganas & Nadia. The main purpose of this event was to instil the confidence in small scale entrepreneurs by way of helpdesk cum clinics to resolve the queries and problems they face when they operate their MSME units or when they try to start their own MSME units. The aim of the event was also to create a single window platform for all stakeholders, public or private, for the development of MSME in North 24 Parganas and Nadia Districts.

The Institute of Company Secretaries of India (ICSI) was the only professional Institute invited to be associated with the event by opening a helpdesk cum clinic to help the people coming to the event to help with the formalities of opening a One Person Company, LLP, Private Limited Company and Public Limited Company and to teach them the importance of good corporate governance practices and so on. The ICSI also conducted a session on Corporate Governance for the participants and entrepreneurs.

CS Arani Guha, Practising Company Secretary, Dr. Tapas Kumar Roy, Assistant Director, ICSI-EIRO, S.Sreejesh, Section Officer, ICSI-EIRO and Abhay Kr. Das, Official of the Regional Office participated in the event on behalf of ICSI. The help desk also attended to the queries raised by the students of Guru Nanak Institute regarding the Company Secretary Course and profession.

CS Arani Guha and Dr Tapas Kr Roy addressed the session on corporate governance which was held at the audio visual room. They

gave a presentation on Corporate Governance, formation requisites for companies, taxation issues that a new entrepreneur faces while setting up an enterprise and so on. The session was attended by a large number of participants who appreciated the efforts of ICSI in raising awareness on Corporate Governance.

Campus Placement Programme

EIRC of ICSI organised a Campus Placement Programme for fresh members and students at ICSI-EIRC House on 8.5.2015. Companies/Practising members requiring members for employment and students for Management Training participated in the Campus Placement. The companies that participated included ITC Ltd, Santosh Tiberwal & Co, NPR Finance, Jet Air Agencies Pvt. Ltd., Manisha Saraf & Co., Paragon Finance Ltd, S.K. Patnaik & Associates, Vikram Solar, Deepak Khaitan & Co., Uniworth Group, H.R. Agarwal & Associates, Jai Balaji Group, Priyanka Sengupta & Co., K.C. Dhanuka & Co., S M Gupta & Co, Jayshree Tulsyan, Balasore Alloys Ltd. and Vinod Kothari Consultants Pvt. Ltd. The event was attended by a good number of candidates. Prior to this a Grooming Session on How To Crack Interviews - A Session on Corporate Grooming was organized for the candidates who participated on 7.5.2015 at ICSI-EIRC Auditorium, Kolkata in which the candidates were briefed about techniques of facing interview, business etiquette, personality development, dressing and so on by CS Sunita Mohanty, Chairperson, EIRC of ICSI, CS Rupanjana De, Secretary, EIRC of ICSI, CS Inderpreet Kaur Bedi and CA Suprio Ghatak.

Half Day Workshop on an Insight into Various aspects of Competition Laws

EIRC of ICSI organised a Half Day Workshop on an Insight into Various Aspects of Competition Law on 22.4.2015 at ICSI-EIRC House, Kolkata. CS Sunita Mohanty, Chairperson, EIRC of ICSI welcomed the participants and introduced the theme and the dignitaries on the dais N. K. Bhola, Regional Director (Eastern Region) Ministry of Corporate Affairs, Govt. of India, U. C. Nahta, Member, Competition Commission of India and CS Anjan Kumar Roy (Practising Company Secretary), Past Chairman, EIRC of ICSI and their respective topics for deliberation. N. K. Bhola appreciated Institute's efforts in organising a workshop on Competition Law.

U. C. Nahta dwelt on 'An Overview of CCI with Special Emphasis on Investigation Procedure'. He began with a detailed analysis of Competition Act, 2002 and said that the aim of the Act is to prevent practices having adverse effect on Competition, to promote and sustain competition in markets, to protect the interests of consumers, and to ensure freedom of trade carried on by other participants in markets in India. He discussed horizontal and vertical agreements through various case laws. He stated that competition law basically aims at steering the behaviour of market participants in order to ensure that producers, manufacturers, distributors and suppliers of goods and services compete fairly with each other.

Discussion on Some Significant Cases Related to Anti-Competitive



Agreements and Abuse of Dominant Position' was made by CS Anjan Kumar Roy. He stressed on the fact that dominance is not banned, rather it is welcome but abuse of dominance is restricted under Competition Act. He further said that dominant position is a position of strength in the relevant market, i.e., the market which may be determined by the Commission with reference to the relevant product market or the relevant geographic market or with reference to both.

The programme was attended by a large number of members and students of the Institute.

Half Day Workshop On Secretarial Audit

EIRC of ICSI organized a Half Day Workshop on Secretarial Audit and Compliances under FEMA on 2.5.2015 at ICSI EIRC House. CS Mamta Binani, Vice President, ICSI and CS Vinod Kothari, Past Chairman, ICSI EIRC, Practicing Company Secretary were the Guest Speakers. CS Sandip Kumar Kejriwal, Vice Chairman, EIRC of ICSI welcomed the Guest Speakers and the delegates present, setting the theme and relevance of the topics to be covered.

CS Mamta Binani was the speaker for the first session and in her address made a thread bare presentation on Secretarial Audit. She also discussed various aspects of Secretarial Audit that focused inter alia on Applicability, Coverage, Due Diligence and Audit Qualifications. She also clarified the important areas like Appointment and Removal of Secretarial Auditor, liability for fraud, risk for secretarial auditor in Schedule II (Part – I) of CS Act, 1980, penalty under section 204, audit techniques and so on. After detailed discussion on the topic, questions from the participants were also resolved by CS Binani.

CS Vinod Kothari covered various aspects of compliances under the Foreign Exchange Management Act, especially in the context of Secretarial Audit. He deliberated on Foreign Direct Investment, Overseas Direct Investments and External Commercial Borrowings. CS Vinod Kothari also gave a crisp idea about the sectoral caps and prohibited sectors for FDI in India. After detailed discussion on the topic, he also replied the queries of the participants.

Half Day Workshop on Secretarial Standards & Recent Changes in Delisting of Securities

EIRC of ICSI organised a Half Day Workshop on Secretarial Standards & Recent Changes in Delisting of Securities on 16.5.2015 at ICSI-EIRC House, Kolkata. the Guest Speakers were CS Savithri Parekh, Chief (Legal & Secretarial), Pidilite Industries Limited and CS Anup Kumar Sharma, Vice President, VC Corporate Advisors Private Limited, SEBI registered category I Merchant Banker.

CS Sandip Kejriwal, Vice-Chairman, EIRC of ICSI in his welcome address introduced the Indian Secretarial Standards and its need. He said that Government and appropriate authorities have to enforce these Standards, to facilitate the adoption thereof by industry

and corporate entities in order to achieve the desired objective of standardisation of secretarial practices. CS Ashok Purohit, Treasurer, EIRC of ICSI, opined that all the constituents in the corporate sectors are going to be benefited by secretarial standards and that it will reduce the burden of Government and regulatory authorities.

CS Savithri Parekh in her deliberation dwelt on 'Secretarial Standards'. CS Parekh said that Secretarial Standards require that in case of Board Meetings, Agenda and Notes on Agenda are to be sent at least seven days prior to the Board Meetings to give sufficient time for the Directors to prepare and come to meetings fully informed. She also said that Secretarial Standards would help in ease of doing business, improved governance, confidence building in minds of investors, improved compliance level, ultimately leading to flow of capital in India and achieving the government's objective of make in India. She replied various queries raised by the participants at the end of the session.

CS Anup Kumar Sharma discussed 'Recent Changes in Delisting of Securities'. He covered issues like what propelled SEBI to make the amendments, SEBI (Delisting of Equity Shares) Amendment Regulations w.e.f. March 24, 2015 and acquisition through Stock Market in Open Offers. He said that no entity belonging to the acquirer, promoter and promoter group of the company shall sell shares of the company during the period from the date of the board meeting in which the delisting proposal was approved till the completion of the delisting process. The session was very interactive and members participated in the discussion. The programme was attended by a large number of members - in employment and in practice, corporate executives, company directors, and other professionals.

Career Awareness Programmes

On 29.4.2015 a Career Awareness Programmes (CAP) was conducted at Loreto Sealdah and WWA Cossipore E.M. School. The speakers gave an insight into "Career as a Company Secretary" to class XII students. Career awareness programmes were also held at Loreto Day School, Elliot Road, Tribeni Tissues Vidyapith and The BSS School in the first week of May 2015. The programme was also organized at Loreto School, Bowbazar on 11.5.2015 where the speakers explained about "Career as a Company Secretary". The students were also informed about 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 in India. During the second week of May 2015, Career Awareness Programmes were also conducted at Calcutta Boys School, St. Stephen's School, Dum Dum, Muraripukur Govt. Boys High School, Shri Shikshayatan, Loreto School, Entally and Francis Xavier School, Salt Lake wherein detailed information about the career options as a Company Secretary was provided to the students. The response from the students and teachers were very good. The speakers of these career awareness programmes jointly and severally were CS Rupanjana De, Secretary, EIRC of ICSI; Dr. Tapas Kr Roy, Assistant Director, ICSI EIRO and S.Sreejesh, Section Officer of the Regional Office.



Half Day Workshop on Secretarial Audit & Board's Report

The EIRC of ICSI organised a Half Day Workshop on Secretarial Audit & Board's Report on 9.5.2015 at ICSI-EIRC House, Kolkata.

Guest Speaker CS Manoj Banthia, Practising Company Secretary (Past Chairman, ICSI-EIRC) deliberated on Practical Approach to Board's Report. He said that board report is the extract of the annual return, which covers matters such as indebtedness, shareholders patterns, details of promoters, directors, details of board meetings and attendance, remunerations of directors and penalty or punishment imposed on the company. He further said that in case of listed company or any prescribed companies it shall also include the Company's policy on director's appointment and remuneration including criteria for determining qualification, positive attributes, independence of a director and other matter provided in the statement on declaration given by independent directors. He said that 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 will also form a part of it.

CS Pawan Kr. Marda, Asst. Vice President & Company Secretary, Linde India Limited the other Guest Speaker deliberated on Compliance Management & its Reporting in Companies. He said that the Managerial Personnel of a company can be managing director, whole-time director and manager. He dwelt on the managerial remuneration payable by a company to its directors, including managing director, whole time director and its manager which should not be more than 5% of net profit in case there is more than one such director and in total not exceeding 10%. In respect of recovery of remuneration he said that if a company is required to restate its financial statements due to fraud or non-compliance, it shall recover from any past or present MD, WTD or Manager who received any remuneration in excess of what would have been payable to him as per the restated financial statements.

The programme was attended by a large number of members both in employment and practice, corporate executives, company directors, and other professionals.

Study Circle Meeting on Annual Return & Secretarial Audit under the Companies Act 2013

The EIRC of ICSI organised a Study Circle Meeting on 'Annual Return & Secretarial Audit' under the Companies Act, 2013 on 11.4.2015 at ICSI-EIRC House. It was actively participated by members and students and there were questions, open discussion and feedback coming from all angles.

CS Sandip Kejriwal, Vice Chairman, EIRC was the Moderator of the study circle meeting. CS Deepak Khaitan, Past Chairman EIRC of ICSI and Practising Company Secretary and CS Nitin Bagaria, VP, Legal and Company Secretary, India Power Corporation Ltd. were

the special invitees to the study circle meeting. In the open Group Discussion-type session the participants discussed MGT-7 form, the procedures related to filling up the form and items like stock exchange code, directors' report, principal activities of the business to be filled in MGT-7, annual return and so on.

Study Circle Meeting on Secretarial Audit under The Companies Act 2013

The EIRC of ICSI organised a Study Circle Meeting on Secretarial Audit under Companies Act 2013 on 24.4.2015. CS Rupanjana De, Secretary, EIRC of ICSI and Chairperson, Study Circle Committee was the Moderator of the meeting. CS Arun Kr. Maitra, Practising Company Secretary and CS Aditi Jhunjhunwala, Vinod Kothari Consultants were the special invitees at the meeting. CS Sunita Mohanty, Chairperson, EIRC of ICSI said that the topic is current and aptly selected for addressing the concerns of the members regarding Secretarial Audit. The participants discussed the difficulties being faced by a PCS when he/she goes for Secretarial Audit, liability of Secretarial Auditor, appointment forms for Secretarial Auditor, compliances that Secretarial Auditor has to check, responsibilities of Secretarial Auditor, what constitutes fraud, the scope of secretarial audit and so on. Many issues were raised during the Group Discussion amongst members most of which were resolved by the members and experts present.

Study Circle Meeting on Deposits under the Companies Act 2013

The EIRC of ICSI organised a Study Circle Meeting on Deposits under The Companies Act 2013 on 24.4.2015. CS Rupanjana De, Secretary, EIRC of ICSI and Chairperson, Study Circle Committee was the Moderator of the meeting. CS Anjan Kr. Roy, Past Chairman, EIRC of ICSI and Practicing Company Secretary was the special invitee at the meeting. The participants discussed background and introduction of the provisions of Deposits under the Companies Act, notification of MCA on deposits, involved eligibility criteria for the Solicitor of deposits and the extent of brokerage to be given to such solicitor, cost of raising money through debentures (deposit insurance, solicitor brokerage, Deposit Redemption Reserve) and so on.

BHUBANESWAR CHAPTER Celebration Of Capital Markets Week – 2015

Bhubaneswar Chapter of EIRC of the ICSI celebrated ICSI Capital Markets Week – 2015 from 25.5. to 31.5.2015 at its premises. During the celebration, posters, brochures and banners were displayed inside the office premises. During the week two programmes were conducted on 25.5.2015 and on 29.5.2015. On 25.5.2015, Binod Kumar Sharma, AGM, SEBI, Local Office, Bhubaneswar was the speaker of the evening talk on (1) Indian Debt Markets: Small Investor Perspectives and (2) Investor Protection and Rebuilding Investor Confidence. On 29.05.2015 two programmes were organised



wherein Supratim Mitra, Branch Head, NSDL Kolkata Branch addressed on “E-voting” and in the evening hour one lecture meet on the topic “Convergence of Company Law and Securities Laws” was organised wherein CS B.K. Sahu, Addl. Company Secretary, NALCO, Bhubaneswar was the speaker of the session. A large number of members attended in both the programmes. The report of the programme was also published in the local newspaper.

Two Days Workshop On The Companies Act, 2013

On 18-19.6.2015, Bhubaneswar Chapter hosted a two days’ workshop for the Officers of the Office of the Principal Accountant General (Economic & Revenue Sector Audit), Odisha, Bhubaneswar which was organised by the Office of the Principal Accountant General (Economic & Revenue Sector Audit), Odisha, Bhubaneswar. The two days’ workshop was inaugurated by Devika, Principal Accountant General (Economic & Revenue Sector Audit), Odisha, Bhubaneswar. D. Jaisankar, Sr. Deputy Auditor General (Admin/Revenue Sector Audit) and O.K. Kumaran, Dy. Accountant General (ES-I), CS Debadatta Mohapatra, Chairman, Bhubaneswar Chapter and CS Arabinda Acharya, Company Secretary, IDC of Odisha Limited, Bhubaneswar also addressed during the inaugural session of the programme.

The two days’ workshop covered the topics like Statutory Auditors, Appointment and Rotation of Auditors/disqualification, increased reporting responsibilities and penalties, Supplementary Audit by C & AG, Auditing Standards, Internal Audit, Cost Audit, Cash Flow Statements, Mandatory considerations, Provisions in Companies Act 2013 and AS-3, Process of preparing cash flow Statement –Direct & Indirect method, Determining: Cash / Cash equivalent (FD, Bank Overdraft etc., Differentiating: operating / financing / investing activities (interest, dividend, exchange rate variation, taxes, extraordinary item etc. Accounting policy, disclosure requirements, Non-cash transactions, Utility and limitations of CFS, Structure of Companies Act 2013, Status of notification of Sections of the Act and related Rules. New concepts/provision in new Act, Related party transactions (also discussed its relevance for PSUs), Corporate Social Responsibility and Sustainability, Class Action Suits, Dormant Companies, Secretarial Audit, National Financial Reporting authority (NFRA), Serious Fraud Investigation Office (SFIO), National Company Law Tribunal (NCLT), Board and Director’s Responsibilities, Board structure, Contents of Board report, Independent directors, Director Responsibility statements, Board’s Mandatory Committee, Key Managerial Personnel, Consolidated Financial Statements (CFS): Key Contents, Change in the Companies Act, Schedules & Rules and their implications particularly on accounting, depreciation, financial reporting and audit, Provisions in Companies Act, rules and relevant Accounting Standards -21, 23 & 27, Contradiction among section 129(3), Rules and accounting Standards, ICAI’s guidance note on CFS, Internal Financial Controls, Requirement for Auditors, Board & Directors Responsibility Statement, Consolidation requirement if there is no subsidiary but only Associate/JV, Provision of Act/rules vis a vis AS-23 on Consolidation of Associates, Provision of Act/Rules

vis a vis AS-27 on Consolidation of Joint Ventures. Consolidation process: Practical case covering subsidiary, associates and Joint Venture. Points of concern during audit of CFS and many more provisions of the Act.

B.K. Dash, AGM (Finance), CS B.K. Sahu, Addl. Company Secretary, NALCO, CS A. Acharya, Company Secretary, IDC of Odisha Limited, CA P.R. Parhi, Practising Chartered Accountant and CA & CS Vijaya Batth, Practising Chartered Accountant, Bhubaneswar were the speakers of the two days programme. The valedictory session of the workshop was organised on 19.6.2015. About 50 officers of the Office of Principal Account General, E & RSA, Bhubaneswar attended the two days’ workshop. Bhubaneswar Chapter collected feedback from each of the participants and the participants were satisfied with the arrangements of the Chapter and also suggested similar programmes in future.

