

# CHARTERED SECRETARY

THE JOURNAL FOR CORPORATE PROFESSIONALS

FOCUS ON  
**CAPITAL MARKETS**



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

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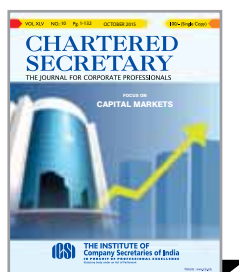


ISSN 0972-1983

**CHARTERED SECRETARY®**

[ Registered under Trade Marks Act, 1999 ]

Vol. : XLV ● No. 10 ● Pg 1-132 ● October - 2015

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**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**

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'**ICSI House**', 22, Institutional Area, Lodi Road, New Delhi-110 003.  
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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





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- 01 >>> Meeting of ICSI delegation with Hon'ble Speaker of Lok Sabha – CS Atul H Mehta and CS Shyam Agrawal presenting a bouquet to Sumitra Mahajan (Hon'ble Speaker, Lok Sabha). CS Vineet K Chaudhary is also present on the occasion.
- 02 >>> Meeting of ICSI delegation with Hon'ble Finance Minister – CS Atul H Mehta presenting a bouquet to Arun Jaitley (Hon'ble Union Minister for Finance, Corporate Affairs and Information & Broadcasting). Others seen in the picture from Left: CS Mamta Binani and CS Vineet K Chaudhary.
- 03 >>> Meeting of ICSI delegation with Secretary, MCA – CS Atul H Mehta presenting a bouquet to Tapan Ray (Secretary, MCA). Others seen in the picture from Left: CS Shyam Agrawal and CS Vineet K Chaudhary.
- 04 >>> NIRC – Jaipur Chapter – National Seminar on NCLT & NCLAT – Convergence of Corporate Jurisdiction - Rajpal Singh Shekhawat (Hon'ble Minister of Urban Development & Housing, Government of Rajasthan) addressing. Others sitting on the dais from Left: CS Tara Chand Sharma, CS Vineet Chaudhary, CS Shyam Agrawal, R. K. Meena (ROC & OL, Jaipur, Rajasthan), Vijay Kumar Jhalani and CS Deepak Arora.
- 05 >>> National Seminar on Secretarial Standards & Annual Return - A Panacea for Good Governance held at Bhubaneswar – Sitting on the dais from Left: CS Sunita Mohanty, CS Pavan Kumar Vijay, CS Atul H Mehta, T.K. Chand (CMD, NALCO, Bhubaneswar), CS Mamta Binani, and CS D. Mohapatra.
- 06 >>> Symposium on Goods and Services Tax held at Bhubaneswar – Release of Referencer on Goods and Services Tax – Standing from Left: CS Saurabh Jain, Biswajit Das (Advocate, Supreme Court and Managing Partner, Juris & Juris, New Delhi), Gokul Chandra Pati (Chief Secretary and Chief Development Commissioner, Govt. of Odisha), CS Sunita Mohanty, CS Mamta Binani, CS Sutanu Sinha and CS D Mohapatra.





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07 >> Symposium on Ease of Doing Food Business *vis-a-vis* Food Regulatory Environment in India – Sitting on the dais from Left: CS Pawan Dubey (Partner, Lex Bolster Global LLP), CS Mamta Binani, Biswajit Das (Advocate, Supreme Court of India and Managing Partner, Juris & Juris, New Delhi), D Raja (Member, Rajya Sabha), S N Sahu (Joint Secretary (LR), LAARDIS, Rajya Sabha) and CS Sutanu Sinha.

09 >> EIRC - National Seminar on Secretarial Standards - A Panacea for Good Governance - Chief Guest Dhan Raj (Member (Technical) CLB, Kolkata Bench), addressing. Others sitting on the dais from Left: CS Santosh K Agrawala, Vijay Kr Jhalani, CS Atul H Mehta, CS Mamta Binani, CS Pawan Kumar Vijay and CS Sunita Mohanty.

11 >> SIRC - Bangalore Chapter - Joint One Day Seminar on Emerging Trends in Company Law - Standing from Left: Dr. Subba Rao, Prof. Bhargavi R, CS Gopalakrishna Hegde, Dr. K. N. Ninge Gowda (Registrar (Evaluation), Bangalore University); Dr. Wooday P. Krishna (Hon. General Secretary, Seshadripuram Educational Trust), CS H M Dattatri and Prof. Ashwathanarayana (President, BUTCCM).

13 >> EIRC – Jamshedpur Chapter – Programme on Companies Act, 2013 – Critical Aspects – CS Sital Prasad Swain presenting a bouquet to CS Atul H Mehta. Sitting on the dais CS Sunita Mohanty.

08 >> Symposium on Ease of Doing Food Business *vis-a-vis* Food Regulatory Environment in India – Session II – Interaction with Food Regulators – CS Mamta Binani addressing. Others sitting on the dais from Left: Rakesh Munjal (Senior Advocate, Supreme Court of India and Vice Chairman, ILI, New Delhi), Meenakshi Lekhi (Member, Lok Sabha), Dr. S K Saxena (Director, Export Inspection Council, Ministry of Commerce & Industry), Gokul Pattnaik (IAS (Retd.), Chairman, Global Agrisystem Pvt. Ltd.) and Dr. P K Jaiswal (Director of Laboratories, AGMARK).

10 >> EIRC - 16th All India Students' Conference of ICSI on Today Tomorrow and Beyond - Chief Guest CS B. L. Mittal (CMD, Microsec Financial Services Ltd.) addressing. Others sitting on the dais from Left: CS Siddharth Murarka, CS Sunita Mohanty, CS Mamta Binani, CS Atul H Mehta, CS Santosh K Agrawala, CS Rupanjana De, CS Sandip Kejrival and CS Ashok Purohit.

12 >> SIRC – Coimbatore Chapter – Press Conference – Atul H Mehta addressing the media people. Others sitting from Left: CS N Singaravel, CS R Venkateswaran and CS AR Ramasubramania Raja.

14 >> EIRC – Ranchi Chapter – Investor Awareness Programme – CS Vinay Kumar Jalan addressing. Others sitting on the dais from Left: Sumanta Dutta, CS Vandana Singh, CS Puja Kumari and S B Prasad.





# at a Glance

## Articles

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### Towards Competitive Securities Markets



P-11

#### M. S. Sahoo & Kiran Ojha

Generally, competition is good in any market whether it is for goods, services, securities, entities, or anything that can be exchanged. The competition in securities market, however, moves the economy to a higher growth trajectory and produces far superior outcomes. This paper has examined the extent of presence of critical features of perfect competition in select market segments - market for securities, market for corporate control and market for securities services - in Indian securities markets. It concludes that at least at macro level, the principles of competition are firmly ingrained in the Indian securities markets, though the degree differs across various services and products.

### Recent changes in Listing Compliance requirements



P-21

#### Avinash Kharkar

The focus of this article is to highlight the recent changes introduced for the enhancement of the disclosure by the listed corporates like disclosure of price sensitive information, fines for non-compliance of listing agreement, changes in the corporate governance, review of audit qualifications in financial statements, SEBI (Prohibition of Insider Trading) Regulations, Institutional Platform, etc.

### Related Party Transactions – Approval, Disclosures & Reporting under SEBI's Listing Regulations



P-27

#### Gaurav Pingle

After elaborate deliberation and consultation process, SEBI has notified the Listing Obligations and Disclosure Requirements, Regulations, 2015 on Sept. 2, 2015 and has provided 90-days for its implementation. The Regulations are effective from December 1, 2015. The Listing Regulations consolidates and streamlines the provisions of existing Listing Agreements for different segments of the capital market. Vide the Listing Regulations, there has been a change in the mode of obtaining shareholder's approval, making disclosures and reporting of certain Related Party Transactions ('RPTs'). There is also a significant change in interpreting and applying certain concepts of RPTs under the Listing Regulations and Listing Agreement, and also a change in timeline with respect to compliances. The article contains the analysis and impact of the Regulations on the corporates and practicing professionals with respect to the basic provisions, disclosures, reporting and approval requirements of RPTs by listed entities.

### Influence of CSR & CSR Reporting vis-a-vis Capital Markets



P-31

#### J Sridhar

Both MCA & SEBI recognize the inviolable importance of CSR as in

the modern competitive environment, CSR is an essential factor for survival of an organization. Developments in the area of CSR have had a significant influence on the capital market. The fast changing reporting requirements for companies are important for practitioners in the capital market. This Article seeks to address (I) the inter-relationship between CSR & Capital Markets and (II) the Evolution of CSR Reporting relied upon by capital markets. Enterprises with better CSR scores exhibit cheaper equity financing. The low CSR firms face relatively higher cost of equity capital, while the high CSR firms may experience lower cost of equity capital. Capital Markets depend on CSR Reports disseminated by companies. The CSR reporting requirements for companies have been evolving over the years. A few key evolutionary changes are also discussed in the article.

### SEBI Regulations to Replace Listing Agreement Increased Disclosures and Enhanced Accountability- A measure to protect stakeholders' Interest



P-39

#### Dr. S. D. Israni

The original listing agreement has virtually undergone metamorphosis due to multiple amendments and clarifications issued over the years by SEBI, thereby making it a very cumbersome document. Over the years with the huge growth in the capital market and the need to protect the interest of investors and other stakeholders, SEBI had been mulling action for some time to strengthen the regulatory regime so far as listed companies are concerned. By replacing the listing agreement with a set of regulations, SEBI has tightened its grip over the listed companies. The new regulations which will come into force from December 2015 are very comprehensive; they replace all the different types of agreements for different classes of securities. The regulations aim at greater transparency, increased and timely disclosures by the listed companies and other listed entities. Shareholders rights have been enumerated in the new regulations. Similarly, maintenance of website by a listed entity has been prescribed in great detail mentioning therein the kind of information that has to be put up on the entity's website. There is no doubt that listed entities particularly companies will have to be more alert and agile and ensure due compliances, else they will be exposing themselves to risk of being hauled up by SEBI and subjected to fines. Hope this new measure will help improve the protection provided to all the stakeholders.

### Forensic Accounting and Capital Market Frauds



P-46

#### Rajkumar S Adukia & Samiksha Adukia

Forensic and investigative accounting is the art and science of applying financial investigative techniques to matters of law. Forensic accounting is the specialty practice area of accounting that describes engagements that result from actual or anticipated dispute or litigation. It provides an accounting analysis that is sustainable to the court which will form the basis for discussion, debate and ultimately dispute resolution. While certainly ideal for court testimony, in broad terms, 'forensic', is about fact finding





and interpretation. The increase in number of fraud and fraudulent activities across the world has emphasized the need for forensic accounting. The aim of this paper is to identify the role of forensic accounting in fraud investigations in capital market. With the ever-changing business climate, we are seeing an evolving role for the forensic accountant. A forensic accountant can provide valuable insights for many different scenarios such as financial reporting fraud, shareholder/partner disputes, intellectual property infringement, asset impairment, business valuation and white-collar criminal investigations, among other instances where their expertise in assessing the financial situation can be useful.

### Special "SEBI Courts" will Fast Track Prosecution of Security Laws Violators and Fraudsters



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#### Delep Goswami & Anirrud Goswami

By virtue of the Securities Laws (Amendment) Act, 2014 (SLAA), the SEBI Act and the Securities Contracts (Regulation) Act and the Depositories Act have been amended and newer and wider powers have been given to SEBI to call for information and details from "any person" in connection with investigation into frauds and violations associated with the securities market practices. Under the newly acquired powers, the SEBI has already attached assets of the defaulters and fraudsters to the extent of more than Rs.1,200 crores. Under the new law, special SEBI Courts have been designated and SEBI has already started filing cases in the SEBI Special Court. It will obviously expedite fast tracking of the cases being filed by the market watchdog to fulfil its mandate towards investor protection. The article highlights these reforms to the Securities Laws in India.

### Legal World

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▶ LW: 81:10:2015 We hasten to clarify that if the aggregate percentage of acquisitions at any point of time during the financial year exceeds 5 per cent, the provision would get triggered. In other words, the provision of Regulation 11 mandating a public announcement will kick in at any stage whence the shareholding of the said entity in the target company would exceed 5 per cent.[SC] ▶ LW:82:10:2015 Thus, the DR Group derived rights from the GD by documents executed by her in her lifetime and conveyed to the Company. Even if the Will of GD is not taken into account, for purposes of issue of rectification, the documents executed by GD clearly entitled the DR Group to have the rectification made.[SC] ▶ LW:83:10:2015 This Court does not find any ambiguity or inconsistency in the description of parties so as to non-suit the applicant-petitioner by dismissing its application on the above basis. The ambiguity, if any, in the description of the parties having been explained and the respondent Company itself having issued LOIs and having exchanged subsequent correspondences with the applicant with regard to the works under the sub- contracts.[SC] ▶ LW:84:10:2015 The order of the Commission appears to be largely influenced by a conclusion that the appellant should not have asked for deposit of an amount above the basic price because in the opinion of the Commission it was unfair for the appellants to keep excise and sales tax with itself for any period of time. Such conclusion of the Commission is based only upon subjective considerations of fairness and do not pass the

objective test of law as per precise definitions under Section 36A of the Act.[SC] ▶ LW:85:10:2015 Safeguarding commercial interest or invoking contractual clauses which were not unfair per se cannot be termed as unfair just because they are invoked by one of the parties to the contract.[SC] ▶ LW:86:10:2015 The State Government is bound by the policy decision taken by the Council of Ministers and duly notified by the Department concerned, viz., Department of Industries.[SC] ▶ LW:87:10:2015 Thus, the effect of mitigation of an external condition is primary effect and the effect of smoothing the skin was secondary in nature and, therefore, it was to be treated as a medicament and classified under Chapter 30.[SC] ▶ LW:88:10:2015 The provisions of Section 33(2)(b) of the Industrial Disputes Act protects the interest of the workman and it is a shield against victimisation and unfair labour practices by the management during the pendency of a dispute.[Del] ▶ LW:89:10:2015 The statute nowhere contemplates that the default must be in existence on the day when proceedings under Section 14B are initiated.[Del]

### From the Government

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▶ Companies (Management and Administration) Second Amendment Rules, 2015 ▶ Extension for a period of one month for the High Level Committee on CSR -reg. ▶ Companies (Acceptance of Deposits) Second Amendment Rules, 2015 ▶ Amendments in the Notification No. S.O. 2425(E) dated 18.09.2014 ▶ Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, 2015 ▶ Schedule III of Companies Act, 2013 – Preparation of P&L Statement – Certain paras not to apply to Govt. Companies producing Defence Equipment, etc. ▶ Alterations in Schedule III of the Companies Act, 2013 ▶ Companies (Accounts) Second Amendment Rules, 2015 ▶ Extension of time for filing of cost audit report to the Central Government for the Financial Year 2014-2015 in form CRA-4 - reg. ▶ Format for compliance report on Corporate Governance to be submitted to Stock Exchange (s) by Listed Entities ▶ Securities and Exchange Board of India (Share Based Employee Benefits) (Amendment) Regulations, 2015 ▶ Securities and Exchange Board of India (Procedure For Search and Seizure) Repeal Regulations, 2015 ▶ Reporting requirement under Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS)-Guidance Note ▶ Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Sixth Amendment) Regulations, 2015 ▶ Continuous Disclosure Requirements for Listed Entities - Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ▶ Securities and Exchange Board of India (Regulatory Fee on Stock Exchanges)(Amendment) Regulations, 2015 ▶ Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) (Amendment) Regulations, 2015 ▶ Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) (Amendment) Regulations, 2015 ▶ Disclosures to be made by NBFCs in the Offer Documents for public issue of Debt Securities under the SEBI (Issue and Listing of Debt Securities) Regulations, 2008. ▶ Revised Disclosure Formats under SEBI (Prohibition of Insider Trading) Regulations, 2015

### Other Highlights

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

## Articles in Chartered Secretary Guidelines for Authors

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## Dear Professional Colleagues,

The festive season has been set in motion. I always pray to the almighty to give me the strength to shoulder the onerous responsibilities as the President of this prestigious national professional body which enters the 47th year of its coming into being this month. As I set to pen this message to my professional fraternity I am reminded of the words of Mahatma Gandhi, Father of the Nation,

*"There are seven things that will destroy us: Wealth without work; Pleasure without conscience; Knowledge without character; Religion without sacrifice; Politics without principle; Science without humanity; Business without ethics."*

Friends, it is time that we overcome our inhibitions and shortcomings, leverage upon our knowledge and constantly take concrete measures to further enhance our skills towards excellence in the manner professional services are delivered.

Let me take this opportunity to highlight the events of importance for the CS profession.

After following the consultation process, SEBI has notified SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) on September 2, 2015. A time period of ninety days has been given for implementing the Regulations. I am pleased to inform you that, Company Secretary has been designated as Compliance Officer and all listed entities are required to appoint a qualified Company Secretary (CS) as the Compliance Officer. I wish to place on record my thanks to my colleagues on the Council, past Council Members for their constant efforts in achieving the exclusive recognition.

### Symposium on Food Laws

India is passing through a new food regulation regime being regulated by Food Safety and Standards Act, 2006. As per the new law (Food Safety and Standards Act, 2006), all the Food Business Operators (FBOs), whether it is five star hotel or the processor, retailer, restaurant, importers, etc. are to be mandatorily either registered or licensed besides being under constant scrutiny / watch from the Food Safety and Standard Authority of India (FSSAI).

As part of the ongoing regulation under this Act, two draft regulations, viz., Food Safety and Standards (Food or Health Supplements, Nutraceuticals, Foods for Special Dietary uses, Foods for Special Medical Purposes, Functional Foods, and Novel Foods) Regulations, 2015 and Food Safety and Standards (Food Products Standards and Food Additives) Regulations, 2015 have been circulated by FSSAI inviting public comments before their implementation. Due to various reasons, issues such as Maggi, Starbucks, and Haldiram, etc. are emerging. Lack of proper understanding of the subject has also multiplied the agony in the market.

In order to bring clarity and assist the FSSAI to discuss various aspects of the food laws including finalizing the comments on the above draft regulations in a very systematic manner, there is need to have a wider consultation through a brain storming exercise among all the stakeholders. This would bring clarity and also assist the food authority to have an acceptable user friendly regulation.

Food laws open a plethora of opportunities for professionals and in order to sensitize and provide a vibrant platform for interaction to our members the Institute organized a Symposium on "Ease of Doing Food Business vis-a-vis Food Regulatory Environment in India" on 9<sup>th</sup> September, 2015 at SCOPE Complex, New Delhi. Around 50 members of the Institute and 150 other delegates from the food industry, regulators, embassies and hospitality industry attended the Programme. Shri D. Raja, Member of Parliament, Rajya Sabha, Smt. Meenakshi Lekhi, Member of Parliament, Lok Sabha and Justice V. P. Vaish, Judge, High Court of Delhi, addressed in different sessions at the programme. We as Company Secretaries have wide role to play in food regulations.

### Symposium on Goods and Services Tax

The Company Secretaries like other professionals are rendering value added services to the trade and industry and acting as extended arms of the regulatory mechanism. The Company Secretaries in Practice have been recognized to conduct audit/appear as an authorized representative under VAT Acts of various states including Jharkhand, West Bengal, Bihar, Goa, Karnataka, Kerala, Uttar Pradesh and under host of legislations/regulations including Companies Act, 2013, Customs Act, 1962, Central Excise Act,



# From the President

1944, etc. Goods and Services Tax (GST) – a comprehensive tax levy on manufacture, sale and consumption of goods and services is one of the major indirect tax reforms in the country since independence. GST will subsume central indirect taxes like excise duty, countervailing duty and service tax, as also state levies like value added tax, octroi and entry tax, luxury tax. The final consumer will bear only the GST charged by the last dealer in the supply chain, with set-off benefits at all the previous stages.

The proposed GST regime intends to create a harmonized system of taxation by subsuming all indirect taxes under one tax. It seeks to address challenges with the current indirect tax regime by broadening the tax base, eliminating cascading of taxes, increasing compliance, and reducing economic distortions caused by inter-state variations in taxes.

As part of capacity building initiatives and in order to provide an insight into the contours of the proposed Goods and Services Tax regime, the Institute proposes to organize a series of National Symposiums on Goods and Services Tax at various locations throughout the country and organized a Symposium on “Goods and Services Tax” on 26<sup>th</sup> September, 2015 at Hotel – The Crown, Bhubaneswar.

Chief Guest of the Symposium, Shri Gokul Chandra Pati, Chief Secretary & Chief Development Commissioner, Government of Odisha while addressing the symposium appreciated the efforts of the ICSI for organising such a programme in Odisha on GST. He spoke about the benefits that are likely to accrue to the stakeholders as a result of such tax reforms. He emphasized that the advantages of GST will strengthen the federal mechanism in the country and substantially reduce the cost of compliance and tax evasion will go down.

The theme of the symposium was deliberated upon in three technical sessions namely GST Framework, Implementation Challenges - Transactions under GST, Challenges in GST with regard to Inter-State Movement Of Goods And Services by Shri Niten Chandra, IAS, Commissioner of Commercial Taxes, Odisha, Shri A. K. Patnaik, IRS, Deputy Commissioner (Retd.), Central Excise, Customs and Service Tax, Bhubaneswar and other dignitaries.

## **National Company Law Tribunal and National Company Law Appellate Tribunal**

(NCLT) & (NCLAT) has vital role to play in areas such as corporate restructuring and insolvency, inquiry and investigation, derivative actions, reduction of capital and so on. In order to provide a feeler in the practice areas under NCLT & NCLAT and to provide knowledge and skill sets in management and administration of cases before NCLT, the Institute organised a National Seminar on ‘National Company Law Tribunal and National Company Law Appellate Tribunal - Convergence of Corporate Jurisdiction’ on September 12, 2015 at Jaipur. Eminent Faculty having extensive exposure in chosen areas addressed the participants on the occasion. Sh. Rajpal Singh Shekhawat, Minister, Urban Development & Housing, Government of Rajasthan was the Chief Guest and Sh. R. K. Meena, Registrar of Companies & Official Liquidator, Rajasthan was the Guest of Honour. Mr. Justice, D.R. Deshmukh, Retd. Judge Chhattisgarh High Court & Former Chairman, CLB and a host of other dignitaries addressed the participants at the programme. The Institute proposes to organise more such programmes on NCLT and NCLAT at other locations in the country.

## **43<sup>rd</sup> National Convention of Company Secretaries**

I cordially invite you to attend and participate in the 43<sup>rd</sup> National Convention of Company Secretaries which is being organized by the Institute from Thursday, December 17, 2015 to Saturday, December 19,

2015 at Kempinski Ambience Hotel, Delhi on the Theme “Make in India – Innovate, Excel and Grow” The Convention seeks to make an in depth analysis of the theme by deliberating it in four sub-themes namely, Digital India; Ease of Doing Business; Skills Development & Entrepreneurship; Make in India – Legal, Social and Financial Reforms. A brochure giving details of the theme and sub-themes, delegate fee, hotel accommodation, rate of sponsorships and advertisements is placed on the website of the Institute. As in the past, eminent persons and experts in the respective fields from the Government, Regulators, the profession and the corporate sector will address the Convention. Your participation will not only add to fruitful deliberations, but also give you an opportunity for mutual exchange of experience and views with your professional colleagues from all parts of the country and abroad. I, therefore, call upon you to register yourself alongwith other executives of your organization as delegate(s) by registering online at the link provided on the Institute’s website. You may also register your spouse, children and other guests for attending the lunch, dinner, sight seeing, cultural programme and other attractions of the Convention.

## **Opinion Writing Competition**

With a view to explore opinion writing skills of members, ICSI-CCGRT has announced a free and unique “Opinion Writing Competition” for the Members where participants are expected to give opinion keeping in mind provisions of Companies Act, 2013 and Rules made thereunder and Listing Agreement. The opinions will be screened by a Screening Committee comprising eminent experts. The details of the competition are available on the website. I urge members to participate enthusiastically in this unique programme.

## **ICSI National Awards for Excellence in Corporate Governance**

The nominations to participate in the 15<sup>th</sup> ICSI National Awards for Excellence in Corporate Governance have been received and the evaluation of the responses is underway. I am pleased to inform you that the presentation ceremony of the Awards is scheduled on January 8, 2016 at Mumbai. I call upon all of you to block the date and make the presentation ceremony a grand success.

## **ICPSK-IFC Train the Trainer Programme**

I am pleased to inform you that the Institute of Certified Public Secretaries of Kenya (ICPSK) invited two trainers from ICSI to facilitate a whole day session on Governance Audit as a part of its four day Training of Trainers (ToT) Programme (ICPSK) organized in collaboration with the International Finance Corporation (IFC).

CS Ashish Doshi, Council Member, ICSI and CS Banu Dandona, Deputy Director, ICSI were nominated to be facilitators on the topic Governance Audit. The visit paved way to foster mutual collaboration between the two institutes in future.

Friends, if we want to leave footprints in the sands of time, we will have to walk in oneness with confidence and determination. Let us rededicate our commitment to strive for our vision.

I extend my warm regards and wishes to all the members.

With kind regards,

October 06, 2015.

Yours sincerely,

(CS ATUL H MEHTA)  
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## Towards Competitive Securities Markets

- While presenting a bird's eye view of Indian corporate securities markets from competition perspective this article (i) brings out the role of institutions in economic growth; (ii) traces the extent of presence of features of perfect competition in various segments of the securities markets; (iii) elaborates the importance of two critical elements of competition, namely, price and competitive neutrality in securities markets and (iv) suggests a framework for competition assessment.

The securities market in India dates back to the 19<sup>th</sup> century when the securities of the East India Company were traded under a banyan tree in Mumbai and under a neem tree in Kolkata. However, the real beginning came in 1850s with the emergence of joint stock companies with limited liability. The 1860s witnessed feverish dealings in securities and reckless speculations which culminated in the black day on 1<sup>st</sup> July, 1865. This brought brokers in Mumbai together on 9<sup>th</sup> July, 1875 to form the first organized stock exchange in the country, "The Native Share and Stock Brokers' Association". The Association got permanent recognition in 1957 and has morphed to BSE Limited, one of the two major stock exchanges of India at present.

The securities market attracted heightened attention from policy makers in the 1990s when India embarked on pro-market reforms. This led to several State initiatives, including liberation of market forces along with regulations to address possible market failures in the securities market in the years that followed. Since then the market has grown exponentially as measured in terms of amount of capital raised, number of takeover of companies,

market capitalization and turnover on stock exchanges, etc. along with steep reductions in cost of transactions, and marked improvements in quality of services and choice of products. The Baseline Profitability Index ranks India as world's number one investment destination. According to a recent assessment of 27 top jurisdictions conducted by BIS and IOSCO, a total of six countries, including India, got the top most rating. It is widely believed that such outcomes could be possible primarily because of the competitive forces that the reforms unleashed into the securities market.



\*The views are personal. The authors are grateful to Mr. Nirmal Mohanty, Chief Economist, National Stock Exchange of India Limited and Dr. C. K. G. Nair, Adviser, Ministry of Finance for their very useful comments on an earlier draft of this paper.





This article takes a bird's eye view of Indian corporate securities markets from competition perspective without attempting any value judgement whether competition or perfect competition is necessarily good under all circumstances. Part I notes the role of institutions in economic growth, namely, securities market in an economy, and competition and regulation in securities markets. Part II traces the extent of presence of features of perfect competition in various segments of the securities markets. Part III elaborates the importance of two critical elements of competition, namely, price and competitive neutrality in securities markets. Part IV concludes with a suggested framework for competition assessment.

## I. INSTITUTIONS DO MATTER

Every enquiry into the causes of wealth has reinforced the view that institutions matter. These are deeper determinants of economic growth. They determine which economy will invent and innovate and, therefore, develop and while another, similarly endowed, will not. Similar policies yield different outcomes in different economies depending on the nature and the quality of the institutions the economy has, and the difference in institutions often explains the differences in the level of income of the economies. The reforms since 1990s consciously endeavoured to build institutions wherever they did not exist, and energise the existing ones to support market-led growth. While building or rejuvenating the institutions, the reforms focused on a key institution, namely, securities market.

Several studies have established high positive association between the securities market and the real economy. The securities market serves the real economy at multiple levels: it decouples savings from investment, provides capital for innovation and entrepreneurship, allocates resources among the enterprises, and through the market for corporate control, assigns enterprises to the best managers. By so doing, it augments both savings and capital formation on the one hand and the productivity of investments on



the other thereby fostering economic growth. It yields benefits at the micro level too. For example, it enables every individual, no matter how limited are his means, to contribute to the capital of the nation's enterprises and thereby link his fortune to those of the enterprises. The securities market thus constitutes a crucial institution of a market economy.

## Competition and Regulation

For growth, an economy needs a number of good quality institutions, such as, rule of law, contract enforcement, property rights, economic freedom, values and norms, etc. These institutions enable and induce economic agents to pursue their own interests, and refrain them from hindering others from doing so. These processes, called competition and regulation respectively, constitute two key institutions of a market economy. More of competition (more private provision of private goods) and strengthening of regulations (to ensure fair competition in provision of private goods) at market place constituted the key elements of the reforms of the 1990s.

An economy is an amalgam of enterprises. It performs the best only if its enterprises perform at their best. This is possible if every enterprise has full economic freedom to pursue its own interest aggressively. Since the size of the market is finite at any point of time, freedom to pursue self-interest creates fierce rivalry, known as competition in common parlance, among the enterprises to gain higher market share and realize higher profits. Each one in the same line of business tries to do better than others by improving efficiencies: technological, productive, dynamic (innovation) and so on. Some enterprises thrive, others lose and may even have to exit, but the economy always gains, for it is only the most efficient ones that survive. The reforms of the 1990s protected and promoted the freedom of economic agents to compete at the market place. The results were astounding. From a largely controlled, state-owned and inward-looking economy, India became a more liberal, more private sector led and more globalized economy. Importantly, the success of reforms reinforced faith in the market: a faith that demand for and supply of goods and services determine two major economic outcomes, namely, quantities to be produced in the economy and prices at which these are to be exchanged, in a manner that is best for the economy.