Meeting With Principal Accountant General (E&RSA), Odisha, Bhubaneswar

On 19.6.2015, Bhubaneswar Chapter organised an interactive session with Devika, Principal Accountant General (Economic & Revenue Sector Audit), Odisha, Bhubaneswar at its premises wherein D. Jaisankar, Sr. Deputy Auditor General (Admin/Revenue Sector Audit) and O.K. Kumaran, Dy. Accountant General (ES-I), CS Debadatta Mohapatra, Chairman, Bhubaneswar Chapter and CS Arabinda Acharya, immediate past Chairman of the Chapter were present. During the meeting the dignitaries were apprised about the ICSI, its course contents, role of Company Secretary both in employment and in practice, various programmes, etc. Further the dignitaries were also apprised about the activities of the Chapter and its infrastructure facilities for the members and students. SS-I & SS-II & Secretarial Audit publications along with informative brochures on CS course were also presented to the Principal AG (E & RSA) by the Chairman of the Chapter CS Debadatta Mohapatra.

Celebration of International Yoga Day

On 21.06.2015, Bhubaneswar Chapter joined the Nation in celebrating the International Yoga Day at its premises by inviting the members and students of the Chapter. On the day a yoga session was arranged at 8.00 am wherein CS Amarnath Tripathy performed various types of yoga which were followed by the participants. Further he informed how performing regular yoga practice cures various diseases. CS D. Mohapatra, Chairman, CS A.K. Mishra, Vice Chairman, CS P. Nayak, Secretary of the Chapter also provided tips for health care. Members attended the session suggested similar programmes in future also.

HOOGHLY CHAPTER Half-Day Workshop on Annual General Meeting Including E-Voting

On 31.5.2015 Hooghly Chapter of EIRC of ICSI organised a Half-Day



News From the Institute & Regions

Workshop at Howrah. CS Ritu Bhojak, Vice-President & Assistant Company Secretary, SREI Infrastructure Finance Limited, addressed as Guest Speaker on "Annual General Meeting including E-Voting" and CA Vishnu Tulsyan, Practising Chartered Accountant, as Guest Speaker addressed on "Compliances related to LLP & Conversion of Company into LLP". The programme was very interactive and the queries raised by the participants were addressed by the Speakers in their respective sessions. More than 23 members/students and office bearers/members of the Managing Committee attended the workshop.

Full-Day Workshop on Corporate Social Responsibility

On 17.5.2015 Hooghly Chapter of EIRC of ICSI organised a Full-Day Workshop at the Conference Hall of Chapter office. As Guest Speakers, CS Anjan Kumar Roy (Past Chairman, EIRC of ICSI), Practising Company Secretary, addressed on "Corporate Social Responsibility" and CS Siddhartha Murarka (Member, EIRC of ICSI), Director, Intelligent Money Managers (P) Limited addressed on "Secretarial Audit". The programme was very informative and appreciated by the gathering. More than 27 members including managing committee members, students and office bearers of the Chapter office attended the Workshop.

Half-Day Workshop on Secretarial Standards 1 & 2

On 3.5.2015 Hooghly Chapter of EIRC of ICSI organised a Half-Day Workshop at the Conference Hall of Chapter Office. Guest Speakers, CS Mohan Ram Goenka, Practising Company Secretary, addressed on "Secretarial Standards 1 & 2" and CS Shikha Gupta, Company Secretary, Bhubaneswari Coal Mining Limited, addressed on "Compliances under The Companies Act, 2013". There was interactive question-answer sessions in between the address by the guest speakers and doubts/queries raised by the participants were clarified. More than 29 members including managing committee members, students and office bearers of the Chapter office attended the Workshop.

Half-Day Workshop on The Companies Act, 2013, Etc.

On 12.4.2015 Hooghly Chapter of EIRC of ICSI organised a Half-Day Workshop on "The Companies Act, 2013 covering Private Placement, Preferential Offer; Loans & Investments & Acceptance of Deposits with a special focus on applicability of Sec 74(1)(b) to loan taken from shareholders etc. by a private limited company prior to 1.4.2014" at Howrah. CS Sumit Binani, Corporate Law Consultant, was the Guest Speaker who addressed more than 67 members including managing committee members, students and office bearers of the Chapter office.

Full-Day Workshop on Criminal Offences under the Companies Act,

2013

On 19.4.2015 Hooghly Chapter of EIRC of ICSI organised a Full-Day Workshop at the Conference Hall of Chapter office. Guest Speaker, CS Akhilesh Kumar Shrivastava, Advocate, Calcutta High Court, addressed on "Criminal offences under The Companies Act, 2013". CS Nidhi Bothra, Executive Vice-President, Vinod Kothari Consultants Pvt. Ltd. the other guest speaker addressed on "Important provisions under the SARFAESI Act, 2002". More than 33 members including managing committee members, students and office bearers of the Chapter office attended the Workshop.

DHANBAD CHAPTER Panel Discussion

On 31.5.2015 a panel discussion was organised by Dhanbad Chapter of EIRC of ICSI on the topic Capital Market Issues - Forwards, Futures & Options, Derivatives at the Chapter premises. The speakers were B.K.Parui, Chairman, Dhanbad Chapter of ICSI; Pankaj Kumar Singh, Treasurer, Dhanbad Chapter of ICSI. Around 15 participants were present on the occasion. Programme Coordinator: Mrs. Neeta Malhotra, Programme Moderator: Mrs. Ritu Ritolia.

B.K. Parui explained the subject in lucid manner which rejuvenated the audience on the relevance of the subject matter. He explained the basics of the Topic, Capital Market and Indian Economy. The delegates interacted with the speakers post deliberations and got their doubts/queries clarified/replied. Parui explained all the aspects of the topic well. The major points were as follows: A futures contract is a type of derivative instrument, or financial contract, in which two parties agree to transact a set of financial instruments or physical commodities for future delivery at a particular price. If you buy a futures contract, you are basically agreeing to buy something that a seller has not yet produced for a set price. But participating in the futures market does not necessarily mean that you will be responsible for receiving or delivering large inventories of physical commodities - remember, buyers and sellers in the futures market primarily enter into futures contracts to hedge risk or speculate rather than to exchange physical goods (which is the primary activity of the cash/spot market). That is why futures are used as financial instruments by not only producers and consumers but also speculators. The consensus in the investment world is that the futures market is a major financial hub, providing an outlet for intense competition among buyers and sellers and, more importantly, providing a center to manage price risks. The futures market is extremely liquid, risky and complex by nature.

Stock market and speculation are almost synonymous. Many believe that stock market trading is speculation. Some even call it a casino. Stock market prices today are a reflection of tomorrow's prospects. They rise and fall in tandem with profits of businesses. Indians love to speculate. The market was introduced to modern 'derivatives' trading recently. Stock futures and options or derivatives are used extensively in India for speculation 1) What are they: A derivative is a security that derives value from an underlying asset. An underlying



asset could be an equity share, debt instrument, a currency or a commodity. Derivatives deal with an agreement to trade at a future date or at a certain price.

- 2) Types of derivatives: There are two types of derivative instruments. Futures and options. Futures allow you to bet on future trends in prices of an underlying instrument at a fraction of the cost of that instrument. Options give you an option to buy or sell the stock, commodity or a debt instrument at a target price. If the price of a stock is Rs. 100, you expect it to go up to Rs. 110 in a month's time, then you buy a contract at Rs 100 today and agree to sell it at Rs. 110 at the end of the month.
- 3) Why derivatives: There are many advantages of derivatives trading. Most use it to hedge their losses or safeguarding their investments from fluctuations in the market. So if you have bought Reliance Industries shares and suddenly due to an external event not related to Reliance Industries its share price is likely to fall, you could use derivatives to sell Reliance stock futures and hedge your loss in the equity market. Importers and exporters often hedge their currency risk. So when they import goods, they pay in foreign exchange. If the rupee value falls against the US dollar, imported goods get expensive. Hedging in currency derivatives helps in cutting these losses. Traders also use the secondary market for arbitrage – buy cheap in one market and sell at a higher price in another or vice versa. There is always a price difference in markets.

Some of the delegates from BCCL were also present and they also shared their views. Ritu Ritolia, Chapter Secretary summarized the proceedings of the programme before its conclusion.

NORTH EASTERN CHAPTER **Programme on Capital Markets**

On 31.5.2015 the North Eastern Chapter (Guwahati) of EIRC of ICSI organised a programme on Capital Markets - The Engine for Economic Growth at Guwahati. The Speakers were Subhra Bharali, CEO, Asomi Finance Pvt. Ltd.; CA Bikash Agarwal, past Chairman, Guwahati Branch of ICAI & practicing Chartered Accountant from Guwahati; CS S.M. Gupta, past Chairman, EIRC of ICSI and practicing Company Secretary from Kolkata; Moloy Biswas from CDSL; CS Siddharth Murarka Regional Council Member, EIRC of ICSI. The Chief Guest on the occasion was Jitesh Khosla, Chief Secretary, Govt. of Assam. Guest of Honour was V.B. Pyarelal, Additional Chief Secretary, Govt. of Assam. Special Guest were CS Atul H. Mehta, President, ICSI; CS Mamta Binani, Vice-President, ICSI and Mukhtar Singh, ROC, MCA, Shillong.

Around 250 participants including CS Members, CA Members, CWA Members, CS Students, CA Students, CWA students, Advocates, Members of Tax Bar Associations, Bureaucrats, Representatives from State PSU, Bankers, Corporate Houses, Press & Media were

present on the occasion.

CS Atul H. Mehta, President, ICSI felicitated Jitesh Khosla, Chief Secretary to the Govt. of Assam and Chief Guest on the occasion. CS Mamta Binani, Vice-President, ICSI felicitated V.B. Pyarelal, Additional Chief Secretary to the Govt. of Assam and Guest of Honour of the occasion.

The Programme was inaugurated by the Chief Guest; Guest of Honour; President, ICSI; Vice-President, ICSI; ROC, MCA; and Chairman of NE Chapter of EIRC of ICSI.

CS Mamta Binani, Vice-President of ICSI and also the Programme Director, in her address apprised the gathering about the benefit and importance of Capital Market Week.

CS Atul H. Mehta, President, ICSI also apprised the gathering about the importance of Capital Market week. He also informed about the programmes organized and to be organized by ICSI during the Capital Markets week.

Guest of Honour V.B. Prayelal, Additional Chief Secretary to the Govt. of Assam in his address highlighted the importance and role of Company Secretaries in Government; Public; & Private Companies.

Chief Guest Jitesh Khosla, Chief Secretary to the Govt. of Assam while addressing the gathering appreciated the role of Company Secretaries. He also highlighted some important points of Companies Act, 2013.

First Technical Session - CS Anjan Talukdar, past Chairman of NE Chapter of EIRC of ICSI was the session Chairman. Speaker on the occasion was Subhra Bharali, CEO, Asomi Finance Private Limited. Bharali addressed on Microfinance. He explained Microfinance, its importance and also explained in detail how Microfinance plays an important role as Growth engine for Tiny Industry.

Second Technical Session - CS Narayan Sharma, past Chairman of NE Chapter of EIRC of ICSI was the Chairman of the Session. The Speakers were CA Bikash Agarwal, past Chairman of Guwahati Branch of ICAI, CS S.M. Gupta, Past Chairman, EIRC of ICSI.

CA Bikash Agarwal delivered a detailed speech on Taxation and also covered all the aspects of Taxation in Capital Market transaction.

CS S.M. Gupta addressed on Secretarial Audit and then discussed in detail Secretarial Audit in Capital Market.

Third Technical Session - CS Raj Kumar Sharma, past Chairman of NE Chapter of EIRC of ICSI was the Chairman of the Session and the speakers were Moloy Biswas from CDSL, CS Siddharth Murarka, Member, EIRC of ICSI.

Moloy Biswas delivered his detailed speech on Investor's Protection and also apprised the gathering in detail about how to rebuild Investor Confidence. CS Siddharth Murarka apprised the gathering in detail about role, duties & functions of Company Secretaries



News From the Institute & Regions

as a Compliance officer. He also explained the legal aspects of a Company Secretary as a Compliance Officer.

Study Circle Meeting

On 20.6.2015 the Chapter organised a study circle meeting at Guwahati on Private placement & preferential allotment of shares. The speaker on the occasion was CS Pankaj Jain, Chapter Chairman and Practising company secretary. CS Biman Debnath, Vice Chairman of the Chapter and Practising company secretary was the expert commentator.

Seventeen CS Members attended the programme. CS Pankaj Jain delivered his speech with power-point presentation. He discussed in detail all the aspects of Private Placement & Preferential allotment of Shares as per Companies Act, 2013. Various queries raised by the participants were satisfactorily replied by the Speaker.

RANCHI CHAPTER Interactive Meet with Members on Capital Markets Week

To observe the Capital Markets Week from 25 to 31.5.2015 Ranchi Chapter of EIRC of ICSI organised a half day interactive meet with members at the Chapter premises on 30.5.2015. CS Rajeesh Ranjan, Chairman, Ranchi Chapter of EIRC of ICSI focused on the role of the members of the Institute in enhancing the opportunities of investment in capital and commodity markets. CS Sanjeev Kumar Dikshit, Vice-chairman and CS Puja Kumari, Treasurer of Ranchi Chapter of EIRC of ICSI put emphasis on capital markets as the key instrument for providing investment in today's corporate sector and as well as economic growth of the Country. The members also discussed implementation of Secretarial Standards with effect from 1.7.2015 and exchanged their views about motivating the investors towards capital markets for sustainable development of corporates through the profession of CS.

Education and Career Fair

Ranchi Chapter of EIRC of ICSI participated in two days' Education and Career Fair organised by Times Education Boutique at Hotel Capitol Hill, Main Road, Ranchi on 13.06.2015 and 14.06.2015. The ICSI official present on the occasion explained "Career as a Company Secretary" and replied the queries of the students and parents about the CS course, subjects, prospects of the profession, etc. Students and parents visited the ICSI stall during two days fair.

NORTHERN INDIA REGIONAL COUNCIL

Summer Residential Conference

NIRC-ICSI organized a two days Summer Residential Conference on Company Secretary: Leading the way in Expanding Horizons on

19 and 20.6.2015 at Palanpur Palace, Mount Abu, Rajasthan. Suresh Thinger, Chairman, Municipal Corporation, Mount Abu was the Chief Guest of the inaugural session. CS Ranjeet Pandey, CS Rajiv Bajaj, CS NPS Chawla, CS Rishikesh Vyas and CS Arvind Kohli were the speakers of the conference.

Convocation

NIRC-ICSI organized Convocation for members of Northern Region on 23.5.2015 at Manekshaw Centre. Sushma Paul Berlia, Co-Promoter & President, Apeejay Styra & Svrans Group President, Apeejay Education Society Co-Founder and Chancellor, Apeejay Styra University was the Chief Guest for the 1st session and Kiran Maheshwari, Cabinet Minister, Govt. of Rajasthan was the Chief Guest of the 2nd session and Latika Sharma, MLA (Haryana) was the Guest of Honour.

Orientation Programme

On 23 and 24.5.2015, NIRC organised Orientation a Programme for Northern India Regional Council Members at ICSI-NIRC Building, New Delhi. CS N.K. Jain, Former Secretary & CEO, ICSI addressed on Discovering the Leader in You and Mukesh Kulothia, Division C Governor, D41, Toastmasters International addressed on Unleashing the Powerful Communicator within. Various queries were replied by the speakers.

213th Batch of MSOP

On 25.5.2015 NIRC-ICSI inaugurated its 213th MSOP batch at ICSI-NIRC Building, New Delhi. CS R K Khurana, Senior Member of ICSI was the Chief Guest.

On 11.6.2015 at the valedictory session CS D Bandopadhyay, ROC, Delhi and Haryana was Chief Guest, CS Subhash Setia, Chief Corporate Affairs & Group CS, DLF Group, was Guest of Honor and CS Monika Mehndiratta, Director – Senior Group Legal Counsel & CS, Ericsson, was the Special Guest on the occasion.

ICSI Mega Programme on Capital Markets: The Engine for Economic Growth

On 30.5.2015 ICSI organized Mega Programme on Capital Markets: The Engine for Economic Growth at Scope Complex, New Delhi. CS S P Arora, Executive Director, IFCI Ltd., was the Chief Guest. CS Atul Mittal, Director, Tax and Regulatory, Deloitte India Ltd., Prateek Mohan, Asst. Vice President, Central Depository Services Ltd., Raj Rani Bhalla, Managing Partner, Zenith India Lawyers, Harbinder Singh Sokhi, Regional Manager, BSE and Sharad Tyagi, Associate Partner, Seth Dua Associates, Solicitors & Advocates were the speakers who 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.

International Day of Yoga

NIRC-ICSI celebrated International Day of Yoga on 21.6.2015. CS



Nesar Ahmad, Past President, ICSI & CS Sudhir Jain, Expert Yoga Trainer were the speakers of the programme which was attended by a good number of members and students.

JODHPUR CHAPTER Programme on Capital Markets

A full day mega programme on Capital Market Week – The Engine for Economic Growth was organized by Jodhpur Chapter of ICSI on 25.5.2015 at Jodhpur. The programme was the first mega programme of ICSI Capital Markets Week celebration between 25 and 31.5.2015 across the country. In his welcome address CS Shyam Agarwal, Council Member, ICSI apprised the participants that this is the first time when a capital markets week programme was organised in a non-metro city like Jodhpur and also informed the gathering about the objective of celebration of Capital Markets week and schedule of the programmes during the Week.

Atul H Mehta, President, ICSI in his address elaborated the role of Company Secretaries in the new era after notification of Companies Act, 2013. He in his address said that now CS, CA & CWA can form a LLP in order to provide all kind of services to companies at a single point with better efficiency. President, ICSI also informed that the Ministry of Corporate Affairs has accorded its approval to the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) specified by the Institute of Company Secretaries of India (ICSI) which shall be effective from 01.7.2015. President ICSI also apprised the august gathering about the latest development in ICSI including residential full time CS course, opening of international chapter at Dubai and that ICSI is putting its effort for establishing ICSI colleges to make CS course a full time course.

P.S. Bhati, Additional Advocate General was the Guest of Honour for the programme who in his address said that CS profession is unique and has a vital role to play in the development of society and country. He also mentioned that CS professionals should strive to ensure the effective services to companies and public at large because CS professionals can play a vital role in optimum and justified use of national treasures.

Gajendra Singh Shekhawat, Member of Parliament was the Chief Guest of the programme. While delivering his address the Chief Guest congratulated ICSI as the Institute has been actively engaged in promoting the interest of the Investors and the orderly development of the Capital Markets in India. Chief Guest also mentioned that India is having young professional like CS, MBA etc. more than any country in the world and Indian economy will be on top within next 10 years surpassing China's growth rate the only thing is that India has to identify its growth potential. He expressed his thanks to ICSI for holding such a programme in Jodhpur.

The First Technical Session was addressed by Nitin Shukla, Asst. General Manager - SIDBI on "Microfinance – Growth Engine for Tiny Industries". In his session Shukla apprised the participants about the

nitty-gritty of Microfinance and why Micro Finance is necessary for tiny industries. He also apprised about various schemes being run by SIDBI for financing the Tiny Industries.

The Second Technical Session was addressed by Dinesh Kumar Dixit, Asst. General Manager - SEBI on "Investor Protection and rebuilding Investor Confidence". In his session Dixit apprised the participants about SEBI's initiatives for Investor Protection and rebuilding investor confidence in Capital Markets. He also told the participants about SEBI's Investor grievance redressal mechanism.

The Third and last Technical Session was taken by Yashwant Gupta, Regional Manager, CDSL on the topic "Role of Depositories in Capital Market & E-Voting". In his session Gupta apprised the audience about the role of depositories in Capital market, benefits and process of opening of DMAT account. Gupta also told the participants about the benefits and process of e-Voting and e-Insurance account.

KANPUR CHAPTER Capital Markets Week

Kanpur Chapter of NIRC of ICSI took part in Capital Markets week and in this endeavour organized a 2 days programme on 25 and 26.5.2015 which was attended by a good number of members and students. The programme was inaugurated by CS Kaushal Saxena, Secretary and CS Sameer Shukla, Coaching Director.

Anti-terrorism Day

On 21.5.2015 Kanpur Chapter of NIRC of ICSI organised Anti-terrorism Day which was participated by students and members of the region. CS Kaushal Saxena, Secretary and CS Sameer Shukla, Coaching Director along with other members shared their views. A large number of members and students attended the programme.

SOUTHERN INDIA REGIONAL COUNCIL

Study Circle Meeting

The ICSI-SIRC organized a Study Circle Meeting on "SEBI Regulation on Insider Trading" on 8.5. 2015 at ICSI-SIRC House, Chennai. CS Mohan Kumar, Member, ICSI-SIRC introduced CS V.N. Shiv Shankar, Corporate Lawyer, Chennai and also briefly outlined the salient features of the SEBI. CS Ramasubramaniam C., Council Member, The ICSI highlighted the various initiatives taken by the Institute for providing better services to the Members, Students and other stakeholders.

Shiv Shankar in his address informed the members that the new Insider trading regulation is a welcome change which widens its coverage and opens the avenue for the insiders to trade in the securities despite having unpublished price sensitive information. He further explained the basic definition and how they stand in



News From the Institute & Regions

comparison to the previous regulation. Shiv Shankar elucidated the spirit with which each of the provisions in the regulation had been drafted. He went on to explain in detail the meaning of the term “Trading Plan” and the condition with which an insider should give the said “Trading Plan”. The speaker also informed the important role a Compliance Officer plays under the said regulation and proactive nature of the role. He also replied various queries posed by the participants who got their doubts cleared by the speaker. There was an active participation by the Members and the clarifications sought were ably replied by the speaker.

Half Day Seminar

The ICSI-SIRC organized a Half Day Seminar on “Secretarial Standards on Board of Directors (SS-1) and General Meetings (SS-2)” on 9.5.2015 at ICSI-SIRC House, Chennai. CS Mohan Kumar, Member, ICSI-SIRC introduced Dr. K.S. Ravichandran, Managing Partner, KSR & Co., Company Secretaries, Coimbatore, the speaker for the programme. CS Ramasubramaniam C., Council Member, The ICSI highlighted the developments on the activities of the Institute and informed that as part of its continuous initiative towards investor education and good governance, ICSI would celebrate Capital Markets Week during May 25-31 on ‘Capital Markets - The Engine for Economic Growth’ for the year 2015 throughout the country and requested all the Members to attend the programme on Capital Markets scheduled for 28.5.2015 at Chennai.

Dr. Ravichandran explained the overall genesis of SS I & II and how SS-1 emerged as a single point solution like consolidation of the accounts, rules and all the amendments as on date. He has indicated that though the Standards may be in plain language, lot of decisions, debate and discussions took place by Members’ interactions. Dr. K.S. Ravichandran observed that the Secretarial Standards will provide the Members both in employment and in Practice sufficient comfort and protection in dealing with the law relating to the procedural requirements as per the Companies Act, 2013.

Two Day Workshop

The ICSI – SIRC organized a two day Workshop on FEMA on 22 and 23.5.2015 at ICSI – SIRC House. G. Venkatachalapathy, General Manager, Foreign Exchange Department, Reserve bank of India, Chennai was the Chief Guest.

Chief Guest Mr. Venkatachalapathy in his address explained the revolution from FERA to FEMA, Regulatory process, Liability structure and Guidelines of ECB. He also mentioned what RBI expected from CS and from the Companies and penal provisions for violating regulatory provisions. He then highlighted the role of CS in FEMA.

Guest Speaker CS K. Ramesh, Corporate lawyer, Chennai in his address gave a brief background of FEMA legislation - an important migration into the Current and Capital Account Transactions compared to FERA. He also highlighted the important definitions under FEMA with practical explanations. He then covered various

Regulations, Rules, Circulars (including Master Circulars), Notifications and various authorities involved in FEMA legislation like the RBI, Central Government, etc.

CS Krishna Sharan Mishra, Practising Company Secretary, Chennai the other Speaker in his address elaborated the practical aspects in FEMA for company secretaries in practice and employment. He also listed out various forms which are required to be filed along with the compliances such as FCGPR, Form ODI, Forms for ECB and other relevant compliances for companies under FEMA on an ongoing basis.

Ramasamy, Citibank, Chennai spoke on Residential status of individuals and non-individuals and various bank accounts that can be opened and operated by them and the relevance of the same. He also covered Regs. 5/ 2000 and 10/ 2000 in FEMA and various remittances that can be made by PRII which are covered under Reg. 13/ 2000.

Guest Speaker Shriram Sundararajan, Vice President – Trade Finance & Service, Yes Bank Limited, Chennai covered International Finances other than equity such as the ECBs and the practical aspects for Indian companies in raising ECBs and the law relating to it. He also spoke on the limits, tenure and the end use aspects and especially conversion of dues by Indian companies into ECBs and other important aspects. He then covered export and import of goods and services and the practical aspects of FEMA extensively.

CS Swetha Subramanian, Practising Company Secretary, Chennai speaker of the session explained scheme of FDI in India including the equity and debt investments (ES, PS and CCDs). She briefly covered the sectoral caps on important industries with practical thoughts. She covered the valuation of shares, downstream investments, recent developments and other relevant aspects and Regs. 20/ 2000 pertaining to FDI.

CS L.V. Shyam Sundar, Practising Company Secretary, Chennai explained in detail the measures involved while doing Secretarial Audit under FEM with practical excise.

Karthik Ranganathan, Tax & Corporate Lawyer, Bangalore started with what is ODI and the prevalent methodologies and the limits by which ODIs can be made. He then elaborated on Regs. 120/2000 of FEMA in detail with practical aspects, Liberalized Remittance Scheme (LRS), investment in WOS/JV and the recent developments, loans/ guarantees to WOS/JV and step down subsidiaries, source of funding for ODI. Karthik also spoke on methods by which inbound investments can be made like the most favorable jurisdictions for investment in India including recent developments. He also listed out the types of entities that can be used for investment into India at the offshore level and at the Indian level like the Companies, LLPs, firms, trusts, etc. including the advantages and disadvantages over one entity and jurisdiction over the other and multilayered structured investments into India. He also covered important tax aspects of inbound and outbound investments from income tax and indirect



taxes perspective.

ICSI Capital Markets Week

As part of its initiative towards creating awareness amongst investors and to promote good governance in Capital Markets, The ICSI observed Capital Markets Week on 'Capital Markets- The Engine for Economic Growth' between 25 and 31.5.2015 across the Country. One such mega event was organized on 28.5.2015 at Chennai.

Inaugural Session: CS Ramasubramaniam C, Council Member, the ICSI & Programme Director Welcomed and Introduced the Dignitaries. In his address, he emphasized the pivotal role played by the ICSI in collaboration with SEBI & Ministry of Corporate Affairs in taking various steps for fueling economic growth. Various programmes are organized by the Institute not only in the areas of economic growth but also investor protection.

CS Makarand Lele, Council Member, The ICSI & Chairman, Financial Services Committee while introducing the theme emphasized that Economic growth in a modern economy hinges on an efficient and effective financial sector that pools domestic savings and mobilises capital for productive projects. Capital market connects the monetary sector with the real sector and therefore facilitates growth in the real sector and economic development.

CS Mamta Binani, Vice-President, The ICSI in her special address said that the Capital Markets play a pivotal role in the development of economy. She also mentioned that the Capital market enhances efficient financial intermediation. It increases mobilization of savings and therefore improves efficiency and volume of investments, economic growth and development. In her special address she also mentioned that new initiatives are being taken by the SEBI and Stock Exchanges which will result in more investment in the Financial Market and that a separate platform for listing of MSME is being contemplated which will further lead to the growth of capital market.

CS Atul H Mehta, President, ICSI said that a well-functioning securities market is conducive to sustained economic growth. The securities market fosters economic growth to the extent that it - (a) raises the productivity of investment (b) increases net capital inflow, and (c) reduces the cost of capital. More efficient is the securities market, the greater is the promotion effect on economic growth. It is, therefore, necessary to ensure that our securities market is efficient, transparent and safe. He further said that Company Secretary, over a period of time, have developed themselves as professionals having core competence in compliances and corporate governance, moving from their traditional role of Company Secretary of the Company. They are now popularly known as governance professionals and are more frequently called upon to guide the Corporate Boards on various strategic, governance and compliance issues. He also informed that the Listing agreement was amended to have the mandatory appointment of Company secretary in every listed company who would act as the Compliance Officer of the Company. Under various securities laws such as Securities Contracts (Regulation) Act, 1956, Depositories Act, 1996, Regulations and Guidelines issued by

SEBI under SEBI Act, 1992 and the Listing Agreement of the Stock Exchanges for Equity, Debt listing, IDRs, Company Secretaries have been recognized to verify compliances and to issue certificates. President, ICSI also informed that The Ministry of Corporate Affairs has accorded its approval to the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) specified by the Institute of Company Secretaries of India (ICSI). Section 118(10) of the Companies Act, 2013 mandates companies to observe Secretarial Standards with respect to General and Board Meetings specified as such by the Institute of Company Secretaries of India. Secretarial Standards apply to all companies. One Person Companies are excluded, he explained. He informed that it is a historical moment for the Institute as The Institute of Company Secretaries of India is first institution to issue Secretarial Standards anywhere in the world and that will be effective from July 1, 2015 and around 8 lakh companies in India will have to comply with these Secretarial Standards to be fully compliant under Companies Act 2013. Secretarial Standards will create enormous confidence in the minds of investors particularly fund managers and overseas investors as these investors are very much concerned about good governance practices and sound procedures. Consequently, this will lead to more flow of capital into India, new projects, more modernization and expansion, added President, ICSI. Mehta also highlighted the Secretarial Audit and said that, the Companies Act, 2013 mandates every listed company and public companies with paid up capital exceeding Rs.50 Crores or turnover exceeding Rs.250 Crores to annex with its Board's report made in terms of sub-section (3) of section 134, a Secretarial Audit report, given by a company secretary in practice. Secretarial Audit provides comfort to the Non-executive/Independent Directors that appropriate mechanisms and processes are in place to ensure compliance with laws applicable to the company, thus mitigating any risk from a regulatory or governance perspective, he informed.

S Krishnan, IAS, Principal Secretary, Planning & Development, Government of Tamilnadu was the Chief Guest and inaugurated the Seminar. The Chief Guest congratulated ICSI as the Institute has been actively engaged in promoting the interest of the Investors and the orderly development of the Capital Markets in India. He expressed that Capital markets are an important source of financing for the corporate sector and thus are vital for economic development. They channelize savings to investments and thereby decouple these two activities. As a result, savers and investors are not constrained by their individual abilities, but by the economy's ability to invest and save respectively, which inevitably enhances savings and investment in the economy. To the extent the growth of an economy depends on the rate of savings and investment, a developed, dynamic and vibrant capital markets immensely promote economic growth and development. The stronger the capital market, the better the prospects of economic development. Sridhar Pamarthi, Registrar of Companies, Tamilnadu, Chennai; V. Nagappan, Director, Madras Stock Exchange; CS Marthi, S.S., Past Chairman, ICSI-SIRC, Academicians and representatives from Bombay Stock Exchange Limited, Central Depository Services [India] Ltd., FICCI were present



News From the Institute & Regions

during the inaugural session. R Narayanasami, ACS Member [No.1] was honored by President, ICSI on the occasion.

SIRC of the ICSI conducted quiz programme on "Capital Market" on 26.5.2015 at "ICSI-SIRC House", Chennai on the occasion of Capital Markets Week. Eighteen Students participated in the Competition. Mr. L.V. Shyam Sundar, Member of the Institute, Chennai acted as Quiz Master. K.S. Saravanan, student pursuing Company Secretaryship Executive Programme bearing Registration No. 340161777/04/2015 won the first prize and was presented the prize by the Chief Guest. The prize award was presented to Mr. K.S. Saravanan by the Chief Guest. CS Nagendra D Rao, Chairman, SIRC of ICSI & Programme Coordinator summed up the proceedings of the inaugural session.

Technical Session I: Investor Protection and Rebuilding Investor Confidence. Shyam Shekar, President, Tamilnadu Investor Association, Chennai, was the Speaker of the session who in his address emphasized that one of the essential features for a robust capital market to sustain the investor confidence is through regulatory framework. He also explained with reference to – Systemic Risk and Regulatory Risk and his remarks on the need to iron out the discrimination with reference to small investors and big/institutional investors, were well received by the participants.

Technical Session II: Role of Company Secretary in Capital Markets – Public Issue and Collective Investment Scheme. CS Pradeep Ramakrishnan, Assistant General Manager, Securities Exchange Board of India, Southern India Regional Office, Chennai was the speaker who covered the definition of a CIS; Applicability of CIS; Scope of the CIS Regulations; Exclusions from the purview of the CIS Regulations; Deemed Public Issues and Caution in relation to un-authorized mobilization of money.

Technical Session III: Microfinance- Growth Engine for Tiny Industry. CA Gopal Krishna Raju, (Regional Council Member, SIRC of ICAI) and Partner: Taxation & Assurance, M/s. K. Gopal Rao & Co. Chartered Accountants, Chennai was the speaker who explained the development of Micro Finance institutions and gave the significance of Micro Finance industry which is till date only regulated through self-regulatory organization. He also briefed the Members about the Highlights and Key Issues and analysis of The Micro Finance Institutions (Development and Regulation) Bill, 2012. He mentioned that the Bill is still pending before the Lok Sabha, since All Political Parties have recommended for substantial change in the procedures and regulations in the Bill. He also emphasized that if the Bill becomes regulated, the Reserve Bank of India will have more powers and more compliance opportunities will emerge for professionals like Company Secretaries.

Technical Session IV: Company Secretary as Custodian of Governance in Capital Markets (covering Listing Obligations Debt Regulations, Insider Trading, Takeover, SME Certification) etc. V S Sundaresan, Chief General Manager, Securities & Exchange Board of India, Mumbai the speaker of the session highlighted various roles that can be played by a CS in Capital Market and also advising the

board on the Capital Market issues and covered World Bank Ranking - Protection of Minority Shareholders; Takeaways from the WB Report; What is Governance?; Benefits of good governance; 3 -As of compliance [A1 – Apparent compliance; A2 – Adequate compliance and A3 – Absolute compliance]; Compliance Responsibility; Regulator's perspective - need for a custodian of governance; Role as Custodian of Governance; Skills of a Company Secretary; Elements of Securities Market Association of Company Secretary with Role in a Listed Company; and Role in an Intermediary.