While market has come to occupy a centre-stage in economic thinking, it can and does fail at times. Market failures occur on account of presence of information asymmetry, externalities or market power and the inability of the market participants to handle them appropriately. For example, a bank may give loan to a wrong party because it knows less about the party than the party itself. Worse, the market participants may adopt unfair means of competition. If one or a few of the market participants, for example, use their market power to influence either the quantity or the price (or both) of a goods or a service, they effectively thwart competitive outcomes. To prevent this, we need regulations (along with an empowered regulator) to lay down and implement the rules of



the game, particularly the contours of economic freedom, so as to address the potential abuse of market power and consequent market failure, notwithstanding the fact that the regulations may also fail to address the market failure under certain circumstances. The regulations need to be carefully designed to strengthen the invisible hands of the market and promote competitive neutrality, and not restrict the ability of economic agents to effectively compete at the market place.

It was believed in some circles that the 2008 global financial crisis was due to a cut-throat competition among the financial market participants to outdo the other. However, the emerging consensus is that the crisis resulted from the failures in financial market regulation, and not from failure of the market itself or of competition. In fact, regulation and competition have an interesting relationship. They may complement each other to pursue the same objective (efficiency) or they may be alternate means to achieve the same objective (consumer protection). They may pursue different objectives that may occasionally work at cross purposes. For example, a high capital adequacy ratio serves the regulatory objective of stability but compromises competition objective of free entry (by disallowing enterprises without deep pockets to enter the market, even if they are more efficient than the existing ones). Similarly, a relatively low capital adequacy norm promotes the cause of competition by allowing entry of more service providers but may aggravate systemic risk. This obviously calls for an optimum level of capital adequacy which straddles the interests of both stability and efficiency of the market. Very often, a delicate balance between competition and regulation needs to be struck for the success of a market economy.

## Competition and Securities Markets

Competition promotes productive efficiency of enterprises by inducing them to produce more from less. The securities market bolsters allocative efficiency by channelizing the resources to the most productive uses. While either of these efficiencies in isolation is useful, these together generate synergies at different levels. First, the securities market cannot allocate resources to the most productive uses unless the competition in product market determines those uses. Similarly, the productive uses determined by the competition in product market cannot flourish unless the securities market allocates resources for those uses. Second, the competition in product market requires free entry as and when an opportunity arises or a promising idea crops up. A person can, however, enter into product market only if he has access to capital required for entry and it can exit whenever it wishes. The securities market makes entry feasible by making risk capital available for start-ups. It enables a person to buy either the whole enterprise or buy its in pieces through purchase of securities. It also enables a person to exit an enterprise by selling either the whole enterprise or by selling it in pieces through sale of securities, in addition to using bankruptcy resolution mechanism. The coexistence of the competition and securities market triggers entrepreneurship and innovation. Third, competition is good in any market whether it is

for goods, services, securities, entities, or anything that can be exchanged. Competition in securities markets lowers the cost of capital, the cost of raising capital and the cost of transferring capital and in a sense improves the ease of doing business. It improves the efficiency of resource allocation, reduces cost of regulations and sharply penalises inefficiencies in the real sector. Fourth, freedom of every economic agent irrespective of its location to use either the domestic securities market or any of the overseas securities markets creates competition among the securities markets of the different jurisdictions. This brings in globally optimum scale and efficiency. In fact, the competitiveness of securities markets determines to a large extent the competitive edge of the nations. The reforms in the 1990s endeavours to harness these synergies.

A package of reforms consisting of measures to liberalise, regulate and develop the securities market allowed and enabled the market participants to undertake transactions on their terms. The practice of a central authority allocating resources among different competing entities as well as determining the terms of such allocation was discontinued. Domestic issuers and investors were allowed reasonable freedom and choice to raise resources and invest them within or across the borders at market determined terms. Market participants and service providers were allowed free entry and free exit. The secondary market overcame the geographical barriers by moving to screen based trading system which could be accessed through trading terminals spread across the country and more recently also through the internet and hand held mobile devices all over the world. All kinds of securities - debt and equity, government and corporate, and derivatives thereon - were traded on exchanges side by side that expanded the choice of participants. Every participant was empowered with full and correct information required to undertake transactions. The reforms essentially injected critical ingredients of competition into the securities markets in India.

## II. SECURITIES MARKETS AND PERFECT COMPETITION

The securities markets transact three kinds of products, namely securities, entities (corporate control) and securities services (services required to transact securities and entities). Thus, there are three distinct, but interconnected markets, namely, market for





securities, market for corporate control and market for securities services. Since for any transaction, it is the total transaction cost (the cost of capital plus the cost of raising capital plus the cost of transferring capital) that counts for users of anyone of these markets, competition in each of these markets is important. It is useful to observe how close each of these markets is to perfect competition. The salient features of a perfectly competitive market are: every person is free to enter into and exit from the market, the market has at any time a large number of participants on both sides (buy and sell); every participant has perfect information, and no participant has the market power to set the price of the product.

## Market for Securities

This section observes the extent of presence of these features in two main segments of the market, namely, primary market and secondary market, for corporate securities.

### Primary Market

For years till 1992, when the Capital Issues (Control) Act, 1956 was repealed, the enterprises wishing to raise resources through issue of securities could do so only with the prior approval of the Government. After appropriating seigniorage for its own use, Government used to allocate the balance resources to 'favoured' enterprises. The 'favoured' depended on the priority of the Government of the day and/or the influence of the enterprise on the people responsible for resource allocation. Government also used to decide the amount of resources that could be raised by an enterprise and the terms of such raising. The two critical outcomes of any market, namely, quantity and price, used to be determined by a central authority and not by invisible hands of the market. Following the repeal of the Capital Issues (Control) Act, the Securities and Exchange Board of India (SEBI) came up with disclosure based regulations. These Regulations require the prospective issuers of securities to make full and accurate disclosure about themselves and their projects and products and allow the investors to make informed investment decisions. Now the market decides the quantity of resources to be allocated to each of the competing enterprises and also the terms of each such allocation, including the price of securities. This transformed the primary market as under:

(a) Free entry and exit: An eligible issuer may issue securities at any time following the due procedure. It is free to exit from the market at any time following the exit procedure. These procedures are respectively called listing of securities of the issuer on stock exchanges and delisting of such securities from stock exchanges. Only those issuers who continue to serve investors (buyers of securities) satisfactorily continue to remain listed on the exchanges and those failing to do so, are forced to exit. Further, every issuer has the choice to issue securities in overseas markets, in addition to or in lieu of issuing securities in domestic market.

(b) Large participation: The number of investors (buyers of

securities) - domestic and foreign, retail and institutional - in market for securities is very large. BSE Ltd. has about three crore registered investors. NSDL has 1.4 crore investor accounts. Over the last two decades, the number of investors has been increasing with increasing liberalisation of foreign investment regime and relatively higher growth rate of the Indian economy. The number of institutional investors and the investible resources with them is also increasing over the years. There are about 50 mutual funds, 150 alternate investment funds, and 1500 foreign portfolio investors. These investors have the option to buy in primary market and / or in secondary market and also the option to buy in Indian market and / or overseas markets. There are also a large number of sellers (issuers of securities), though not of the same scale as buyers. There are about one million companies registered in India and each of them is a potential issuer of securities, in addition to other kinds of issuers. A large variety of issuers such as companies, mutual funds, collective investment schemes, venture capital funds, promoters of companies, etc. issue a variety of securities such as equity, debentures, units of mutual funds, depository receipts, etc. Some of these are available only to institutional investors while others are available to every investor. Each of these securities has certain common fundamental features and broadly meets the same prime objective of every investor. In competition parlance, these securities are interchangeable or substitutable by investors, by reason of characteristics, prices and intended use, and, therefore, constitute the relevant product market. There is intense competition amongst a large number of sellers to sell their securities to raise resources from the relevant market. There is also an intense competition among a large number of buyers to buy securities of their choice in the relevant market. It may, however, be noted that each security is a unique product. Although the issuer of each security is, strictly speaking, a monopolist, in effect, he is part of a competitive market because of the presence of a large number of slightly differentiated securities in the relevant market.

(c) Perfect information: In a clear departure from the past, the securities market firmly adopted the disclosure based regulatory regime. The disclosure requirements have strengthened over time. Every issuer now makes a disclosure of full and accurate







➤ Every issuer now makes a disclosure of full and accurate information about itself, the securities, and the rules governing transactions of such securities, based on which investors take informed decisions and assume responsibility for the same. It also makes continuous disclosures as long as the securities remain listed on stock exchanges. The disclosed information enables a potential investor to decide whether to undertake transactions in securities market, and if so, in which securities and at what prices, and through which intermediary. The disclosure regime enhances equity as all participants have equal access to the required information and no one benefits exclusively or at the cost of others from information.

information about itself, the securities, and the rules governing transactions of such securities, based on which investors take informed decisions and assume responsibility for the same. It also makes continuous disclosures as long as the securities remain listed on stock exchanges. The disclosed information enables a potential investor to decide whether to undertake transactions in securities market, and if so, in which securities and at what prices, and through which intermediary. The disclosure regime enhances equity as all participants have equal access to the required information and no one benefits exclusively or at the cost of others from information.

- (d) No market power: Earlier, the issue price of securities used to be decided by a central authority based on its own perception of merits. In the initial days of reforms, the issuers were allowed to decide the price and justify the same in the prospectus. The issue could go through only if enough investors bought the securities at the said price. The issuers now generally adopt book building process that allows investors to discover the issue price of securities. An investor transacts at the price discovered by the invisible hands, based on its own assessment of the prospectus. This does not rule out the possibility of an issuer offering the securities at prices higher than what the market can bear, though what the market can bear is sometimes elusive. Then the transaction would not go through as there would be no buyers. There clearly remains

a possibility that a few issuers or investors join hands to manipulate prices to their advantage. This would, however, be illegal and attract penal consequences.

## Secondary Market

This is the market where existing securities and derivatives on securities are traded among the investors. Till early 1990s, the stock exchanges used to have trading halls. There were about 20 such trading halls spread all over the country. Howsoever big a hall might be, it could accommodate a limited number of participants at any point of time. This obviously limited the number of participants. As a consequence, a key element of competition, namely, large number of buyers and sellers was missing. This was addressed by the introduction of screen based trading system which enables millions and millions of people spread all over the world to access the trading platform simultaneously. A typical trading system today enables processing of about 5 lakh orders in a second. It enables the participants - small or big - to trade anonymously and thereby provides equal access to everybody. No participant is big enough in this market to determine, or even influence, the price and every participant is a price taker. It allows the participants to see the whole market themselves on real time basis, making it transparent. It allows faster incorporation of price sensitive information into prevailing prices thus increasing informational efficiency of the markets. Every market participant has choice to enter or exit the market at any point of time. The screen based trading system thus allows invisible hands of the market to determine the price and the quantity of the transactions of securities. The secondary market has all the elements of perfect competition in letter and spirit. It is better than the primary market from competition perspective as it has a large number of participants even on the sale side at any time and the identity and consequently the market power of a participant is not known to any other participant. Of all components of securities markets, the secondary market for securities probably comes closest to perfect competition and its transition to this state is most remarkable.

## Market for Corporate Control

The primary market enables comparison and evaluation of various alternate, competing uses of capital and ensures channelization of capital to the entities where the expected return is the highest.





# Article

Towards Competitive Securities Markets

However, after the capital is allocated through primary market to an entity for a particular use, there is no guarantee that people behind the entity would always deliver the best potential return. In case they fail, the market for corporate control brings in a different set of people who can realise the full potential of the entity. This allocates entities / productive assets in the form of going concerns to the highest bidder and ensures the highest possible return on capital on a continuous basis. It infuses competitive pressures by holding the threat of bringing in more efficient/competent people to manage the entity, if the existing management runs the entity below its potential. This is how the market for control, otherwise known as 'takeover', contributes to higher return on capital and consequently, economic development.

There is a well-crafted, fair, equitable and transparent takeover mechanism in place which promotes competition for control. It is mostly a mirror image of issue of securities in primary market. Here one person buys the securities from a large number of holders of securities. The market has the very same competitive elements as the primary market has. What makes this market more competitive than the primary market is that the buyers as well as the sellers of securities have the option to buy / sell the same securities on stock exchange as well as on OTC and there is a fair and effective competition among acquirers to take over the entity by outbidding the others.

## Market for Services

The market for securities uses the services of a large number and variety of service providers, namely, intermediaries (such as stock brokers), infrastructure institutions (such as stock exchanges), and technology enablers (such as STP providers) for a variety of transactions. A person meeting the eligibility norms for rendering a particular service in securities market applies to SEBI for registration as a service provider. If the applicant complies with the eligibility norms, SEBI has no option but to grant registration. Once registered as a service provider, it has the option to close the operations at any time. It can be deregistered on failure to comply with various ongoing requirements of registration. This ensures free entry and free exit of service providers and the number of such providers varies depending on what the market can bear. For example, the number of merchant bankers reduced from 155 in 2007-08 to 134 in 2008-09 only to increase to 164 in 2009-10. The market shares of service providers changes very fast from time to time and often a big one is pushed out of the market in no time. The service providers compete among themselves to do better than the others in terms of quality, choice, price, etc. and none of them, at least in theory, has the market power to determine the price for its services. Thus, the market moved from the requirement of a license to a requirement of registration and the market, rather than an exchange or the regulator, decides the number of service providers and the fees for their services. Let us look at more closely the markets for two important services.

## Market for Broking

Till 1985, only individuals were allowed to provide broking services. The rules, then in vogue, prohibited a company from becoming a broker of a stock exchange. This limited the ability of a broker to service a large number of clients as well as to provide value added services. In course of time, the restriction on companies to render broking was removed. Further, the exchanges used to be mutual associations of a limited number of brokers. This was so because the number of brokers that could participate in the market was limited by the size of the trading hall and the ability of the exchange to regulate the brokers was limited. One could become a broker of an exchange only if another was quitting and hence broking carried huge premium. Two stock exchanges (OTCEI and NSE), which came up in early 1990s with demutual structure, made broking available on tap. With corporatisation and demutualization of stock exchanges in 2005, the broking became available on tap in all exchanges. A person interested and eligible now acquires broking of an exchange and also surrenders the same depending on its commercial considerations. This introduced competition among brokers which reduced broking fees to less than one tenth of what it used to be in 1990s and improved the range and quality of broking services drastically.

## Market for Trading

The stock exchanges had physical trading halls where brokers used to assemble and trade securities among themselves. The law then required that every company making a public issue of securities must be listed on the regional exchange and every trade in securities in the vicinity of a stock exchange must take place on that exchange only. Hence every exchange had geographical limitations and some captive business, which precluded competition among exchanges. The country had about 25 exchanges with areas allocated to them and each exchange in some sense was a monopolist in that area.

Times changed with the infusion of technology into trading platform. Technology enabled exchanges to provide nation-wide trading facilities and even beyond, while withdrawal of various restrictions allowed the exchanges to compete among themselves. However, the technology empowered trading platform of a stock exchange carried the essentials of a natural monopoly. The trading platform is such that the initial fixed costs of setting it up is very high, while marginal cost of allowing an additional transaction is close to zero. With increase in trading volumes, the average cost of trading falls, reflecting the presence of economies of scale. Given that there is no limit to expand the processing capacity of a trading platform, particularly with increasingly potent technologies unveiled every day, the economies of scale drives trading platform towards monopoly. This tendency gets exacerbated by network externalities. Investors gravitate towards the venue which offers better liquidity. In other words, liquidity begets liquidity. An exchange which operates below the threshold of optimal liquidity is likely to lose market share while another operating above the threshold is likely to emerge dominant. This explains why the business moved away from exchanges with antiquated technologies to the



➤ Stock exchanges, in India and overseas, dole out money routinely under liquidity enhancement programmes for every trade executed on their platform, let alone charging any fee for the same. This is not considered anti-competitive as it is intended to develop the market. Thus, a similar conduct is considered anti-competitive under one circumstance and not so under another. It is not material if a service provider charges a fee or not. It is anti-competitive only if the pricing is intended to eliminate competition.

exchanges which adopted superior technology and best practices in the 1990s. As a consequence, about a dozen exchanges are reporting zero turnover over decades, while there are a handful of active exchanges in Indian securities market, with the leader having an enviable dominant position. The natural monopoly of active trading platforms serves as a strong entry barrier. A new trading platform can come up under only two circumstances, namely, (a) an existing platform loses trust of the market because of its governance failure, and / or (b) a new platform comes up with an innovation in terms of vastly superior technology, business model or product offerings.

There is a similar dominance in market for services provided by other market infrastructure institutions, such as, depositories and clearing corporations. There are a few large or dominant players in the market for some other services. The dominance usually enables a service provider to operate independently of competitive forces prevailing in the relevant market or to affect their competitors or consumers or the relevant market in their favour. It is, however, important to note that despite dominance, the competition is pretty high as evidenced by substantial decline in prices or improvement in quality of these services over the years. It may also be noted that the dominance or monopoly per se is not bad, only its abuse is. It is possible to pre-empt abuse by regulatory fiat, while benefiting the market from natural monopolies. Nevertheless, such entities need to take extra care to avoid abuse of dominance. They can't, for example, charge an unfair price for their services, deny market access to any body, or restrict scientific or technological development relating to goods or services to the prejudice of consumers. Since some of the service providers have huge assets and turnover and have a substantial market share, they must not merge or combine their businesses in a manner that causes or is likely to cause appreciable adverse effect on

competition, without approval of the Competition Commission of India (the Commission).

### III. TWO CRITICAL ELEMENTS OF COMPETITION

It is useful to have a clear import of two critical elements used in the context of perfect competition.

#### Price

Price is a very sacrosanct element of a competitive market. Any conduct that determines price is considered anti-competitive unless justified otherwise. The prices of securities are discovered through invisible hands of the market and any attempt to render invisible hands ineffective is frowned upon. However, most of securities services are not standardised and not homogenous. The market for services does not always have a large number of participants on both sides. Let us examine a little more closely the prices of a few services in the securities market.

A stock exchange provides a number of services. A large part of its revenue in India, however, comes from the use of its trading platform. It usually levies a fee from users for use of its trading platform. In one case, a stock exchange, which was having income from fees for use of its trading platform for trading of equities and equity derivatives, did not charge any fee for use of its trading platform for trading of currency derivatives. Another stock exchange, which was providing facilities for trading of currency derivatives only, could not charge any fee as it would mean substantial loss of business. This led to an allegation of predatory pricing by the former stock exchange. The Commission considered the matter and, by a majority order, found the conduct of the former exchange to be abuse of dominance and hence anti-competitive. The matter is pending before the Supreme Court to reach finality. This may be contrasted with the fact that the stock exchanges, in India and overseas, dole out money routinely under liquidity enhancement programmes for every trade executed on







➤ The direct transfer of benefits to consumers is preferred over subsidy through prices of goods or services because it does not distort the relative price structure and thereby does not influence the choice of consumers and / or producers in the society. In line with this principle, the securities market should offer neutral choices to market participants. It should treat all kinds of participants, products and transactions on the same level playing field. If it imposes higher transaction charges or a higher regulatory scrutiny to one kind of transaction or product as compared to another, it would distort the choice of issuers or investors in favour of some products or transactions.

their platform, let alone charging any fee for the same. This is not considered anti-competitive as it is intended to develop the market. Thus, a similar conduct is considered anti-competitive under one circumstance and not so under another. It is not material if a service provider charges a fee or not. It is anti-competitive only if the pricing is intended to eliminate competition.

It is important to put the price in right perspective. The supplier charges one price whereas the user suffers another price. For example, an exchange charges a price for use of its trading platform. However, the user suffers a price which includes user charges of an exchange. A lower user charge of a trading platform does not mean that everybody will prefer to use that platform to other platforms. One would prefer that trading platform where the aggregate cost of transaction is lower, and not where an element of transaction cost is lower. The transaction cost includes impact cost (or bid-ask spread) as well as user charges (exchange charges, depositary charges, broking charges, etc.) and statutory levies (securities transaction tax, stamp duty, SEBI charges, etc.) The impact cost is very high in an illiquid market. One would not trade on a trading platform where liquidity is less even if the explicit transaction costs are lower. Similarly, one would prefer trade on a liquid platform even if explicit transaction costs are higher. This means that the charge for use of the trading platform or broking charges can be far less significant where the market is developed or liquidity has emerged.

Enterprises occasionally set the minimum prices below which the dealers / retailers are not allowed to sell their products. This is considered anti-competitive as this restricts the freedom of dealers / retailers to sell below the specified price and their ability to compete in terms of price. In contrast, the securities market has instances of prescribing maximum prices for certain services in the interests of investors. For example, the stock exchanges have specified maximum brokerage of 2.5% that can be charged by a broker. Some feel that such a prescription is anti-competitive as the maximum permissible fees may not be large enough to induce brokers to service small clients or clients in far off distant locations. However, this has not faced objection from competition perspective as the limits have been rendered irrelevant by technology and competition which together have reduced the brokerage to less than 0.1% for most of the transactions. Some feel that this level of brokerage is unviable for broking and continuing downward trend of the brokerage is detrimental to the customers in the long run. Reportedly, an association of brokers asked the regulator to set a minimum brokerage rate and that was, however, rejected as it would have been anti-investor.

Recently, the association of mutual funds has capped the upfront commission paid by asset management companies to the distributors selling schemes at 1% of the sales. This is probably intended to partially address the conflict of interests inherent in a distributor advising and selling mutual fund units simultaneously. The cap on upfront commission has in the past brought down the churning by investors. This well intentioned measure could raise concerns from competition perspective. According to press reports, this may make entry of new mutual funds difficult as they may not be able to sell units of mutual funds at this rate of commission. This may also come in the way of growth of close ended funds which do not give trail commission or on the way of mutual funds selling units in distant locations. This has, however, not come under competition lens as it is predominantly an investor protection measure.

It is extremely difficult to take a view if a particular price (or even conduct) is anti-competitive. It solely rests on the rule of reason - substantial economic reason tampered liberally with law. It is possible that the same price can be appreciated under one circumstance, but deprecated under another. Similarly, two opposite prices can invite the same fate. For example, a stock exchange may charge a positive fee, a negative fee or a zero fee for providing its services to users and none of these could be anti-competitive depending on the context. Similarly, a service provider may charge fees at different rates - lower than costs in some cases and higher than costs in some other cases - depending on the time of a transaction, volume of a transaction or strength of its relationship with a client and such differential or below cost pricing may not be anti-competitive. The regulator has set limits on prices (called circuit breakers) of each security and of the market for securities as a whole beyond which prices are not allowed to move in a day. Such limits are not considered anti-competitive



because these aim to secure market integrity. Thus, though price is the first indication of anti-competitive conduct, one needs to examine facts and circumstances surrounding each price.

## Competitive Neutrality

In any public policy regime, neutrality is an important principle. The direct transfer of benefits to consumers is preferred over subsidy through prices of goods or services because it does not distort the relative price structure and thereby does not influence the choice of consumers and / or producers in the society. In line with this principle, the securities market should offer neutral choices to market participants. It should treat all kinds of participants, products and transactions on the same level playing field. If it imposes higher transaction charges or a higher regulatory scrutiny to one kind of transaction or product as compared to another, it would distort the choice of issuers or investors in favour of some products or transactions. For example, it is believed that huge turnover in derivatives in comparison to that in underlying securities is partly because the derivatives transactions attract lower securities transaction tax. It should, therefore, be the endeavour of the authorities and market infrastructure institutions to impose such taxes, fees, or regulatory burden as do not distort the choice of issuers or investors.

The ease with which one chooses one's suppliers or consumers is equally important. In the securities market context, this means that an investor can really take advantage of neutrality if it is possible for her to shift her account from one service provider to another without much hassle, similar to portability of telephone number. This would require the regulatory regime to promote costless or low cost shifting of demat account, broking account, bank account, etc. from one service provider to another. It should not be necessary for a customer to have all the three accounts with one service provider or service providers in a group. No service provider should have captive customers. This would unleash competition between the existing service provider who would try hard to retain a customer and a potential service provider who would try hard to snatch away that customer. There is reasonable competitive neutrality in this sense in case of securities. An investor can move away from one company by selling of her securities at any time she wishes.

To get a more holistic picture of competition in the securities market, we need to expand our framework to include competitors from abroad - investors as well as issuers. We need to see the market as having broadly four sets of economic agents: domestic

investors, domestic issuers, foreign issuers and foreign investors. They must have full freedom to access or provide capital within the extant capital control regime and the regulatory regime of India should not ideally distort their choice. They may choose one option over another depending on their own goals and strategy and not because regulations make one option more attractive over the other. It would mean, for example, that a foreign investor would have equal access to an Indian company regardless of whether she chooses to make direct investment in its securities or through depository receipts on its securities. Similarly, an Indian investor would have equal access to a foreign company either through direct investment in its securities or through depository receipts on its securities. The same kind of neutrality among choices should be there for issuers as well. Neutrality vis-à-vis foreign players will make Indian securities market globally more competitive, because it is only by achieving higher efficiency that it can (a) attract foreign companies and foreign investors to undertake transactions in Indian securities market, and (b) discourage domestic companies and domestic investors from undertaking transactions in securities markets overseas.

## V. CONCLUSION

At least at macro level, it is evident that the principles of competition are firmly ingrained in the Indian securities markets. The degree of competition obviously differs across relevant securities markets, such as, market for each product, market for each service, market for each kind of transaction, market in each geographical location, market at a point of time, etc. It is useful to assess competition for the relevant securities market by using the parameters important from the user's perspective. A general framework of assessment at macro level is suggested in Table 1. The market segments listed in the Table are only illustrative.

It may be noted that no element included in Table 1 is sacrosanct and there can be 'n' reasons to justify presence or otherwise of any of these at a market place. The absence of a feature of competition may have a nexus to a very important purpose. Further, the user needs to consider the extent of presence of an element, as mere presence does not make a market competitive or anti-competitive. If the extent of presence of a feature is high, the market is likely to be more competitive. There can, however, be situations where excess of a feature of competition (such as disclosure of information) could be anti-competitive. The user needs to apply mind to particular facts and circumstances in a given context. She can observe herself for each relevant market as to how competitive it is in terms of requirements, features and outcomes. She can also take a view about the entire securities market by summing up her observations about each relevant market. It is important to note that outcome could be competitive even if the relevant market does not have all the features of competition. It is also important to note that a market could be competitive in the presence of market imperfections such as externalities or information asymmetry if there are arrangements to mitigate them.





**Table 1: Suggested Framework for Analysing Competition in Securities Markets**

Description	Elements	Markets for				
		Securities		Control / Takeover	Services	
		Primary Market	Secondary Market		Broking	Exchange
Requirements of Competition	Freedom of Participants					
	Availability of Choices/Options					
	Free Entry of Participants					
	Free Exit of Participants					
	No Cap on Number of Participants					
	Consumer Portability					
	Mitigation of Externalities					
	Interventions for Market Failure(s)					
	Neutral Laws and Policies					
	Ease of Doing Business					
	Secure Property Rights					
	Prompt Contract Enforcement					
Rule of Law						
Features of Competition	Large Number of Participants					
	Perfect Information Symmetry					
	Every Participant is a Price Taker					
	Free Entry of Participants					
	Free Exit of Participants					
	Standardised Products					
Market Outcomes	Normal Profits					
	No Excess Capacity					
	Choices of Consumers					
	Quality of Products					
	Low Costs and Prices					
	Innovation					
	No Dominance / Market Power					
	Less Reliance on Regulation					

SEBI is the regulator for the securities market while the Commission is the regulator across markets on matters of competition. However, both have specified responsibilities and objectives. Since their actions can affect competition in securities markets, the competition law envisages consultation between them. It is possible that SEBI, in pursuance of its objectives, comes up with a measure or a decision which may have competition concerns. Similarly, the Commission, while promoting competition in markets, may come up with a measure or decision which may have concerns for the securities market. Further, a measure or a decision may not always promote the objectives of SEBI and the Commission simultaneously. An institutional mechanism for mutual consultation is perhaps helpful to address many such issues.

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# Recent changes in Listing Compliance requirements

- The focus of this article is to highlight the recent changes introduced for the enhancement of the disclosure by the listed corporates like disclosure of price sensitive information, fines for non-compliance of listing agreement, changes in the corporate governance, review of audit qualifications in financial statements, SEBI (Prohibition of Insider Trading) Regulations, Institutional Platform, etc.

## BACKGROUND

Indian capital market can be visualised as a composite whole of four segments; Primary Market, Secondary Market, Mutual Funds, Collective Investment Schemes (including portfolio management services, Alternative Investment Schemes). The Securities and Exchange Board of India (SEBI), during the last two and a half decades introduced and perfected a regulatory frame work which has virtually eliminated risk of intermediation.

Institutions like National Stock Exchange of India Limited (NSE), National Clearing Corporation Limited and National Securities Depository Limited have transformed Indian secondary markets into one of the safest amongst global level capital markets. Technology is fully utilised for common good of investors in general in the form of Online Screen based trading replacing age old Open Outcry system, Trading system accessible at the door step of the investor through internet, cell phone, Accounting Period trading cycles are replaced by T+2 Rolling settlement system, settlement with physical certificates is replaced by depository based settlements, cash transfers based on cheques and Demand Drafts is replaced by bank to bank electronic transfers and such other technology based reforms. The trading methods and processes are now comparable to most advanced stock exchanges in the world.

Stock Markets are safe today. Stock brokers are well regulated; margin collection, mandatory periodic settlements, restrictions on funding of clients by brokers, dispute resolution method with improved Investor Grievance Redressal Procedures, much simpler Arbitration Process to resolve disputes between broker and client, protection of investors' interest in case of broker default through payments for Investor Protection Funds are strong pillars erected by regulators to ensure safety of secondary markets.



\*Assisted by Rachna Vyas, Assistant Manager, NSE.



# Article

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- **Well-governed companies carry lower financial and non-financial risks and generate higher shareholder returns. They also have better access to external finance and reduce systemic risks due to corporate crises and financial scandals. Reliable financial reporting, timely disclosures, better boards and accountable management also facilitate development of stronger capital markets.**

World over the mantra for corporate success is “corporate governance “and the adherence by the corporate to the same. All over the world the regulators are enhancing the corporate governance level. It is about having companies, owners and regulators become more accountable, efficient and transparent, which in turn builds trust and confidence. Well-governed companies carry lower financial and non-financial risks and generate higher shareholder returns. They also have better access to external finance and reduce systemic risks due to corporate crises and financial scandals. Reliable financial reporting, timely disclosures, better boards and accountable management also facilitate development of stronger capital markets.

The OECD Principles are one of the 12 key standards for sound financial systems of the Financial Stability Board (FSB) and form the basis for the corporate governance component of the Report on the Observance of Standards and Codes of the World Bank Group. The rationale for the review was to ensure the continuing high quality, relevance and usefulness of the Principles taking into account recent developments in the corporate sector and capital markets. The outcome provides policy makers, regulators and other rule-making bodies with a sound benchmark for establishing an effective corporate governance framework.

The basis for the review was the 2004 version of the Principles, which embrace the shared understanding that a high level of transparency, accountability, board oversight, and respect for the rights of shareholders and role of key stakeholders is part of the foundation of a well-functioning corporate governance system. These core values were maintained and strengthened to reflect experiences since 2004.

As the Principles are a global standard also adopted by the FSB, all FSB member jurisdictions were invited to participate in the review as Associates and have the same decision-making rights as OECD members. The review benefited from consultations with stakeholders, including the business sector, investors, professional groups at national and international levels, trade unions, civil

society organisations and other international standard setting bodies.

In India in last two years several regulatory changes were made viz., passing of Companies Act, 2013, SEBI Prohibition of Insider Trading regulations replacing old regulations, total revamp of Take over regulations issue of guidelines on disclosure of price sensitive information, E-voting facility, new regime of regulation on Related Party Transactions, introduction of a trading platform for start-up companies, changes in corporate governance norms and recent introduction of the Listing Regulations, etc.

Regulators are surely moving towards enforcement of regulations as a fairly comprehensive regulatory frame work is already put in place.

All the changes together have resulted in definitely improved disclosure standards and compliance with disclosure and corporate governance norms.

The focus of the article is to highlight the recent changes introduced for the enhancement of the disclosure by the listed corporates like Disclosure of price sensitive information, fines for non-compliance of listing agreement, changes in the corporate governance, review of audit qualifications in financial statements, SEBI (Prohibition of Insider Trading) regulations, Institutional Platform, etc.

## RECENT CHANGES IN THE DISCLOSURE REGIME

### Changes in the Corporate Governance

SEBI has made various changes with the requirement of Corporate Governance to improve the governance and the disclosure by the corporates in India. Some of the key highlights are mentioned below:





- Appointment of at least one women director on the Board of the company
- Related party transactions approval by shareholders
- Familiarisation and Training programme for Independent Directors
- Nomination and Remuneration Committee
- Risk Management Committee.
- Performance evaluation of Independent Directors
- Separate meetings of the Independent Directors
- Mandatory Disclosure in Annual Report and website.

These measures have enhanced the compliance levels of the Indian Corporates, some of whom were already doing the same by following the global best practices and others were advised to follow by the necessary amendments by the regulator. The enhanced disclosures are also helping the investing environment in India by adopting global best practices in the compliance regime.

The differences between the SEBI Governance norms and the requirements of the Companies Act, 2013 are reflected in the following Table:

Sr. No.	SEBI Corporate Governance Norms	Companies Act, 2013
<b>Independent Directors related</b>		
1	The maximum number of boards a person can serve as Independent Director is restricted to seven and three in case the person is serving as a whole time director in any listed company.	The maximum number of directorships is capped at twenty, of which not more than ten can be public companies. However, no specific limit is prescribed for Independent Directors.
2	Two-thirds of the members of the Audit Committee shall be Independent Directors. The Chairman of the Audit Committee is to be an Independent Director.	The Audit Committee is to be formed with majority being Independent Directors i.e. more than half of the board to be independent. No specific requirement for the Chairman to be an Independent Director.
<b>Disclosures on websites</b>		
3	The letter of appointment of the Independent Director along with the detailed profile shall be disclosed on the websites of the company and the Stock Exchanges not later than one working day from the date of such appointment.	Schedule IV mentions that the terms and conditions of appointment of Independent Directors shall also be posted on the company's website.
<b>Others</b>		

4	The CEO/CFO certification on internal controls for financial reporting continues as per the earlier requirement.	There is no particular requirement of CEO/ CFO certification under the Act, however the requirement is for the board, is for the board comment on 'internal financial control'.
5	Boards of companies to satisfy themselves that plans are in place for orderly succession for appointments to the Board and senior management.	No specific requirement.
6	Under the non-mandatory requirements:  -The internal auditor may report directly to the Audit Committee.  -The company may appoint separate persons to the post of chairman and MD/CEO.	Under the Act:  -Section 138 suggests that the internal auditor should report to the board.  - Section 203 makes it obligatory to appoint separate persons to the post of chairman and MD/CEO unless the articles of the company provide otherwise or the company carries out multiple businesses.

As can be seen from the above, SEBI has taken concrete steps to give effect to the provisions of the Companies Act, 2013, through the corporate governance norms for listed companies. The new requirements seek to raise governance standards by bringing in greater transparency and reporting requirements. They require, in several places, the company to disclose its policies on compliance on its website and in the annual report. This can help in making the stakeholders fully aware of the significant matters on corporate governance. Most of the revised norms were effective from October 1, 2014, which is in line with the requirements of the Companies Act, 2013. The new requirements rest on a principle based framework and are significantly different from the earlier requirements.

## GUIDANCE NOTE ON DISCLOSURE OF PRICE SENSITIVE INFORMATION

The listed Companies are required to disclose the price sensitive information to the Exchange as per the listing agreement for the benefit of the investors to take the informed decision. The said clause specifies certain events like acquisition, scheme of arrangement, change in general character or nature of business, disruption of operations, strikes, revision, etc. which will have a bearing on the performance/operation of the company as well as price sensitive in nature. The regulator felt that on examination of the current disclosure made by the corporates no uniform information was being made available to the investors. Further, the material information disseminated by listed entities through various modes is, at times, not notified to the Stock Exchange(s). One of the reasons for such disparity appears to be lack of sufficient clarity on





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'materiality' and 'price sensitive information'. Further clause 36 in the listing agreement only highlights certain material events and the same is left to the judgement of the Companies and the disclosure are also not detailed out in terms of the contents of the same. To help listed entities to make more comprehensive disclosures relating to indicative list of such material the Exchange has introduced the policy on disclosure of price sensitive information in the form of guidance note.

In the last 12 months of the existence of the same it is observed that the same has helped the listed Companies to bring out consistency in the disclosure of the information of the various types. As per the Guidance note there is a policy that all listed entities need to adopt for determining the authority for making disclosure within the entity that is entitled to take a view on the materiality of an event that qualifies for disclosure under Clause 36 to decide the appropriate time at which such disclosure is to be filed with the Exchange and details that may be filed in the best interest of present and potential investors. The authority could be Board of Directors or CEO or an operating committee of senior level Executives or Key Managerial Personnel (as defined under Companies Act, 2013) etc., as decided by the management of the Listed Entity. It may be noted that the onus of ensuring that the information disclosed to the Exchange is duly authorised to be disclosed as such, lies with the listed entity only and the Exchange shall assume that any disclosure received has been duly authorized.

The Exchange, based on the guidance note has also sought clarification from the corporate for non-disclosure of the certain information as per the guidance note. From the information analysed it is observed that the companies are not making adequate disclosure in cases of acquisition, scheme of arrangements and the said information is provided by the corporate on seeking clarification from the corporate. There are also corporates which are always compliant with all the necessary provisions of the guidance note. The said guidance note has helped the corporates to bring consistency and directions on the disclosure of price sensitive information which was not available in the past. The



guidance note has also helped to improve the disclosure to the investors to take the informed decision on the price sensitive information disclosed by the companies.

SEBI has issued Circular dated September 9, 2015 detailing Continuous Disclosure Requirements for Listed Entities. In order to enable investors to make well-informed investment decisions, timely, adequate and accurate disclosure of information on an ongoing basis is essential. Also, there is a need for uniformity in disclosures made by listed entities to ensure compliance in letter and spirit. Towards this end, Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") deals with disclosure of material events by the listed entity whose equity and convertibles securities are listed. Such entity is required to make disclosure of events specified under Part A of Schedule III of the Listing Regulation. The Listing Regulations divide the events that need to be disclosed broadly in two categories. The events that have to be necessarily disclosed without applying any test of materiality are indicated in Para A of Part A of Schedule III of the Listing Regulation. Para B of Part A of Schedule III indicates the events that should be disclosed by the listed entity, if considered material. This Circular shall be effective from December 1, 2015.

## FINES FOR NON-COMPLIANCE WITH THE PROVISIONS OF LISTING AGREEMENT

The Regulations related to listed companies were not exhaustive and hence the SEBI has brought in enforceable provisions. The regulatory function of stock exchanges was in the past mostly limited to issuing circulars /rules and clarifying aspects of existing frameworks/ regulations. In the current scenario, monitoring of compliances, understanding the adequacy and accuracy of disclosures submitted by the Companies have become utmost important. In a way, the regulatory teams perform the role of *Brahma, Vishnu and Mahesh*. *Brahma* (the Start) signifying allowing listing of new companies, securities; *Vishnu* (the Maintainer) signifying the maintenance and betterment of markets and *Mahesh* (the Eliminator) signifying elimination of unwanted in terms of delisting, suspension etc. In order to do this, the regulator has given enforcement powers to the Exchanges.

SEBI has introduced a graduated penalty structure for non-compliance with listing agreement. The penalty structure starts with simple monetary penalty, transfer of security to trade for trade segment, freezing of promoter holding and finally suspension of company.

For following clauses provide a uniform framework across exchanges to take action for non-compliance;

- Clause 31 – Annual Reports
- Clause 35 – Shareholding Pattern



➤ SEBI, in its continuous endeavour to enhance the quality of financial reporting being done by listed companies, has to put in place a system to monitor the audit qualifications contained in the audit report accompanying the audit annual financial statements submitted by listed companies.

#### Clause 41 – Financial Results

- Clause 49 – Corporate Governance Report
- Reg. 55A – Reconciliation of Share Capital Audit

Actions/steps taken for non-Compliance are; First default – imposition of fines Second default –

- fines
- moving to 'Z' category
- freezing of promoter shareholding
- suspension

During the year 2014-15, NSE has levied penalty on 121 companies amounting to Rs. 14.85 crores; number of companies transferred to BZ series is 28; promoters holding frozen for 18 companies and 16 companies were suspended for non-compliance.

SEBI has also introduced a fine for non-appointment of women director on the board of the listed corporates post prescribed time limit. The said circular also prescribes the enhanced fines if non-compliance continues and the same may result into a higher fines post September 30, 2015 and any other action, against the non-compliant entities, their promoters and/or directors or such other directions in accordance with law, as considered appropriate by SEBI.

Such actions are helping the Exchange to improve the compliance levels in the listed corporates and the message is very clear to the listed corporate to make timely disclosure to the investors else face the consequence of fines and further actions. Timely disclosures by listed corporates help the investor for knowing the current status of the Company which includes compliance status of the Company.

## REVIEW OF AUDIT QUALIFICATIONS IN FINANCIAL RESULTS

Clause 31(a) of Equity Listing Agreement, inter-alia, requires listed companies to submit annual report containing audited annual financial statements to the stock exchanges. SEBI, in its continuous endeavour to enhance the quality of financial reporting being done

- by listed companies, has to put in place a system to monitor the audit qualifications contained in the audit report accompanying the audit annual financial statements submitted by listed companies.

Accordingly, listed companies shall now be required to submit the following forms, as may be applicable, along with copies of annual reports submitted to stock exchanges:

- Form A: Unqualified/Matter of Emphasis Report.
- Form B: Qualified/Subject to/ Except for Audit Report.

These forms shall be signed by the (a) Chief Executive Officer / Managing Director, (b) Chief Financial Officer, (c) Auditor and (d) Chairman of the Audit Committee. The information submitted as per these forms shall also draw attention to relevant notes in the annual financial statements, management's response to qualifications in the Directors' report and comments of the Board/ Chair of the Audit Committee.

SEBI has constituted the 'Qualified Audit Review Committee' (QARC) with representatives from Institute of Chartered Accountants of India (ICAI), stock exchanges, etc. The QARC reviews the cases received from the stock exchanges and guide SEBI in processing the qualified annual audit reports referred to by the stock exchanges. After analysing the qualifications in audit reports, QARC may make following recommendations:

- If, prima facie, QARC is of the view that an audit qualification is not significant, it may suggest steps for rectification of such qualification;
- If, prima facie, QARC is of the view that an audit qualification is significant and the explanation given by the listed company concerned / its Audit Committee is unsatisfactory, the case may be referred to the Financial Reporting Review Board of ICAI (ICAI-FRRB) for their opinion on whether the qualification is justified or requires restatement of the books of accounts of the listed company;
- If an audit qualification is not quantifiable, QARC may suggest rectification of the same within a stipulated period.





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If ICAI-FRRB opines that an audit qualification is justified, SEBI may ask the listed company concerned to restate its books of accounts in compliance with the statutory requirements and inform its shareholders about the same by making an announcement to the stock exchanges. SEBI may also direct the listed company concerned to reflect the effect of these restatement adjustments in the annual report of the subsequent financial year.

Based on the recommendation of the QARC, SEBI advises the Exchange to communicate the necessary action to the listed companies.

## INTRODUCTION OF LISTING REGULATIONS, 2015

The Securities Contracts (Regulation) Act, 1956 mandatorily requires every entity whose securities are listed on a stock exchange to comply with the conditions of the listing agreement with that stock exchange, which essentially provides for the initial and continual disclosure norms for such persons. With effect from December 1, 2015 Listing Agreement will be replaced by Listing Regulation, 2015.

The Listing Regulations have been sub-divided into three parts i.e. (a) the main body of Regulations provides for substantive provisions; (b) Schedules to the Regulations provide for procedural requirements and (c) Circulars by SEBI which would prescribe the forms of disclosures. More importantly, most of the provisions of the Listing Regulations have been well aligned with the provisions of the Companies Act, 2013.

SEBI has introduced overarching common obligations with respect to filing of information, responsibilities of compliance officer, fees etc. applicable to all types of listed securities and also, provided for specific obligations for each type of securities.

As per the notification, a time period of ninety days has been given for implementing the Regulations. However, two provisions of the regulations in the revised rules, which are facilitating in nature, are applicable with immediate effect.

### Highlights of the Listing Regulations:

The Listing Regulations, 2015 have been divided into the following two parts –

1. Substantive provisions incorporated in the main body of regulations and
2. Procedural requirements in the form of schedules to the regulations.

The two provisions which came into effect immediately are –

1. The requirement of passing of ordinary resolution instead


of special resolution in the case of all material related party transactions subject to related parties abstaining from voting on such resolutions, in line with the provisions of the Companies Act, 2013.

2. The re-classification of promoters as public shareholders under various circumstances.
- The latest set of norms also provide broad principles for periodic disclosures by listed entities, apart from incorporating corporate governance principles.
  - A shortened version of the listing agreement would be prescribed and has to be signed by the company. Furthermore, existing listed entities will be required to sign the same within six months of the notification of the regulations.
  - All disclosures required to be made on the website of the listed entity have been enumerated at a single place for ease of reference and all requirements pertaining to disclosures in the annual report have been combined.
  - Obligations which are applicable to specific types of securities have been incorporated in separate chapters.
  - Stock exchanges will be responsible in ensuring companies comply with the listing obligations, and in the case of non-compliance, action can be taken against the entities.

## SIGNIFICANCE

The Listing Regulations have been structured to provide ease of reference by consolidating into one single document across various types of securities listed on the stock exchanges. This would further streamline the provisions of existing listing agreements for different segments of the capital market namely equity, including convertibles bonds, issued by entities listed on the main board of the stock exchanges, small and medium enterprises listed on SME Exchange and Institutional Trading Platform, non-convertible debt securities, non-convertible redeemable preference shares, Indian depository receipts, securitized debt Instruments and units issued by mutual fund schemes.

## CONCLUSION

The recent regulatory change focuses on empowering investors with qualitative and timely information about the functioning of the corporates to make informed decision by the investors. The initiatives by the regulators have also seen enhanced shareholder activism in the form of general meeting resolution not being approved by the shareholders. With introduction of SCORES, the Regulators have an eye on Investor Complaints, thereby mandating the Listed Corporates to resolve the same on fast track basis. From all these initiatives by Regulators, it can be observed that quality of disclosures and compliance standard by the Companies have improved. 





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# Related Party Transactions – Approval, Disclosures & Reporting under SEBI's Listing Regulations

- SEBI has notified (Listing Obligations and Disclosure Requirements) Regulations, 2015 on Sept. 2, 2015, which are effective from Dec. 1, 2015. The Listing Regulations consolidates and streamlines the provisions of existing Listing Agreements for different segments of the capital market. There has been a change in the mode of obtaining shareholders' approval, making disclosures and reporting of certain Related Party Transactions ('RPTs'). There is also a change in the timelines with respect to compliances. The article contains the analysis and impact of such changes w.r.t. the basic provisions, disclosures, reporting and approval requirements of RPTs by listed entities.

## INTRODUCTION

**O**n March 22, 2015, the SEBI Board reviewed<sup>1</sup> the requirements pertaining to the disclosures being made by listed companies on continuous basis with a view to enable investors to make well-informed investment decisions. In this meeting the SEBI Board had approved changes to the proposed SEBI (Listing Obligations and Disclosure Requirements) Regulations. Some of the approved changes include the following:

- (i) Listed company shall first make disclosure of all events/information, to stock exchange(s), as soon as reasonably practicable and not later than 24 hours of occurrence of event/information;

- (ii) Disclosure of outcome of board meetings shall be made within 30 minutes of conclusion of the meeting of Board of Directors;
- (iii) In addition to current requirement of making disclosure at the time of occurrence and after the cessation of the event, updation of disclosure on 'material' developments shall also be made on a regular basis till such time the event/information is resolved/closed with relevant explanations;
- (iv) Listed company shall disclose on its website all events/information which has been disclosed to stock exchange(s) and such information shall be hosted for a minimum period of 5 years and thereafter as per the archival policy of the listed entity, as disclosed on its website;

After elaborate deliberation and consultation process, SEBI

<sup>1</sup> (Vide SEBI Press Release No. 70/2015)



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Related Party Transactions – Approval, Disclosures & Reporting under SEBI's Listing Regulations

➤ The Listing Regulations consolidates and streamlines the provisions of existing listing agreements for different segments of the capital market. According to the SEBI Press Release, the Listing Regulations have thus been structured to provide ease of reference by consolidating into one single document across various types of securities listed on the Stock exchanges.

notified<sup>2</sup> the Listing Obligations and Disclosure Requirements, Regulations, 2015 ('Listing Regulations') on September 2, 2015. Vide the notification, SEBI has provided 90-days for implementation of the Listing Regulations. However, following two provisions of the Listing Regulations are applicable with immediate effect:

- (i) Passing of ordinary resolution (instead of 'special resolution') in case of all material related party transactions subject to related parties abstaining from voting on such resolutions, in line with the provisions of the Companies Act, 2013, and
- (ii) Re-classification of promoters as public shareholders under various circumstances.

The Listing Regulations consolidates and streamlines the provisions of existing listing agreements for different segments of the capital market. According to the SEBI Press Release, the Listing Regulations have thus been structured to provide ease of reference by consolidating into one single document across various types of securities listed on the Stock exchanges. SEBI has clarified that a shortened version of Listing Agreement (2 page approximately) will be prescribed which will be required to be signed by a company getting its securities listed on Stock Exchanges. Existing listed companies will be required to sign the shortened version within 6 months of the notification of the regulations.

The article is an analysis of the basic provisions, disclosures, reporting and approval requirements of Related Party Transactions ('RPTs') under the SEBI's Listing Regulations, along with the impact on corporates and practicing professionals by introduction of the Listing Regulations.

## Basic concepts and essentials of RPTs under the SEBI's Listing Regulations

- (i) Related Party Transaction: Clause (zc) of Regulation 2 of the Listing Regulations defines RPTs as transfer of resources, services or obligations between a listed entity and a related

party, regardless of whether a price is charged and a 'transaction' with a related party shall be construed to include a single transaction or a group of transactions in a contract. The definition of RPTs in the Listing Regulations is in alignment with the Clause 49 of the Listing Agreement;

- (ii) Relative: Clause (zd) of Regulation 2 of the Listing Regulations defines 'relatives' as defined under sub-section (77) of section 2 of the Companies Act, 2013 and rules prescribed there under. The definition under the Listing Regulations have been aligned with the Companies Act, 2013, which was not the case under the Listing Agreement;

**Related Party:** 'Related Party' has been defined in Clause (zb) of Regulation 2 of the Listing Regulations to mean 'related party' as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable Accounting Standards (which can be Accounting Standards or Indian Accounting Standards). Pursuant to the Listing Regulations, the listed company is at a liberty to apply any definition of 'related party' whether under the Companies Act, 2013 or Accounting Standards. Depending upon the selection of the definition (i.e. Companies Act, 2013 or Accounting Standards), the scope and coverage of 'associate company', 'holding company', 'subsidiary company' will change. Vide the proviso to the sub-regulation, SEBI has clarified that the definition of 'related party' is not be applicable for the units issued by Mutual Funds which are listed on a recognised stock exchange(s).

**Essentials for RPT compliance by listed Companies under the Listing Regulations:** It is very important to first identify the trigger point of compliance of the RPT provisions under the Listing Regulations. If the listed company fails to identify any of the trigger point, then compliance of the Listing Regulation is not contemplated appropriately. Following all three conditions which ought to be satisfied for compliance and disclosures:

- (i) Transacting company is a 'listed company',
- (ii) Such transacting company enters into a 'prescribed transaction', i.e. a prescribed 'related party transaction' as defined in Listing Regulations,
- (iii) Such transaction by the listed company is with a 'related party', i.e. as defined in the Listing Regulations.

If all the above conditions are satisfied, then the listed company is required to comply with the Listing Regulations for the compliance of the RPT provisions.

Vide sub-regulation (6) of Regulation 23 of the Listing Regulations, SEBI has clarified that the provisions of the Listing Regulations do not have any retrospective application and are applicable to all prospective transactions.

## Role of the Board of Directors

In the Listing Regulations, there is no explicit provision requiring

<sup>2</sup> vide the Press Release No. 226 / 2015 dated September 3, 2015



approval / ratification / review of RPTs by the board of directors. However, Chapter II of the Listing Regulations relating to 'Principles governing disclosures and obligations of listed entity', SEBI has prescribed the key functions of the directors, in which it states that Board of Directors are required to monitor and manage 'potential conflict of interest' by the company.

### Audit Committee

Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relates to 'Corporate Governance' and Part C relates to 'Role of the Audit Committee and review of information by Audit Committee'. The role of Audit Committee in relation to the compliance of the RPTs is as follows:

- (1) It is required to review, with the management, the annual financial statements and auditor's report thereon before submission to the board of directors for approval, with particular reference to disclosure of any RPTs;
- (2) It is required to granting approval or any subsequent modification to the RPTs of the listed company;
- (3) Audit Committee is under obligation to review the statement of 'significant' RPTs submitted by management of the company; (herein, significant RPTs are as defined by the Audit Committee)
- (4) Audit Committee may grant omnibus approval for RPTs proposed to be entered into by the listed entity. Such omnibus approval is subject to following prescribed conditions:
  - (a) Audit Committee shall lay down criteria for granting omnibus approval in line with the policy on RPTs of the listed entity and such approval shall be applicable in respect of transactions which are 'repetitive' in nature;
  - (b) Audit Committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the listed entity;
  - (c) Omnibus approval shall specify:
    - (i) Name(s) of related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into,
    - (ii) Indicative base price / current contracted price and the formula for variation in the price if any; and
    - (iii) Such other conditions as the audit committee may deem fit.
  - (d) Where the need for RPT cannot be foreseen and aforesaid details are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rupees 1 crore per transaction;
  - (e) Audit Committee shall review, at least on a quarterly basis, the RPT details entered into by the listed entity pursuant to each of the omnibus approvals given;
  - (f) The omnibus approvals shall be valid for a period not

➤ Pursuant to sub-regulation (7) of Regulation 23 of the Listing Regulations, all entities falling under definition of related parties are abstained from voting on the ordinary resolution placed before members, whether such entity is a related party to the particular transaction or not. Such abstinence from voting on the ordinary resolution is not in alignment with Companies Act, 2013, wherein only the 'related party' is restrained to vote on the resolution.

exceeding 1 year and shall require fresh approvals after the expiry of one year.

### Shareholders' approval

Sub-regulation (4) of Regulation 23 of Listing Regulations requires approval of the shareholders through ordinary resolution for all 'material' RPTs. The threshold prescribed for the 'materiality' of the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, is a transaction which exceeds 10% of the annual consolidated turnover as per last audited financial statements of the company. Vide the Listing Regulations, shareholders' approval is required by passing an Ordinary Resolution, and such provision aligns with the Companies Act provisions. The requirement of obtaining the members approval by ordinary resolution (instead of 'special resolution') was introduced in the Companies Act, 2013 vide Companies (Amendment) Act, 2015.

Pursuant to sub-regulation (7) of Regulation 23 of the Listing Regulations, all entities falling under definition of related parties are abstained from voting on the ordinary resolution placed before members, whether such entity is a related party to the particular transaction or not. Such abstinence from voting on the ordinary resolution is not in alignment with Companies Act, 2013, wherein only the 'related party' is restrained to vote on the resolution.

It is further noteworthy, that the shareholders' approval under Listing Regulations is triggered on breaching of any of the prescribed monetary limit. Such approval is not dependent on whether or not the transaction is in ordinary course of business and at arm's length. Therefore, a listed company is required to obtain shareholders' approval even when the transactions are in ordinary course of business and at arm's length, but has breached the prescribed threshold.

Sub-regulation (8) of Regulation 23 of Listing Regulations states that the requirement of obtaining fresh shareholders' approval for





# Article

Related Party Transactions – Approval, Disclosures & Reporting under SEBI's Listing Regulations

the material related party transactions, whereby, all the existing 'material' related party contracts or arrangements entered into prior to the date of notification (i.e. September 3, 2015) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and which may continue beyond such date shall be placed for shareholders' approval in the first General Meeting subsequent to notification of said Regulations.

## Policy on materiality of Related Party Transactions

Sub-regulation (1) of Regulation 23 of the Listing Regulations mandates that the listed company shall formulate a policy on 'Materiality of RPTs and also on dealing with RPTs'. The criteria for 'materiality' remain the same for the policy on RPTs. SEBI has neither prescribed the contents of RPT policy nor provided any model policy on materiality of RPTs. Therefore, the board of directors and the Audit Committee are under obligation in defining the same.

## Exemptions from compliance of certain RPT provisions under Listing Regulations

The transactions prescribed in sub-regulation (5) of Regulation 23 of Listing Regulations are exempt from the compliance of certain provisions of the Regulations, such transactions are:

- (a) Transactions entered into between two government companies;
- (b) Transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

For the above transaction, listed companies are exempt from:

- (a) Obtaining the prior approval of the Audit Committee [As required under Sub-Regulation 23(2) of Listing Regulations],
- (b) Obtaining the omnibus approval of the Audit Committee [As required under Sub-Regulation 23(3) of Listing Regulations],
- (c) Obtaining shareholders' approval through ordinary resolution [As required under Sub-Regulation 23(4) of Listing Regulations].

## Reporting & Disclosures

SEBI has prescribed the reporting and disclosure requirements at various places in the Listing Regulations. The compilation of the same is given below:

- (1) Quarterly Compliance Report on Corporate Governance: Regulation 27 of Listing Regulations relates to "Quarterly Compliance Report on Corporate Governance, wherein the listed company is required to submit the report (in prescribed format as specified by SEBI) to the stock exchange(s) within 15 days from close of the quarter. The Report shall contain

the details of 'all material transactions with related parties' and shall be signed either by Compliance Officer or Chief Executive Officer.

- (2) Website: Regulation 46 of Listing Regulations states that the listed company is required to maintain a functional website containing the basic information and the website shall disseminate "Policy on dealing with Related Party Transactions".
- (3) Corporate Governance Report: In the Corporate Governance Report which is part of the Annual Report, the company is required to make the disclosures of the 'materially significant' RPTs that may have potential conflict with the interests of listed entity at large. The Corporate Governance Report shall also provide with a web link with respect to the policy on dealing with RPTs.
- (4) Annual Report: Pursuant to Regulation 53 of Listing Regulations, the Annual Report shall contain the following RPT disclosures:

Sr. No.	In the Accounts of	Disclosures of amounts at the year end and the maximum amount of loans/ advances/ Investments outstanding during the year.
1	Holding Company	Loans and advances in the nature of loans to subsidiaries by name and amount. Loans and advances in the nature of loans to associates by name and amount. Loans and advances in the nature of loans to firms/companies in which directors are interested (as defined in Section 184 of the Companies Act, 2013) by name and amount.
2	Subsidiary Company	Same disclosures as applicable to the parent company in the accounts of subsidiary company.
3	Holding Company	Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan.

The above disclosures shall be applicable to all listed entities except for listed banks.