One Day Seminar

The ICSI-SIRC organized a One Day Seminar on Board Evaluation, RTP and Secretarial Standards – 1 & 2 on 30.5.2015 at Chennai. The Speaker of the First Session Sandip Ghose, Director, National Institute of Securities Markets, Mumbai (NISM) addressed on 'Board Evaluation'. He covered the need for Board Evaluation, Legal Framework in India, Board Evaluation Methodologies. He, then, elaborated on Evaluation of the Board, Evaluation of individual Directors and frequency of board evaluation. HE also listed out the disclosures and steps for board evaluation and briefed on the Evaluation process adopted in the West.

The speaker for the Second session on 'Related Party Transactions' was CS S. Sudhakar, Vice President – Secretarial & Legal, Reliance Industries Ltd., Mumbai. He elaborated on the opportunities for company secretaries under the Companies Act, 2013. He traced the background of Related Party Transaction Provisions in Companies Act 1956 and compared it with the 2013 Act. CS Sudhakar explained in detail the Applicable provisions, Definition of related party 2 (76), clause 49, AS 18, Related party approval process. He also highlighted the Penal provisions and Disclosures under Companies Act, 2013.

G. Hariharan, Former SSB Member, Mumbai was the speaker for the third session on Secretarial Standards – 1 & 2. Hariharan spoke on the importance of Secretarial Standards, and how the standards provide transparency and good governance. He then highlighted the salient features of the standards linking it with the provisions relating to Board of Directors and General Meetings under Section 118 (10) of the Companies Act, 2013.

Pallavi, Manager, NSE speaker of the last session covered extensively the procedural aspects of listing of SME on the National Stock Exchange. She also listed out the features of savings v. investments and risk v. return. She then explained the methodology to choose right investment product. Pallavi gave an insight into Exchange traded funds and Ease of investment Guidelines for smart investing.

BANGALORE CHAPTER Full Day Seminar on Insider Trading, Take Over Code, New Clause 49 of Listing Agreement

The Bangalore Chapter jointly with SIRC organized a Full Day



Seminar on Insider Trading, Takeover Code, New Clause 49 on 9.5.2015 at the Chapter premises. CS Nagendra D Rao, Chairman, SIRC, speaking on the occasion welcomed the participants and Speakers to the event and assured the participants that all their queries shall be addressed in detail by the vibrant speakers. He then introduced the guest speakers.

First Technical Session: Adithya Anand, Vice President, M & A Advisory and Corporate Financials Group, in his presentation on “SEBI Takeover Code”, explained the gathering that, the Securities and Exchange Board of India (“SEBI”) has constituted the Takeover Regulations Advisory Committee (“TRAC”) to review the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (“Takeover Regulations”) and to suggest suitable recommendations for amendments to the Takeover Regulations, as it considers necessary, apart from explaining the gathering the definition of “Acquirer”, regulations of SEBI Takeover code quoting various case studies before concluding his session.

The Second technical session during the programme was addressed by CS Savithri Parekh, Chief Legal & Secretarial, Pidilite Industries Ltd on “Insider Trading”. CS Savithri Parekh said that, Insider trading is a topic which has been discussed for a long time, but the insider trading regulations 2015 pose a daunting task in front of Company Secretaries as it requires two additional documents to be drafted and implemented in letter and spirit which is not an easy task especially when the dimensions of the regulation have completely changed with the one that was there in the past. She quoted an example stating that E- Sops were clearly outside the purview of Insider Trading regulations 1992, it was covered under para 3.3.2 in the second schedule, but there is no such exemption to E-Sops under the new insider trading regulations. She informed that if there is an exercise period the main difference would be that the exercise period cannot be during the window closure. She further stated that every one of us know that in case of a listed company window closure happens once in a quarter and goes more than one and half months because it has 45 days for our accounts to be considered by board. She said that’s the period which we are going to have the trading window closure assuming we are aware of all 40 days after the last date of accounts in quarter. She gave the example of a situation where the promoters of the company are given preferential issue of warrants and this resolution is validly passed through postal ballot, e-voting etc. The promoters thereafter exercise the rights and apply for warranties, which are convertible by promoters and on that date for whatever reason if the market price moves up, will it automatically come under Insider trading or will promoters run the risk of transaction under Section 245 of CA 2013, are the questions that evolve in every one? The speaker while replying said that according to her it will not amount to insider trading just because it has got preferential allotment and you are the promoter you cannot be kept under a separate category of person.

The Speaker also explained the provisions of CA 2013- Sec 149(12) of CA 2013. She said that proposed clause 36 of listing agreement

is also going to be an honor one because it has very detailed list of instances which will *per se* be considered to be price sensitive. Example – events like fire in a unit will be considered as a price sensitive information and requires to be intimated to stock exchange. The Speaker urged everyone to look into the proposed clause 36 as proposed clause 36 is going to be the law of tomorrow. She informed Schedule B of insider trading regulations increases the responsibility of compliance officer in organizations, she explained that the schedule also states that the person should be in Senior Management, and be reporting directly to the board, which means that the compliance officer is having access to price sensitive information.

The Speaker while explaining operations through disclosures informed that KMP is not defined in Insider trading regulations and asked everyone to refer to Section 2(51) of CA 2013 instead of Section 203 of CA 2013 for the right definition. She also informed that all employees are covered under insider trading regulations and informed that any person who buys shares in a company is referred to as connected person in insider trading regulations instead of designated person as it states that any person who does business with a company is termed as connected person.

Third Technical Session: The Third Technical Session during the full day seminar was addressed by Pradeep Ramakrishnan, Assistant General Manager, SEBI, on “New Clause 49 of listing agreement”. The speaker started his session by explaining the participants on evolution of Indian primary market, different types of issues, offer documents, SEBI’s role in primary market, Public issue process, eligibility norms, etc. While explaining ASBA (Applications Supported by blocked accounts) he informed at present, a lot of time is spent in compiling applications and crediting money for retail applications from distant areas. To hasten this process, SEBI has allowed banks to offer applications supported by blocked accounts (ASBA) facilities. Under this, the bank debits money from the account of the applicant only after allotment of shares. The Speaker also explained SEBI frame work of rejection of draft offer documents and the broad criteria SEBI follows for scrutinization, along with the consequences of rejection.

While explaining Corporate Governance the speaker explained corporate governance (CG) relates to how corporations, firms, organizations etc. are owned, managed, directed and controlled. He informed Corporate governance is acceptance by management w.r.t the rights of shareholders as the true owners of the corporation and of their own role as trustees on behalf of the shareholders. The Speaker also explained the broad principles of Corporate Governance, SEBI Initiatives, and major provisions in clause 49, Challenges in Corporate Governance etc. before concluding his session.

Open House Session – Revisiting Companies Act 2013

The Bangalore Chapter organized Open House Sessions – Revisiting Companies Act 2013 “Three Evenings a week and Four Weeks in a series” starting from 14.5.2015 to 6.6.2015.



News From the Institute & Regions

1st Open House Session held on 14.5.2015.

CS V Karthick, Practicing Company Secretary took a session on "Incorporation" wherein he explained the gathering on Chapter 1 and Chapter 2 of CA 2013 covering the sections along with related rules and forms. He then explained in detail Articles, Act to override memorandum, Incorporation of company, Formation of companies with charitable objects, Effects of registration, effects of memorandum and articles, Commencement of business, registered office of company, alteration of memorandum, alteration of articles, alteration of memorandum or articles, rectification of name of company, copies of memorandum, articles, etc., to be given to members. Lastly he also touched upon conversion of companies already registered, a registered subsidiary company not to hold shares in its holding company, service of documents, authentication of documents, proceedings and contracts, execution of bills of exchange, etc.

2nd Open house Session on 15.5.2015.

CS Nagendra D Rao, Chairman, SIRC, addressed on "Prospectus, Allotment, Share Capital and Debentures" and highlighted the Information to be stated in the prospectus and enlisted the contents of the Prospectus to be issued. He further explained the reports to be set out in prospectus, other matters/reports to be stated in prospectus, dematerialization of securities, refund of application money, etc. While explaining return of allotment the speaker informed whenever a company having a share capital makes any allotment of its securities, the company shall, within thirty days thereafter, file with the Registrar a return of allotment in Form PAS-3, along with the fee as specified in the Companies (Registration Offices and Fees) Rules, 2014.

3rd Open house Session held on 16.5.2015.

CS K.Chandra Sekhar, Company Secretary, ACE Designers addressed on "Deposits" wherein he explained Prohibition on acceptance of deposits from public, and also explained Section 73(1) that no company shall invite, accept or renew deposits under this Act from the public except in a manner provided under this Chapter: Provided that nothing in this sub-section shall apply to a banking company and non-banking financial company as defined in the Reserve Bank of India Act, 1934 (2 of 1934) and to such other company as the Central Government may, after consultation with the Reserve Bank of India, specify in this behalf.

(2) A company may, subject to the passing of a resolution in general meeting and subject to such rules as may be prescribed in consultation with the Reserve Bank of India, accept deposits from its members on such terms and conditions, including the provision of security, if any, or for the repayment of such deposits with interest, as may be agreed upon between the company and its members, subject to the fulfillment of the following conditions, namely:—

(a) issuance of a circular to its members including therein a

statement showing the financial position of the company, the credit rating obtained, the total number of depositors and the amount due towards deposits in respect of any previous deposits accepted by the company and such other particulars in such form and in such manner as may be prescribed;

- (b) filing a copy of the circular along with such statement with the Registrar within thirty days before the date of issue of the circular;
- (c) depositing such sum which shall not be less than fifteen per cent of the amount of its deposits maturing during a financial year and the financial year next following, and kept in a scheduled bank in a separate bank account to be called as deposit repayment reserve account;
- (d) providing such deposit insurance in such manner and to such extent as may be prescribed;
- (e) certifying that the company has not committed any default in the repayment of deposits accepted either before or after the commencement of this Act or payment of interest on such deposits; and
- (f) providing security, if any for the due repayment of the amount of deposit or the interest thereon including the creation of such charge on the property or assets of the company:

Provided that in case where a company does not secure the deposits or secures such deposits partially, then, the deposits shall be termed as "unsecured deposits" and shall be so quoted in every circular, form, advertisement or in any document related to invitation or acceptance of deposits.

- (3) Every deposit accepted by a company under sub-section (2) shall be repaid with interest in accordance with the terms and conditions of the agreement referred to in that sub-section.
- (4) Where a company fails to repay the deposit or part thereof or any interest thereon under sub-section (3), the depositor concerned may apply to the Tribunal for an order directing the company to pay the sum due or for any loss or damage incurred by him as a result of such non-payment and for such other orders as the Tribunal may deem fit.
- (5) The deposit repayment reserve account referred to in clause (c) of sub-section (2) shall not be used by the company for any purpose other than repayment of deposits.

Repayment of deposits, etc., accepted before commencement of this Act. The Speaker informed that under Section 74 (1) where in respect of any deposit accepted by a company before the commencement of this Act, the amount of such deposit or part thereof or any interest due thereon remains unpaid on



such commencement or becomes due at any time thereafter, the company shall—

- (a) file, within a period of three months from such commencement or from the date on which such payments, are due, with the Registrar a statement of all the deposits accepted by the company and sums remaining unpaid on such amount with the interest payable thereon along with the arrangements made for such repayment, notwithstanding anything contained in any other law for the time being in force or under the terms and conditions subject to which the deposit was accepted or any scheme framed under any law; and
 - (b) repay within one year from such commencement or from the date on which such payments are due, whichever is earlier.
- (2) The Tribunal may on an application made by the company, after considering the financial condition of the company, the amount of deposit or part thereof and the interest payable thereon and such other matters, allow further time as considered reasonable to the company to repay the deposit.
- (3) If a company fails to repay the deposit or part thereof or any interest thereon within the time specified in sub-section (1) or such further time as may be allowed by the Tribunal under sub-section (2), the company shall, in addition to the payment of the amount of deposit or part thereof and the interest due, be punishable with fine which shall not be less than one crore rupees but which may extend to ten crore rupees and every officer of the company who is in default shall be punishable with imprisonment which may extend to seven years or with fine which shall not be less than twenty-five lakh rupees but which may extend to two crore rupees, or with both.

The Speaker also explained the gathering on Damages for fraud under section 75(1), Acceptance of deposits from public by certain companies under section 76(1) before concluding his session.

The Second Session during the day was addressed by CS T R Jairam, Practicing Company Secretary on “Charges” wherein the speaker explained in details the Duty to register charges, Application for registration of charge. He then explained on Date of notice of charge, Register of charges to be kept by Registrar, Company to report satisfaction of charge, Power of Registrar to make entries of satisfaction and release in absence of intimation from company, Intimation of appointment of receiver or manager, Company's register of charges, Punishment for contravention. etc.

4th and 5th Open house Sessions – 21.5.2015 & 22.5.2015

The Fourth & Fifth open house sessions were addressed by speakers CS Vijay Kumar Sajjan, Member, Bangalore Chapter and CS Vasanth Kumar, Secretary Bangalore Chapter who welcomed the gathering and started the session on topic “Management and Administration”.

The Speakers informed - Every company shall maintain the registers under clauses (a), (b) and (c) of sub-section (1) of section 88 in the following manner namely:- (1) The entries in the registers maintained under section 88 shall be made within seven days after the Board of Directors or its duly constituted committee approves the allotment or transfer of shares, debentures or any other securities, as the case may be. (2) The registers shall be maintained at the registered office of the company unless a special resolution is passed in a general meeting authorizing the keeping of the register at any other place within the city, town or village in which the registered office is situated or any other place in India in which more than one-tenth of the total members entered in the register of members reside.

While explaining voting through electronic means, the speakers informed that every listed company or a company having not less than one thousand shareholders, shall provide to its members facility to exercise their right to vote at general meetings by electronic means.

(2) A member may exercise his right to vote at any general meeting by electronic means and company may pass any resolution by electronic voting system in accordance with the provisions of this rule.

The Speakers informed that “voting by electronic means” or “electronic voting system” means 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, such that the entire voting exercised by way of electronic means gets registered and counted in an electronic registry in a centralized server with adequate ‘cyber security’; They informed that “secured system” means computer hardware, software, and procedure that are reasonably secure from unauthorized access and misuse, provide a reasonable level of reliability and correct operation, are reasonably suited to performing the intended functions and adhere to generally accepted security procedures.

The Speakers informed that a company which opts to provide the facility to its members to exercise their votes at any general meeting by electronic voting system shall follow the following procedure, namely; (i) the notices of the meeting shall be sent to all the members, auditors of the company, or directors either - (a) by registered post or speed post; or (b) through electronic means like registered e-mail id; (c) through courier service; (ii) the notice shall also be placed on the website of the company, if any and of the agency forthwith after it is sent to the members; etc. the speakers also explained the notice of the meeting shall clearly mention that the business may be transacted through electronic voting system and the company is providing facility for voting by electronic means; the notice shall clearly indicate the process and manner for voting by electronic means and the time schedule including the time period during which the votes may be cast and shall also provide the login ID and create a facility for generating password and for keeping security and casting of vote in a secure manner. The company shall cause an advertisement to be published, not less than five days before the date of beginning of the voting period, at least once in a vernacular newspaper in the principal vernacular language of the district in which the registered



News From the Institute & Regions

office of the company is situated, and having a wide circulation in that district, and at least once in English language in an English newspaper having a wide circulation in that district, about having sent the notice of the meeting and specifying therein, inter alia, the following matters, namely:- (a) statement that the business may be transacted by electronic voting; (b) the date of completion of sending of notices; (c) the date and time of commencement of voting through electronic means; (d) the date and time of end of voting through electronic means; (e) the statement that voting shall not be allowed beyond the said date and time; (f) website address of the company and agency, if any, where notice of the meeting is displayed; and (g) contact details of the person responsible to address the grievances connected with the electronic voting; (vi) the e-voting shall remain open for not less than one day and not more than three days: Provided that in all such cases, such voting period shall be completed three days prior to the date of the general meeting; (vii) during the e-voting period, shareholders of the company, holding shares either in physical form or in dematerialized form, as on the record date, may cast their vote electronically.

6th Open house Sessions – 23.5.2015

The sixth open house session was presided by CS V Sreedharan, Past central Council Member. CS Vasanth Kumar, Secretary, Bangalore Chapter welcomed the gathering and invited the speaker CS V Sreedharan to the dais.