## CONCLUSION

The Listing Regulations which streamlines and consolidates the compliances and disclosures as required under the Listing Agreement also enhances the disclosure and reporting requirements of listed companies. With respect to the RPTs, the Listing Regulations introduce a change in the requirement for obtaining shareholder's approval, making disclosures and reporting of certain RPTs. Considering the above discussion, there has been a significant change in interpreting and applying concepts of RPTs under the Listing Regulations and Listing Agreement, and also a change in timeline with respect to compliance of the provisions of the Listing Regulations. [CS](#)



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## Influence of CSR & CSR Reporting *vis-a-vis* Capital Markets

- The scale and nature of benefits of CSR for an organization can vary depending on the nature of the enterprise. Investors generally perceive that with better environmental performance, companies face less risk and hence, there is a positive valuation effect. If CSR reduces the perceived risks of a firm, socially responsible firms will benefit from lower equity financing costs. Effective corporate governance and strict disclosure standards lower the firms' cost of equity capital. Information asymmetry or inadequate disclosures tend to increase the cost of equity capital.

### BACKGROUND

**C**orporate Social Responsibility (CSR) is not a new concept in India. While there is no universal definition of CSR, there are a few common threads that connect all the perspectives of CSR with one another; the dedication to serve the society, being the most important of them.

CSR is about business giving back to society. In the increasingly conscience-focused market places of the 21st century, the demand for more ethical business processes and actions is increasing.

Caught between the requirements from the Government and the investors, companies need to undertake CSR activities in a strategic way, so that profits are also not compromised. By strategically integrating CSR into core business processes and stakeholder management, organizations can achieve the ultimate goal of creating both social and corporate value.

One can trace the early history of CSR Regulations in India, when

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

Ministry of Heavy Industries & Public Enterprises (Department of Public Enterprises), Government of India, issued certain Guidelines vide circulars in 2007, 2010 and 2013 on CSR / Sustainability for Central Public Sector Enterprises (CPSEs). There have also been other sector-specific Guidelines on CSR and Sustainability. Many





➤ **Low CSR firms will face relatively higher cost of equity capital, while the high CSR firms may experience lower cost of equity capital, thereby bringing out the point that CSR expenditure / investment actually makes business sense as the saving in the cost of capital may often be more than the actual investment in CSR.**

such provisions have been in the nature of Guidelines only and that too for a limited number of organizations. With the enactment of Companies Act, 2013, the scenario has undergone a complete transformation with effect from 1 April 2014.

Both MCA & SEBI recognize the inviolable importance of CSR as they are conscious that in the modern competitive environment, CSR is an essential factor for survival of an organization.

Many of these developments in the area of CSR have all had a significant influence on the capital market. In particular, the reporting requirements for companies have been undergoing a sea-change and the information emanating from such reports are leading to different view-points for practitioners in the capital market. In this backdrop, this Article seeks to address the issue in two parts, viz. (I) The inter-relationship between CSR and Capital Markets and (II) Evolution of CSR Reporting relied upon by capital markets.

## I. CSR AND COST OF CAPITAL

### Impact on Cost of Capital

It has been observed in a research study that enterprises with better CSR scores exhibit cheaper equity financing. Investments / expenditure in improving responsible employee relations, environmental policies and project strategies contribute substantially in reducing firms' cost of equity. Participation in "sin" industries such as Tobacco, alcohol, gaming, arms, nuclear power etc. increases the firms' cost of equity. Firms with socially responsible practices have higher valuation and lower risk. Owing to the rapid increase in the number of institutions, mutual funds and other investors, who are showing remarkable interest in the CSR activities of organizations, one can see a marked preference for investing in companies that pursue socially responsible activities. The increased attention given by companies to the CSR activities becomes

apparent as one sees that more than half of the Fortune 1000 companies in US regularly issue CSR Reports. In India, every company covered under Section 135 of the Companies Act, 2013 is now required to give a CSR Report every year. A good portion of the investments in US is screened to ensure that they meet CSR-related criteria. A number of companies world-wide are also working seriously to integrate CSR into various aspects of their businesses.

Research has been done to determine the relationship between CSR and financial performance. Research has so far produced mixed findings on the CSR effect. Investors generally perceive that with better environmental performance, the companies face less risk and hence, there is a positive valuation effect. If CSR reduces the perceived riskiness of a firm, socially responsible firms will benefit from lower equity financing costs. Effective corporate governance and strict disclosure standards lower the firms' cost of equity capital. Information asymmetry or inadequate disclosures tend to increase the cost of equity capital.

The link between CSR and Cost of Equity is quite important and has important implications for strategic planning. *Ceteris Paribus*, high CSR firms have lower cost of equity and low CSR firms have higher cost of equity. Low CSR firms are associated with a smaller investor base and higher perceived risks. The findings lead to the conclusion that CSR enhances firm value.

High CSR firms have a larger investor base, as socially conscious investors prefer not to include low CSR firms in their investor portfolios. They would prefer to invest mainly in socially conscious firms.

High CSR firms tend to disclose more information as the firms want to project their positive image as a responsible corporate citizen to investors and other stakeholders. Media and Analysts are also more inclined to spend considerable time analyzing and reporting about "good" firms. Even the investors are likely to pay more attention related to high CSR firms while neglecting information related to low CSR firms.





Socially irresponsible firms may face uncertain future explicit claims. They also may face higher litigation risks. On the other hand, environmentally proactive firms would experience a significant reduction in such risks.

For the above reasons, the low CSR firms will face relatively higher cost of equity capital, while the high CSR firms may experience lower cost of equity capital, thereby bringing out the point that CSR expenditure / investment actually makes business sense as the saving in the cost of capital may often be more than the actual investment in CSR.

### Direct benefits of CSR to Companies

The scale and nature of benefits of CSR for an organization can vary depending on the nature of the enterprise and are difficult to quantify. However, as per evidence available based on research and experience, it is seen that the companies have experienced a range of bottom-line benefits. Some of the benefits are mentioned below:

**Increased sales and market share:** Companies benefit significantly from connecting themselves to a cause.

**Strengthened brand positioning:** Linking a company or brand to a relevant charity or cause can substantially strengthen the brand positioning of the company. In crowded market places, CSR can play a role in building customer loyalty based on distinctive ethical values.

**Enhanced corporate image and clout:** A strong reputation in the community can be a real asset in times of crisis. Companies high on CSR are under less scrutiny by both national and local government entities.

**Increased ability to attract, motivate and retain employees:** A high CSR company can aid recruitment and retention of high calibre employees.

**Decreased operating costs:** Operating costs drop as companies adopt environmental initiatives to reduce waste, reuse materials, recycle, and conserve water and electricity. Companies can reduce costs in advertising expenditure as they get increased free publicity through CSR activities.

**Increased appeal to investors and financial analysts:** Involvement in CSR activities as seen earlier can even increase stock value as the ability to attract new investors and retain them improves in a big way.

**Risk Management:** Managing risks is a central part of many corporate strategies. CSR helps in protecting reputations that take decades to build.

From the above, it can be seen that a company with high CSR reputation reaps several benefits which are very well taken

cognizance of by the capital markets.

## II. EVOLUTION OF CSR REPORTING REQUIREMENTS UNDER LAW

Capital Markets depend on CSR Reports disseminated by companies from time to time. It is important to note as to how CSR reporting requirements for companies have been evolving over the years. A few key evolutionary changes are discussed below:

### CSR Voluntary Guidelines-2009

#### General

For the first time, an attempt towards legislation was made by the Ministry of Corporate Affairs (MCA) in the year 2009, when the 'CSR Voluntary Guidelines-2009' were released by the Ministry in the Government of India during the much publicized India Corporate Week in December 14-21, 2009.

MCA, while doing so, recognized a sustainability crisis, which was posing a threat to the very existence of business. In order to provide a suitable mechanism to channelize all the energies of the Government, Corporate Sector and the communities, the Ministry decided to bring out a set of Voluntary Guidelines for responsible business, which would add value to the operations and contribute towards the long-term sustainability of the business and the interests of the stakeholders and the society. The Government expressed the hope and expectation that businesses would adopt these Voluntary Guidelines and partner in the endeavour of national development. Although Indian industry has traditionally been socially responsible, it was noted that the culture of social responsibility needs to go deeper in the governance of the businesses.







## **Salient aspects of the Voluntary Guidelines - 2009**

Briefly, the salient aspects of these Voluntary Guidelines were as under:

Each business entity should formulate a CSR Policy to guide its strategic planning and provide a road-map for its CSR initiatives, which should be an integral part of overall business Policy and aligned with its business goals. The Policy should be framed with the participation of various level executives and should be approved by the Board.

The CSR Policy should normally cover the following core elements:-

- Care for all stakeholders (including shareholders, employees, customers, suppliers etc.) and creating value for all of them.
- Ethical functioning with focus on ethics, transparency and accountability.
- Respect for Workers' Rights and Welfare by providing a workplace environment that is safe, hygienic and humane, while upholding the dignity of employees.
- Respect for human rights for all.
- Respect for environment including checking and preventing pollution and responding proactively to the challenges of climate change.
- Activities for social and inclusive development, targeting especially at disadvantaged sections of the society.

### **Implementation Guidance**

1. Framing of a CSR Policy providing for an implementation strategy.
2. Allocating specific amount in the budget for CSR activities.
3. Sharing experiences and network with other organizations about CSR activities.
4. Disseminating information on CSR activities through website, annual reports and other communication media.

## **NATIONAL VOLUNTARY GUIDELINES ON SOCIAL, ENVIRONMENTAL AND ECONOMIC RESPONSIBILITIES OF BUSINESS - 2011**

### **General**

With feedback from stakeholders, the 2009 Voluntary Guidelines on CSR got evolved into a more comprehensive set of Guidelines that encompasses social, environmental and economic responsibilities

of business in July, 2011. The objective of the new Guidelines was to make the Indian corporate sector evolve into a global leader in business. The corporate sector was urged to focus its attention on achieving the 'triple bottom line' - people, planet and profit.

The term 'CSR' was replaced with the term 'Responsible Business' as the former term had a limited scope and understanding. The Guidelines emphasized that responsible businesses alone will be able to help India meet the goal of inclusive and sustainable all round development.

The 2011 Guidelines were thus a refinement over the 2009 Guidelines. The Guidelines were made with a distinct 'Indian' approach and designed to be used by all businesses, irrespective of size, sector or location. Businesses were encouraged to extend the Guidelines even to other units within their immediate control or sphere of influence.

It was emphasized that the nine principles enshrined in the Guidelines are equally important and non-divisible. It was expected that the adoption of these Guidelines will improve the ability of businesses to enhance their competitive strengths, improve their reputations, increase their ability to attract and retain talent and manage their relations with investors and society at large.

### **Principles and Core Elements in National Voluntary Guidelines**

Briefly, the nine Principles & Core Elements contained in the National Voluntary Guidelines were as under:-

1. Businesses should conduct and govern themselves with ethics, transparency and accountability.
2. Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
3. Businesses should promote the well-being of all employees.





4. Businesses should respect the interests of and be responsible towards not only shareholders, but also all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
5. Businesses should respect and promote human rights.
6. Business should respect, protect and make efforts to restore the environment.
7. Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
8. Businesses should support inclusive growth and equitable developments.
9. Businesses should engage with and provide value to their customers and consumers in a responsible manner.

### **Guidance on Implementation of Principles and Core Elements**

To successfully implement the Principles and Core Elements contained in the Guidelines, all of them need to be integrated and embedded in the core business processes of an enterprise. For this, following steps need to be taken as per the Guidelines:-

- Leadership role
- Integration of these principles and core elements in the Business policies and strategies of the organization
- Engagement & Building strong relationships with stakeholders
- Reporting and disclosure by companies to their stakeholders
- Determining the Business Case by assessing how business benefit can be derived through adoption of these Guidelines.
- Guidelines presume and quite rightly that compliance with the laws of the land is not only necessary, but also non-negotiable.

Priority for the others is to be determined by their alignment with internal values and business benefits.

- Developing a Strategy for Responsible Business & incorporating into a strategy for responsible business.

### **Application of Guidelines to Micro, Small and Medium Enterprises (MSMEs)**

There is a need for multi-pronged approach to facilitate MSMEs to comply with the Guidelines.

### **Business Responsibility Reporting framework in the Guidelines**

A critical aspect of Responsible Business practices is that businesses should not only be responsible, *but they should also be seen as socially, economically and environmentally responsible.*

The Reporting framework thus provides a standard disclosure template, which can be used by businesses to communicate on their performance in these areas.

Business entities that are not able to prepare a detailed report on BR practices may furnish a letter signed by the CEO / MD indicating the commitment to the Guidelines and a brief on the activities undertaken.

Business entities that are committed to furnishing a detailed BRR may furnish a Report on the basis of the framework as given in the Guidelines.

The Guidelines give a suggested framework for BRR. In Part A, the Report is required to include basic information and data about the operations of the business entity, so that the reading of the report becomes contextual and comparable with other similarly placed businesses.

Part B of the report incorporates the basic parameters on which the business may report their performance. The reporting is kept





simple considering that this framework is equally applicable to the small businesses too.

Part C of the Report incorporates two important aspects on BR Reporting. One aspect is a disclosure by the business entity on any negative consequences of its operations on the social, environmental and economic fronts. The objective is to encourage the business to channelize its efforts to mitigate the same. The second part is aimed at encouraging the business to continuously improve its performance in the area of BR.

Annexure gives the Business Case for following the Guidelines for the social, environmental and economic responsibilities for business.

## **Annexures to the Guidelines**

Annexure A to the Guidelines gives the principle-wise Business Case reasons referred to above.

Annexure B refers to the various Resources relied upon by the Ministry of Corporate Affairs in framing these Voluntary Guidelines, some of which are listed below:

- Business and the Millennium Development Goals
- Constitution of India
- Corporate Responsibility: Private Initiatives and Public Goals by OECD
- ISO 26000: International Standard
- Global Reporting Initiative (GRI) G3 Guidelines

Annexure C gives an indicative list of relevant Laws and Acts mapped against each of the nine principles.

Annexure D to the Guidelines inter alia defines the term 'Sustainability' as under:-

"The outcome achieved by balancing the social, environmental and economic impacts of business. It is the process that ensures that business goals are pursued without compromising any of the three elements".

### **Clause 55 of listing agreement through SEBI's Circular dated 13 August 2012 on Business Responsibility Reports (SEBI Listing Regulations, 2015 issued on 3 September 2015)**

SEBI issued a Circular dated 13 August 2012 on the subject of Business Responsibility Reports. It stated that the enterprises are accountable not merely to their shareholders from a revenue and profitability perspective, but also to the larger society which is also its stakeholder. Adoption of responsible business practices in the interest of the society set-up and the environment are as vital as their financial and operational performance. This is all the more significant for listed entities, which having accessed funds from the public have a greater element of public interest involved and

are obligated to make exhaustive disclosures on the regular basis.

SEBI took the 2011 "National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business" as the base for making its amendment, as it recognized that the said Guidelines contained comprehensive principles to be adopted by companies as part of their business practices as well as a structured business responsibility reporting format demonstrating the steps taken by companies to implement the said principles.

In line with the said Guidelines, SEBI decided to mandate inclusion of Business Responsibility Reports (BRRs) as part of the Annual Reports for listed entities. With the aim of enhancing the quality of disclosures made by listed entities, Clause 55 was introduced in the Listing Agreement requiring the listed companies to include BRRs as part of the Annual Report. To begin with, the mandatory requirement was for the top 100 listed entities based on market capitalization at BSE and NSE as on 31 March 2012. Other listed entities could voluntarily include BRRs in their annual reports, if they so desired.

The SEBI Listing Regulations, which got issued on 3 September 2015, have incorporated these provisions with the appropriate change in the relevant date to "31st March of every financial year" from "31st March 2012".

While Annexure 1 to the circular gives the suggested framework for Reporting, Annexure 2 includes the key principles to assess the fulfillment of listed entities and a description of the core elements under these principles.

If the companies are already submitting Sustainability Reports based on internationally accepted Reporting Frameworks, there is no need for them to prepare a Report as per the framework suggested in the Guidelines and it is enough, if the details of the framework under which the Report has been prepared are furnished along with a mapping of the principles contained in these Guidelines to the disclosures made in their Sustainability Reports. The circular was made applicable with effect from financial year ending on or after 31 December 2012.

In the suggested framework, the first part is for the General Information about the company, financial details of the company and other details about the participation by companies in the supply chain. This also provides for BR information, including information on principle-wise BR policies as also the reasons for non-compliances, if any. Information on Governance related to BR is also to be provided. Most importantly, the last part provides for principle-wise performance under each of the 9-principles under the Guidelines.

Annexure 2 which provides the principles to assess compliance with Social, Environmental and Governance norms is in many respects similar to the principles contained in the 2011 Guidelines. At the same time, SEBI has made its own changes as per its own



thought processes and has enunciated the principles and other aspects in a different style.

The relevant listed entities need to make their BRRs as per the suggested framework, keeping in mind the principles explained in greater detail at the end of the said circular.

### **Companies Act, 2013**

While SEBI brought in the requirements regarding BRRs for Top 100 companies, Companies Act, 2013 introduced path-breaking provisions on Corporate Social Responsibility (CSR) through Companies Act, 2013, which came into effect from 1 April 2014. Section 135 of the Companies Act, 2013 read with Rules made thereunder provided inter alia as under:-

#### **Companies covered**

Every company having net worth of Rs.500 crore or more or turnover of Rs.1,000 crore or more or a net profit of Rs.5 crore or more during any financial year.

#### **Obligations for the companies covered**

The companies covered as above shall constitute a CSR Committee of the Board consisting of 3 or more directors, of which at least one director shall be an independent director.

#### **Requirements in the Board Report**

The Board Report shall disclose the composition of the CSR Committee. The Board shall specify the reasons for not spending the amount, which a company is required to spend mandatorily towards CSR, if not so spent.

#### **Role of CSR Committee**

It shall (a) formulate and recommend to the Board a CSR Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII; (b) recommend the amount of expenditure to be incurred on the activities referred to above; and (c) monitor the CSR Policy of the company from time to time. It shall also institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company.

#### **Role of the Board**

The Board of the company shall have the following roles:-

- (a) After taking into account the recommendations made by the CSR Committee, it shall approve the CSR Policy for the company and disclose the contents of such Policy in its report and also place it on the company's website.
- (b) It shall ensure that the activities as are included in the CSR Policy of the company are undertaken by the company;
- (c) It shall ensure that the company spends in every financial

year, at least 2% of the average net profits of the company made during the three immediately preceding financial years in pursuance of its CSR Policy;

- (d) It shall give preference to the local area and areas around it where it operates for spending the amount earmarked for CSR activities;

#### **CSR Policy**

CSR Policy shall include the following:-

- CSR projects or programs which a company plans to undertake
- Projects or programs falling within Schedule VII
- Modalities of execution of projects
- Implementation schedules
- Monitoring process of such projects or programs

#### **CSR expenditure**

CSR expenditure shall include contribution to corpus for projects or programs relating to CSR activities approved by the Board on the recommendation of the CSR Committee. It shall, however, exclude expenditure which is not in conformity with activities covered under Schedule VII.

#### **CSR Reporting**

An Annual Report on CSR as per the prescribed format is required to be incorporated in the Board's Report every year.

The Rules provide for a format for such a Report covering the following items:-

1. A brief outline of the company's CSR Policy along with an overview of projects or programs proposed to be undertaken and a reference to the web-link for more details.
2. Composition of CSR Committee
3. Average Net Profit for the previous three financial years
4. Mandatory 2% CSR expenditure (2% of amount in S.No.3)
5. Details of amount spent activity-wise on CSR during the financial year
  - (a) Total to be spent for the year
  - (b) Amount unspent
  - (c) Details of amount spent in the prescribed manner i.e.
    - Project or activity identified
    - Sector in which the project is covered
    - Whether in local area or elsewhere
    - State and District where CSR undertaken
    - Budget for project
    - Amount spent on the project with break-up of Direct and Indirect





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Influence of CSR & CSR Reporting vis-a-vis Capital Markets

➤ CSR even from the point of view of investors is a significant part of the business of a company. Investors are quite keen to know about the views of the management of the company in these areas. CSR thus has a significant influence in the capital market operations in the country.

Cumulative expenditure on the project or program

- Amount spent directly and through implementing agency with particulars of implementing agency

6. Reasons for spending less than 2%, if applicable.
7. Responsibility Statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the company.

The Report is required to be signed by the CEO / MD and Chairman of CSR Committee.

## Other SEBI Regulations

SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009 have prescribed inter alia provisions regarding the Letter of Offer, Offer document, abridged prospectus etc. In the format, issuer companies are required to give information on risk factors, management, business and various other matters. The Regulations do not make a mention about CSR practices for these purposes. However, it is generally found that issuers do incorporate certain paragraphs on CSR activities, CSR Policy, CSR Committee and such other matters under appropriate heads. All these point out that CSR even from the point of view of investors is a significant part of the business of a company. Investors are quite keen to know about the views of the management of the company in these areas. CSR thus has a significant influence in the capital market operations in the country.

## Benefits of Reporting

### *Benefits to companies*

- Helps businesses to reach out to their stakeholders with necessary information and data demonstrating the adoption of good CSR practices
- Enables businesses to develop a better understanding of the process of transformation that makes their operations more responsible
- Helps in identifying some of the best practices that can serve as guidance models
- Acts as a motivator to businesses to give necessary attention to CSR activities throughout the year

- Motivates companies to make reports in nationally / internationally recognized framework
- Helps increase the focus of the organization in these areas
- Helps the Organizations to become more methodical, systematic and professional in carrying out the CSR activities
- Helps spend the amount which they are expected to spend in a financial year, as companies may not want to be shown as lacking in effort to reach the targeted / mandated amount of expenditure towards CSR
- Helps the companies work towards ensuring that CSR activities are carried out in such a way that the poor and the needy in the society derive maximum benefit out of the activities.


### *Benefits to Stakeholders including capital market constituents:*

- Enables the stakeholders to have a more meaningful engagement with the business
- In the case of BRR, there is a mapping of the nine principles contained in the Guidelines to the disclosures made in their Business Responsibility Report (BRR)
- Enables the shareholders to evaluate the social performance of the company
- Helps in increasing transparency and accountability of a company in the society
- Helps in studying the importance given by organizations towards CSR
- Enables the shareholders to know about the extent and level of CSR activities carried out
- Puts a moral pressure on organizations to work towards these activities

## CONCLUSION

The legislative and regulatory evolution of Sustainability and CSR is continuously taking place. With more and more experience and feedback from stakeholders, more changes are inevitable in a fast changing country like India. Companies which were earlier satisfied with occasional charity work and philanthropy are now required to expand the depth and the width in their activities in CSR. Companies beware - Capital Markets are watching.

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# SEBI Regulations to Replace Listing Agreement Increased Disclosures and Enhanced Accountability- A measure to protect stakeholders' Interest

- The age old Listing Agreement which a corporate is required to execute with the Stock Exchange where it wants its securities to be listed, is giving way to a set of new Listing Regulations which will be effective from 1 December 2015. Salient features of the Regulations are outlined in this article.

**C**apital market regulator SEBI has been devising and enforcing various measures, from time to time, to protect the interest of investors and the sanctity of the capital market by making listed companies more accountable through enhanced disclosures.

'Listing', denotes the permission granted by a recognized stock exchange to a public company for the purpose of the company's particular securities being traded or dealt in on the stock exchange, which has granted such permission.

In other words, "Listing" means the admission of securities of a company to trading privileges on a stock exchange. The principal objectives of listing are to provide ready marketability and impart liquidity and free negotiability to stocks and shares; ensure proper supervision and control of dealings therein; and protect the interests of shareholders and of the general investing public.

Globally, stock exchanges set out various rules and regulations for issuers whose securities are listed at such stock exchanges.

Some stock exchanges like Luxembourg Stock Exchange and

Singapore Stock Exchange take an undertaking from the issuer whereby the issuer undertakes to comply with the listing conditions.

While on the other hand, a stock exchange like New York Stock Exchange has the concept of issuer and the stock exchange





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entering into an agreement whereby the issuer agrees to comply with the conditions mentioned therein, as also the other conditions as set out by the stock exchange from time to time. Therefore, it can be said that the Indian concept of Listing Agreement is broadly based on the practices followed in the US.

In India, with the creation of the capital market regulator SEBI in 1992, SEBI has been regulating listed companies through the medium of listing agreement entered into between each listed company with the concerned stock exchange. Compliance with the listing conditions is mandatory by virtue of the governing law.

Over the years the listing agreement has constantly undergone amendments from time to time to meet the growing needs of the changing times. As a result, since its inception SEBI has issued 128 circulars until April, 2015 amending different clauses of the listing agreement. In the process, a seemingly simple listing agreement has become a complicated document with so many changes effected in it over the years.

Now SEBI has decided to change the system by virtually doing away with the listing agreement and replacing the same with a set of regulations. Very soon the new regulations called, 'the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)' will replace the existing listing agreement. The new listing regulations are a comprehensive set of regulations; they have been notified by SEBI on 2<sup>nd</sup> September, 2015 and will become effective on the 90<sup>th</sup> day from that date. In other words, the new listing regulations shall become effective from 1<sup>st</sup> December, 2015.

At the same time, the listing agreement is not being totally scrapped as still the issuers will have to enter into a short (approx. two pages) agreement with the concerned stock exchanges as per the format that will be prescribed by SEBI.

The existing equity listing agreement comprises 54 clauses (BSE equity listing agreement), many of which have been added over the years from time to time and this coupled with the fact that SEBI has issued hundreds of amendments and clarifications in respect of several of those clauses, thereby making the listing agreement a very cumbersome document.

The new listing regulations have addressed all those issues as they have taken cognisance of all the changes effected in the listing agreement over the years. Presently, there are different types of listing agreements for different class of securities; now this is being done away with as the new listing regulations will encompass all classes of securities including equity, convertible and non-convertible securities. At the same time, separate chapters have been dedicated to different class of securities providing for specific provisions applicable to those securities.

Some of the main features of the new regulations are as follows:

1. Laying down principles governing disclosures and obligations

of the listed entities and their Compliance Officers.

2. Providing common obligations applicable to all listed entities.
3. Providing obligations which are applicable to specific types of securities.
4. Providing obligations of stock exchanges and provisions in case of default.
5. Ease of Reference by aligning the related provisions.
6. Streamlining and segregation of initial issuance / listing obligations.
7. Alignment with provisions of the Companies Act, 2013
8. Providing for a shorter version of Listing Agreement

An attempt has been made in this article to highlight some of the important aspects of the listing regulations. While the Listing Regulations comprise of a total of XII chapters and 103 regulations, the bulk of the regulations are concerned with disclosure of information by listed entities, including the mode, manner and details of information required to be disclosed by them.

## DEFINITIONS

Regulation 2 of the listing regulations contains a comprehensive set of definitions. Few terms particularly like designated securities and specified securities are notable.

According to clause (zl) of regulation 2, 'specified securities' mean 'equity shares' and 'convertible securities', while 'designated securities' as per clause (h) mean specified securities, non-convertible debt securities, non-convertible redeemable preference shares, perpetual debt instrument, perpetual non-cumulative preference shares, Indian depository receipts, securitised debt instruments, units issued by mutual funds and any other securities as may be specified by the Board".





## DISCLOSURE AND TRANSPARENCY

Chapter 2 of the regulations stipulates that the listed entity will have to ensure timely and accurate disclosure on all material matters including the financial situation, performance, ownership, and governance of the listed entity, in the following manner:

- (i) Information will have to be prepared and disclosed in accordance with the prescribed standards of accounting, financial and non-financial disclosures.
- (ii) Channels for disseminating information shall provide for equal, timely and cost efficient access to relevant information by users.
- (iii) Minutes of the meeting are required to be maintained explicitly recording dissenting opinions, if any

## RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The board of directors of the listed entity will have the following responsibilities, namely:

### **Disclosure of information**

(1) Directors and key managerial personnel have to disclose to the board of directors their interest (direct / indirect) or on behalf of third parties, if it is material interest in any transaction or matter directly affecting the listed entity.

(2) The board of directors and senior management shall conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making.

### **Key functions of the board of directors**

(1) Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation

and corporate performance, and overseeing major capital expenditures, acquisitions and divestments.

- (2) Monitoring the effectiveness of the listed entity's governance practices and making changes as needed.
- (3) Selecting, compensating, monitoring and, when necessary, replacing key managerial personnel and overseeing succession planning.
- (4) Aligning key managerial personnel and remuneration of board of directors with the longer term interests of the listed entity and its shareholders.
- (5) Ensuring a transparent nomination process to the board of directors with the diversity of thought, experience, knowledge, perspective and gender in the board of directors.
- (6) Monitoring and managing potential conflicts of interest of management, members of the board of directors and shareholders, including misuse of corporate assets and abuse in related party transactions.
- (7) Ensuring the integrity of the listed entity's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
- (8) Overseeing the process of disclosure and communications.
- (9) Monitoring and reviewing board of director's evaluation framework.

### **Other responsibilities**

- (1) The board of directors shall provide strategic guidance to the listed entity, ensure effective monitoring of the management and shall be accountable to the listed entity and the shareholders.
- (2) The board of directors shall set a corporate culture and the







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values by which executives throughout a group shall behave.

- (3) Members of the board of directors shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the listed entity and the shareholders.
- (4) The board of directors shall encourage continuing directors training to ensure that the members of board of directors are kept up to date.
- (5) Where decisions of the board of directors may affect different shareholder groups differently, the board of directors shall treat all shareholders fairly.
- (6) The board of directors shall maintain high ethical standards and shall take into account the interests of stakeholders.
- (7) The board of directors shall exercise objective independent judgement on corporate affairs.
- (8) The board of directors shall consider assigning sufficient number of non-executive members of the board of directors capable of exercising independent judgement to tasks where there is a potential for conflict of interest.
- (9) The board of directors shall ensure that its encouragement does not result in over-optimism that could lead to significant risks or exposes the listed entity to excessive risk.
- (10) The board of directors shall have ability to 'step back' to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the listed entity's focus.
- (11) When committees of the board of directors are constituted, their mandate, composition and working procedures shall be well defined and disclosed by the board of directors.
- (12) Members of the board of directors shall be able to commit themselves effectively to their responsibilities.
- (13) In order to fulfil their responsibilities, members of the board of directors shall have access to accurate, relevant and timely information.
- (14) The board of directors and senior management shall facilitate the independent directors to perform their role effectively as a member of the board of directors and also a member of a committee of board of directors.