CS V Sreedharan, Past Central Council Member, started the session on topic “Appointment and Qualification of Directors”. The Speaker explained that a company, though a legal entity in the eyes of law, is an artificial person, existing only in contemplation of law. It has no physical existence. It has neither soul nor body of its own. As such, it cannot act in its own person. It can do so only through some human agency. The persons who are in charge of the management of the affairs of the company are termed as directors. They are collectively known as Board of Directors or the Board. The directors are the brain of a company. They occupy a pivotal position in the structure of the company. Directors take the decision regarding the management of a company collectively in their meetings known as Board Meetings or at the meetings of their committees constituted for certain specific purposes. Section 2 (10) of the Companies Act, 2013 defines that “Board of Directors” or “Board”, in relation to a company, means the collective body of the directors of the company. While Explaining Independent Directors the speaker informed under Section 2(47) of the Act prescribed that “Independent director” means an independent director referred to in sub section (5) of section 149 of the Act. In fact reference should have been made to sub section (6) of 149 as it specifies the qualifications of independent director with clarity. For Appointment and Qualifications of Directors every listed public company shall have at least one-third of the total number of directors as independent directors (fraction is to be rounded off to one). Central Government has prescribed under Rule 4, public companies with specified limits as on the last date of latest audited financial statements mentioned below shall also have at least 2 directors as independent directors:- paid up share capital

of Rs. 10 crore or more; turnover of Rs. 100 crore or more; or in aggregate, outstanding loans/borrowings/ debentures/deposits/ exceeding Rs. 50 crore or more. Further if there is any intermittent vacancy of an independent director then it shall be filled up by the board of directors within 3 months from the date of such vacancy or not later than immediately next board meeting, whichever is later. Once the company covered under above sub-rule (i) to (iii) of Rule 4, ceases to fulfil any of three conditions for three consecutive years then it shall not be required to comply these provisions until such time as it meets any of such conditions. The Speaker while explaining Remuneration of an Independent Director- Section 149(9) As per section 149 (9) of the Act an independent director shall not be entitled to any stock option. He may receive remuneration by way of sitting fee, reimbursement of expenses incurred for participation in the Board and other committee meetings and profit related commission as may be approved by the members as provided under section 197 (5) of the Act. The Speaker while explaining Appointment of an Independent Director- Section 149(10) Subject to the provisions of Section 152, an independent director can be appointed for a term of up to five consecutive years on the Board. However, in case of his reappointment for further five years then special resolution passed in general meeting and disclosure of such appointment in the Board's report shall be required. (Section 149 (10)). The Speaker also explained the gathering on APPOINTMENT OF DIRECTORS – Section 152, Punishment - Section 159, Appointment of Additional Director- Section 161 (1), Appointment of Alternate Director- Section 161 (2), DIRECTOR IDENTIFICATION NUMBER (DIN), Cancellation/Surrender/Deactivation of DIN – Rule 11, General Provisions regarding DIN, Disqualifications for appointment of director -Section 164, Duties of directors- Section 166, Resignation of director- Section 168 & Rule 15, 16, Removal of directors- Section 169, Register of Key Managerial Personnel– Section 170(1) & Rule 17, Return of Key Managerial Personnel- Section 170(2) & Rule 18 etc. before concluding his session.

The Session ended with vote of Thanks to the speaker.

7th & 8th Open house Sessions – 28 and 29.5.2015.

The Seventh & eighth Open House Sessions on revisiting Companies Act 2013 was presided by CS Rekha Kamath, Treasurer, CS Vasanth Kumar, Secretary, Bangalore Chapter. CS Rekha Kamath, Welcomed the gathering and invited CS K Padmavathi, Director, Prozone Advisory Services Ltd on to the dais.

CS K. Padmavathi, took session on topic “Meetings of Board and Board powers” and speaking on the occasion informed: Section 173 of the Act deals with Meetings of the Board and Section 174 deals with quorum. The Act provides that the first Board meeting should be held within thirty days of the date of incorporation. In addition to the first meeting to be held within thirty days of the date of incorporation, there shall be minimum of four Board meetings every year and not more one hundred and twenty days shall intervene between two consecutive Board meetings. In case of One Person Company (OPC), small company and dormant company, at least one Board



meeting should be conducted in each half of the calendar year and the gap between two meetings should not be less than Ninety days. The Speaker explaining Notice of Board Meetings informed the Act requires that not less than seven days' notice in writing shall be given to every director at the registered address as available with the company. The notice can be given by hand delivery or by post or by electronic means. In case the Board meeting is called at shorter notice, at least one independent director shall be present at the meeting. If he is not present, then decision of the meeting shall be circulated to all directors and it shall be final only after ratification of decision by at least one Independent Director. The Speaker while explaining Compliance with Secretarial Standards relating to Board Meetings informed for the first time in the history of Company Law in India, the Companies Act, 2013 has given statutory recognition to the Secretarial Standards issued by the Institute of Company Secretaries of India. Section 118(10) of the Act reads as under: 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 Companies Act, 1980, and approved as such by the Central Government. In the context of this provision, observance of Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) assumes special relevance and companies will have to ensure that there is compliance with these standards on their part. The ICSI is in process to bring out the Secretarial Standards in line with Companies Act, 2013 and has already issued the exposure draft of Secretarial Standard related to Board and General Meeting.

Referring the Secretarial Standards the speaker explained the audience point by point of the details mentioned in Secretarial Standard 1 before concluding her session.

Full Day Seminar on FDI & Litigation and Adjudication under FEMA & Valedictory of Capacity Building Programme in FEMA

The Bangalore Chapter of ICSI organized a full day seminar on FDI and Litigation and Adjudication under FEMA & valedictory of CBP in FEMA on 11.4.2015 at the Chapter premises. The programme was presided over by Chief Guest CS Gopalakrishna Hegde, Council Member, The ICSI; CS H.M. Dattatri, Chairman, Bangalore Chapter and CS Vasanth Kumar, Secretary, Bangalore Chapter.

CS H.M. Dattatri, Chairman, Bangalore Chapter during his address welcomed the gathering and invited the dignitaries on the dais. He informed the gathering that the 1st batch of CBP in FEMA (7th March 2015 to 11th April 2015) was conducted by bringing in the best of the faculties and experts in the field to teach and share their experiences in every aspect of FEMA which included inbound and outbound investments laws. He further informed that Chapter has received an overwhelming response from all the members when the 1st batch of CBP in FEMA was announced. The 1st batch of CBP in FEMA was restricted only to 30 participants to make CBP more like a

structured training programme for the benefit of members. Chairman Bangalore Chapter then informed that 2nd batch of CBP in FEMA was being conducted from 25.4.2015 to 23.5.2015 for the benefit of those members who had missed the first batch.

CS Gopalakrishna Hegde, Council Member, The ICSI, congratulated all the participants for successfully completing the CBP in FEMA, and informed that many more CBPs are going to be organized by Bangalore Chapter for the benefit of members in the months to come. He then congratulated CS Milind D Kulabkar, participant and programme coordinator for taking the lead in conducting the 1st batch of CBP and in making the programme a success.

Thereafter the session followed with presentations and feedback from the participants of 1st batch of CBP in FEMA.

The seminar was then followed by valedictory of CBP in FEMA where in, Course Completion Certificates were distributed to all the participants by CS Gopalakrishna Hegde, Council Member, the ICSI. During the Seminar, the panel discussion on Foreign Direct Investment was presided over by panel speakers Sudhanshu Prasad, DGM, RBI and Usha Rao, Manager, SBI and panel moderator CS S.Kailasam who offered clarification and replied various queries posed by the participants, on pricing guidelines, reporting guidelines, Section 62(1)(a)(iii) of the Companies Act, 2013 (Rights Offer) v. Regulation 6 of the FEMA, the pricing of shares/convertible debentures/preference shares, NIC Codes, additional documents sought by banks along with FCGPR or FCTRS, FCGPR certification etc. before concluding the panel discussion.

Technical Session on litigation and adjudication under FEMA was headed by speaker B.V. Kumar, Advocate, who congratulated all the participants for completing CBP in FEMA. He also congratulated Chairman and Managing Committee of Bangalore Chapter for organizing such wonderful programmes for the benefit of members of ICSI. He added that inquiry of any contravention of FEMA is conducted by an Adjudicating Authority. When an inquiry is to be conducted against a person for any contravention; the Adjudicating Authority shall issue a notice to such person. The notice will also indicate the date on which the offender is required to appear before authority and will also mention the nature of offence committed by him. Such person (offender) will have a right to give reasons or explanation and then a date will be fixed for his appearance. He can appear either personally or through an Advocate. On the date of appearance, the Adjudicating Authority shall present its case, and explain the reason and type & implications of offence committed by offender. In turn, such person will also be given an opportunity to put up his case, and to produce documents and evidence. Finally, if Adjudicating Authority is convinced, that the offender has committed an offence, then it will impose such fine and penalty, as it thinks fit.

Study Circle Meeting on Private Placements, Rights Issue & Preferential Offer under Companies Act, 2013



News From the Institute & Regions

Bangalore Chapter of SIRC of the ICSI organized a Study Circle Meeting on the above topic on 16.4.2015 at the Chapter premises. The meeting was presided over by CS Pradeep B Kulkarni, Managing Committee Member, Bangalore Chapter of the ICSI.

CS Vivek Hegde, Managing Committee Member, Bangalore Chapter was the Speaker who in his presentation while giving an overview on Private Placements informed about the Provisions under the Companies Act, 2013: Chapter III: Prospectus And Allotment of Securities, Section 42: Offer or invitation for subscription of securities on private placement, Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 & the Companies (Prospectus and Allotment of Securities) Amendment Rules, 2014 – Issue of NCDs. He stated private placement means any offer of securities or invitation to subscribe securities to a select group of persons by a company (other than by way of public offer) through issue of a private placement offer letter and which satisfies the conditions specified in this section. While explaining private placement offer he informed Rule 14(1) (b) - A private placement offer letter shall be accompanied by an application form serially numbered and addressed specifically to the person to whom the offer is made and shall be sent to him, either in writing or in electronic mode, within thirty days of recording the names of such persons in accordance with sub-section (7) of section 42. While explaining the conditions of private placements the speaker informed in case of offer or invitation for non-convertible debentures, it shall be sufficient if the company passes a special resolution only once in a year for all the offers or invitation for such debentures during the year "Provided also that in case of an offer or invitation for non-convertible debentures referred to in the second proviso, made within a period of six months from the date of commencement of these rules, the special resolution referred to in the second proviso may be passed within the said period of six months from the date of commencement of these rules (Amendment Rules)." While giving Explanation I to Section 42(2) the speaker informed that If a company, listed or unlisted, makes an offer to allot or invites subscription, or allots, or enters into an agreement to allot, securities to more than the prescribed number of persons, whether the payment for the securities has been received or not or whether the company intends to list its securities or not on any recognized stock exchange in or outside India, the same shall be deemed to be an offer to the public and shall accordingly be governed by the provisions of Part I of this Chapter. The speaker also explained on modes of payment, time limit for allotment or refund, return of allotment, penalty clauses, rights issues, ESOPs, preferential offer, before concluding his session.

Full Day Seminar on Secretarial Standards, Related Party Transactions, Loans to Directors and Intercorporate Loans

Bangalore Chapter of ICSI organized a full day seminar on the above topic on 25.4.2015 at the Chapter premises. The seminar was presided over by CS Gopalakrishna Hegde, Council Member, The

ICSI. CS Gopalakrishna Hegde during his session on Secretarial Standards informed that the Secretarial Standards issued by ICSI generally contain the following: Set of Principles relating to the subject of Standard, Definitions and Explanations used in the Standard, Scope of the Standard, Date from which Effective and Annexures.

He Informed that Secretarial Standards Issued so far, under Companies Act, 1956: SS-1: Meetings of Board of Directors, SS-2: General Meetings, SS-3: Dividend, SS-4: Registers and Records, SS-5: Minutes, SS-6: Transmission of Shares and Debentures, SS-7: Passing of Resolutions by Circulation, SS-8: Affixing of Common Seal, SS-9: Forfeiture of Shares, SS-10: Board's Report.

While explaining Section 118(10) the speaker informed, every company shall observe secretarial standards with respect to General and Board Meetings specified by the ICSI constituted under section 3 of the Company Secretaries Act, 1980 (56 of 1980) and approved as such by the Central Government. The speaker informed the functions of Company Secretary by explaining Section 205 (1) (b) which is to ensure that the company complies with the applicable secretarial standards. Explaining further the speaker informed – SS means SS issued by ICSI constituted under section 3 of the Company Secretaries Act, 1980 (56 of 1980) and approved as such by the Central Government. The Speaker further explained the scope, procedures, minutes, approvals, recordings contents of minutes, notices, conducting e voting, conducting polls, adjournments of meetings and passing resolutions by postal ballots, before concluding his session.

The second technical session during the day was addressed by CS A.M. Sridharan, Former Deputy ROC, Karnataka, on Loans to Directors and Inter corporate loans. The Speaker informed the power to make loans or investments stems from 291 of the 1956 Act/179 of the Companies Act, 2013 and the memorandum and articles. He informed that Section 185 prohibits certain types of loans & there is no section prohibiting certain types of investments. He informed Section 186 deals with methodology of making investments through investment companies and the making of loans if prohibited under Section 185, one cannot take shelter under Section 186. The speaker while explaining Section 185 of 2013 Act said that the company shall not, directly or indirectly, advance any loan, including any loan represented by a book debt or give any guarantee or provide any security in connection with any loan to any of its directors or to any other person in whom the director is interested, which means any director of the lending company, or of a company which is its holding company or any partner or relative of any such director; any firm in which any such director or relative is a partner; any private company of which any such director is a director or member; anybody corporate at a general meeting of which not less than 25% of the total voting power may be exercised or controlled by any such director, or by two or more such directors, together; or anybody corporate, the Board of directors, managing director or manager, whereof is accustomed to act in accordance with the directions or instructions of the Board, or of any director or directors, of the lending company. Quoting the example of Sahara India Ltd, the speaker explained Subrata



Roy Sahara, apart from being the founder of Sahara India Group, is admittedly a major shareholder (holding about 70% of capital in each of the two companies). He can be reasonably regarded as a person in accordance with whose directions or instructions, the Board of Directors of the two Companies were accustomed to act and therefore fall within the ambit of "officer in default". Furthermore, with the 70% ownership or holding in the two Companies, he is definitely in a position of control and has the power to direct the management policy and appoint majority of directors to the Board." The speaker then explained the gathering on loans and investments under section 186, offences under section 185/186 before concluding his presentation.

The Speaker while explaining related party transactions informed that under Section 2(49) "interested director" means a director who is in any way, whether by himself or through any of his relatives or firm, body corporate or other association of individuals in which he or any of his relatives is a partner, director or a member, interested in a contract or arrangement, or proposed contract or arrangement, entered into or to be entered into by or on behalf of a company. Explaining section 184(2) the speaker informed Every director of a company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into—(a) with a body corporate in which such director or such director in association with any other director, holds more than two per cent shareholding of that body corporate, or is a promoter, manager, Chief Executive Officer of that body corporate; or (b) with a firm or other entity in which, such director is a partner, owner or member, as the case may be, shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in such meeting. While explaining related party the speaker informed that under Section 2(76) Related Party with reference to a company, means—(i) a director or his relative; (ii) a key managerial personnel or his relative; (iii) a firm, in which a director, manager or his relative is a partner; (iv) a private company in which a director or manager is a member or director; (v) a public company in which a director or manager is a director and holds along with his relatives, more than two per cent of its paid-up share capital; (vi) anybody corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager; any person on whose advice, directions or instructions a director or manager is accustomed to act (professional capacity exempt) (viii) any company which is—(A) a holding, subsidiary or an associate company of such company; or (B) a subsidiary of a holding company to which it is also a subsidiary. While explaining Rule 3: the speaker informed that a director other than independent director or key managerial personnel of the holding company or his relative with reference to a company shall be deemed to be a related party. The Speaker also explained related party under clause 49 and AS 18, related party transactions under section 188, along with various examples quoting case studies before concluding his presentation.

Second Batch of Capacity Building Programme in FEMA

Bangalore Chapter of ICSI organized the 2nd Batch of Capacity Building Programme in FEMA on 25.4.2015, at the Chapter premises. The Programme was scheduled for 5 weeks, every Saturday starting from 25.4.2015 to 23.5.2015. There were 25 participants enrolled for 2nd batch of CBP in FEMA. CS Dattatri H. M, Chairman, Bangalore Chapter during the 1st day of 2nd batch of CBP in FEMA, welcomed the participants and informed that Bangalore chapter has coordinated with excellent speakers for the sessions to come, and informed the participants that the detailed syllabus along with the topics covered would be given to all.

The first session during 2nd batch of CBP in FEMA was addressed by CS G.V. Srinivasa Murthy, Past Chairman, Bangalore Chapter on "Introduction to FEMA; Why FEMA for CS". In his session the speaker informed the participants on some of the basic concepts in FEMA like the Current and Capital Account transactions which deals with the free permissibility of cash remittances from and into India; the Automatic route and Approval route which deals with the permission-free and with permission of various authorities under the RBI and Ministry of Commerce for cash remittances into and out of India. The Speaker also covered various important and related Rules, Regulations and Master Circular under the FEMA and the relevant changes that have happened in this regard. The Speaker also informed the participants on Introduction to various regulatory organs like the DIPP, FIPB, RBI, Min of Commerce, etc. and their roles in encouraging and monitoring the investments into and out of India.

The 2nd Technical Session during the programme was taken by CS Sathya Prasad, Director, Fox Mandal Services Pvt. Ltd, on "Key Aspects of FEMA" wherein the speaker informed the Key aspects about FDI Policy in India such as the policy framework, recent changes in the FDI policy and emerging issues. The Speaker also informed procedural aspects with various authorities i.e. dos and don'ts with various Finance Ministry and Commerce Ministry authorities for various purposes including Overview & Recent Developments in Import of Goods & Services/Export of Goods and services coming under Current Account Transactions, FDI/ODI coming under Capital Account Transactions, Downstream Investments, Round Tripping issues, Exotic Options Validity, Reporting and Violations.

The 3rd Technical session during the programme was dealt with by Advocate Karthik Ranganathan, Tax and Corporate lawyer, on "Sectoral Caps & Tax impacts of FEMA" Wherein the speaker informed the participants on sectoral caps for various industries. The background and the emerging trend and other aspects pertaining to the sectoral caps, including investment in immovable properties by NRI, NRs and corporate and other entities. The Speaker also informed the participants the income tax/ indirect taxes aspects in FEMA, taxation of FIIs and FDIs on their investments made in India, Tax aspects in relation to few Regulations like Current Account Transactions Rules, Capital Account Transactions Regulations, Deposit Regulations, Export and Import of Services and Goods



News From the Institute & Regions

Regulations, Immovable Properties Regulations, ECB Regulations, ODI Regulations, etc. before concluding his session.