The Regulations have specified that in case of any ambiguity or incongruity between the principles and relevant regulations, the principles specified in Chapter 2 shall prevail. In other words, it will not be enough to comply with the letter but it will be necessary to comply in spirit as well.

## COMMON OBLIGATIONS OF LISTED ENTITIES

### General obligation of compliance.

The listed entity shall ensure that key managerial personnel, directors, promoters or any other person dealing with the listed entity, comply with responsibilities or obligations, if any, assigned to them under these regulations.

### Compliance Officer and his Obligations

- (1) A listed entity shall appoint a qualified company secretary as the compliance officer.
- (2) The compliance officer of the listed entity shall be responsible for the following:
  - (a) Ensuring conformity with the regulatory provisions applicable to the listed entity in letter and spirit.
  - (b) Co-ordination with and reporting to the Board, recognised stock exchange(s) and depositories with respect to compliance with rules, regulations and other directives of these authorities in manner as specified from time to time.
  - (c) Ensuring that the correct procedures have been followed that would result in the correctness, authenticity and comprehensiveness of the information, statements and reports filed by the listed entity under these regulations.
  - (d) Monitoring email address of grievance redressal division as designated by the listed entity for the purpose of registering complaints by investors.

## SHAREHOLDERS RIGHTS

The new regulations have codified the shareholders rights primarily, being regulations 4 and 30 that are directly relevant as they, inter-alia, deal with shareholder rights and disclosure of events / information.

According to these regulations, following are the rights of shareholders which a listed entity shall seek to protect and facilitate the exercise of the following rights of shareholders:

- (i) Right to participate and be sufficiently informed of decisions concerning fundamental corporate changes.
- (ii) Opportunity to participate effectively and vote in general meetings.
- (iii) Being informed of the rules, including voting procedures that govern general meetings.



➤ The regulations require the board of directors of the listed entity to authorize one or more Key Managerial Personnel for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange(s). The contact details of such personnel have to be also disclosed to the stock exchange(s) and also put on the entity's website.

- (iv) Opportunity to ask questions to the board of directors, to place items on the agenda of general meetings, and to propose resolutions, subject to reasonable limitations.
- (v) Effective shareholder participation in key corporate governance decisions, such as the nomination and election of directors.
- (vi) Exercise of ownership rights by all shareholders.
- (vii) Adequate mechanism to address the grievances.
- (viii) Protection of minority shareholders from abusive actions by controlling shareholders.

**Timely information:** Every listed entity is required to provide adequate and timely information to shareholders, including the following:

- (i) sufficient and timely information concerning the date, location and agenda of general meeting; and
- (ii) rights attached to all series and classes of shares, which shall be disclosed to investors before they acquire shares.

**Equitable treatment:** The listed entity has to ensure that equitable treatment is meted out to all the shareholders, including minority and foreign shareholders, in the following manner:

- (i) All shareholders of the same series of a class shall be treated equally.
- (ii) Effective shareholder participation in key corporate governance decisions, such as the nomination and election of members of board of directors, shall be facilitated.
- (iii) Exercise of voting rights by foreign shareholders to be facilitated.
- (iv) Every listed company to devise a framework to avoid insider trading.

- (v) Processes and procedures for general meetings have to allow for equitable treatment of all shareholders.
- (vi) Procedures should not make it unduly difficult or expensive to cast votes.

## DISCLOSURE OF EVENTS OR INFORMATION

One of the most important regulation is regulation 30 that deals with disclosure of events and information. Accordingly, every listed entity has to do the following:

- (1) Make disclosures of any events or information which, in the opinion of the board of directors is material.
- (2) Events which have been specified in Para A of Schedule III are deemed to be material events and listed entity will have to make disclosure of all such events.
- (3) The listed entity shall make disclosure of events specified in Para B of Part A of Schedule III, based on application of the guidelines for materiality, as specified in sub-regulation (4).

According to the new regulations, the listed entity will have to consider the following criteria for determination of materiality of events/ information:

- (a) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- (b) the omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date;

Where the criteria specified in sub-clauses (a) and (b) are not applicable, an event/information may be treated as being material if in the opinion of the board of directors of listed entity, the event / information is considered material.

The listed entity will have to frame a policy for determination of





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➤ Every listed entity will have to ensure that the share transfer agent / in-house share transfer facility, as the case may be, produces a certificate from a practicing company secretary within one month of the end of each half of the financial year, certifying that all certificates have been issued within thirty days of the date of lodgement for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies.

materiality, based on criteria specified in this sub-regulation, duly approved by its board of directors, which shall be disclosed on its website.

The regulations require the board of directors of the listed entity to authorize one or more Key Managerial Personnel for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange(s). The contact details of such personnel have to be also disclosed to the stock exchange(s) and also put on the entity's website.

The listed entity will have to first disclose to stock exchange(s) all specified events or information as soon as reasonably possible, but not later than twenty four hours from the occurrence of event or information, else explanation for the delay will have to be provided.

The listed entity will have to make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.

All the aforesaid information will have to be disclosed to the stock exchange(s) ; also such disclosures will have to be hosted on the website of the listed entity for a minimum period of five years.

Similarly, the listed entity will have to disclose all events/information with respect to subsidiaries which are material.

## ANNUAL REPORT

Every listed entity will have to submit the annual report to the stock exchange within twenty one working days of it being approved and adopted in the annual general meeting. It will comprise of all such documents that are presently being submitted to the stock exchange.

However, for the top hundred listed entities based on market capitalization (as on March 31 of every financial year), a business

responsibility report describing the initiatives taken by them from an environmental, social and governance perspective, in the format as specified by the Board from time to time, has to be prepared.

## ANNUAL INFORMATION MEMORANDUM

The listed entity will have to submit to the stock exchange(s) an Annual Information Memorandum in the manner as may be specified by the Board from time to time.

## DOCUMENTS & INFORMATION TO SHAREHOLDERS

Regulation 36, inter-alia, states that a listed entity should send the annual report in the following manner to its shareholders:

- (a) Soft copies of full annual report to all those shareholder(s) who have registered their email address(es) for the purpose.
- (b) Hard copy of statement containing the salient features of all the documents, as prescribed in Section 136 of Companies Act, 2013 and rules made thereunder to those shareholder(s) who have not so registered.
- (c) Hard copies of full annual reports to those shareholders, who request for the same.

## TRANSFER / TRANSMISSION OF SECURITIES – COMPENSATION FOR DELAY

Regulation 40 enjoins the listed entity to comply with all procedural requirements as specified in Schedule VII annexed to these regulations with respect to transfer of securities.





Interestingly, the regulation provides that if within the stipulated time period of fifteen days, the listed entity has not effected the transfer or communicated any valid objection to the transferee, the listed entity will have to compensate the aggrieved party for the opportunity losses caused during the period of the delay.

At the same time, during the intervening period on account of delay in transfer, the listed entity will have to provide all benefits, which have accrued, to the holder of securities.

Moreover, in case of any claim, difference or dispute the same shall be referred to and decided by arbitration as provided in the bye-laws and/or regulations of the stock exchange(s).

## PCS CERTIFICATE

Every listed entity will have to ensure that the share transfer agent / in-house share transfer facility, as the case may be, produces a certificate from a practicing company secretary within one month of the end of each half of the financial year, certifying that all certificates have been issued within thirty days of the date of lodgement for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies.

## WEBSITE

Regulation 46 mandates that every listed entity has to maintain a functional website containing the basic information about the listed entity. The listed entity will have to disseminate the following information on its website:

- Details of its business
- Terms and conditions of appointment of independent directors
- Composition of various committees of board of directors
- Code of conduct of board of directors and senior management personnel
- Details of establishment of vigil mechanism/ Whistle Blower policy;
- Criteria of making payments to non-executive directors, if the same has not been disclosed in annual report
- Policy on dealing with related party transactions
- Policy for determining 'material' subsidiaries
- Details of familiarization programmes imparted to independent directors including the following details:-
- Number of programmes attended by independent directors (during the year and on a cumulative basis till date)
- Number of hours spent by independent directors in such programmes (during the year and on cumulative basis till date)
- The email address for grievance redressal and other relevant details
- Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances
- Financial information including notice of meeting of the board

- of directors where financial results shall be discussed
- Financial results, on conclusion of the meeting of the board of directors where the financial results were approved
- Complete copy of the annual report including balance sheet, profit and loss account, directors report, corporate governance report etc.
- Shareholding pattern
- Details of agreements entered into with the media companies and/or their associates, etc.
- Schedule of analyst or institutional investor meet and presentations made by the listed entity to analysts or institutional investors simultaneously with submission to stock exchange
- New name and the old name of the listed entity for a continuous period of one year, from the date of the last name change
- Publish copies of the advertisement of notice of meeting of the board of directors where financial results are to be discussed.

## CONTINUOUS UPDATION OF WEBSITE

The listed entity has to ensure that the contents of the website are correct and that they are updated regularly with any change in the content of its website being effected within two working days from the date of such change.

As is evident from these regulations, SEBI has not only attempted to streamline the provisions of the listing agreement, but at the same time provisions have been made to strengthen shareholder democracy by enumerating the rights of shareholders along with the obligations of listed companies.

Moreover, with the regulations replacing the listing agreement, hands of SEBI will be further strengthened and it will be easier for SEBI to bring with the advent of new listing regulations there will be qualitatively better and timely flow of information from listed entities to stock exchanges, investors and other stakeholders. CS

## ATTENTION

### LIST OF MEMBERS

The Institute has brought out a CD containing List of Members of the Institute as on 1st April, 2015. The CDs are available at the headquarters of the Institute on payment of Rs. 250/- by members and Rs. 500/- by non-members. A request along with the payment may please be sent to Shri Rajeshwar Singh at the Membership Section of the Institute. (E-mail id: rajeshwar.singh@icsi.edu).

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## Forensic Accounting and Capital Market Frauds

- A new area of accounting called the 'forensic accounting' has emerged in recent times to deal with capital market frauds. A forensic accountant is a specialized accountant who performs investigative accounting as well as litigation support. Those in the forensic accounting field generally use both accounting and investigating skills to interpret financial evidence and are often called upon to analyze and present this evidence to others in a clear manner.

### INTRODUCTION

**F**orensic accounting is hardly a new field, but in recent years, financial organizations, banks, insurance companies and even law enforcing agencies like police have increased the use of experts in this field. In the wake of high-profile corporate scandals as well as new regulations worldwide, many business leaders have become increasingly aware of the need to create company-specific antifraud measures to address internal corporate fraud and misconduct. The increase in the number of financial frauds committed through complex accounting records and manipulations led to the search for a new tribe of Accountants who can use their accounting, auditing, and investigative skills to uncover frauds and also assist in legal matters. This new area of accounting came to be known as 'Forensic Accounting'.

The word forensic is derived from the Latin adjective "forensis", meaning "of or before the forum." In early Roman times, a criminal charge against a person meant presenting the case before a group of public individuals in the forum. Both the defendant and the claimant would argue their cases. The individual with the

best argument and delivery would determine the outcome of the case. This origin is the source of the modern usages of the word forensic – as a form of evidence that is suitable for use in courts.

### WHAT IS FORENSIC ACCOUNTING?

Forensic accounting has been defined as "accounting analysis that can uncover possible fraud that is suitable for presentation in court. Such analysis will form the basis for discussion, debate, and dispute resolution." Forensic accounting, sometimes referred to as investigative accounting, is a unique career field that combines





accounting with information technology. A forensic accountant uses his knowledge of accounting, law, investigative auditing and criminology to uncover fraud, find evidence and present such evidence in court if required to.

A forensic accountant uses sophisticated computer programs to analyze financial data and find evidence that would be legally valid during a court proceeding. A forensic accountant is a specialized accountant who performs investigative accounting as well as litigation support. Those in the forensic accounting field generally use both accounting and investigating skills to interpret financial evidence and are often called upon to analyze and present this evidence to others in a clear manner. For example, they may be called upon as expert witnesses in a court of law or to provide documented proof of financial misdeeds. A forensic accountant can become involved in a wide variety of investigations among many different industries.

## USE OF FORENSIC ACCOUNTING IN CAPITAL MARKET

The share market is highly volatile and the brokers indulge in various unfair and fraudulent trade practices like synchronized share trading, manipulate and fabricate the books of accounts and cheat the gullible investors. Section 11 C of the SEBI Act, 1992 empowers the SEBI to direct any person to investigate the affairs of intermediaries or brokers associated with the securities market whose transactions in securities are being dealt with in a manner detrimental to the investors or the securities market. Thus fraudulent and unfair trade practices of the brokers or market intermediaries are investigated by the investigator appointed by SEBI which requires the broker or market intermediary to furnish information, books of accounts, registers, documents or records etc. which is analyzed by the investigator to find out any manipulation, fraudulent practice or otherwise of the broker. Thus, Forensic Accountant can play a lead role in assisting the SEBI to unearth the complex share related frauds perpetrated by the brokers.

Recently, an investment bank based abroad got in touch with the city-based head of a forensic audit firm. The bank wanted to run a background check on some Indian promoters looking to raise capital abroad. As the offer was underwritten, the bankers wanted to ensure everything about the company and its promoters was above board.

Instances of investment bankers seeking reputational and forensic due diligence on promoters are many. In fact, it is part of a global trend that is now catching on in India, too,

As per Recent news the Securities and Exchange Commission (SEC) of Nigeria called on Forensic Auditors to investigate the affairs of the Nigeria Stock Exchange following the allegation of suspected abuse of office by the previous Management of the Exchange.

In India, the use of forensic services has largely been by private equity players or banks faced with bad loans. While the former want to ensure their investments are in safe hands, the latter, at times, seek to know whether their money has been siphoned off by promoters. Investment bankers face similar risk exposure and seek to run qualitative and quantitative checks on a person or a company with whom they conduct business.

### Financial Reporting and Capital Markets

- Fraudulent Schemes
  - attacked from within (rogue employee)
  - attack from outside to obtain funds under false pretenses
  - used an unwitting participant to facilitate a fraudulent scheme perpetrated on others or for the benefit of others
- Some Schemes
  - Ponzi Scheme
  - Bank frauds
  - Pyramid Schemes

In the case of some IPOs (initial public offerings), the underwriter taking the exposure might appoint a firm to conduct reputational due diligence. This includes background checks covering the company, and its directors and key management personnel. Such due diligence could also include searching for unknown related parties, looking into significant transactions with such related parties, checking whether a key related party is in financial distress or has large loans backed by corporate guarantees and whether there have been regulatory issues associated with the parties involved.

India's positive business environment has drawn the interest of global investment banks. However, they are increasingly aware of the risks prevalent background checks involve understanding the integrity and credibility of the individual to identify any red flag or dubious connection. We also see a trend of investment bankers becoming increasingly aware of requirements in relation to complying with international sanctions lists.





# Article

Forensic Accounting and Capital Market Frauds

➤ The bulk of company's fraud prevention efforts should be focused on the creation and implementation of proactive preventive techniques, including internal controls, policies, and procedures that are specifically designed to prevent fraud.

## COMBATING FRAUD AND OTHER MARKET ABUSES

<p><b>Market Abuse</b></p> <ul style="list-style-type: none"> <li>• Efficient law—if not statutory, greater use of rules and regulations promulgated by ministries</li> <li>• Efficient investigation—concentrate on the most problematic issues</li> <li>• Preventative sanctioning—prevention is better than the cure</li> </ul>	<p><b>Insider Trading</b></p> <ul style="list-style-type: none"> <li>• Protect inside information from unauthorized access</li> <li>• Awareness of employees—educate, highlight the risks, and monitor</li> <li>• Dealing culture—train employees about market principles and reputational risk</li> <li>• Internal regulations—adopt binding procedures or a code of best practices</li> </ul>
<p><b>Market Manipulation</b></p> <ul style="list-style-type: none"> <li>• Effective surveillance system</li> <li>• Reliable control system Price and volume restrictions</li> <li>• Liquidity</li> </ul>	<p><b>Disclosure Duties for Issuers</b></p> <ul style="list-style-type: none"> <li>• Sales prospectus</li> <li>• Financial reporting</li> <li>• Ad hoc disclosure of price-relevant inside information</li> <li>• Directors' dealings</li> <li>• Disclosure duties under takeover legislation</li> </ul>

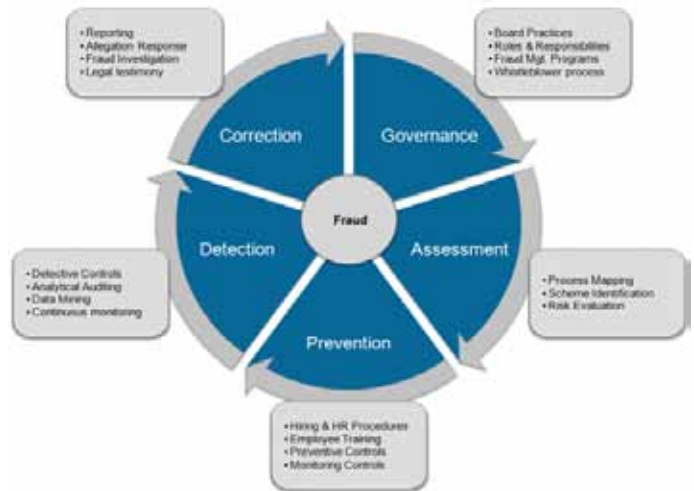
## PREVENTING CORPORATE FRAUDS

Experts estimate that companies lose five to six per cent of their annual revenue to fraud, so a comprehensive fraud prevention program is essential. This consists of three things:

- Education
- Investigation
- proactive prevention

Employees are the most likely to report misdeeds, so you want to give them the knowledge to help the company as an integral part of your fraud prevention program. And while fraud prevention efforts

are designed to stop employee fraud, investigations of suspected fraud should deter other employees from committing fraud.



The bulk of company's fraud prevention efforts should be focused on the creation and implementation of proactive preventive techniques, including internal controls, policies, and procedures that are specifically designed to prevent fraud.

Companies should-

- Establish clear and easy to understand standards from the top down. Have an employee manual that clearly outlines these standards and keeps the rules from becoming arbitrary.
- Always check references and perform background checks that include employment, credit, licensing and criminal history for all new hires.
- Secure physical assets, access to data, and money at all levels including monitoring and using pre-numbered cheques, keep cheques locked up, have a "voided cheque" procedure and never sign blank cheques. Review all disbursements regularly.
- Segregate the duties of employees and divide activities so one employee doesn't have too much control over an area or duty. Separate important accounting and account payable functions. Proper authorization of transactions, ensuring that employees aren't exceeding their authority.
- Do independent checks on performance, using audits, surprise check-ups, inventory counts, or other procedures to verify compliance with policies and procedures, as well as accuracy.
- Instill an anonymous reporting mechanism, such as an employee fraud hotline.

Further, companies should ensure that all II account reconciliations and general ledger balances should have an independent review by a person outside the responsibility area such as an outside accountant. This allows for reviews, better ensuring nothing is amiss and providing a deterrent for fraudulent activities.



➤ Internal audit serves as a critical defence against the threat of fraud, with a focus on assessing and monitoring controls designed to prevent and detect fraud. Internal auditors can be part of fraud deterrence by examining the adequacy of the system of internal controls.

Internal controls are the plans and/or programs implemented to safeguard your company's assets, ensure the integrity of its accounting records, and deter and detect fraud and theft. Internal audit serves as a critical defence against the threat of fraud, with a focus on assessing and monitoring controls designed to prevent and detect fraud. Internal auditors can be part of fraud deterrence by examining the adequacy of the system of internal controls.

## CONCLUSION

Forensic accounting in India has come to limelight only recently due to rapid increase in Frauds and white collar crimes and the belief that our law enforcement agencies do not have sufficient expertise or the time needed to uncover frauds. Many accounting firms have recently created forensic accounting departments within their organisation. Forensic accounting, in fact, integrates accounting, auditing, and investigative skills to conduct an examination into a company's financial statements. Broad-based knowledge is crucial to the success of entry-level forensic accountants. Because forensic accounting is relatively a new area of study, a series of working definitions and sharing of corporate experiences should be undertaken and encouraged to ensure a common understanding. Forensic accountants are also increasingly playing a 'proactive' risk reduction role by designing and performing extended procedures as part of the statutory audit, acting as advisors to audit committees, and assisting in investment analyst research. CS



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## Special "SEBI Courts" will Fast Track Prosecution of Security Laws Violators and Fraudsters

- By virtue of the Securities Laws (Amendment) Act, 2014 the SEBI Act, Securities Contracts (Regulation) Act and Depositories Act have been amended and newer and wider powers have been conferred upon SEBI to call for information and details from "any person" in connection with investigation into frauds and violations associated with the securities market practices. Under the new powers, the SEBI has already attached assets of some defaulters and fraudsters to the extent of about Rs.1,200 crores. Under the new law, special SEBI Courts have been designated and SEBI has already started filing cases in the SEBI Special Court. It will obviously expedite fast tracking of the cases being filed by the market watchdog to fulfil its mandate towards investor protection. This Article highlights these reforms to the Securities Laws in India.

**T**he Union Finance Minister, while moving the Securities Laws (Amendment) Bill, 2014 for consideration of the Parliament in August, 2014 said "This is an identical set of amendments to three legislations, the Securities Contracts (Regulation) Act, 1956; the Depositories Act, 1996 and the SEBI Act, 1992" as "over the last few decades, the nature of the securities market has changed, and the nature of various aberrations which can take place in the securities market has also changed. In view of the nature of violations having altered, particularly on account of Ponzi schemes, which are launched by several individuals or companies, the powers of the Regulators need to be redefined. Earlier,





the information that these Regulators were entitled to call for were from any Bank, Authority or Board. But today, the information may be with any other person also. So, the Act needs to be amended. Secondly, these violators through these Ponzi schemes do not respect national boundaries. Therefore, our Regulators enter into arrangements with Regulators outside the country for mutual sharing of information. Now, the sharing of information also requires the statutory basis, and the Act is being amended for that purpose. There is a third provision which is being added, which was not there originally. The amounts disgorged really means that if you commit violations through these Ponzi schemes, the profits from such offences that you earn do not belong to you; these profits must go to an Investor Protection Fund itself and an amendment is required. Then, there are some powers to be given to the investigators which may be required to conduct some searches. There was a power of search which was given to the SEBI and these Regulators under the original Act. But, if they had to conduct a search, under the original Act, they had to go to the Magistrate of the area, and after his permission, they had to conduct the search, as a result of which, the whole issue would become public and the purpose of search itself would be defeated. Secrecy itself is the essence of any surprise element during a search. Now, instead of having to go all over the country in order to take permission, a particular designated Court in Mumbai is being created where the Headquarters of SEBI are situated. The power will have some safeguards so that it is not misused. Now, there are several provisions with regard to compensation and penalties which are being altered in these particular amendments. There are also provisions with regard to establishment of special Courts. There are provision with regard to recovery of amounts and empowering the Regulators to recover the amount of the penalties which were inadequate in the original Act. These procedural changes are intended to empower those Regulators to conduct their functions more effectively." These were the broad features of the Securities Laws Amendment Bill which was passed by the Parliament in August, 2014 and it received the assent of the President on 22nd August, 2014 and was published in the Gazette of India on 25th August, 2014. Some of the provisions of the Securities

Laws (amendment) Act, 2014 (SLAA) were deemed to have come into force on 18th July, 2013 and some were deemed to have come into force on 28th March, 2014 and others were to come into force on such date as the Central Government may, by notification, in the Official Gazette, appoint.

Further, as per the Annual Report 2014-2015 of the Ministry of Finance, Government of India, the SLAA was notified on 25th August, 2014 and it contains urgent and critical amendments that were necessitated due to growing operational requirements of the Securities and Exchange Board of India (SEBI). The said changes were as follows:-

- (i) To empower SEBI to effectively perform enforcement functions by-
  - a) Wider power to call for information regarding securities transactions
  - b) Power to conduct search and seizure
  - c) Strengthen the powers to regulate Collective Investment Schemes (CIS)
  - d) Power to attach assets and recovery of monetary penalties
- (ii) To provide explicit legal backing to actions taken by SEBI under its general powers by
  - a) Power to share information with other Regulators
  - b) Power to pass consent orders
  - c) Power to pass disgorgement orders.
- (iii) To strengthen the regulatory framework by
  - a) Establishment of Special Courts and SEBI counsels to be deemed as Public Prosecutors
  - b) Issuance of Regulations.





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- (iv) Suitable amendments have been made in the Securities Contracts (Regulation) Act, 1956 and Depositories Act, 1996 to ensure consistency and alignment with the changes proposed in the SEBI Act.

For clarification, section 11AA of the SEBI Act has been amended and proviso (b) to sub-section (1) thereof provides that any pooling of funds under scheme or arrangement, which is not registered with the SEBI or is not covered under sub-section (3), involving a corpus amount of Rs.100 crores or more shall be deemed to be a Collective Investment scheme (CIS). Such clarity in the definition of CIS will bring within the SEBI's regulatory fold many CIS which hoodwink and fleece gullible investors luring them with false promises and high return.

From a reading of the above mentioned brief and broad features of the SLAA, it becomes evident that the Regulator SEBI is now empowered, inter-alia, to carry out search and seizure and to easily access call data records and it will now be easier for it to prove insider trading charges and the intensity of enforcement action would go up significantly. By virtue of the amendments to Section 11 of the SEBI Act, the SEBI is now empowered to call for information and records from any person, including any Bank or any other authority or board or corporation established or constituted by or under any Central or State Act, which, in the opinion of SEBI shall be relevant to any investigation or inquiry by the SEBI in respect of any transaction in securities. SEBI has also been empowered to call for information or furnish information to other Authorities, whether in India or outside India, having functions similar to those of SEBI, in the matters relating to the prevention or detection of violations in regard to securities laws, subject to the provisions of other laws for the time being in force in this regard, provided further that SEBI, for the purpose of furnishing any information to any authority outside India, may enter into an arrangement or agreement or understanding with such authority, with the prior approval of the Central Government.

By way of "Explanation" to Section 11B of the SEBI Act, the following has been added by the SLAA:-

"Explanation—For the removal of doubts, it is hereby declared that the power to issue directions under this section shall include and always be deemed to have been included the power to direct any person, who made profit or averted loss by indulging in any transaction or activity in contravention of the provisions of this Act or regulations made thereunder, to disgorge an amount equivalent to the wrongful gain made or loss averted by such contravention."

Further, section 11C of the SEBI Act has been amended to specify that the word "Magistrate" would now include "Magistrate or Judge of such designated Court in Mumbai, as may be notified by the Central Government". Also, a new sub-section (8A) has been inserted in Section 11C, which stipulates that the authorised officer may requisition the services of any police officer or any officer of the Central Government, or of both, to assist him for all or any of

the purposes specified in sub-section (8) and it shall be the duty of every such officer to comply with such requisition.

The inclusion of the words "Magistrate or Judge of such designated Court" will facilitate enforcement of securities laws by SEBI.

These are indeed very broad and sweeping powers and SEBI can now go after violators and fraudsters with full force and since SEBI can now call for information from regulatory authorities from abroad, it can effectively trace black money stashed abroad and take appropriate action for its retrieval. Further, by virtue of amendment to Section 11 of the SEBI Act and insertion of new sub-section (5) therein, SEBI can now order credit of the amount disgorged to the Investor Protection and Education Fund established by SEBI and such amount shall be utilised by SEBI in accordance with regulations made under the SEBI Act. Thus, apart from effectively curbing malpractices associated with the securities market, the disgorged amount can even be utilised to recoup the loss suffered by the investors to whom the disgorged amount rightfully belongs.

## SPECIAL SEBI COURTS

One of the significant changes brought about by the SLAA is the insertion of Sections 26A to 26E in the SEBI Act providing for establishment of Special SEBI Courts to try offences committed under the SEBI Act. Such provisions are on the lines of Special Courts proposed under Section 435 of the Companies Act, 2013 to try specified company law violations/offences. There can be no doubt that establishment of special SEBI Courts will go a long way to speedily and efficiently book the violators of the securities laws and securities market malpractices and can instil the confidence of the investors to the efficient and effective role of SEBI as the market regulator.





➤ The amended SEBI Act and the SCRA and the Depositories Act will enable SEBI to trace call data of persons in possession of price sensitive unpublished information and call for other relevant documents/data and would enable SEBI to go after persons involved in "Insider Trading" and other Securities Laws violations.

With regard to setting up of special SEBI Courts, the following amendments in Section 26 of the SEBI Act, clearly reflects the seriousness attached to prosecute the violators of the securities laws and to nab and prosecute the fraudsters and violators through the specialised SEBI Courts. The amendments are broadly as follows :-

"26A. (1) The Central Government may, for the purpose of providing speedy trial of offences under this Act, by notification, establish or designate as many Special Courts as may be necessary.

(2) A Special Court shall consist of a single judge who shall be appointed by the Central Government with the concurrence of the Chief Justice of the High Court within whose jurisdiction the judge to be appointed is working.

(3) A person shall not be qualified for appointment as a judge of a Special Court unless he is, immediately before such appointment, holding the office of a Sessions Judge or an Additional Sessions Judge, as the case may be.

26B. Notwithstanding anything contained in the Code of Criminal Procedure, 1973, all offences under this Act committed prior to the date of commencement of the Securities Laws (Amendment) Act, 2014 or on or after the date of such commencement, shall be taken cognizance of and tried by the Special Court established for the area in which the offence is committed or where there are more Special Courts than one for such area, by such one of them as may be specified in this behalf by the High Court concerned.