ON 23.5.2015 the valedictory session was presided over by CS H M Dattatri, Chairman, Bangalore Chapter, CS V Kumar, Secretary, Bangalore Chapter, CS Rekha Kamath, Treasurer, Bangalore Chapter, CS S. Kailasam, Finance Controller, Unisys India Ltd, CS Sudha G Bhushan, Associate Director, Taxpert Professionals, Mumbai. The Programme had technical sessions by CS G V Srinivasa Murthy, Past Chairman, Bangalore Chapter and CS Sudha G Bhushan, Associate Director, Taxpert Professionals, Mumbai. CS H M Dattatri, Chairman, Bangalore Chapter in his welcome address interacted with the participants and sought their suggestions for improvement for conducting more programmes of such kind for members in future. CS S. Kailasam, Finance Controller, Unisys India Ltd, congratulated the participants on successful completion of the programme and informed that Bangalore Chapter is conducting more capacity building programmes in various core areas for the benefit of members. The program concluded after distribution of certificates to all the participants of CBP by Chairman, Secretary, and the dignitaries.

COIMBATORE CHAPTER One Day Induction Programme for Company Secretaries in Practice

On 15.05.2015, Coimbatore Chapter of SIRC of ICSI organised a One Day Induction Programme for Company Secretaries intending to take up practice at Co-India, Siema Building, Coimbatore. The programme was organised on the basis of the programme structure proposed by the ICSI-HQ. The programme got overwhelming response from the practising company secretaries across Coimbatore and its nearby districts and around 45 members participated in the programme. The prescribed publications of ICSI were distributed to the participants. The delegates expressed their appreciation on this initiative with the support of ICSI-HQ. The One day long programme was engulfed with various sessions on technical topics as detailed below:

Guest Speaker CS M R Thiagarajan, Practising Company Secretary, Coimbatore in his address in Technical Session 1 covered the following topics: Scope of Practice, Major Areas of Practice for Company Secretaries, Secretarial Audit, Diligence Report for Banks, Internal Audit of Depository Participants, Compliance Certificates, Business Responsibility Report.

In Technical Session 2 CS V Sreedharan, Past Council Member and Practising Company Secretary, Bangalore addressed on Certification of E-Forms, Drafting of Deeds and Documents, Opinion Writing, Appearance before Authorities, Preparation of Annual Return and Directors Report.

CS Ashok Kumar Dixit, Director, ICSI, New Delhi while addressing on Technical Sessions 4 and 5 covered Code of Conduct, Company Secretaries (Procedure of Investigations of Professional and other

Misconduct and Conduct of Cases) Rules, 2007; 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 Register of Attestation Services.

Finally, CS Saurabh Jain, Deputy Director, ICSI, New Delhi in Technical sessions 3 and 6 dealt with the Basic infrastructure required to start practice – Setting Up of office for PCS, Record maintenance, Professional Development, Financial Assistance from Corporation bank, Interaction with Clients and Billing, Taking basic registrations such as TAN, PAN, etc., Handling Service Tax, Concept, Need and Importance of Peer Review, Guidelines for Peer Review, Peer Review Process.

One Day Seminar on Secretarial Standards, Director's Report & Secretarial Audit – FEMA

On 13.06.2015, Coimbatore Chapter of SIRC of ICSI organised a one day seminar on Secretarial Standards, Director's Report and Secretarial Audit - FEMA at Coimbatore. The One day programme was inaugurated by the Chief Guest Mahindra Ramadas, Managing Director, Mahendra Pumps Pvt. Ltd. Mahendra Ramdas opined that Company Secretary is a fast growing profession having a lot of opportunities for future professionals. He further emphasized the needs and expectations of the trade and industry from the CS professionals on the new era of Companies Act 2013 and further informed that The Companies Act, 2013 has mandated Secretarial Standards for Board and General Meetings. This would result in overall improvement in the governance system of India Inc.

First Technical Session on "Introductory Remarks of Secretarial standards" was handled by the Guest Speaker CS Pavan Kumar Vijay, former President, ICSI & Chairman, Secretarial Standards Board, ICSI.

He opined that the adoption of the Secretarial Standards by the corporate sector will have a substantial impact on the quality of secretarial practices being followed by companies, making them comparable with the best practices in the world. He further informed that the Secretarial Standards; SS:1 (Secretarial Standard on Meetings of the Board of Directors) and SS:2 (Secretarial Standard on General Meetings), which has been notified on 23rd April 2015 will be effective from 1st July, 2015. He said that Secretarial Standards not only help in the implementation of law by bringing in clarity wherever needed but also advocate good governance practices in certain areas where definite law is not feasible or where divergent practices are followed. He also made a brief presentation on secretarial standards made mandatory under the Companies Act, 2013.

The Second Technical Session was handled by CS K.S. Ravichandran, Member, Secretarial Standards Board & Partner,



KSR & Co, Company Secretaries LLPs, Coimbatore on the topic "Secretarial Standards 1 & 2 Analysis and Applicability". He said that as far as the profession of CS is concerned the best practices were studied and codified as secretarial standards from time to time over the years, which culminated in making the SS-1 and SS-2 mandatory under the Companies Act, 2013. These standards are guides to discharge the professional responsibility of company secretaries on the required scale. Further, he advised that the company secretary has to ensure that the company complies with applicable secretarial standards.

The Third Technical Session was handled by CS CV Madhusudhanan, Partner, KSR & Co, Company Secretaries LLPs, Coimbatore. He dealt with "Secretarial Audit-Relating to FEMA and allied Compliances". He covered in detail all FEMA Compliances applicable for inbound and out bound investments.

CS M R Thiagarajan, Practising Company Secretary, Coimbatore addressing on the topic Director's Report – Section 134 explained about the rules and regulations relating to Directors' Report. He also discussed the precautions to be taken by the Company Secretary while preparing the Draft Directors' Report.

In the open session, the speakers aptly clarified the doubts raised by the delegates. The Chapter received enthusiastic appreciation and a complimentary note from participants of the programme. The programme was attended by 80 members and students.

Yoga Programme– As part of International Day of Yoga Celebration

As a part of International Day of Yoga Celebration on 21.06.2015, Coimbatore Chapter of SIRC of ICSI organised Yoga on 21.06.2015. During the programme, CS R Dhanasekaran, Past Chairman of Coimbatore Chapter of SIRC of ICSI delivered a brief lecture on importance and necessity of doing Yoga in our regular life for reducing stress and other deceases. R Sakunthala, Ph. D, Yoga for Human Excellence, taught 'Various Simple Steps' to start Yoga in our life. The members also enjoyed the Yoga programme and also got benefited by attending the YOGA session performed by the experts. The Live Interaction Yoga Programme got benefited by 25 participants including CS Members and Students.

HYDERABAD CHAPTER Lecture Meeting on SEBI (Prohibition of Insider Trading) Regulations, 2015

On 14.5.2015 the Hyderabad Chapter of SIRC of ICSI organized a Lecture Meeting on SEBI (Prohibition of Insider Trading) Regulations. Guest Speaker CS Shujath Bin Ali, Former Chairman of the Chapter of ICSI and Senior Legal Counsel & Company Secretary, International Paper India Ltd., spoke at length on the various aspects of SEBI (Prohibition of Insider Trading) Regulations explaining what is insider trading, its legislative history, significance and role of a Compliance Officer. He further dealt with unpublished price sensitive information,

who is an insider, restrictions and communication, communication of UPSI - Investment Due Diligence and restrictions of trading and defenses. He further elaborated on the Onus of proof, trading plans, proviso to trading plan, disclosures of trading by insiders, initial disclosures, disclosures by other connected persons and codes of fair disclosure and conduct. He concluded by explaining directors stand point, employee stand point, training anchor points, training stand point and companies stand point.

Demystifying Sessions on Secretarial Audit

On 16.5.2015 the Chapter organized a Half Day Demystifying Session on Secretarial Audit (Prog.4). CS Issac Raj P G, Chapter Chairman in his welcome address spoke on the importance of audit approach and process and the appointment of directors and introduced the speaker CS Henry Richard to the participants.

CS Henry Richard, Ex-Regional Director (SER) spoke on the Roles, Responsibilities and Accountability of Directors. He explained in detail Definition of Director, Disqualification for Appointment(section 164), Appointment of Director, Appointment by Board (Section 161), Kinds of Directors and Appointment of Independent Director (ID) and Tenure of Appointment of ID. He explained in detail, Role & Functions, Duties and Remuneration of ID, Liabilities of ID, Resignation of ID. He concluded by explaining Performance Evaluation of ID.

Again on 23.5.2015 the Chapter organized another Demystifying Session on Secretarial Audit (Prog.5) at Hyderabad. CS Issac Raj P G, Chapter Chairman in his welcome address spoke of the importance of Audit Process and Related Party Transactions in Secretarial Audit and introduced the speaker CS A M Sridharan to the participants.

CS A M Sridharan, Company Secretary in Practice from Chennai, spoke on various aspects of Related Party Transactions and Ordinary Course of Business. He explained in detail Related Party Transactions, definition of Interested Director, Who can be a Related Party, 18 Related Party Relationships, Related Party under Clause 49 and AS 18, Related Party transaction under section 188, Ordinary Course of Business, Goodman Equine Limitedv. The Revenue and Customs Commissioners [(2012)UKFTT 565, Section 188 whether applicable to Section 8 Companies, Ordinary Course of Business, Transactions under the Companies Act,2013, Approval of Audit Committee and Approval of shareholders.

In his second session he spoke on Loans, Investments, and Guarantees. He explained in detail Power to grant loans and make Investments, Loans to Directors, and Points for thought, Loans and Investment by Company, Loans and Investment under section 186. He concluded by explaining Offences under Section 185/186.

Yet again on 30.5.2015 the Chapter organized another Demystifying Session on Secretarial Audit (Prog.6) at Hyderabad. CS Issac Raj P G, Chairman of the Chapter in his welcome address spoke of the importance of the Compliance Audit on matters relating to the



News From the Institute & Regions

Labour Laws of Secretarial Audit and introduced the speakers S.V. Ramachandra Rao and Y Suryanarayana to the participants.

S.V. Ramachandra Rao, M D Resource Inputs Limited, spoke on various aspects of Compliance Audit on matters relating to the Labour Laws. He explained in detail the Employees' Provident Funds & Miscellaneous Provisions Act, 1952, The Employees' State Insurance Act, 1948, Payment of Bonus Act, 1965, The Payment of Gratuity Act, 1972, Minimum Wages Act, 1948, Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, The Building and Other Construction Workers' Welfare Cess Act, 1996, The Sexual Harassment of Women At Workplace (Prevention, Prohibition and Redressal) Act, 2013, The Apprentices Act, 1961, Contract Labour Regulation & Abolition Act, 1970, The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979, Employee Compensation Act, 1923, Andhra Pradesh Labour Welfare Fund Act, 1987, The Andhra Pradesh Factories and Establishments (National Festival and Other Holidays) Act, 1974, The A P Shops and Establishments Act, 1988, Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, The Equal Remuneration Act, 1976, Maternity Benefit Act, 1961, Payment of Wages Act, 1936 and Industrial Disputes Act 1947. He concluded by explaining Industrial Employment (Standing Order) Act, 1946 and Factories Act, 1948.

In the Second session Y Suryanarayana, Compliance Legal Advisor and Advocate, spoke on the various aspects of Competition Act, 2002. He explained in detail Historical Background & Legislative History of Competition Law, The Wealth of Nations (1776), Competition enforcement scenario around the World, Legal Framework and Development of Competition Laws in India, Competition Act, 2002 - Preamble & Competition Commission of India and objectives of the Competition Law. He further dealt with Statutory Presumption, Cartels as per Section 2(C), Horizontal Agreements, Impact of Cartel Conduct, Bid-Rigging-Explanation to 3(3), Features of Bid-Rigging, Forms of Bid Rigging, Exceptions-Joint Ventures, Exceptions-IPRS and Exports, Vertical Agreements, Exclusive Distribution Arrangement, Resale Price Maintenance, Proof Chart to Assess AAEC [19(3)], Prohibition of Abuse of Dominant Position (Section 4), Abuse of DP, Process of Inquiry, Orders by CCI in Case of ACAs & AODP and Regulation of Combinations (Section 6). He further explained Factors Determining –Appreciable Adverse Effects, Extraterritorial Jurisdiction, checklist for Anti-Competitive Agreement and checklist for Abuse of Dominance. He concluded by explaining checklist for Bid-Rigging.

Secretarial Skill Development Programme

The ICSI-Hyderabad Chapter has initiated the Secretarial Skill Development Programme in line with Prime Minister's Initiative for the Skill Development. CS Atul H Mehta, President, the ICSI Launched the Skill Development Programme on 11.5.2015 at Hyderabad Chapter. The President in the press conference mentioned that the pilot project has just kicked off and once it becomes successful, it

will be replicated all over India. A wide publicity was given by the press in all leading newspapers about the launching of the pilot project of the ICSI.

All the office bearers of the ICSI-Hyderabad Chapter were also present. The Secretarial Skill Development Programme was mainly for Graduates and under Graduates who were about to enter the work force in the near future and extensively use this programme for choosing their career in company secretaryship course. The structure of the programme contained 15 days class room coaching providing thorough knowledge about secretarial aspects followed by 30 days practical training at various PCS Firms/Companies.

The inaugural session started on 15.5.2015 and CS Ahalada Rao V was the Chief Guest who in his welcome address spoke at length on the importance and utility of the skill development programme and advised the students to make the best use of the pilot project.

CS Issac Raj P.G. Chapter Chairman also expressed his views on the importance of secretarial skill development programme. Fifteen students participated in the programme. During the 15 days class room teaching 30 faculties spoke on various topics of secretarial aspects such as Incorporation of a Company, Functions of Secretarial Departments, Board Meetings, Preparation of Agenda and Minutes, Statutory Registers, LLPs etc. The Participants were taken to SEBI so that they can have firsthand information of the working of SEBI. During the visit to SEBI on 22.5.2015, K. Divya Theja, Manager gave a brief on the functioning of SEBI and its role in regulating capital markets and providing financial awareness.

Further the entire team was taken to Hyderabad office of National Stock Exchange (NSE). G S Vinayak, Assistant Manager, NSE showed the participants online trading by NSE, etc. and explained about NSE in detail. The participants were also taken to Registrar of Companies (ROC), Hyderabad on 29.5.2015. N Krishna Murthy, Registrar of Companies gave a brief introduction of the functioning of ROC and Regional Director and their role and responsibilities. He also emphasized the importance of moral values in the corporate world.

During 15 days class room teaching a campus placement was organised at the Chapter premises on 29.5.2015. A total of five companies/firms participated in the campus placement. Those interested participated in the campus placement.

The valedictory session was held on 1.6.2015 at the Chapter premises. Mohd. Akbar Ali Khan, Professor and Dean, College of Commerce and Business Management, Osmania University was the Chief Guest.

CS Issac Raj P.G. Chairman speaking on the occasion congratulated the participants for the successful completion of the programme. The Chairman also gave a brief report about the Secretarial Skill Development Programme to the Chief Guest.

The Chief Guest speaking on the occasion congratulated the ICSI-Hyderabad Chapter for taking this initiative and conducting



this programme. He said that only a skilled person can become a professional by virtue of his specialisation. He also spoke on the importance of ethical values and the need to maintain credibility with zero errors. He also stressed the importance of mind mapping. He concluded by advising the students to develop confidence in themselves and reach new heights in their careers.

The chief guest awarded the certificates to the participants who have successfully completed the Secretarial Skill Development Programme. The participants also shared their wonderful experiences and also expressed their views that they gained lot of knowledge through this programme. CS R Venkata Ramana, Secretary of the Hyderabad Chapter congratulated the participants and advised them to implement whatever they have learnt and also proposed a vote of thanks.

MADURAI CHAPTER Half Day Seminar on E-Voting

Madurai Chapter of SIRC of ICSI conducted a half day seminar on E-Voting under the Companies Act, 2013 sponsored by CDSL, Chennai. CSV. Vijayaraghavan, Chapter Chairman inaugurated the seminar. He also welcomed the sponsor represented by A.R. Vasudevan, Regional Manager, CDSL, Chennai and other delegates present in the programme. In his address the Chairman said that under section 108 of the Companies Act, 2013 and Rule 20 of Companies (Management and Administration) Rules, 2014 it is mandatory for Listed Companies as well as Companies having not less than 1000 Shareholders to provide for E-Voting.

A.R. Vasudevan of CDSL explained the features of E-Voting provided by his organization to various issuer companies and informed that throughout South India they have around 400 Companies and 574 DP with 11200 + vocations and also 9500 ISIN Companies. While explaining the features of E-Voting he informed that issuer company/RTA/Scuritiner and other categories including individual Shareholders can register with CDSL and obtain the relevant password to operate the system for E-Voting. He also explained how safe CDSL system is in securing the interest of the shareholders with regard to confidentiality, voting pattern, etc.

Career Awareness Programmes

On 24.06.2015 Madurai Chapter organized a Career Awareness Programme at Tenkasi J.P.College of Arts & Science. Around 300 students from B.Com, B.B.A, B.Sc. 1st year attended the programme. On the occasion course brochures were distributed to the participants and their doubts clarified. Another Career Awareness Programme at Tenkasi was held at Sri Nallamani Yadhava college of Arts & Science. Around 200 students from B.com 1st&2nd year participated. In both the career awareness programmes T. Nagasundaram, Chapter Treasurer explained CS course, structure, fees, employment opportunities, avenues in practice etc. and T.Raja, In charge, Chapter office explained the Foundation course admission procedures, examination pattern, oral coaching facilities provided by the Institute.