26C. The High Court may exercise, so far as may be applicable, all the powers conferred by Chapters XXIX and XXX of the Code of Criminal Procedure, 1973 on a High Court, as if a Special Court within the local limits of the jurisdiction of the High Court were a Court of Session trying cases within the local limits of the jurisdiction of the High Court.

26D. (1) Save as otherwise provided in this Act, the provisions of the Code of Criminal Procedure, 1973 shall apply to the proceedings before a Special Court and for the purposes of the said provisions, the Special Court shall be deemed to be a Court of Session and the person conducting prosecution before a Special Court shall be deemed to be a Public Prosecutor within the meaning of clause (u) of section 2 of the Code of Criminal Procedure, 1973.

(2) The person conducting prosecution referred to in sub-section (1) should have been in practice as an advocate for not less than seven years or should have held a post, for a period of not less than seven years, under the Union or a State, requiring special knowledge of law.

26E. Any offence committed under this Act, which is triable by a Special Court shall, until a Special Court is established, be taken cognizance of and tried by a Court of Session exercising jurisdiction over the area, notwithstanding anything contained in the Code of Criminal Procedure, 1973: Provided that nothing contained in this section shall affect the powers of the High Court under section 407 of the Code of Criminal Procedure, 1973 to transfer any case or class of cases taken cognizance by a Court of Session under this section."

With regard to setting up of special SEBI Courts, it is important to note that the Ministry of Finance (Department of Economic Affairs) vide its notification dated 21st April, 2015 issued in exercise of powers conferred by Section 26A of the SEBI Act, and Section 26A of the SCRA and Section 22C of the Depositories Act, the Central Government has designated the 39th Sessions Court, City Civil Court, Greater Mumbai, as the "Special Court" under the aforesaid Acts.

Further, vide notification dated 17th June, 2015, the Ministry of Finance (Department of Economic Affairs), in exercise of the powers conferred by sub-section (8) of Section 11C and Section 26A of the SEBI Act and section 26A of the SCRA and Section 22C of the Depositories Act, the Central Government has designated Court No.22, City Civil and Sessions Court, Mumbai, as the designated Court for the purposes mentioned in Section 11C of the SEBI Act and as the Special Court under the aforesaid Acts.

It is understood from SEBI source that in addition to special SEBI Courts in Mumbai, the Central Government has designated one Court in Kolkata and one Court in Chennai as Special SEBI Court and that setting up such Special SEBI Court in Delhi is in the process. Also, the special SEBI Courts have started taking







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Special "SEBI Courts" will Fast Track Prosecution of Security Laws Violators and Fraudsters

cognizance of cases being filed by SEBI and soon these special SEBI Courts will be fully functional.

It is relevant to note here that in August, 2014, SEBI had directed the Pearl Agrotech Corporation Limited (PACL) and its promoters to refund over Rs.44,276 crores that it collected from nearly 6 crore investors through collective investment schemes, without seeking any permission/registration from SEBI. PACL had claimed that it got its revenue from the sale of land, flats, commercial space and other business activities such as farm produce. Litigations raised by PACL ultimately reached the Supreme Court when the Court upheld the SEBI's powers to investigate into the PACL scam and to prosecute the directors of the PACL. During the course of SEBI's investigations, SEBI found out that PACL had paid commission to the tune of Rs.7893 crores to its Agents. This clearly reveals the involvement of large number of Agents who lure and hoodwink the gullible investors and as a regulator SEBI need to ensure taking measures to curb such menace.

In addition, the Supreme Court has recently directed the Central Bureau of Investigation (CBI) to investigate into the fraudulent activities of Saradha and other Ponzi schemes which got spread over to many States in India and even abroad and to prosecute the culprits as per law and also trace out where the ill gotten money has been stashed by the fraudsters. It has been recently reported in newspapers that during the interrogation by the CBI, the Managing Director of Rose Valley Group of Companies had said that with the help of nearly 3 lakhs active agents, the Rose Valley group of companies had cheated lakhs of investors to the tune of Rs.10,000 crore, which is four times higher than the Saradha chit fund scam and Rose Valley Scam can be termed as the biggest Ponzi scam ever.

The amended SEBI Act and the SCRA and the Depositories Act will enable SEBI to trace call data of persons in possession of price sensitive unpublished information and call for other relevant documents/data and would enable SEBI to go after persons involved in "Insider Trading" and other Securities Laws violations. With adequate laws being in place, once SEBI gets the permission from the specialised SEBI Court to call for data and information from "any person", it will go a long way to curb the security market manipulations and violations and coupled with newly acquired power of SEBI to order credit to Investor Protection and Education Fund, the disgorged amount and its distribution amongst those who have suffered by such securities market manipulations, and all such steps by SEBI would give effective reliefs to such large number of cheated investors.

It is reported that under the new and wider powers available to SEBI under the amended SEBI Act, it has started combating the menace of fraudulent activities and already attached assets worth more than Rs.2000 crores of the violators of the securities laws and initiated proceedings against more than 2,100 cases, including attachment of moveable and immovable properties, appointing receivers for management of attached properties and arrest and

detention of defaulters.

## CONCLUSION

While previously offenders would ignore orders passed by the market regulator SEBI, with the advent of the SLAA and the much-needed reforms legislated thereunder, securities market offenders are already being prosecuted for maliciously floating fraudulent collective investment schemes, thereby duping multitudes of their hard-earned money. In the wake of these reforms, only time will reveal whether SEBI is successful in fulfilling its mandate to protect the interests of the investors and in regulating the capital market where investors are not defrauded by unscrupulous corporates and individuals alike and where healthy investor-friendly atmosphere is maintained and encouraged. This would, positively impact the economy of India in the times to come.

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## Corporate Laws

LW:81:10:2015

KOSHA INVESTMENTS LTD v. SEBI & ANR [SC]

Civil Appeal No. 3219 of 2006 with Civil Appeal No. 2132 of 2007

Vikramajit Sen & Shiva Kirti Singh, JJ.[Decided on 18/09/2015]

SEBI Takeover Regulations 1997 – Regulation 11(1) – creeping acquisition – when the public announcement to be made – SC explains the law

### Brief facts:

The appellant, Kosha Investments Ltd., acquired shares of another company Snowcem India Ltd. (hereinafter referred to as 'SIL') from one of the original promoters of SIL and thus itself became one of the promoters. The proposed action under Regulations of 1997 was based upon report of investigation showing that appellant had consistently bought and sold shares of SIL prior to June 1999 and also after August 1999. As per record it was holding 21,32,900 shares of SIL constituting 20.29% of total paid up capital of SIL. The appellant made additional purchase of shares amounting to 10.81% of the paid up capital of SIL in violation of Regulation 11(1) of the Regulations of 1997 as it failed to make the required public announcement in terms of the said Regulation.

After granting personal hearing and considering the appellant's reply to the show cause notice, in the final order SEBI came to a finding that as on 31st March 1999 appellant was actually holding only 21,32,900 shares as shown by SEBI and not 31,84,228 shares which was claimed by the appellant on the ground that it had already pledged its shares to lenders who had lent money to SIL. The plea of pledge raised by the appellant was found without any substance and only an attempt to conceal subsequent purchase. Hence, SEBI came to a conclusion that the appellant was already holding between 15% to 75% shares of the target company SIL and it could acquire additional shares of this company through creeping

acquisition mode, that is, without public announcement only up to 5% of its paid up capital during the period of 12 months ending on 31st March 2000. However, by acquiring 11,36,700 shares of SIL during June 1999 to August 1999 it acquired shares constituting more than 5% of the paid up capital of SIL. For making such acquisition, the appellant was liable to make public announcement as required by Regulation 11(1) of the Regulations of 1997. Since the appellant failed to do so, the Whole Time Member of SEBI held it guilty and issued the following directions on 27th January 2004.

The appellant preferred an appeal before the Securities Appellate Tribunal to challenge the order dated 27th January 2004 passed by Whole Time Member of SEBI, which was dismissed.

**Decision:** Appeals dismissed with cost.

### Reason:

Before the Tribunal as well as before us the main contention of the appellant is that SEBI failed to consider that the appellant was not only a promoter having more than 15% shares of SIL but it was also in the business of sale and purchase of shares which was being done simultaneously and hence exceeding the limit of 5% at any one point of time was immaterial unless on a net accounting it could be found that such ceiling of 5% had been violated by appellant on account of its retaining more than 5% shares of SIL at the end of a financial year. On the other hand SEBI have reiterated their stand before the Tribunal that the ceiling of making acquisition of only up to 5% of the paid up capital of target company was no doubt to be reckoned during a period of 12 months, that is, a financial year but the requirement of Regulation 11(1) of the Regulations of 1997 of making a public announcement was triggered not only on actual acquisition beyond the 5% limit but even on entering into an agreement for such acquisition or deciding to acquire such volume of shares or voting rights, in view of provisions of Regulation 14(1) of the Regulations of 1997. A strong emphasis was laid on Regulation 14(1) which requires the public announcement referred to in Regulation 10 or Regulation 11 to be made by the acquiring company (through its merchant banker), not later than four working days of the agreement or decision to acquire the requisite number of shares or voting rights which by itself triggers the requirement of Regulation 11.

Let us conceptualize the case of an entity holding 20 per cent of shareholding in a target company on 1st April of a given year. If it were to increase its holding by say 3 per cent and subsequently reduce it to 2 per cent. If at that point it intended to purchase 4 per cent shares again, whether by way of fractions or otherwise, it would cross the threshold of 5 per cent. It would then have to make compliance with Regulation 11. We hasten to clarify that if the aggregate percentage of acquisitions at any point of time during the financial year exceeds 5 per cent, the provision would get triggered. In other words, the provision of Regulation 11 mandating a public announcement will kick in at any stage whence the shareholding of the said entity in the target company would exceed 5 per cent.



A careful reading of the Regulations discloses that the public announcement should not be delayed beyond four working days of the agreement or decision to acquire the requisite number of shares or voting rights. We are in agreement with the finding of the Tribunal on this issue and find no merit in the contentions of the appellant. If the plea of appellant will be accepted then an acquirer can keep on violating Regulation 11(1) with impunity on as many occasions as he/it wants and avoid letting the public have the required knowledge through public announcements by simply making subsequent sale or transfer to another entity so as to reduce the so-called net acquisition in a financial year to within 5%. This interpretation will defeat the purpose of Regulation 11(1) and shall also render Regulation 14(1) otiose. The concept of permitting creeping acquisitions by permitting not more than 5% of the shares or voting rights in a company limits the period for such acquisition to a financial year ending by 31st March. But such concept does not dilute the requirement of making a public announcement within the time mentioned in Regulation 14(1) if the acquisition even if only once made and divested, is of more than 5% of shares or voting rights in the target company. In other words, even if such acquisition is followed by sale in the same financial year, the liability of making the public announcement would remain unaffected and shall attract action, as in this case. Hence, the main contention advanced on behalf of the appellant is found to be without any merit. The other contention is that Regulation 14(2) of the Regulations of 1997 postpones the time for required public announcement to acquisition of voting rights when purchased securities are actually converted. According to the contention, only when securities or shares are converted by the acquirer into voting rights by getting it registered or upon exercise of option to acquire voting rights, the liability of making public announcement can be fastened.

Aforesaid plea has been rightly countered by pointing out that in case of acquisition of shares or voting rights the appropriate applicable provision is Regulation 14(1) and not Regulation 14(2) which applies only when the acquisition is of other securities including Global Depository Receipts, American Depository Receipts. It is only such securities which require conversion or exercise of option which is contemplated by Regulation 14(2). He also pointed out that no such plea was raised before the SEBI or the Tribunal and rightly because in the present case only Regulation 14(1) is applicable as it covers acquisition of either the shares or the voting rights or both which are the subject matter of Regulation 11(1). Reference has also been made to a judgment of this Court in the case of *Swedish Match AB and Another v. Securities & Exchange Board of India & Anr*, (2004) 11 SCC 641. This judgment in paragraphs 90 onwards considered the purpose and effect of Regulations 10, 11 and 12 of the Regulations of 1997 and in paragraph 102 held them to be mandatory statutory provisions.

However this judgment needs no elaborate consideration because no plea has been raised on behalf of appellant that the Regulations are directory or do not require compliance. We find that the plea

that the matter at hand relates to Regulation 14(2) was not raised before the original authority or the Tribunal. We also find that it is a plea of desperation and undeserving of acceptance. In the final analysis we find no merit in these appeals and hence they are dismissed with consolidated cost of Rs. 50,000/- to be paid by the appellant to SEBI within eight weeks.

## LW:82:10:2015

JAI MAHAL HOTELS PVT LTD v. RAJKUMAR DEVRAJ & ORS [SC]

Civil Appeal No.7914 of 2015 (Arising out of SLP (Civil) No.4384 of 2013) along with four appeals

Anil R. Dave & Adarsh Kumar Goel, JJ. [Decided on 23/09/2015]

Companies Act, 1956- section 111 – rectification of register of members – transfer of shares through will and succession certificates – rival group objecting to the transfer on several grounds – CLB refuses to allow the transfer – whether correct – Held, No.

### Brief facts:

The question raised in these appeals relates to the scope of power under Section 111 of the Companies Act, 1956, to direct rectification in the share register of a company. The question has to be examined in the context of correctness of the view taken in the impugned order passed by the High Court directing rectification at the instance of Respondent No.1-Rajkumar Devraj and Respondent No.2-Rajkumari Lalitya Kumari (the DR Group), who are the son and daughter respectively of late Maharaja Jagat Singh (LMJS) .

LMJS held shares in M/s. Jai Mahal Hotels Pvt. Ltd., M/s. Ram Bagh Palace Hotels Pvt. Ltd., M/s Sawai Madhopur Lodge Pvt. Ltd. and M/s. S.M.S. Investment Corporation Pvt. Ltd. He died on 05th February, 1997 leaving behind a Will dated 23rd June, 1996 in favour of his mother Gayatri Devi (GD). Succession certificate dated 19th February, 2009 was issued by the District Judge, Jaipur jointly in favour of GD and DR Group. GD executed transfer deed dated 27th April, 2009 in favour of DR Group. She also executed Will dated 10th May, 2009 in favour of DR Group. She died on 29th September, 2009. Vide letter dated 15th July, 2009, DR Group claimed transmission and transfer of shares in their favour on the basis of succession certificate dated 19th February, 2009 issued by the District and Sessions Judge, Jaipur (Civil), transfer deed dated 27th April, 2009 executed by their grand mother Gayitri Devi (GD) along with revalidation of the letter issued by the Registrar of Companies.





The application having not been accepted by the Company, the DR Group filed appeals before the Company Law Board (CLB). Urvashi Devi, grand daughter of husband of GD from another wife (UD Group) filed application for impleadment stating that the succession certificate was a nullity and raising further objections. Further, Suit No.32 of 2010 was also filed by the UD Group before the District Judge, Jaipur, raising the dispute of succession to the estate of GD. In the said suit, CMA No.20 of 2010 was filed under Order XXXIX Rules 1 and 2 CPC, for temporary injunction. The application was dismissed by detailed order dated 28th July, 2011.

The CLB dismissed the appeals filed by the DR Group vide order dated 16th March, 2011. On appeal by DR Group, Delhi High Court reversed the order of the CLB and ordered rectification of the register. Aggrieved, appellants filed the present appeal before the Supreme Court.

### Decision: Appeals dismissed with cost.

Reason: We have given due consideration to the rival submissions. The main question for consideration is whether there is any real dispute between the parties about the entitlement of DR Group to have the shares transferred in their favour and whether the exercise of jurisdiction by the High Court is beyond the scope of Section 111 of the Companies Act.

We are of the opinion that there is no real dispute between the parties as held by the High Court. DR Group has furnished the succession certificate as well as the transfer deed executed by GD in their favour. The same had to be acted upon. Moreover, the civil court in interim application moved by the UD Group held that the UD Group had no prima facie case. The said order was required to be acted upon subject to any further order that may be passed in any pending proceedings between the parties. There is no conflicting order of any court or authority. There is thus, no complicated question of title. Moreover, there is no bar to adjudication for purposes of transfer of shares unless the court finds otherwise. The stay order obtained by GD herself could not debar her from making a statement to settle the matter. The judgments relied upon by the appellants have no application to such a fact situation.

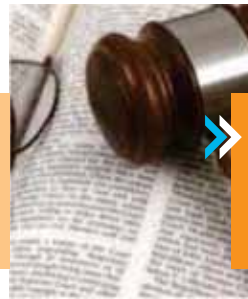
In the present case, as already observed, there is no real dispute between the parties. The DR Group followed the due procedure. It had the succession certificate in its favour apart from the transfer deed from GD, who admittedly inherited rights from LMJS. Will in favour of GD is beyond any dispute. Thus, the DR Group derived rights from the GD by documents executed by her in her lifetime and conveyed to the Company. Even if the Will of GD is not taken into account, for purposes of issue of rectification, the documents executed by GD clearly entitled the DR Group to have the rectification made.

We sum up our conclusions as follows: (i) LMJS executed will in favour of his mother GD which is not in dispute; (ii) GD and DR

jointly obtained succession certificate; (iii) GD signed the transfer deeds and communicated the same to the Board of Directors; and (iv) The civil court vide order dated 28th July, 1991 declined to grant temporary injunction finding no prima facie case against the succession certificate.

In above circumstances, even in summary jurisdiction, the CLB had no justification to reject the claim of the DR Group. The High Court rightly reversed the said order.

In view of the above, we find no merit in these appeals. The same are dismissed with costs quantified at Rs.5 lakhs in each of the appeals.



## General Laws

### LW:83:10:2015

**TAIYO MEMBRANCE CORPORATION PTY LTD v. SHAPOORJI PALLONJI & CO.LTD [SC]**

Arbitration Case (Civil) No.2 of 2015

**Ranjan Gogoi, J. [Decided on 09/09/2015]**

Arbitration and Conciliation Act,1996 – international arbitration – appointment of arbitrator – misdescription as to the name of the company in the contracts – explained by the applicant – whether arbitrator to be appointed – Held, Yes.

### Brief facts:

This application has been lodged by the applicant seeking appointment of an arbitrator to resolve certain disputes that have arisen out of three sub- contracts executed with the respondent in respect of works relating to renovation of the Jawaharlal Nehru Stadium, New Delhi. The said works were awarded to the respondent by the C.P.W.D. The area of dispute is small and narrow, namely, the entitlement of the petitioner to 5% of his claimed dues which, according to the petitioner, has been wrongly withheld by the respondent.





## Decision: Application allowed.

Reason: While it is correct that there is some confusion with regard to the description of the parties in the sub-agreements, the legal notice(s), and the letter(s) of invocation, the L.O.s issued in respect of the works and the correspondences exchanged by and between the parties make it clear that the applicant Taiyo Membrane Corporation Pty. Ltd. and Taiyo Membrane Corporation are one and the same entity and the works under the sub-agreements had been allotted by the respondent to the said entity. In this regard it may also be relevant to note that under the Australian Corporation Act, 2001 a Corporation includes a Company and a proprietary Company Limited by shares is incorporated as Pty. Ltd.

In the above circumstances the alleged mis-description will not affect the maintainability of the present application. As already observed, the Court does not find any ambiguity or inconsistency in the description of parties so as to non-suit the applicant-petitioner by dismissing its application on the above basis. The ambiguity, if any, in the description of the parties having been explained and the respondent Company itself having issued LOIs and having exchanged subsequent correspondences with the applicant with regard to the works under the sub-contracts, though executed in the name of the Taiyo Membrane Corporation and Taiyo Membrane Corporation (India), the applicant's petition cannot be held to be not maintainable as urged on behalf of the respondent.

Having held as aforesaid and the remaining objections, as noticed, being within the province of the Arbitrator the Court is inclined to grant the prayers made. Accordingly, Dr. Justice M.K. Sharma, a former Judge of this Court is appointed as the sole Arbitrator.

M RTP Act – sec 36A – launch of new car – requirement of deposit of the entire price of the car – whether unfair trade practice – Held, No.

## Brief facts:

The practice under scrutiny is of the year 1999 when the appellant was to begin the manufacture and delivery of newly introduced Tata Indica cars into the market with effect from February 1999, with the installed capacity of approximately 60,000 cars in a year. The appellant invited the prospective customers to book the car through dealers. The booking amount demanded by the appellant was quite high and close to the estimated price finally payable which would include excise duty, sales tax and transportation charges.

No complaint was made to the Commission by any of the persons who made the booking and thereafter either purchased the car or withdrew the deposits with or without interest, as the case may be. However three complaints were made before the Commission by persons who claimed that they had intentions to make the booking but were dissuaded by the high quantum of deposit required for the purpose. Their specific objection was that the demanded amount exceeded the basic price of the car if cess, taxes and transportation cost were left out. According to the complainants the appellant had indulged in Unfair Trade Practice (UTP) by demanding an excessive amount for bookings of Indica cars and by including the likely taxes, cess and transportation cost.

M RTPC passed the impugned order directing the appellant to cease and desist from the practice, which is assailed in the present appeal.

## Decision: Appeal allowed.

## Reason:

The appellant explained their practice by pleadings which are not controverted, that their past experience as automobile manufacturer was limited to heavy vehicles and hence in their initial venture into the car segment, they were not sure of public response and they had decided to plan their production schedule on the basis of reality test of car's demand in the market. For this speculative bookings were required to be discouraged and the same was sought to be achieved by demanding an amount closer to the anticipated price which the customer would be required to pay. According to submissions, such practice could not have promoted the sale of their vehicle rather it was discouraging. The large response shows peoples' faith in the products of the appellant and also that the interest rate offered by the appellants was appreciable and fair.

The second limb of arguments also flows from the definition in Section 36A of the Act. By placing reliance upon judgment of this Court in the case of *Rajasthan Housing Board v. Parvati Devi (Smt)* (2000) 6 SCC 104, it was contended that when supplier and consumer have entered



## Competition Laws

### LW:84:10:2015

### TATA ENG & LOCOMOTIVE CO.LTD v. DIRECTOR (RESEARCH) [SC]

Civil Appeal No. 2069 of 2006

Vikramajit Sen & Shiva Kirti Singh, J. [Decided on 07/09/2015]



into an agreement then the Commission, in order to hold the supplier guilty of unfair trade practice on the basis of allegations made against it, is required to go into the terms and conditions agreed between the parties for finding out whether there was unfair trade practice so as to require further action on the basis of complaints.

On behalf of appellant reliance was also placed upon judgment of this Court in the case of *M/s Lakhanpal National Limited v. M.R.T.P. Commission & Anr* (1989) 3 SCC 251, particularly paragraph 7 and 9 thereof. In paragraph 7 it was held that the definition of “Unfair Trade Practice” in Section 36A is not inclusive or flexible, but specific and limited in its contents. The Court also considered the object of this provision with a view to resolve the issue as to whether particular acts can be condemned as unfair practice or not.

We have gone through the Preliminary Investigation Report, the Notice of Enquiry as well as the Order under appeal. We do not find any material or even allegation in the PIR which could satisfy any of the four unfair trade practices covered by various Clauses such as Clause (i), (ii), (iv) and (vi) of Section 36-A (1) of the Act. A careful perusal of the Notice of Enquiry dated 25.9.2000 reveals that no doubt a copy of the PIR was enclosed but the notice made it clear itself that the Commission came to a considered opinion that the Director (Research) had found the appellant indulging in unfair trade practices falling precisely and only under clauses (i), (ii), (iv) and (vi) of Section 36A(1) of the Act. The enquiry, as per the notice, was to cover: - (a) whether the respondent has been indulging in the above said unfair trade practice(s) and (b) whether the said unfair trade practice(s) is/are prejudicial to public interest. A scrutiny of the judgment under appeal discloses that the Commission failed to keep in mind the precise allegations against the appellant with a view to find out whether the facts could satisfy the definition of Unfair Trade Practice(s) as alleged against the appellant in the Notice of Enquiry. The Commission was apparently misled by the Preliminary Investigation Report also which claimed to deal with reply received from the appellant in course of the preliminary enquiry but patently failed even to notice the stipulation as regards payment of interest on the booking amount although this fact was obvious from the terms and conditions of the booking and was reportedly relied upon by the appellant in its reply even at the stage of preliminary investigation. The Commission noticed the relevant facts including provision for interest while narrating the facts, but failed to take note of this crucial aspect while discussing the relevant materials for the purpose of arriving at its conclusions. Such consideration and discussion begins from paragraph 32 onwards but without ever indicating that the booking amounts had to be refunded within a short time or else it was to carry interest at the rate of 10% per annum. The order of the Commission appears to be largely influenced by a conclusion that the appellant should not have asked for deposit of an amount above the basic price because in the opinion of the Commission it was unfair for the appellants to keep excise and sales tax with itself for any period of time. Such conclusion of the Commission is based only upon subjective considerations of fairness and do not pass the objective test of law as per precise definitions under Section 36A of the Act. Even after stretching the allegations and facts to a

considerable extent in favour of respondent Commission, we are unable to sustain the Commission’s conclusions that the allegations and materials against the appellant make out a case of unfair trade practice against the appellant. Nor there is any scope to pass order under Section 36-D (1) of the Act when no case of any unfair trade practice is made out. Hence, we are left with no option but to set aside the order under appeal. We order accordingly. As a result the appeal stands allowed.

## LW:85:10:2015

**GUJARAT INDUSTRIES POWER COMPANY LTD (GIPCL) v. GAIL (INDIA) LTD; AND GUJARAT STATE FERTILIZERS & CHEMICALS LTD (GSFCL) v. GAIL (INDIA) LTD [CCI]**

Case Nos. 55 & 56 of 2015

**Ashok Chawla, S. L. Bunker, Sudhir Mital, Augustine Peter, U. C. Nahta, M. S. Sahoo & G. P. Mittal. [Decided on 08/09/2015]**

Competition Act, 2002 – sections 3 & 4 – contract for supply of RLNG – clauses to safeguard the commercial interest of the supplier – whether abusive – Held, No.

### Brief facts:

The Informant in case no. 55 of 2015, GIPCL is engaged in the business of power generation. It is stated that to operate its 310 megawatt gas based power plant at Vadodara, GIPCL requires continuous supply of Re- Liquefied Natural Gas (hereinafter ‘RLNG’) of 1.65 Million Metric Standard Cubic Meter per Day (‘MMSCMD’). The Informant in case no. 56 of 2015, GSFCL, is engaged in business of manufacture of fertilizers and chemicals since 1962. It requires RLNG as one of the primary inputs for its production activities.

GIPCL and GSFCL have entered into GSAs with OP on 12.02.2004 and 17.01.2004 respectively, with similar terms and conditions. As per Article 9.3 of the GSA, mutual discussions were to be held between OP and its customers (Informants herein) to decide price of gas effective from 01.01.2009, but it is alleged that no such discussions were held. Both the Informants requested OP to provide them with a copy of draft GSA to be effective from 01.01.2009. The Informants were allegedly informed by OP that the agreements were non- negotiable. It was also urged that after 2009, OP continued to increase the price as the contract was silent on that point and ultimately in 2014 it became unviable for the Informants to operate on the prices set by OP. Thereafter, in 2015, OP raised huge demands running into crores of rupees for 2014 by invoking Article 14.1(c) of the GSA under the ‘Pay if Not Taken Liability’ as the Informants failed to off take the minimum guaranteed/ committed quantity of gas.



The Informants have alleged that OP has abused its dominant position and imposed arbitrary and one sided conditions on its consumers through GSA. The Informants have stated that OP has incorporated anti-competitive clauses in GSA by way of which it is trying to force the Informants to purchase a specified quantity of natural gas from it each year for a period of twenty years, failing which it is raising arbitrary demand for shortfall by way of off-take under the 'take or pay' clause introduced in the GSA. The Informants have also alleged that OP has adopted anti-competitive practices like unfair and discriminatory pricing.

Based on the above averments, the Informants have prayed that the Commission may investigate into the matter and direct OP to waive off the demands raised under 'Pay if Not Taken Liability'. It has been further requested that the clauses of GSA be declared null and void being in contravention of the provisions of the Act. The Informants have also sought interim relief in the matter.

### **Decision: Complaints dismissed.**

### **Reason:**

In the present case, it is apparent that some of the terms and conditions in the GSAs with respect to both the Informants are one sided and tilted in favour of OP. At the outset, the Commission would like to point out that the GSAs in question were executed prior to the relevant provisions of the Act (i.e., sections 3 and 4) were notified. It may be noted that the two GSAs were evidently entered into before 20.05.2009. Therefore, provisions of the Act, being prospective in effect would not be applicable to the GSAs in present information.

Further, the Informants have failed to provide any cogent evidence to highlight any anti-competitive conduct on part of the OP which occurred post 20.05.2009 i.e., after the provisions of sections 4 of the Act coming into force. However, considering that the said GSAs were entered into for a period of 20 years and are in existence at present, the Commission analysed the terms and conditions of both the GSAs to gauge if they go against the principles of competition law as enshrined in the Act.

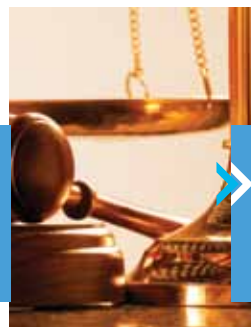
In case no. 55 of 2015, the Commission notes that by its letter dated 27.02.2015, OP invoked clause 14.1 of the GSA and made a demand of Rs. 49.81 crores out of a total liability of Rs. 237.93 crores which was due under the 'Pay For If Not Taken' liability. GIPCL by its letter dated 07.03.2015 requested OP to waive off the claim against the said liability. GIPCL also proposed to surrender the entire contracted quantity of long term RLNG for 2015 by its letter dated 06.04.2015. By another letter dated 08.05.2015, GIPCL informed OP that GIPCL has been unable to sell power generated by it to Grid Authorities and it is not possible to consume the contracted quantity of RLNG. Though OP expressed its inability, vide its letter dated 02.06.2015, to waive off the entire 237.93 cores but reduced the same to Rs. 49.81 crores and waived of the remaining though it was due.

In case no. 56 of 2015, the Commission notes that OP vide its letter

dated 11.11.2013 proposed to revise the contracted quantity of RLNG due to the irregular consumption pattern of GSFCL. However, this proposal of OP was rejected by GSFCL by its letter dated 31.12.2013, wherein GSFCL categorically stated that its plants are running to full capacity and there is no need for revision of existing RLNG contract. Further, vide its letter dated 03.03.2015, GSFCL requested OP to waive off the claim against 'Annual Take or Pay' liability for the year 2014 and also not invoke the same in future. Vide its communication dated 02.06.2015, though OP expressed its inability to waive off the entire 275.74 cores but reduced it to Rs. 105.45 crores. It was further clarified to the Informant by OP that the Informant can exercise the make-up gas facility for the shortfall in off take.

From the above material and letters/ emails exchanged between the Informants and OP, the Commission is unable to construe abusive conduct on the part of OP. Safeguarding commercial interest or invoking contractual clauses which were not unfair per se cannot be termed as unfair just because they are invoked by one of the parties to the contract. The GSAs, when they were entered into appears to have been entered into after thorough negotiations and discussions. Further, it is apparent from the records that OP had proposed to reduce the quantity of natural gas to be supplied to GSFCL by its letter dated 31.12.2013. However, this proposal was rejected by GSFCL by its letter dated 31.12.2013, stating that its plants are running to full capacity and there is no need for revision of existing RLNG contract. In such a scenario, if OP has invoked 'Pay for if not taken' liability under the GSA, it does not appear to be abusive. Further, in view of the fact that such liability was substantially reduced by OP shows that the behaviour of OP was rational and not arbitrary. The Commission also notes that there was a make-up facility available with the Informants.

Based on the aforesaid, the Commission is of the view that no case of contravention is made out against OP under section 4 of the Act. Accordingly, both the cases are hereby directed to be closed under section 26(2) of the Act.



**Tax  
Laws**

## **LW:86:10:2015**

**LLOYD ELECTRIC AND ENGINEERING LTD v.  
STATE OF HIMACHAL PRADESH & ORS[SC]**





Civil Appeal No. 6838 of 2015 (Arising from S.L.P. (C) No. 26751/2013)

**Anil R. Dave, Kurian Joseph & Adarsh Kumar Goel, JJ. [Decided on 03/09/2015]**

HP Industrial policy – levy of CST @ 1% approved – excise & taxation department implements the said decision after some time- whether the concessional rate is applicable during the period i.e. from the date of approval by the council of ministers and the implementation of the scheme – Held, Yes.

### Brief facts:

Whether the appellant is liable to pay Central Sales Tax (hereinafter referred to as “CST”) @ 2 per cent on the inter-State sales for the period 01.04.2009 to 17.06.2009 or @ 1 per cent in view of the Industrial Policy of the State, is the dispute arising for consideration in this case.

It is not in dispute that as per the Industrial Policy of the State of Himachal Pradesh, the appellant had been enjoying the concessional rate in CST @ 1 per cent up to 31.03.2009. It is also not in dispute that the Cabinet had taken a policy decision to extend the period of concession up to 31.03.2013 or till the CST is phased out. Still further, it is not in dispute that the Department of Industries had, accordingly, issued a notification extending the concessions from 01.04.2009 to 31.03.2013 or till the time the CST is phased out. The dispute arose on account of the Notification dated 18.06.2009 issued by the Excise and Taxation Department granting the concessional rate of the CST @ 1 per cent wherein the expression “... with immediate effect for the period ending 31.03.2013” was used.

The High Court, as per the impugned judgment, took the view that the expression “... with immediate effect” has to be given a plain meaning, and therefore, the appellant is not entitled to the concession which it had been enjoying up to 31.03.2009 till the Notification dated 18.06.2009 is issued by the Excise and Taxation Department.

**Decision: Appeal allowed.**

Reason: We do not think it necessary to go into the various contentions raised by the parties in view of the undisputed factual position we have referred to above. The State Government cannot speak in two voices. Once the Cabinet takes a policy decision to extend its 2004 Industrial Policy in the matter of CST concession to the eligible units beyond 31.03.2009, up to 31.03.2013, and the Notification dated 29.05.2009, accordingly, having been issued by the Department concerned, viz., Department of Industries, thereafter, the Excise and Taxation Department cannot take a

different stand. What is given by the right hand cannot be taken by the left hand. The Government shall speak only in one voice. It has only one policy. The departments are to implement the Government policy and not their own policy. Once the Council of Ministers has taken a decision to extend the 2004 Industrial Policy and extend tax concession beyond 31.03.2009, merely because the Excise and Taxation Department took some time to issue the notification, it cannot be held that the eligible units are not entitled to the concession till the Department issued the notification. It has to be noted that the Finance Department of the State Government had concurred with the proposal of the Department of Industries to extend the tax concession beyond 31.03.2009 till 31.03.2013 and the Council of Ministers had accordingly taken a decision also. No doubt, the statutory notification issued by the Excise and Taxation Department on 18.06.2009 has stated that the eligible units will be entitled to the concession with immediate effect. Merely because such an expression has been used, it cannot be held that the State Government can levy the tax against its own policy. The State Government is bound by the policy decision taken by the Council of Ministers and duly notified by the Department concerned, viz., Department of Industries.

Accordingly, the appeal is allowed, the impugned judgment is set aside. It is declared that the appellant shall be entitled to the concessional rate of CST @ 1 per cent with effect from 01.04.2009 till 31.03.2013 until it is duly varied by the State Government.

## LW:87:10:2015

**C.C.E., CHENNAI v. HINDUSTAN LEVER LTD [SC]**

Civil Appeal No. 1941 of 2006

**A.K. Sikri & R.F.Nariman, JJ. [Decided on 25/08/2015]**

Central Excise Tariff Act – Vaseline – manufacturer classified as ‘medicament’ while department claimed it as ‘cosmetic’ – whether Vaseline is medicament – Held, yes.

### Brief facts:

The issue involved in the present appeal is as to whether Vaseline Intensive Care Heel Guard (for short, ‘VHG’) is to be treated as merely a skin care preparation or it is a medicament having curing properties. Based on the answer to the aforesaid question, classification of this product will be determined. If it is only a skin care preparation then VHG is classifiable under Chapter Heading 3304.00 of the First Schedule to the Central Excise Tariff Act, 1985 (for short, the ‘Act’). On the other hand, if it is to be treated as a medicament, VHG would get covered under Chapter Heading





3003.10 of the First Schedule. The rate at which the excise duty is payable depends on the said classification.

The position which is taken by the assessee is that VHG is patent or proprietary medicament and is, therefore, classifiable under Chapter Heading 3003.10 and only 15% duty is paid. However, the Department's view was that it is cosmetic and not medicament.

### Decision: Appeal dismissed.

Reason: The product in question, Vaseline Intensive Care Heel Guard, is marketed as a solution for cracked heels and it is claimed that this solution is specially developed by the scientists at Vaseline Research. The composition of this product includes salicylic acid I.P. 1.5% w/w. lactic acid 8.0% w/w. Triclosan 0.1% w/w. Cream base – q.s. Salicylic acid is described as keratolytic substance having bacteriostatic and fungicidal properties used in the treatment of fungus infection of the skin. The Tribunal, while deciding that the aforesaid product is a medicament, pointed out that the product was formulated and essentially used for treatment of 'cracked heels', protection from further cracks in the human heels due to extreme climatic conditions and low humidity, constant exposure of feet to water and due to absence of shoe or other protection while walking. It also found that this product was manufactured under a drug licence as drug authorities had treated the same as a medicament. The Tribunal also found that the usage of this product was related to the effect of therapeutic or mitigating substance of prophylactic substances added. Thus, the effect of mitigation of an external condition is primary effect and the effect of smoothing the skin was secondary in nature and, therefore, it was to be treated as a medicament and classified under Chapter 30.

Interestingly, all the aforesaid features of the product are accepted by the Department. However, only on the ground that salicylic acid contained in the product is marginal, the Department took the view that it was a subsidiary substance. Having regard to the exposition of law narrated above, this was clearly an erroneous approach on the part of the Revenue as percentage of the said substance is immaterial to label it as subsidiary.

Another more important factor which needs to be stated at this stage is that though the burden was on the Department, it did not lead any evidence or produce any material to discharge this onus. It simply went by the pamphlet of the product, that too selectively picking up that portion where the product was described as good for care of the skin as well, ignoring the fact that the same very literature gives more emphasis to the therapeutic value of the product. On the other hand, the assessee had filed various affidavits of the dealers as well as consumers in support of its plea that the product was essentially a medicament, which material was blissfully ignored by the Department.

From the aforesaid, we conclude that the decision of the Tribunal holding the product in question to be a medicament and, therefore,

covered by Chapter Heading 3003.10 is perfectly justified and does not call for any interference. The civil appeal is, accordingly, dismissed with no order as to costs.



## Industrial & Labour Laws

### LW:88:10:2015

DELHI TRANSPORT CORPORATION v. RAJINDER SINGH [DEL]

W.P.(C) No. 2164/2004

I. S. Mehta, J [Decided on 18/09/2015]

Industrial Disputes Act, 1947 – section 33 – dismissal of workman – rejection of employers application to pay one month's salary by the Tribunal – whether workman is said to have been not dismissed – Held, yes.

### Brief facts:

The respondent-workman, i.e., Shri Rajinder Singh, on 08.03.1988, was found misconducting himself, while on duty as conductor in Bus No. 1050 at Route No. 082, by non-issuance of tickets, keeping with him used and unauthorised tickets, and offering illegal gratification to the checking officials. After following the process of report and charge sheet domestic enquiry was conducted and the workman was dismissed from services and his one month's wages by money order was also remitted as required under Section 33(2) (b) of the Industrial Disputes Act, 1947. An approval application under Section 33(2) (b) of the Industrial Disputes Act, 1947 was also filed before the learned Tribunal for approval of the action taken, i.e., removal of the respondent- workman from services of the petitioner-management. The learned Tribunal rejected the approval application and the order of removal of the respondent-workman was set-aside. Aggrieved by the aforesaid order the petitioner has preferred the present Writ Petition.

### Decision: Petition dismissed.

Reason: The contention of the petitioner management that sufficient opportunity was not given to the management to lead evidence on merits is not convincing and the plea loses its



significance in presence of the opportunities given to the petitioner-management on several dates. Moreover, nothing is stated on behalf of the petitioner-management as to why the petitioner-management has not challenged the order of the Industrial Adjudicator dated 05.07.2002 and 22.11.2002 which have now attained finality qua against the petitioner- management. No steps to summon the witnesses were taken by the petitioner-management. If the plea of the petitioner-management is accepted, there is every possibility of the petitioner-management, venture the procedural adventurism against the respondent-workman, particularly in the instant case, where the Industrial Adjudicator himself was left with no option except to close the evidence of the petitioner-management on two occasions and thereafter, passed the impugned order.

The contention of the petitioner management that the respondent-workman is not entitled to back-wages as he has not specifically pleaded that he was not gainfully employed elsewhere after his removal from service is not convincing. In the instant case, the petitioner-management was under a legal obligation to take the mandatory approval under Section 33(2) (b) of the Industrial Disputes Act, 1947 from the Industrial Adjudicator. If the order of removal of workman from the services is not approved by the Industrial Adjudicator, the position of the workman remains to be that of an unblemished workman entitling him to all the benefits to which a workman is entitled under the law.

It is evident from petition under Section 33(2) (b) of the Industrial Disputes Act, 1947 itself that the approval application is moved on behalf of the management and not on behalf of respondent-workman. Therefore, the onus always lies on the petitioner-management to obtain approval of its action taken and if the same fails, the status of the workman remains to be a workman, same as under section 2(s) of the Industrial Disputes Act, 1947. It has been so held by the Hon'ble Supreme Court of India in the case titled as *Jaipur Zila Sahakari Bhoomi Vikas Bank Ltd. v. Ram Gopal Sharma & Ors.*, 2002 (2) SCC 244.

In the instant case, the approval application on behalf of the petitioner-management under Section 33(2)(b) of the Industrial Disputes Act, 1947 has been rejected by the Industrial Adjudicator. The provisions of Section 33(2) (b) of the aforesaid Act protects the interest of the workman and it is a shield against victimisation and unfair labour practices by the management during the pendency of a dispute. The status of the respondent-workman remains to be that of a workman as defined under Section 2(s) of said Act. Therefore, this being the position of law, the workman-respondent is entitled to all the consequential benefits including back-wages as given to a workman under Section 2(s) of the said Act.

As such, this Court while exercising its power of judicial review finds no illegality or perversity in the impugned order dated 15.09.2003. Consequently, the present Writ-Petition is dismissed. No order as to costs.

**LW:89:10:2015**



## ASSISTANT PROVIDENT FUND COMMISSIONER v. HI-TECH VOCATIONAL TRAINING CENTRE [DEL]

LPA 629/2011

**Pradeep Nandrajog & Mukta Gupta, JJ. [Decided on 21/09/2015]**

**Employees Provident fund Act – section 14B – damages for late deposit of contribution – single judge held that on the date of issuance of notice the non-payment of contribution should have continued so as to make it arrears – whether correct – Held, No.**

### Brief facts:

We are called upon to decide two issues in the instant appeal. The first is whether the Employees Provident Fund Commissioner is obliged to levy damages under Section 14B of the Employees Provident Fund Miscellaneous Provisions Act, 1952, and while doing so is the authority bound to levy the damages prescribed in the table in Para 32A of the Employees Provident Fund Scheme, 1952. The second is whether the penalty can be levied under Section 14B if by the date proceedings are initiated under Section 14B the assessee has paid the necessary dues under the Employees Provident Fund and Miscellaneous Provisions Act, 1952.

### Decision: Appeal allowed.

Reason: A perusal of the Section 14B shows that to trigger initiation of proceedings thereunder there must be an employer who has made a default in the payment of any contribution to the fund, and for which we simply highlight the first 13 words of the Section: 'Where an employer makes default in the payment of any contribution to the Fund....'. Once triggered, the Central Provident Fund Commissioner or such other officer as may be authorized by the Central Government, and we note the language of the Section: 'may recover from the employer by way of penalty such damages, not exceeding the amount of arrears, as may be specified in the scheme'.

The legislature has used the word 'may' twice. Firstly with reference to the very recovery itself, apparent from the use of the expression 'may recover'; and secondly with reference to the quantum, apparent from the use of the expression 'not exceeding the amount of arrears as may be specified in the scheme'.

In light of the case law and the language of Section 14B it is apparent that the legislature has vested a discretion in the Commissioner to levy damages with further discretion to determine such damages as he may determine.

The view taken by the learned Single Judge on the first issue is correct, however we would be failing if we do not note that moneys payable



into the fund are for the ultimate benefit of the employees and there being no provision by which the employees can directly recover these amounts, the Commissioner would be obliged to ensure that at least such amount which is necessary to recompense the employees should be levied by way of damages notwithstanding that in the statute book we find Section 7Q being inserted and there being 12% statutory simple interest per annum payable on the defaulting amount. There is an element of a stick in the Section, but the same must be yielded with care and caution. The stick would be to penalize the employer so that he learns by example and does not wilfully default in future or adopt a casual attitude. Persistent and repeat defaulters should be dealt with sternly and visited with the maximum penalty. First time defaulters deserve sympathy. These are some of the indicative factors, not exhaustive, which must be kept in mind while exercising the discretion.

Cross fertilization of ideas can prove to be dangerous if the textual and the contextual context of an idea are not properly understood. On the second view taken by the learned Single Judge, the reason given is that power to recover damages under Section 14B is by way of penalty and the expression 'not exceeding the amount of arrears' in the Section has been read by the learned Single Judge as envisaging that when proceedings are initiated under Section 14B there is an arrear of contribution to the fund. The learned Single Judge has cross fertilized the idea by transporting the law declared in the decision reported as AIR 1968 SC 461 *Vithal Vasudeo Kulkarni & Ors. v. Maruti Rama Nagane & Ors.* The Supreme Court was dealing with Section 25 of the Bombay Tenancy and Agricultural Land Act, 1948. Sub-Section 1 of Section 25 of the Act enable a landlord to initiate proceedings to eject the tenant if tenancy was terminated for non-payment of rent. The Supreme Court held that if there was a default in payment of rent but before the landlord initiated ejectment proceedings the rent was

tendered and accepted, the act of tendering an acceptance would result in waiver by the landlord of the right to terminate the tenancy. The learned Single Judge has reasoned by analogy that if before proceedings under Section 14B were initiated the defaulting employer had made the payment to the fund, the very initiation of the proceedings would be bad in law.

It is trite that where a default by a party confers a right upon another, it would be open to the said other party to waive the breach. This would be when the relationship is interpersonal and stems from either a contract or a law. But where the power to levy damages are on account of a default in making the contribution to a fund which is for the benefit of the employees, the Commissioner would be nobody to waive the default. Further, as we have noted hereinabove what triggers Section 14B is the default in the payment of the contribution to the fund, and the default would be not making the contribution to the fund by the 15th day of the ensuing wage month. The statute nowhere contemplates that the default must be in existence on the day when proceedings under Section 14B are initiated. Thus, if there is a default in making contribution to the fund, notwithstanding belated contribution being made to the fund, since the default has already taken place the Commissioner would be within his power to initiate proceedings under Section 14B. The learned Single Judge has overlooked that the Section triggers 'Where an employer makes default in the payment of any contribution to the fund'. The Section is not worded 'Where an employer continues to be in default in the payment of any contribution to the fund'.

The second view taken by the learned Single Judge in the impugned decision being contrary to law, we dispose of the appeal affirming the first view taken by the learned Single Judge and overruling the second.

## SPECIAL ISSUE OF CHARTERED SECRETARY

It is proposed to bring out special issue of Chartered Secretary on **Ease of Doing Business in India** (December, 2015 issue of the Journal).

Members and others having expertise on the aforesaid subject are welcome to contribute articles for consideration by the Editorial Advisory Board for publication in the said special issue.

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

## ANNOUNCEMENT

In line with the Green Initiatives and the Ministry of Corporate Affairs Circular No. 18/2011 (No. 17/95/2911-CL.V dated April 29, 2011) requiring companies to send Balance Sheet and Auditors Report etc. to their members through electronic mode and pursuant to the decision of the Council of the Institute, the Annual Report of the Council for the Financial Year 2014-15 has been sent to all the members of the Institute through electronic mode on 29.09.2015. The Annual Report has also been hosted on the website of the Institute on link- <http://www.icsi.edu/WebModules/LinksOfWeeks/Annual%20Report%202014-15.pdf>



## Corporate Laws

### 01 Companies (Management and Administration) Second Amendment Rules, 2015

[Issued by the Ministry of Corporate Affairs vide F. No. 01/34/2013-CL-V- Part-I, dated 24.09.2015. To be Published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-Section (i)]

In exercise of the powers conferred by sections 88, 89, 91, 92, 93, 94, 101, 105, 108, 109, 110, 115, 117, 118, 119, 120 and 121 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 (Management and Administration) Rules, 2014, namely:—

1. **Short title and commencement.**—(1) These rules may be called the Companies (Management and Administration) Second Amendment Rules, 2015.
- (2) They shall come into force on the date of their publication in the Official Gazette.
2. In the Companies (Management and Administration) Rules, 2014, in Form No. MGT-7, in paragraph I, under serial number (i), after "Global Location Number (GLN) of the Company", the following shall be inserted, namely:-

"\*Permanent Account Number (PAN) of the Company.

Amardeep S. Bhatia  
Joint Secretary

### 02 Extension for a period of one month for the High Level Committee on CSR -reg.

[Issued by the Ministry of Corporate Affairs vide F. No.05/09/2014-CSR, General Circular No. 13/2015, dated 16.09.2015. ]

A High level Committee was constituted to suggest measures for improved monitoring of the implementation of Corporate Social

Responsibility policies by the companies under Section 135 of the Companies Act, 2013, vide OM of even no. dated 03.02.2015. The Committee has been granted extension of another one month with the approval of Hon'ble Union Minister for Corporate Affairs to submit its report by 22.09.2015.

2. This issues with the approval of Hon'ble Union Minister for Corporate Affairs.

Seema Rath  
Deputy Director-CSR

### 03 Companies (Acceptance of Deposits) Second Amendment Rules, 2015

[Issued by the Ministry of Corporate Affairs vide File No. 1/8/2013-CL-V, dated 15.09.2015. To be Published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-sections (i)]

In exercise of the powers conferred by sections 73 and 76 read with sub section (1) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Acceptance of Deposits) Rules, 2014, namely:

1. (1) These rules may be called the Companies (Acceptance of Deposits) Second Amendment Rules, 2015,
- (2) They shall come into force on the date of their Publication in the Official Gazette'
2. In the Companies (Acceptance of Deposits) Rules, 2014 (hereinafter referred to as said rules), in rule 2, in sub-rule (1), in clause (c), for sub-clause (viii), the following shall be substituted, namely:-

"(viii) any amount received from a Person who, at the time of the receipt of the amount, was a director of the company or a relative of the director of the Private company:

Provided that the director of the company or relatives of the director of the private company, as the case may be, from whom money is received, furnishes to the company at the time of giving the money, a declaration in writing to the effect that the amount is not being given out of funds acquired by him by borrowing or accepting loans or deposits from others and the company shall disclose the details of money so accepted in the Board's report;"

3. In the said rules, in rule 3, -
  - (a) for the words "paid-up share capital and free reserves", wherever they occur, the words "Paid-up share - capital, free reserves and securities premium account" shall be substituted;
  - (b) in sub-rule (8), in the Table, for item (e) and entries relating





thereto the following shall be substituted, namely:

'(e) Brickwork Ratings India Pvt Ltd (Brickwork)	BWR FBBB".
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Amardeep S. Bhatia  
Joint Secretary

## 04 Amendments in the Notification No. S.O. 2425(E) dated 18.09.2014

[Issued by the Ministry of Corporate Affairs vide F. No. 1/5/2001-CL-V (Part V), dated 10.09.2015. To be Published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-Section (i)]

In exercise of the powers conferred by sub-section (l) of section 210A of the Companies Act, 1956 (1 of 1956) the Central Government hereby makes the following further amendments in the notification of the Government of India, Ministry of Corporate Affairs number S.O. 2425 (E) dated the 18th September, 2014 published in the Gazette of India, Extraordinary, Part-ii, Section 3, Sub-section (ii) dated the 18th September, 2014, namely :-

- In the said notification, in paragraph 1, for serial numbers (2), (4) and (7) and entries relating there to, the following shall be substituted namely:-

"(2) Shri Pramod Kumar Bhattad, President, nominee of The Institute of Cost Accountants of India	Member, [nominated under clause (b) of sub-section (2) of section 210A]
(4) Shri Manoj Fadnis, President, Nominee of The Institute of Chartered Accountants of India	Member, [nominated under clause (b) of sub-section (2) of section 210A]
(7) Director General (Commercial), Nominee of Comptroller and Auditor General of India	Member, [nominated under clause (e) of sub-section (2) of section 210A]."

- In the said notification, in paragraph 2, for the words "one year" the words "two years" shall be substituted.

Amardeep S. Bhatia  
Joint Secretary

## 05 Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, 2015

[Issued by the Ministry of Corporate Affairs vide F. No. 1/19/2013-CL-V, dated 09.09.2015. 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 read with section 398 of the Companies Act, 2013 (18 of 2013), and in supersession of the Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, 2011, except as respects things done or omitted to be done before such supersession, the Central Government hereby makes the following rules, namely:

- Short title and commencement-** (1) These rules may be called the Companies (Filing of Documents and Forms in Extensible Business Reporting language) Rules, 2015.

- They shall come into force from the date of their publication in the Official Gazette.

- Definitions:** - (1) In these rules, unless the context otherwise requires,-

- "Act" means the Companies Act, 2013;
  - "Annexure" means annexures appended to these rules;
  - "Documents and forms" means the documents and forms required to be filed with any authority as specified under the Act or rules or regulations made thereunder;
  - "Extensible Business Reporting Language" (XBRL), means a standardised language for communication in electronic form to express, report or file financial information by the companies under the Act
  - "Taxonomy" means in XBRL, an electronic dictionary for reporting the business data as approved by the Central Government in respect of any documents or forms indicated in these rules.
- Words and expressions used in these rules but not defined and defined in the Act or in the Companies (Specification of definitions details) Rules, 2014 shall have the meanings respectively assigned to them in the Act and said rules.

- Filing of financial statement with Registrar:** The following class of companies shall file their financial statement and other documents under section 137 of the Act, with the Registrar in e-form AOC-4 XBRL given in Annexure-I\* for the financial years commencing on or after 1st April, 2014 using the XBRL taxonomy given in Annexure II, namely:-

- all companies listed with any Stock Exchange(s) in India and their Indian subsidiaries; or
- all companies having paid up capital of rupees five crore or above;
- all companies having turnover of rupees hundred crore or above; or
- all companies which were hitherto covered under the Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, 2011:

Provided that the companies in Bankin, Insurance, Power

\*Not reproduced here for want of space. Readers may log on to [www.mca.gov.in](http://www.mca.gov.in) and then refer to the Rules for the form.



Sector and Non-Banking Financial companies are exempted from XBRL filing.

Amardeep S. Bhatia  
Joint Secretary

4. **Filing of cost audit report** - A company required to furnish cost audit report and other documents to the Central Government under sub-section (6) of section 148 of the Act and rules made thereunder shall file such report and other documents using the XBRL taxonomy given in Annexure-III for the financial years commencing on or after 1st April, 2014 in e-Form CRA-4 specified under the Companies (Cost Records and Audit) Rules, 2014".

Amardeep S. Bhatia  
Joint Secretary

## 06 Schedule III of Companies Act, 2013 – Preparation of P&L Statement – Certain paras not to apply to Govt. Companies producing Defence Equipment, etc.

[Issued by the Ministry of Corporate Affairs vide F. No. 1/19/2013-CL-V-Part, dated 04.09.2015. [To be Published in the Gazette of India, Extraordinary, Part II, Section 3, Sub Section (i)]

In exercise of the powers conferred by the sub-section (6) of section 129 of the Companies Act, 2013 (18 of 2013), the Central Government hereby, in public interest, directs that paras 5 (ii) (a) (1), 5 (ii) (a) (2), 5(ii) (e), 5 (iii), 5 (viii) (a), 5 (viii) (b), 5 (viii) (c) and 5 (viii) (e) relating to Additional Information of the General Instructions for preparation of Statement of Profit and Loss in Schedule III of the Companies Act, 2013 shall not apply to government companies producing Defence Equipment including the Space Research subject to fulfilment of following conditions, namely:-

Conditions:

- A. The Board of Directors of the Company has given consent with regard to non-disclosure of information relating to paras 5(ii)(a)(1), 5(ii)(a)(2), 5(ii)(e), 5(iii), 5(viii)(a), 5(viii)(b), 5(viii)(c) and 5(viii)(e), as may be applicable;
  - B. the Company shall disclose in the Notes forming part of the balance sheet and profit and loss account, the fact of grant of exemption under this notification;
  - C. The company shall comply with the prescribed Accounting Standards;
  - D. The company shall ensure that its financial statements represent a true and fair state of affairs of its finances; and
  - E. The company shall maintain and file such information as may be prescribed or called for or required by the Government or the Reserve Bank of India or any other regulator.
2. This notification shall be applicable in respect of financial statement prepared in respect of the financial years ending on or after the 31st March, 2016.

## 07 Alterations in Schedule III of the Companies Act, 2013

[Issued by the Ministry of Corporate Affairs vide F No 1/19/2013/CLV, dated 04.09.2015. To be Published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-Section (i)]

In exercise of the powers conferred by sub-section (1) of section 467 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following further alterations in Schedule III (hereinafter referred to as said Schedule) to the said Act, namely:-

2. In the said Schedule, in Part I- Balance Sheet,-

- (i) Under the heading "Equity and Liabilities", in para (4), for, "(b) Trade payables", the following shall be substituted, namely:-

"(b) Trade Payable:- (A) total outstanding dues of micro enterprises and small enterprises; and (B) total outstanding dues of creditors other than micro enterprises and small enterprises."

- (ii) Under the heading "Notes: General Instructions for preparation of Balance Sheet", in para 6, after sub-para F the following shall be inserted, namely:-

"FA. Trade Payables

The following details relating to Micro, Small and Medium Enterprises shall be disclosed in the notes:-

- (a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;
- (b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;
- (c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;
- (d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and



- (e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.

Explanation. - the terms 'appointed day', 'buyer', 'enterprise', 'micro enterprise', 'small enterprise' and 'supplier', shall have the same meaning assigned to those under clauses (b), (d), (e), (h), (m) and (n) respectively of section 2 of the Micro, Small and Medium Enterprises Development Act, 2006."

3. This notification shall come into force on the date of its publication in the Official Gazette.

Amardeep S. Bhatia  
Joint Secretary

## 08 Companies (Accounts) Second Amendment Rules, 2015

[Issued by the Ministry of Corporate Affairs vide F. No. 01/19/2013-CL-V- Part, dated 04.09.2015. To be Published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-Section (i)]

In exercise of the powers conferred under sub-sections (1) and (3) of section 128, sub-section (3) of section 129, section 133, section 134, subsection (4) of section 135, sub-section (1) of section 136, section 137 and section 138 read with section 469 of the Companies Act, 2013, the Central Government hereby makes the following rules further to amend the Companies (Accounts) Rules, 2014, namely:-

1. (1) These rules may be called the Companies (Accounts) Second Amendment Rules, 2015.
- (2) They shall come into force from the date of their publication in the Official Gazette.
2. In the Companies (Accounts) Rules, 2014,
  - (i) in rule 2, in sub-rule (1), after clause (d), following shall be inserted, namely:-  
  
"da) "Indian Accounting Standards" means the Indian Accounting Standards referred to in rule 3 and Annexure to the Companies (Indian Accounting Standards) Rules, 2015;"
  - (ii) after rule 4 the following rule shall be inserted, namely:-

"4A. Forms and items contained in financial statements.- The financial statements shall be in the form specified

in Schedule III to the Act and comply with Accounting Standards or Indian Accounting Standards as applicable:

Provided that the items contained in the financial statements shall be prepared in accordance with the definitions and other requirements specified in the Accounting Standards or the Indian Accounting Standards, as the case may be."