SALEM CHAPTER

Group Discussion on Capital Markets - The Engine for Economic Growth

As per the guidelines of the Institute, Salem Chapter celebrated the Capital Markets Week at Salem on 27.5.2015. the Chapter organized a Group Discussion on "Capital Markets – The Engine for Economic Growth" which was participated by the members and students of the Chapter. During Group Discussion, the origin and development of the Capital Market in India post globalization era with the establishment of the SEBI, the securities market regulator was explained. The Group deliberated on various efforts made by SEBI in expanding the Securities Market with particular reference to Capital Market and the introduction of instruments different from the equity and debt instruments based on the global securities and practices by setting up various committees to identify and suggest suitable instruments adaptable to Indian situations. The group also identified the derivatives trading, mutual funds, collective investment scheme, GDR, ADR and IDR, Venture Capital, etc. The Group recognized that the Regulator has placed in position a regulatory mechanism by properly and adequately registering the intermediaries like share transfer agent, Registrar to the Issue, Bankers to the Issue, Custodian of securities, Asset Management Company, etc. The entire market controlled through Regulations for each and every instrument to ensure adequate safeguards for the investing public and to ensure their return on maturity. The Group appreciated the Regulator for enlarging and ensuring a huge securities market in India with FDI and FII investees with a volume of nearly Rs. 500 trillion and prohibiting insider trading by instituting stricter and heavier punishment.



WESTERN INDIA REGIONAL COUNCIL

INDORE CHAPTER

Session on Capital Markets (The Engine for Economic Growth)

On 28.5.2015, Indore Chapter of WIRC of the ICSI organized a Session on Capital Markets (The Engine for Economic Growth). Dr. Deepali Dixit (SEBI, Indore Office) and Yashwant Gupta (CDSL, Jaipur) were the speakers of the session. A session on Capital Market including E-Voting/E-Insurance, Consumer Protection etc. The session witnessed an active participation of Members and Students.

Annual PCS Regional Conference

On 13 and 14.6.2015, Indore Chapter of WIRC of ICSI hosted ICSI-WIRC Annual PCS Regional Conference at Indore.

13.06.2015 Day 1



News From the Institute & Regions

Inaugural Session: CS Ashish Karodia, Chairman, PCS Committee, WIRC of ICSI in his welcome address said that the conference would discuss Emerging Opportunities for PCS. He then went on to honour CS Rishikesh Vyas, Chairman, WIRC of the ICSI and all the Regional/Central Council Members of WIRC of ICSI who had their maiden visit in Indore after being elected as Regional/Central Council Members of WIRC of the ICSI to the Conference.

CS D.K. Sharma, Chairman Indore Chapter briefed about Activities of Indore Chapter, expressed his views and also narrated the steps taken for acquiring the new premises for Indore Chapter. He also shared memorable moments organised by Indore Chapter including Meet of all the three Presidents of professional bodies viz. ICAI, ICSI and ICAI (Cost) at Indore.

CS Kamlesh Joshi, Vice Chairman of WIRC of ICSI spoke on the theme of the programme and said that first time WIRC had organised a programme without a theme because WIRC is conducting all the programmes on its main theme "Knowledge-Skills-Visibility". He said that it is the right time to demonstrate and convince the corporate world that we add value to the professionals through our Knowledge, Skills and visibility. He further told that the conference would cover topics like Directors Report, AGM and Annual Returns; Scaling up of Practice & Emerging Opportunities for PCS; Listing of shares; E-voting; Corporate Restructuring and Tax related Issues; Recent Amendments in Corporate Laws; Professional Liabilities; NCLT, etc.

CS Ashish Garg, Council Member, the ICSI spoke about Institute's perspective for Company Secretaries. He said that company secretary should discharge the role of leaders in the evolution process from Compliance Officer to Governance Professionals.

CS Rishikesh Vyas, Chairman, WIRC of ICSI in his key note address said that the concept of leadership has changed with changing time. He discussed the theme of WIRC also and latest release of 3 publications in five days by WIRC. He advised that before transforming as corporate leader, the member should transform himself as a leader in his family, office and profession.

First Technical Session: CS Rajesh Parte, General Manager-Secretarial, Mahindra & Mahindra Limited was the speaker on Directors Report, AGM and Annual Returns. He apprised the delegates about new formats of Directors report, additional compliance for holding Annual General Meeting & additional disclosure of Annual return under Companies Act, 2013. He said that the main crux of new Companies act is corporate governance and as a Governance Professional we have the responsibility: not only to comply with but also to pass on a message to all the stakeholders that it has been complied in letter & spirit.

Second Technical Session: CS Makarand Joshi, Practicing Company Secretary, Mumbai was the speaker of the second session on Emerging opportunities for PCS. He expressed his views and stated that senior members should help the new CS professional and develop them as Good Corporate Governance person. He

emphasised that new Companies Act, 2013 has opened many new areas in which a CS can prove them. He said that now it's time to go for specialisation in a particular area such as Secretarial Audit, Internal Audit, FEMA Transactions, MSME sector, etc.

Third Technical Session: CA Ashish Goyal, Lead Business Development, Emerge & Sub Education, NSE was the speaker of third session on Listing of Shares-SMEs.

Fourth Technical Session: The session was followed by a sub-session and the speaker for the same was Nitin Ambure, Vice President, NSDL on e-Voting Services.

Cultural Evening: After day long technical sessions, the seminar was followed by a cultural Evening at Nakhrali Dhani, Rau Road, Indore.

14.06.2015 Day 2

Honouring of ICSI President: CS D. K. Sharma, Chairman, Indore Chapter of WIRC of the ICSI honoured CS Atul Mehta, President of the ICSI.

Interaction of delegates with President

On 14.6.2015, CS Atul Mehta, President, ICSI interacted with delegates of Regional Conference. He outlined the major initiatives of ICSI and steps being taken by the Institute in proper coordination with the Government, Statutory Bodies and other professional Institutes.

He emphasised on capacity building and said that ICSI had released many new publications including Guidance Note on Secretarial Audit, Secretarial Standards, and Companies Act related publication which the members would find useful. He said that company law would provide ample opportunities to the members but at the same time gave enormous responsibilities also, hence it is more challenging now for CS to not only refer the Act and Rules but also interpretation in consonance with the spirit of the Act. He also mentioned that study material of CS course has been revised in accordance with Companies Act, 2013 and revised modules are available easily on ICSI Website.

Delegates raised some queries including NCLT, Professional Liabilities, course structure, etc. and the same were replied by the President, ICSI.

CS Ashish Garg & CS Makarand Lele, Central Council Member of ICSI also shared their views in the said interaction with delegates.

First Technical Session: CA Anish Mehta, Partner-Tax and Regulatory Services, BSR & Associate LLP was the speaker of the session on Corporate Restructuring and Tax Related Issues. He stated the members to be an expert on structural level in Corporate Restructuring and Tax Related Issues and be aware about application of Law. In his address he also covered and discussed various merger and amalgamation cases and also highlighted the related important provisions of Restructuring and Tax implication on such restructure.



Second Technical Session: CS S Sudhakar, Vice President-Corporate Secretarial, Reliance Industries Limited, Mumbai was the speaker of the session on Recent Amendments in Corporate Laws. He spoke at length on the statutory framework of corporate laws, Functions of Company Secretary relating to compliance of Law. While addressing he expressed that it is very fundamental for the company secretaries to be well versed with all aspects for corporate laws and recent conversation of corporate laws and securities laws.

Third Technical Session: Dr. S D Israni, Partner, SD Israni Law Chambers was the speaker of the session on Professional Liabilities. He said that it is paramount duty to ensure they perform the duty in impartial manner and ensure that there is proper compliance and governance as required by law and regulations. He also quoted some case laws and stressed upon liabilities of profession and cautions required to be taken in such cases.

Fourth Technical Session: CS Rishikesh Vyas, Chairman, WIRC of ICSI was the speaker of last session on NCLT. He said that The Government proposes to set up National Company Law Tribunal (NCLT) and National Company Law Appellate Tribunal (NCLAT) in Companies Act, 2013 which will replace Company Law Board, Board for Industrial and Financial Reconstruction and Appellate Authority for Industrial and Financial Reconstruction. Someday the Madras High Court will also uphold the validity of NCLT & NCLAT. He advised the delegates about appearance before NCLT and said that for appearance a CS must ensure that he has advocacy, drafting skills. The conference was attended by more than 150 delegates.

PUNE CHAPTER

Joint Seminar on Capital Markets-The Engine for Economic Growth

Pune Chapter of WIRC of the ICSI organized a seminar in association with NSE on Capital Markets-The Engine for Economic Growth which was held on 30.05.2015 at Pune. The programme was attended by 27 delegates. Jayesh Taori was the faculty for the programme. The sessions were very informative and well appreciated by the gathering. Four (4) PCH was awarded to members who attended the programme whereas students were awarded eight (8) PDP for the same.

Study Circle Meeting on New Regulation on Prevention of Insider Trading

The Chapter organized a Study Circle Meeting on New Regulations on Prevention of Insider Trading which was held on 30.05.2015 at Pune. The programme was attended by 32 delegates. CS Vikas Agarwal was the faculty for the programme. The session was very informative and well appreciated by the gathering. One (1) PCH was awarded to members and students were awarded two (2) PDP for the same.

Training Programme for Peer Reviewers

Pune Chapter organised a Training Programme on Peer Review on 6.6.2015 at Pune which was attended by 13 senior CS members. CS Milind Kasodekar, CS M J Risbud, CS Jayawant Bhawe and CS Prajot Tungare were the faculties of the programme who covered various related topics. Certificates were also distributed to the participants at the end by CS Milind Kasodekar- Programme Coordinator. Four (4) PCH was awarded to members who attended the programme.

Study Circle Meeting on Information Security - The Changing Threat Landscape

Pune Chapter organized a Study Circle Meeting on Information Security-The Changing Threat Landscape which was held on 6.06.2015 at Pune. The programme was attended by 26 delegates. Mrunmayi Kulkarni and Mohit Gugale were the eminent faculties for the programme. The session was very informative and well appreciated by the gathering. One (1) PCH was awarded to members and students were awarded two (2) PDP for the same.

Appointment

EVEREST GROW MORE FINANCE PVT. LTD.

(A Non Banking Finance Company)

104 Harsha House, Karampura Commercial Complex, New Delhi - 110 015

Requires

COMPANY SECRETARY

A young dynamic with experience of 1 to 2 years

Well versed with secretarial matters, compliance of Corporate Laws with analytical vision & writings, RBI directions & guidelines, understanding of audit & accounts and Listing formalities with Stock Exchanges will be preferred.

Interested candidate can email their C.V.

With Photograph to:

everestgrowmore@gmail.com

Mob.:09810772787



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

I/SSB/2015

26th June, 2015

ANNOUNCEMENT

The Institute of Company Secretaries of India (ICSI) had vide ICSI Notification No.1 (SS) of 2015 dated 23rd April, 2015, as published in the Gazette of India Extraordinary Part III – Section 4, issued the Secretarial Standards on 'Meetings of the Board of Directors' ["SS-1"] and 'General Meetings' ["SS-2"] [collectively referred to as the Secretarial Standards]. **These Secretarial Standards shall come into effect from 1st July, 2015.**

The Ministry of Corporate Affairs (MCA), in exercise of its powers conferred by clauses (a) and (b) of Section 462 (1) and (2) of the 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."

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.

Regards,

CS Atul H Mehta
President



THE INSTITUTE OF Company Secretaries of India

IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament



16TH NATIONAL CONFERENCE OF PRACTISING COMPANY SECRETARIES "CONFERENCE FOR GOVERNANCE PRACTICES"

Days & Dates: August 13 & 14, 2015 (Thursday & Friday)

Timings: August 13, 2015 – 11.45 am to 6.30 pm

August 14, 2015 – 7.00 am to 4.30 pm

Theme

PCS – CALIBRATING COMPETENCE FOR ACHIEVING EXCELLENCE

Sub Themes

New Tools for Corporate Governance

Emerging Areas of Practice

National Company Law Tribunal

Coverage

• Secretarial Audit-Expectations & Experiences	• Yoga for Professionals
• Annual Returns – Checks and Balances	• Court Craft & Art of Advocacy
• Internal Audit – CS can play Role?	• Goods & Services Tax (GST) – New Area for Practice
• NCLT	• New norms for NBFCs
• Competition Law compliance by Enterprises	• Grooming for Startups
• Motivational Session – Mindset for Client Management	

Key Takeaways

• Explore new opportunities in the areas of practice	• Build professional networking
• Share knowledge among the peer group	• Enjoy the Gateway for travelers to Kochi
• Interact with experienced and expert faculty	• Rejuvenate to achieve further heights
• Update and sharpen technical and professionals skills	

Speakers

Eminent speakers with comprehensive exposure to the practical aspects of the topics will address and interact with the participants.

Participants

Company Secretaries and other Professionals in Secretarial, Legal and Management disciplines would be benefited by participating in the Conference.

Venue

“Bolgatty Palace and Island Resort (KTDC), Mulavukadu, Kochi - 682504, Kerala”

Phone: +91-484-2750500, 2750600 Email: bolgattypalace@ktdc.com

Website: <http://www.bolgattypalacekochi.com>

CHAIRMAN, PCS COMMITTEE CS Ashish Garg Council Member, ICSI	PROGRAMME DIRECTOR CS Ahalada Rao V. Council Member, ICSI	JOINT PROGRAMME DIRECTOR CS C. Ramasubramaniam Council Member, ICSI	PROGRAMME COORDINATOR CS Nagendra Rao D. Chairman, SIRC of ICSI	PROGRAMME FACILITATOR CS S P Kamath Chairman, Kochi Chapter of ICSI
--	--	--	---	---



Tentative Programme Schedule

DAY 1 – THURSDAY, AUGUST 13, 2015	
11:00 am to 11:45 am	Delegate Registration & Welcome Drink
11:45 am to 1:00 pm	Inaugural Session
01:00 pm to 02:00 pm	Lunch
02:00 pm to 03:30 pm	Technical Session 1 Secretarial Audit – Expectations & Experiences
03:30 pm to 03:45 pm	Tea / Coffee Break
03:45 pm to 05:00 pm	Technical Session 2 Breakout Session 1 : Panel Discussion - Internal Audit – CS can play role? Breakout Session 2 : Motivational Session – Mindset for client Management
05:00 pm to 06:30 pm	Interactive Session (for Members of ICSI only)
07:00 pm onwards	Cultural Evening & Networking dinner
DAY 2 – FRIDAY, AUGUST 14, 2015	
07:00 am to 08:30 am	Yoga for Professionals
09:30 am to 11:30 am	Technical Session 3 NCLT, Competition Law compliance by Enterprises, Court craft & Art of Advocacy
11:30 am to 11:45 am	Tea / Coffee Break
11:45 am to 1:30 pm	Special Session: Grooming for Startups
01:30 pm to 2:00 pm	Networking Lunch
02:00 pm to 3:30 pm	Technical Session 4 Breakout Session 3 : Annual Returns – Checks & Balances Breakout Session 4 : GST – New Area for Practice & New Norms for NBFCs
03:30 pm to 03:45 pm	Tea / Coffee Break
03:45 pm to 04:30 pm	Valedictory Session

Souvenir-cum-Backgrounder

It is proposed to bring out a Souvenir-cum-Backgrounder containing theme articles and other relevant information. Members who wish to contribute papers for publication in the backgrounder-cum-Souvenir are requested to send the same on or before July 20, 2015 through email to Saurabh Jain, Deputy Director, The Institute of Company Secretaries of India, ICSI HOUSE, 22, Institutional Area, Lodi Road, New Delhi – 110 003 at saurabh.jain@icsi.edu with a copy to sudhir.saklani@icsi.edu.

The paper/article should not normally exceed 15 typed pages. Members whose papers/articles are published in the Souvenir-cum-Backgrounder of the Conference would be awarded FOUR Programme Credit Hours and would also receive an honorarium of Rs. 2,500/-. The decision of the Institute shall be final in all respects.

*Early Bird
Concession upto
July 18, 2015*

DELEGATE FEE AND REGISTRATION PROCEDURE

Delegate Registration Fee (Incl. of service tax)

Delegate Category	Early Bird Payment upto July 18, 2015	Early Bird Payment upto July 31, 2015	Payment August 1, 2015 onwards
Members	4250	5000	5500
Non-Members	4750	5500	6000
Students / Accompanying Spouse / Children above 10 yrs	3250	4000	4500
CSBF Members/ Senior Members (60 yrs and Above) / Partners of Peer Reviewed Practice Units ¹	3750	4500	5000

Registration fee covers Lunch (2), Dinner (1), Morning /Evening Tea/ Coffee with cookies, Conference Bag & Souvenir-cum-Backgrounder and includes service tax.

Accommodation

Accommodation on 'first come first served basis' has been arranged at the conference venue i.e., Bolgatty Palace and Island Resort, Kochi for outstation delegates.

Room Tariff

Rs. 2500/- (inclusive of all taxes) on twin sharing/double occupancy basis per person for one night.

Important Instructions

Standard Check in: 13th August, 2015 (12:00 Noon) / Standard Check out: 14th August, 2015 (12:00 Noon).

Limited rooms are available at Bolgatty Palace and Island Resort. In case accommodation is not available at Bolgatty Palace and Island Resort, the same may be booked in some other hotels subject to availability as may be decided by the organizing committee.

Any extra stay will be charged separately, subject to availability of rooms and receipt of reservation charges in advance.

Delegates with chauffer driven cars will have to pay extra charges for food arrangements for Driver during the conference. These charges have to be paid immediately on arrival.

Any extra facilities availed by the delegate during the stay have to be paid directly to Bolgatty Palace and Island Resort.

Delegate Registration Procedure

Delegate Registration only through Online System: Delegates are requested to register for the Conference through Online Mode only. Please note that payments are not accepted through demand draft, cheque, cash, electronic transfer, etc. The entire fee is payable in advance and is not refundable once the nomination is accepted. For registration, please follow the link available at [www.icsi.edu/16pcs.aspx].

Programme Credit Hours

Members of the Institute attending the conference on both days will be entitled to grant of 8 (Eight) Programme Credit Hours.

Students attending the National Conference will be entitled to 16 (Sixteen) hours of Professional Development Programme.

Advertisement in Souvenir-cum-Backgrounder

It is proposed to bring out a Souvenir-cum-Backgrounder containing important information, programmes, lists, etc. It would be widely circulated to professionals, corporate and regulatory authorities. Advertisement released in the Souvenir would receive wide publicity for Products, Services and Corporate Announcements. Members /Organisations are requested to release advertisements.

The advertisement material along with cheque/demand draft drawn in favour of 'The Institute of Company Secretaries of India' may be sent to Ms. Arti J Shailendar, Deputy Director, The Institute of Company Secretaries of India, ICSI HOUSE, 22, Institutional Area, Lodi Road, New Delhi – 110 003, Tel: 011-45341077 and email: arti.shailendar@icsi.edu.

Advertisement Tariff (Rs.)

Colour	Page Size (18cm X 24 cm)
Back Cover	50,000
Inside Cover (Front/Back)	40,000
Special Page	25,000

Black & White	Page Size	
Full Page	15,000	18cm x 24cm
Half Page	10,000	18cm x 12cm
Quarter Page	5,000	9cm x 12cm

Stalls

Stalls for display of products : Rs.25,000 per stall (maximum size 6' x 6')

Sponsorships

Principal Sponsor : Rs. 6,00,000 (One)
Gold Sponsor : Rs. 4,00,000 (One)
Silver Sponsor : Rs. 3,00,000 (Two)
Lunch Sponsor : Rs. 3,50,000 (Two)
Dinner Sponsor : Rs. 3,50,000 (One)
High Tea Sponsor : Rs. 1,00,000 (Three)
Cultural Programme Sponsor : Rs. 1,00,000 (One)
Sponsorship for Conference Kit : Rs. 1,00,000 (One)

*Co-sponsors may be considered

Logo of all organizations providing sponsorships of Rs. 1,00,000/- and more will be put on the conference backdrop.

For clarification please contact the following: For submission of articles for backgrounder-cum-souvenir & programme details Mr. Saurabh Jain, Deputy Director – Tel: 011-45341035; e-mail: saurabh.jain@icsi.edu

For Sponsorship

Ms. Arti J Shailendar, Deputy Director – Tel: 011-45341077; e-mail: arti.shailendar@icsi.edu

For Registration and Accommodation

Mr. Devender Kapoor, Assistant Director - Tel: 011-45341035; e-mail: devender.kapoor@icsi.edu

Ms. Roby Joseph, Assistant - Tel: 0484-2392950, e-mail: roby.joseph@icsi.edu



STRIVING TO SOAR HIGH THROUGH PEER-ASSESSMENT



Peer-evaluation for better performance

"Peer Review" is an evaluation of a work of performance by a group of people in the same occupation, profession or industry. The Peer Review process is an endeavour to enhance the quality of service rendered by members of ICSI in practice.

• Peer Review Edge •

- Enhancing the quality of services rendered by members.
- Providing guidance to members for improving their performance.
- Examining and reviewing systems and procedures for their effective operation.



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

www.icsi.edu/prb/Home.aspx

**It takes one minute and one decision to lose credibility;
It takes years and a thousand decisions for that manager to regain it.**

Labour Law Reporter helps you to make right decisions in maintaining the high standard of discipline, peace, harmony besides giving tips on managing the complexities of employee-employer relations. Labour Law Reporter is indispensable manage people and making compliances of labour laws (150 knowledge packed pages every month).

DOUBLE BENEFIT SCHEME

FREE on subscription/renewal of Labour Law Reporter

- 1** **Check-List** containing compliances like remittance of EPF and ESI contributions, monthly and periodical returns, reports of occurrences, etc. besides maintenance of statutory records and registers, etc.
- 2** **HRD & Labour Law Referencer-cum-Day Planner, 2016** Revised Edition with more than 150+ formats for day-to-day use in a self teaching manner (which is not taught at B-Schools & Law Colleges). Manual for day-to-day use with check-lists of various Acts as applicable will be handy to find any clarification.

IN THE FAST CHANGING WORLD YOU SHOULD LEARN TODAY WHAT IS BENEFICIAL & RELEVANT FOR YOUR PROFESSIONAL SUCCESS

- ✂ Sexual Harassment of Women at Workplace (PP&R) Act, 2013
- ✂ Employees' Provident Funds & MP Act, 1952
- ✂ Contract Labour (R&A) Act (Drawing employment contracts)
- ✂ Employees' State Insurance Act, 1948
- ✂ Industrial Disputes Act, 1947
- ✂ Maternity Benefit Act, 1961
- ✂ Payment of Gratuity Act, 1972
- ✂ Payment of Bonus Act, 1965
- ✂ Procedure for Disciplinary Proceedings, etc.

It is a job-oriented opportunity by Labour Laws Institute providing self employment and avenue for promotion and independent practice.

Contact for advance reservation: Mob. + 91 9891110000
E-Mail : labourlawsinstitute@gmail.com

Ready drafted Employment Communications

Thoroughly updated, enlarged & revised Edition, 2016
HRD & LABOUR LAW REFERENCER
cum DAY PLANNER

150⁺

Appointment Letters	Agreements	Charge Sheets
Domestic Enquiries	Office Orders & Notices	Warnings
Leave Rules	Policy against Sexual Harassment	Service Rules and more.....

Prepared by experienced lawyers and labour laws consultants, this is an essential everyday companion for HR Executives and CEOs

Subscribe Now

Annual subscription Rs.3500 (by Regd. Post/Courier)
We accept payments through Cheque/ DD/ Credit Card/ Bank Transfer.
Labour Law Reporter can also be subscribed online.
For further information, log on to www.labourlawreporter.com

LABOUR LAW REPORTER, A-43, Lajpat Nagar - 2, New Delhi - 110 024
Ph: 011-29830000, 011-29840000. E-Mail: info@labourlawreporter.co.in Website: www.labourlawreporter.com

COUPON FOR DOUBLE BENEFIT

LLR SUBSCRIPTION FOR ONE YEAR WITH A FREE HRD & LABOUR LAW REFERENCER CUM DAY PLANNER 2016 & CHECK-LIST

Rs.3,500/- (by Regd. Post / Courier) Existing Subscription No. (if remembered).....
Subscription for the period from.....to.....

Mode of payment: Demand Draft Cheque Address of Delivery:

DD/Cheque to be drawn in favour of 'Labour Law Reporter'.
The amount transferred/deposited in our HDFC Bank or ICI/CI Bank Account should be intimated to us by e-mail at info@labourlawreporter.co.in

Bank Transfer in HDFC A/c No. 01342320000014 (Current A/C) Branch - Defence Colony, New Delhi - 110 024 RTGS/NEFT/IFSC Code : HDFC0000134 Name:

Bank Transfer in ICI/CI A/c No.022905500055 (Current A/C) Branch - Lajpat Nagar-2, New Delhi - 110 024 RTGS/NEFT/IFSC Code : ICI3000225 Mobile:

E-Mail id:

Payment Details:
DD/Cheque No: Dated: Amount:
Drawn on [Bank]..... Signature.....

NATIONAL COMPANY LAW TRIBUNAL CONCLAVE

SATURDAY, JULY 25, 2015

9 A.M TO 5 P.M

ROOFTOP OF TRIDENT, NARIMAN POINT, MUMBAI

Online Registration AND Online Payment at

<https://www.eventavenue.com/attReglogin.do?eventId=EVT5936>

Mergers

Oppression & Mismanagement

Sick Companies

Winding Up

Court Craft

CONCLAVE THEME

The setting up of NCLT as a specialized institution for corporate justice is based on the recommendations of the Justice Eradi Committee on Law Relating to Insolvency and Winding up of Companies. The Committee examined not only the Companies Act, 1956 but also the other relevant laws having a bearing on the subject such as Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), Recovery of Debts due to Banks and Financial Institutions Act, 1993 and the recommendations of the United Nations and International Monetary Fund Report - "Orderly and Effective Insolvency Procedures- Key Issues".

Fees

- Members Rs. 5,000/-
- Non Members Rs. 7,500/-
- Students Rs. 4,500/-

4 PCH for Members &
8 PDP for Students

The Companies Act, 2013 contains the legal authority and mechanism for the NCLT to come into operational and also function. The Supreme Court has upheld the constitutional validity of the National Company Law Tribunal, clearing the way for a significant reform in the framework for resolving corporate insolvency. The National Company Law Tribunal (NCLT) will replace the Company Law Board and the Board for Industrial and Financial Reconstruction, and be an overarching body for resolving insolvencies. It will be the main component of the proposed bankruptcy code as well.

The apex court's nod for the proposed quasi-judicial body, which came with certain riders, could help significantly improve India's ranking in the World Bank's ease of doing business as it will speed up rehabilitation and winding up of sick companies, according to the department of industrial policy and promotion (DIPP).

CS Rishikesh Vyas
Chairman
ICSI-WIRC

CS Shilpa Dixit
Secretary
ICSI-WIRC

CS Devendra Deshpande
Chairman
Professional Development Committee
(Outside Mumbai Region)
ICSI-WIRC

CS Praveen Soni
Chairman
Professional Development Committee
(Mumbai Region)
ICSI-WIRC

Registrations Details

Regional Director, ICSI-WIRC, 13, Jolly Maker Chamber No.2, Nariman Point, Mumbai - 400021.
For further details contact Call: 61307913 | Email - pdcs.icsiwirc@gmail.com


KNOWLEDGE • SKILLS • VISIBILITY



SHREE
PROGRESSIVE
COURIER SERVICE

Making Delivery Simple

With New Integrated Global Solution

 <https://www.facebook.com/shreeprogressive>

 <https://in.linkedin.com/pub/samir-patel/65/451/781>

 <https://twitter.com/spcscourier>

Our Strengths:

1. Consignment Received
2. Insertion & Sorting
3. State wise Dispatch
4. Courier boy ready to dispatch
5. POD with Signature
6. Hand over to customer/shareholder
7. Satisfaction from customer/shareholder



Our Services:

- 1 No.1 courier company in india
- 2 We already dispatched 500+ corporate clients Annual-Reports.
3. We have largest networks across india
4. We dispatch postal ballot notice, EGM notice, CCM notice etc.



Mr. Samir Patel

(+91) 9320485308, 9327303438

info@progressivecourier.com, samir@progressivecourier.com

www.progressivecourier.com

Corporate Office:

No-5, Ground Floor, Naigaon Labour Camp,
Marathi Granthalay Marg,
Naigaon, Dadar (E),
Mumbai-400014 (Maharashtra)



Warehouse:

Manisha Palace,
Plot No.137, Shop No.1 to 5,
Sector-5, Ghansoli,
Navi Mumbai-400701 (Maharashtra)

Registered Office:

D/36, Vivekanand Industrial Estate,
Rakhial-Sarangpur Bridge Road,
Rakhial Cross Road, Rakhial,
Ahmedabad-380014 (Gujarat)



**National Conference
on
Competition Law Compliances by Enterprises**

No participation Fee

3 PCH for ICSI Members
6 PDP for ICSI Students

Monday, July 20, 2015

09:30 am to 02:00 pm

Venue : The Park, 17 Park Street, Kolkata

Chief Guest

Shri Ashok Chawla, Chairman, Competition Commission of India

We cordially invite you to participate

**NEW
CHAIRMAN,
COMPANY LAW
BOARD (CLB)**

Hon'ble Chief Justice Shri Mahesh Mittal Kumar took over charge as Chairman, Company Law Board on 5th June, 2015.

**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 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

केनरा बैंक
भारत सरकार का उपक्रम



Canara Bank
A Government of India Undertaking
Together We Can

Save TODAY for a
secure TOMORROW.



Canara
SB POWER PLUS
WITH PLATINUM RUPAY DEBIT CARD

Premier Saving Account for Premier Saving Customers

Open Canara SB Power Plus and
Enjoy Scores of Benefits / Concessions*

- Free Personalised Cheque Books
- Free – Net Banking Facility, Mobile Banking Facility, RTGS / NEFT / DD Facility
 - Canara e-InfoBook Facility
 - Concession in Locker Rent and Free Unlimited Locker Operations
- Platinum Debit Card with Photo and with higher Cash Withdrawal Limit / POS Usage Limit
 - Enhanced Cash Withdrawal Facility at ATM of ₹50,000 per day
 - Higher Transaction Limits at POS and Internet of ₹2,00,000 per day
 - Complementary Insurance cover against the risk of death due to accident
 - Additional Personal Accident (Death) Insurance cover of ₹2,00,000 by NPCI
 - Cash back on Fuel Surcharge
 - 2 Free Lounge Access per Quarter at major cities

*conditions apply



Scan for online facilities



Toll Free No. 1800 425 0018

Save Trees. Save Water. Save Environment.

www.canarabank.com



CHARTERED SECRETARY

149

July 2015



Our Members

CONVOCATION -2015

Convocations 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 Northern and Eastern 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
Northern	23rd May, 2015	Manekshaw Centre Auditorium, Parade Road, Delhi Cantonment, (Subroto Park, New Delhi.	Session-1 Chief Guest Mrs. Sushma Berlia, Co-Promoter & President, Apeejay Stya & Svrn, Group President, Apeejay Education Society, Co-Founder & Chancellor, Apeejay Stya University Session-2 Chief Guest Ms. Kiran Maheshwari, Cabinet Minister, Govt. of Rajasthan Guest of Honour Ms. Latika Sharma, Member of Legislative Assembly, Haryana	559 members
Eastern	12th June, 2015	Kala Mandir, Shakespeare Sarani, Kolkata	Chief Guest Hon'ble Justice Amitava Lala, Former Acting Chief Justice, Allahabad High Court & Presently Commission of Enquiry, West Bengal Guest of Honour Shri Sanjay Agarwal, Managing Director, Century Plyboards (India) Ltd	194 members

5 Meritorious (National) students also received awards during the functions.

**A FEW MINUTES OF YOUR TIME.
A LIFE TIME FOR SOMEONE ELSE.**

Join us for a good deed @ www.icsi.in/bloodbank

ICSI THE INSTITUTE OF
Company Secretaries of India
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament

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 BHAILALBHAI KANTILALPATEL (01.06.1955 – 18.05.2015), a Fellow Member of the Institute from Ahmedabad.

CS PANKAJ H DOSHI (08.06.1954 - 21.10.2014), a Fellow Member of the Institute from Mumbai.

CS SUPRIYA COOMER (12.09.1957–25.05.2015), an Associate Member of the Institute from Kolkata.

May the almighty give sufficient fortitude to the bereaved family members to withstand the irreparable loss.

May the Departed souls rest in peace.



(With Effect from 1st April 2012)

BACK COVER (COLOURED)		COVER II/III (COLOURED)	
-----------------------	--	-------------------------	--

Non - Appointment		Non - Appointment	
Per Insertion	₹ 75,000	Per Insertion	₹ 50,000
4 Insertions	₹ 2,70,000	4 Insertions	₹ 1,80,000
6 Insertions	₹ 3,96,000	6 Insertions	₹ 2,64,000
12 Insertions	₹ 7,65,000	12 Insertions	₹ 5,10,000

FULL PAGE (COLOURED)			HALF PAGE (COLOURED)		
----------------------	--	--	----------------------	--	--

Non-Appointment		Appointment	Non-Appointment		Appointment
Per Insertion	₹ 40,000	₹ 10,000	Per Insertion	₹ 20,000	₹ 5,000
4 Insertions	₹ 1,44,000	₹ 36,000	4 Insertions	₹ 72,000	₹ 18,000
6 Insertions	₹ 2,11,200	₹ 52,800	6 Insertions	₹ 1,05,600	₹ 26,400
12 Insertions	₹ 4,08,000	₹ 1,02,000	12 Insertions	₹ 2,04,000	₹ 51,000

PANEL (QTR PAGE) (COLOURED)			EXTRA BOX NO. CHARGES	
-----------------------------	--	--	-----------------------	--

Per Insertion	₹ 10,000	₹ 3,000	For 'Situation Wanted' ads.	₹ 50
(Subject to availability of space)			For Others	₹ 100

MECHANICAL DATA

* Full Page - 18 x 24 cm * Half Page - 9 x 24 cm or 18 x 12 cm * Quarter page - 9 x 12 cm

- * The Institute reserves the right not to accept order for any particular advertisement.
- * The journal is published in the 1st week of every month and the advertisement material should be sent in the form of typed manuscript or art pull or open file CD before 20th of any month for inclusion in the next month's issue.

For further information write to:
The Editor,
"CHARTERED SECRETARY",



**THE INSTITUTE OF
Company Secretaries of India**
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory Body under an Act of Parliament

ICSI House, 22, Institutional Area, Lodi Road, New Delhi 110003
Tel: 011-45341024, 41504444. Fax: + 91-11-24626727, 24645045
Email : ak.sil@icsi.edu website : www.icsi.edu



Secure Board Portal for the Paperless Boardroom

- Permission-driven access
- Online-offline syncing
- Annotation sharing
- eSignatures
- Secure email
- Voting

boardvantage.com

Unit 2-3, 20F, Fu Fai Commercial Centre,
27 Hillier Street, Sheung Wan, Hong Kong
+852 2108 4600 | sales@boardvantage.com