- (iii) in rule 8, in sub-rule (3), the following proviso shall be inserted at the end, namely:-

"Provided that the requirement of furnishing information and details under this sub-rule shall not apply to a Government company engaged in producing defence equipment".

- (iv) in rule 12, for sub-rule (1) the following sub-rule shall be substituted, namely:-

"(1) Every company shall file the financial statements with Registrar together with Form AOC-4 and the consolidated financial statement, if any, with Form AOC-4 CFS."

- (v) In Annexure, for Form AOC-4, the following Form AOC-4 and AOC-4 CFS shall be substituted, namely:-\*

Amardeep S. Bhatia  
Joint Secretary

\*Not reproduced here for want of space. Readers may log on to [www.mca.gov.in](http://www.mca.gov.in) and then refer to the Rules for these forms.

## 09 Extension of time for filing of cost audit report to the Central Government for the Financial Year 2014-2015 in form CRA-4 - reg.

[Issued by the Ministry of Corporate Affairs vide No.52/22/CAB//2015, General Circular No. 12/2015, dated 01.09.2015.]

In continuation to General Circular No.08/2015 dated 12.06.2015. the last date of filing of Form CRA-4 without any penalty/late fee is hereby extended upto 30th September, 2015.

2. This issues with the approval of competent authority.

K.M.S. Narayanan  
Assistant Director

## 10 Format for compliance report on Corporate Governance to be submitted to Stock Exchange (s) by Listed Entities

[Issued by the Securities and Exchange Board of India vide CIRCULAR CIR/CFD/CMD/ 5 /2015, dated 24.09.2015.]



1. Regulation 27(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), specifies that the listed entity shall submit quarterly compliance report on corporate governance in the format specified by the Board from time to time to recognised Stock Exchange(s) within fifteen days from close of the quarter.
2. Accordingly, formats for Compliance Report on Corporate Governance as per the Annexures I, II and III to this circular are being prescribed:-
  - 2.1. Annexure -1 - on quarterly basis;
  - 2.2. Annexure - II - at the end of the financial year (for the whole of financial year);
  - 2.3. Annexure - III - within six months from end of financial year. This may be submitted alongwith second quarter report.
3. Additionally, the following reports shall also be placed before the board of directors of the listed entity in terms of requirement under Regulation 17(3) of Listing Regulations :-
  - 3.1. Compliance Reports mentioned at para 2 above;
  - 3.1. Secretarial Audit Report prepared in accordance with Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 under Section 204 of the Companies Act, 2013 in so far as it pertains to Securities Laws.

The above report shall be placed before the board of directors of the listed entity in its next meeting.
4. The Stock Exchanges are advised to bring the provisions of this circular to the notice of Listed Entity and also to disseminate the same on its website. This circular shall come into force with effect from 90 days of notifications of Listing Regulations i.e. September 02,2015.
5. This circular is issued under regulation 27(2) read with regulation 101(2) of Listing Regulations, 2015.
6. This circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) under the categories "Legal Framework" and "Continuous Disclosure Requirements".

Harini Balaji  
General Manager

## ANNEXURE I

### Format to be submitted by listed entity on quarterly basis

1. Name of Listed Entity
2. Quarter ending

I. Composition of Board of Directors								
Title (Mr / Ms)	Name of the Director	PAN <sup>5</sup> & DIN	Category (Chairperson /Executive/Non-Executive/independent/Nominee) <sup>6</sup>	Date of Appointment in the current term /cessation	Tenure <sup>*</sup>	No of Directorship in listed entities including this listed entity  (Refer Regulation 25(1) of Listing Regulations)	Number of memberships in Audit/ Stakeholder Committee(s) including this listed entity  (Refer Regulation 26(1) of Listing Regulations)	No of post of Chairperson in Audit/ Stakeholder Committee held in listed entities including this listed entity  (Refer Regulation 26(1) of Listing Regulations)
<sup>5</sup> PAN number of any director would not be displayed on the website of Stock Exchange <sup>6</sup> Category of directors means executive/non-executive/independent/Nominee. if a director fits into more than one category write all categories separating them with hyphen <sup>*</sup> to be filled only for Independent Director. Tenure would mean total period from which Independent director is serving on Board of directors of the listed entity in continuity without any cooling off period.								
II. Composition of Committees								
Name of Committee						Name of Committee members	Category (Chairperson/Executive/Non-Executive/independent/Nominee) <sup>6</sup>	
1. Audit Committee								
2. Nomination & Remuneration Committee								
3. Risk Management Committee(if applicable)								
4. Stakeholders Relationship Committee <sup>6</sup>								
<sup>6</sup> Category of directors means executive/non-executive/independent/Nominee. if a director fits into more than one category write all categories separating them with hyphen								
III. Meeting of Board of Directors								
Date(s) of Meeting (if any) in the previous quarter			Date(s) of Meeting (if any) in the relevant quarter			Maximum gap between any two consecutive (in number of days)		
IV. Meeting of Committees								
Date(s) of meeting of the committee in the relevant quarter		Whether requirement of Quorum met (details)		Date(s) of meeting of the committee in the previous quarter		Maximum gap between any two consecutive meetings in number of days <sup>*</sup>		





# From the Government

\* This information has to be mandatorily be given for audit committee, for rest of the committees giving this information is optional

## V. Related Party Transactions

<i>Subject</i>	<i>Compliance status (Yes/No/NA)</i> <small>refer note below</small>
Whether prior approval of audit committee obtained	
Whether shareholder approval obtained for material RPT	
Whether details of RPT entered into pursuant to omnibus approval have been reviewed by Audit Committee	

### Note

- 1 In the column "Compliance Status", compliance or non-compliance may be indicated by Yes/No/N.A.. For example, if the Board has been composed in accordance with the requirements of Listing Regulations, "Yes" may be indicated. Similarly, in case the Listed Entity has no related party transactions, the words "N.A." may be indicated.
- 2 If status is "No" details of non-compliance may be given here.

## VI. Affirmations

1. The composition of Board of Directors is in terms of SEBI (Listing obligations and disclosure requirements) Regulations, 2015.
2. The composition of the following committees is in terms of SEBI(Listing obligations and disclosure requirements) Regulations, 2015
  - a. Audit Committee
  - b. Nomination & remuneration committee
  - c. Stakeholders relationship committee
  - d. Risk management committee (applicable to the top 100 listed entities)
3. The committee members have been made aware of their powers, role and responsibilities as specified in SEBI (Listing obligations and disclosure requirements) Regulations, 2015.
4. The meetings of the board of directors and the above committees have been conducted in the manner as specified in SEBI (Listing obligations and disclosure requirements) Regulations, 2015.
5. This report and/or the report submitted in the previous quarter has been placed before Board of Directors. Any comments/observations/advice of Board of Directors may be mentioned here:

### Name & Designation

**Company Secretary / Compliance Officer / Managing Director / CEO**

### Note:

Information at Table I and II above need to be necessarily given in 1<sup>st</sup> quarter of each financial year. However if there is no change of information in subsequent quarter(s) of that financial year, this information may not be given by Listed entity and instead a statement "same as previous quarter" may be given.



## ANNEXURE II

**Format to be submitted by listed entity at the end of the financial year (for the whole of financial year)**

<b>I. Disclosure on website in terms of Listing Regulations</b>		
<b>Item</b>	<b>Compliance status (Yes/No/NA)</b> <small>refer note below</small>	
Details of business		
Terms and conditions of appointment of independent directors		
Composition of various committees of board of directors		
Code of conduct of board of directors and senior management personnel		
Details of establishment of vigil mechanism/ Whistle Blower policy		
Criteria of making payments to non-executive directors		
Policy on dealing with related party transactions		
Policy for determining 'material' subsidiaries		
Details of familiarization programmes imparted to independent directors		
Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances		
email address for grievance redressal and other relevant details		
Financial results		
Shareholding pattern		
Details of agreements entered into with the media companies and/or their associates		
New name and the old name of the listed entity		
<b>II Annual Affirmations</b>		
<b>Particulars</b>	<b>Regulation Number</b>	<b>Compliance status (Yes/No/NA)</b> <small>refer note below</small>
<i>Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'</i>	16(1)(b) & 25(6)	
<i>Board composition</i>	17(1)	
<i>Meeting of Board of directors</i>	17(2)	
<i>Review of Compliance Reports</i>	17(3)	
<i>Plans for orderly succession for appointments</i>	17(4)	
<i>Code of Conduct</i>	17(5)	
<i>Fees/compensation</i>	17(6)	
<i>Minimum Information</i>	17(7)	
<i>Compliance Certificate</i>	17(8)	
<i>Risk Assessment &amp; Management</i>	17(9)	
<i>Performance Evaluation of Independent Directors</i>	17(10)	
<i>Composition of Audit Committee</i>	18(1)	
<i>Meeting of Audit Committee</i>	18(2)	
<i>Composition of nomination &amp; remuneration committee</i>	19(1) & (2)	
<i>Composition of Stakeholder Relationship Committee</i>	20(1) & (2)	
<i>Composition and role of risk management committee</i>	21(1),(2),(3),(4)	
<i>Vigil Mechanism</i>	22	
<i>Policy for related party Transaction</i>	23(1),(5),(6),(7) & (8)	
<i>Prior or Omnibus approval of Audit Committee for all related party transactions</i>	23(2), (3)	



# From the Government

<i>Approval for material related party transactions</i>	23(4)	
<i>Composition of Board of Directors of unlisted material Subsidiary</i>	24(1)	
<i>Other Corporate Governance requirements with respect to subsidiary of listed entity</i>	24(2),(3),(4),(5) & (6)	
<i>Maximum Directorship &amp; Tenure</i>	25(1) & (2)	
<i>Meeting of independent directors</i>	25(3) & (4)	
<i>Familiarization of independent directors</i>	25(7)	
<i>Memberships in Committees</i>	26(1)	
<i>Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel</i>	26(3)	
<i>Disclosure of Shareholding by Non-Executive Directors</i>	26(4)	
<i>Policy with respect to Obligations of directors and senior management</i>	26(2) & 26(5)	
<p><b>Note</b></p> <p>1 In the column "Compliance Status", compliance or non-compliance may be indicated by Yes/No/N.A.. For example, if the Board has been composed in accordance with the requirements of Listing Regulations, "Yes" may be indicated. Similarly, in case the Listed Entity has no related party transactions, the words "N.A." may be indicated.</p> <p>2 If status is "No" details of non-compliance may be given here.</p> <p>3 If the Listed Entity would like to provide any other information the same may be indicated here.</p>		
<p><b>III Affirmations:</b></p> <p>The Listed Entity has approved Material Subsidiary Policy and the Corporate Governance requirements with respect to subsidiary of Listed Entity have been complied.</p>		
<p><b>Name &amp; Designation</b></p> <p><b>Company Secretary / Compliance Officer / Managing Director / CEO</b></p>		



## ANNEXURE III

**Format to be submitted by listed entity at the end of 6 months after end of financial year along-with second quarter report of next financial year**

<b>I Affirmations</b>		
<b>Broad heading</b>	<b>Regulation Number</b>	<b>Compliance status (Yes/No/NA)</b> <sup>refer note below</sup>
<i>Copy of the annual report including balance sheet, profit and loss account, directors report, corporate governance report, business responsibility report displayed on website</i>	46(2)	
<i>Presence of Chairperson of Audit Committee at the Annual General Meeting</i>	18(1)(d)	
<i>Presence of Chairperson of the nomination and remuneration committee at the annual general meeting</i>	19(3)	
<i>Whether "Corporate Governance Report" disclosed in Annual Report</i>	34(3) read with para C of Schedule V	
<p><b>Note</b></p> <ol style="list-style-type: none"> <li>1 In the column "Compliance Status", compliance or non-compliance may be indicated by Yes/No/N.A.. For example, if the Board has been composed in accordance with the requirements of Listing Regulations, "Yes" may be indicated. Similarly, in case the Listed Entity has no related party transactions, the words "N.A." may be indicated.</li> <li>2 If status is "No" details of non-compliance may be given here.</li> <li>3 If the Listed Entity would like to provide any other information the same may be indicated here.</li> </ol>		
<p><b>Name &amp; Designation</b></p> <p><b>Company Secretary / Compliance Officer / Managing Director / CEO</b></p>		





## 11 Securities and Exchange Board of India (Share Based Employee Benefits) (Amendment) Regulations, 2015

[Issued by the Securities and Exchange Board of India vide NO.SEBI/LAD-NRO/GN/2015-16/021, dated 18.09.2015. Published in the Gazette of India Extraordinary Part III - Section 4, dated 18.09.2015.]

In exercise of the powers conferred by sections 11, 11A and 30 of the Securities and Exchange Board of India Act, 1992 read with section 62 of Companies Act, 2013 and rule 12 of Companies (Share Capital and Debentures) Rules, 2014, the Securities and Exchange Board of India hereby makes the following regulations to further amend the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, namely:-

1. These regulations may be called the SEBI (Share Based Employee Benefits) (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 (Share Based Employee Benefits) Regulations, 2014:-
  - (I) In regulation 2, in sub-regulation (1), clause (f), shall be substituted with the following, namely -
 

" f "employee" means—

    - (i) a permanent employee of the company who has been working in India or outside India; or
    - (ii) a director of the company, whether a whole time director or not but excluding an independent director; or
    - (iii) an employee as defined in clause (i) or (ii) of a subsidiary, in India or outside India, or of a holding company of the company but does not include —
      - (a) an employee who is a promoter or a person belonging to the promoter group; or
      - (b) a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the company; "
  - (II) In regulation 3, in sub-regulation (13), the symbol "." at the end shall be substituted with the words and symbols ", whether off-market or on the platform of stock exchange."
  - (III) In regulation 6, in sub-regulation (3), in its clause (c), the words "or associate" shall be omitted.
  - (IV) In regulation 31, in sub-regulation (2), in its clause (b), -
    - a. in sub-clause (iii), the word "five" shall be substituted with the word "three";
    - b. after sub-clause (iii), following new sub-clause shall be inserted, namely-

"(iv) trustees of a trust may continue to vote in respect of shares held by such trust for a period of three years, commencing from 28th of October, 2014."

U.K. Sinha  
Chairman

## 12 Securities and Exchange Board of India (Procedure For Search and Seizure) Repeal Regulations, 2015

[Issued by the Securities and Exchange Board of India vide No. SEBI/LAD-NRO/GN/2015-16/020, dated 17.09.2015. Published in the Gazette of India Extraordinary Part III - Section 4, dated 17.09.2015]

In exercise of the powers conferred by section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities and Exchange Board of India hereby makes the following regulations, namely: -

### Short title and commencement.

1. (1) These regulations may be called the Securities and Exchange Board of India (Procedure for Search and Seizure) Repeal Regulations, 2015.
- (2) These regulations shall come into force on the date of their publication in the Official Gazette.

### Repeal of Regulations.

2. On and from commencement of these regulations, the Securities and Exchange Board of India (Procedure for Search and Seizure) Regulations, 2014 shall stand repealed.

U.K. Sinha  
Chairman

## 13 Reporting requirement under Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS)-Guidance Note

[Issued by the Securities and Exchange Board of India vide CIR/MIRSD/3/2015, dated 10.09.2015.]

1. In continuation of SEBI circular CIR MIRSD/2/2015 dated August 26, 2015, a "Guidance Note on implementation of Reporting Requirements under Rules 114F to 114H of the Income Tax Rules" as issued by the Department of Revenue, Ministry of Finance vide F.No.500/137/2011 FTTR-III dated August 31, 2015 is available at [http://www.incometaxindia.gov.in/communications/notification/guidance notes on im plementation 31 08 2015.pdf](http://www.incometaxindia.gov.in/communications/notification/guidance%20notes%20on%20implementation%2031%2008%202015.pdf), for information and necessary action.



2. The Stock Exchanges and Depositories are directed to bring the contents of this circular to the notice of the Stock Brokers and Depository Participants respectively and also disseminate the same on their websites.
3. This Circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 (SEBI Act).
4. This Circular is available on the SEBI website (www.sebi.gov.in) under the section SEBI Home > Legal Framework > Circulars.

Debashis Bandyopadhyay  
General Manager

## 14 Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Sixth Amendment) Regulations, 2015

[Issued by the Securities and Exchange Board of India vide No. SEBI/LAD-NRO/GN/2015-16/18, dated 10.09.2015. Published in the Gazette of India Extraordinary Part - III - Section 4, dated 10.09.2015.]

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) (Sixth Amendment) Regulations, 2015.
2. They shall come into force on the date of their publication in the Official Gazette.
3. They shall be applicable to issuers filing offer documents with the Registrar of Companies on or after the date of commencement of these regulations.
4. In the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, in Schedule XI, in Part A, in para (10), in clause (b), sub-clause (iii), shall be substituted with the following, namely:-

"(iii) in case of allocation above Rs.250 crore; a minimum of 5 such investors and a maximum of 15 such investors for allocation upto Rs.250 crore and an additional 10 such investors for every additional Rs.250 crore or part thereof, shall be permitted, subject to a minimum allotment of Rs.5 crore per such investor."

U.K. Sinha  
Chairman

## 15 Continuous Disclosure Requirements for Listed Entities - Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

[Issued by the Securities and Exchange Board of India vide CIRCULAR CIR/CFD/CMD/4/2015, dated 09.09.2015.]

1. In order to enable investors to make well informed investment decisions, timely, adequate and accurate disclosure of information on an ongoing basis is essential. Also, there is a need of uniformity in disclosures made by listed entities to ensure compliance in letter and spirit. Towards this end, Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") deals with disclosure of material events by the listed entity whose equity and convertibles securities are listed. Such entity is required to make disclosure of events specified under Part A of Schedule III of the Listing Regulations.

2. The Listing Regulations divide the events that need to be disclosed broadly in two categories. The events that have to be necessarily disclosed without applying any test of materiality are indicated in Para A of Part A of Schedule III of the Listing Regulation. Para B of Part A of Schedule III indicates the events that should be disclosed by the listed entity, if considered material.

Annexure-I of this circular indicates the details that need to be provided while disclosing events given in Para A and Para B of Schedule III. The guidance on when an event / information can be said to have occurred is placed at Annexure II.

The said details as mentioned above are given to provide guidance to listed entity and the entity has the responsibility to make disclosures that are appropriate and would be consistent with the facts of each event. In case the listed entity does not disclose any such specified details, it shall state appropriate reasoning for the same as part of the disclosure.

3. In case of securities or the derivatives which are listed outside India by the listed entity, parity in disclosures shall be followed and whatever is disclosed on overseas stock exchange(s) by the listed entity shall be simultaneously disclosed on the stock exchange(s) where the entity is listed in India.
4. This circular shall come into force 90 days from September 02, 2015 i.e. date of notification of Listing Regulations.
5. This circular is issued under regulations 30 read with regulation 101(2) of Listing Regulations.



# From the Government

6. The Stock Exchanges are advised to bring the contents of this circular to the notice of their listed entities and ensure its compliance.
7. This circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) under the categories "Legal Framework/Circulars/Continuous Disclosure Requirements".

Harini Balaji  
General Manager

## Annexure I

- A. Details which a listed entity needs to disclose for the events that are deemed to be material as specified in Para A of Part A of Schedule III of Listing Regulations

**1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the listed entity or any other restructuring:**

**1.1. Acquisition (including agreement to acquire):**

- a) name of the target entity, details in brief such as size, turnover etc.;
- b) whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arms length";
- c) industry to which the entity being acquired belongs;
- d) objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity);
- e) brief details of any governmental or regulatory approvals required for the acquisition;
- f) indicative time period for completion of the acquisition;
- g) nature of consideration - whether cash consideration or share swap and details of the same;
- h) cost of acquisition or the price at which the shares are acquired;
- i) percentage of shareholding / control acquired and / or number of shares acquired;
- j) brief background about the entity acquired in terms

of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief);

[Explanation: For the purpose of the above disclosures the term 'acquisition' shall have the same meaning as defined in explanation of sub-para (1) of Para (A) of Part (A) of Schedule III of Listing Regulations].

**1.2. Amalgamation/ Merger:**

- a) name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.;
- b) whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length";
- c) area of business of the entity(ies);
- d) rationale for amalgamation/ merger;
- e) in case of cash consideration - amount or otherwise share exchange ratio;
- f) brief details of change in shareholding pattern (if any) of listed entity.

**1.3. De-merger:**

- a) brief details of the division(s) to be demerged;
- b) turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on financials of the last financial year;
- c) rationale for demerger;
- d) brief details of change in shareholding pattern (if any) of all entities;
- e) in case of cash consideration - amount or otherwise share exchange ratio;
- f) whether listing would be sought for the resulting entity.

**1.4. Sale or disposal of unit(s) or division(s) or subsidiary of the listed entity:**

- a) the amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division of the listed entity during the last financial



- year;
- b) date on which the agreement for sale has been entered into;
  - c) the expected date of completion of sale/disposal;
  - d) consideration received from such sale/disposal;
  - e) brief details of buyers and whether any of the buyers belong to the promoter/ promoter group/group companies. If yes, details thereof;
  - f) whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length";
  - g) additionally, in case of a slump sale, indicative disclosures provided for amalgamation/merger, shall be disclosed by the listed entity with respect to such slump sale.

For the purpose of this sub-clause, "slump sale" shall mean the transfer of one or more undertakings, as a result of the sale for a lump sum consideration, without values being assigned to the individual assets and liabilities in such sales.

#### 1.5. Other Restructuring:

- a) details and reasons for restructuring;
- b) quantitative and/ or qualitative effect of restructuring;
- c) details of benefit, if any, to the promoter promoter group/group companies from such proposed restructuring;
- d) brief details of change in shareholding pattern (if any) of all entities.

#### 2. Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.

##### 2.1. Issuance of securities:

- a) type of securities proposed to be issued (viz. equity shares, convertibles etc.);
- b) type of issuance (further public offering, rights issue, depository receipts (ADR/GDR), qualified institutions placement, preferential allotment etc.);
- c) total number of securities proposed to be issued or

the total amount for which the securities will be issued (approximately);

- d) in case of preferential issue the listed entity shall disclose the following additional details to the stock exchange(s):
  - i. names of the investors;
  - ii. post allotment of securities - outcome of the subscription, issue price /allotted price (in case of convertibles), number of investors;
  - iii. in case of convertibles - intimation on conversion of securities or on lapse of the tenure of the instrument;
- e) in case of bonus issue the listed entity shall disclose the following additional details to the stock exchange(s):
  - i. whether bonus is out of free reserves created out of profits or share premium account;
  - ii. bonus ratio;
  - iii. details of share capital - pre and post bonus issue;
  - iv. free reserves and/ or share premium required for implementing the bonus issue;
  - v. free reserves and/ or share premium available for capitalization and the date as on which such balance is available;
  - vi. whether the aforesaid figures are audited;
  - vii. estimated date by which such bonus shares would be credited/dispatched;
- f) in case of issuance of depository receipts (ADR/GDR) or FCCB the listed entity shall disclose following additional details to the stock exchange(s):
  - i. name of the stock exchange(s) where ADR/GDR/ FCCBs are listed (opening - closing status) / proposed to be listed;
  - ii. proposed no. of equity shares underlying the ADR/GDR or on conversion of FCCBs;
  - iii. proposed date of allotment, tenure, date of maturity and coupon offered, if any of FCCB's;
  - iv. issue price of ADR/GDR/FCCBs (in terms of USD and in INR after considering conversion rate);





- v. change in terms of FCCBs, if any;
- vi. details of defaults, if any, by the listed entity in payment of coupon on FCCBs & subsequent updates in relation to the default, including the details of the corrective measures undertaken (if any);
- g) in case of issuance of debt securities or other non convertible securities the listed entity shall disclose following additional details to the stock exchange(s):
  - i. size of the issue;
  - ii. whether proposed to be listed? If yes, name of the stock exchange(s);
  - iii. tenure of the instrument - date of allotment and date of maturity;
  - iv. coupon/interest offered, schedule of payment of coupon/interest and principal;
  - v. charge/security, if any, created over the assets;
  - vi. special right/interest/privileges attached to the instrument and changes thereof;
  - vii. delay in payment of interest / principal amount for a period of more than three months from the due date or default in payment of interest / principal;
  - viii. details of any letter or comments regarding payment/non-payment of interest, principal on due dates, or any other matter concerning the security and /or the assets along with its comments thereon, if any;
  - ix. details of redemption of preference shares indicating the manner of redemption (whether out of profits or out of fresh issue) and debentures;
    - h) any cancellation or termination of proposal for issuance of securities including reasons thereof.

## 2.2. Split/consolidation of shares:

- a) split/consolidation ratio;
- b) rationale behind the split/consolidation;
- c) pre and post share capital - authorized, paid-up and subscribed;
- d) expected time of completion;
- e) class of shares which are consolidated or subdivided;
- f) number of shares of each class pre and post split or

consolidation;

- g) number of shareholders who did not get any shares in consolidation and their pre-consolidation shareholding.

## 2.3. Buy back of securities:

- a) number of securities proposed for buyback;
- b) number of securities proposed for buyback as a percentage of existing paid up capital;
- c) buyback price;
- d) actual securities in number and percentage of existing paid up capital bought back;
- e) pre & post shareholding pattern.

## 2.4. Any restriction on transferability of securities:

- a) authority issuing attachment or prohibitory orders;
- b) brief details and reasons for attachment or prohibitory orders;
- c) name of registered holders against whom restriction on transferability has been placed;
- d) total number of securities so affected;
- e) distinctive numbers of such securities if applicable;
- f) period for which order would be applicable (if stated).

## 2.5. Any action, which will result in alteration of the terms or structure of any existing securities, including, but not limited to:

- a) forfeiture of shares;
- b) reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to;
- c) proposal to issue any class of securities;
- d) alterations of capital, including calls;
- e) change in the terms regarding redemption cancellation/retirement in whole or in part of any securities issued by the listed entity.

## 3. Revision in Rating(s)

The listed entity shall notify the stock exchange(s), the details



of any new rating or revision in rating assigned from a credit rating agency to any debt instrument of the listed entity or to any fixed deposit programme or to any scheme or proposal of the listed entity involving mobilization of funds whether in India or abroad. In case of a downward revision in ratings, the listed entity shall also intimate the reasons provided by the rating agency for such downward revision.

**4. Outcome of meetings of the board of directors:** The listed entity shall intimate to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider or decide the following:

- 4.1. dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched;
- 4.2. any cancellation of dividend with reasons thereof;
- 4.3. the decision on buyback of securities;
- 4.4. the decision with respect to fund raising proposed to be undertaken;
- 4.5. increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares would be credited/dispatched;
- 4.6. reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to;
- 4.7. short particulars of any other alterations of capital, including calls;
- 4.8. financial results;
- 4.9. decision on voluntary delisting by the listed entity from stock exchange(s);

The intimation of outcome of meeting of the board of directors shall also contain the time of commencement and conclusion of the meeting.

**5. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the listed entity), agreement(s)/treaty(ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof:**

- 5.1. name(s) of parties with whom the agreement is entered;

- 5.2. purpose of entering into the agreement;

- 5.3. shareholding, if any, in the entity with whom the agreement is executed;

- 5.4. significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.;

- 5.5. whether, the said parties are related to promoter/ promoter group/ group companies in any manner. If yes, nature of relationship;

- 5.6. whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length";

- 5.7. in case of issuance of shares to the parties, details of issue price, class of shares issued;

- 5.8. any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc;

- 5.9. in case of termination or amendment of agreement, listed entity shall disclose additional details to the stock exchange(s):

- a) name of parties to the agreement;
- b) nature of the agreement;
- c) date of execution of the agreement;
- d) details of amendment and impact thereof or reasons of termination and impact thereof.

**6. Fraud/ Defaults by promoter or key managerial personnel or by the listed entity or arrest of key managerial personnel or promoter:**

**6.1. At the time of unearthing of fraud or occurrence of the default / arrest:**

- a) nature of fraud/default/arrest;
- b) estimated impact on the listed entity;
- c) time of occurrence;
- d) person(s) involved;
- e) estimated amount involved (if any);
- f) whether such fraud/default/arrest has been reported to appropriate authorities.

**6.2. Subsequently intimate the stock exchange(s) further details regarding the fraud/default/arrest including:**

- a) actual amount involved in the fraud /default (if any);



- b) actual impact of such fraud /default on the listed entity and its financials; and
- c) corrective measures taken by the listed entity on account of such fraud/default.

**7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer:**

- 7.1. reason for change viz. appointment, resignation, removal, death or otherwise;
- 7.2. date of appointment/cessation (as applicable) & term of appointment;
- 7.3. brief profile (in case of appointment);
- 7.4. disclosure of relationships between directors (in case of appointment of a director).

**8. Appointment or discontinuation of share transfer agent:**

- 8.1. reason for appointment or discontinuation;
- 8.2. date on which above would become effective.

**9. Corporate debt restructuring ("CDR"):**

- 9.1. whether CDR is voluntary and reasons for opting or referred by lenders/creditors;
- 9.2. details of the loan to be subjected to restructuring under CDR;
- 9.3. brief details of the CDR proposal (if any);
- 9.4. the following updates to be provided at the time of the execution and at various stages of the implementation of the CDR scheme;
  - a) upon execution of any agreement in relation to the CDR proposal, disclose details such as date of execution, parties to the agreement and principal terms;
  - b) details of final CDR package as approved by RBI and the lenders;
  - c) lenders involved;
  - d) brief summary of the CDR scheme including details of the securities, interest payment, repayment schedule, negative and other restrictive covenants.

**10. One time settlement (OTS) with a Bank:**

- 10.1. reasons for opting for OTS;
- 10.2. brief summary of the OTS.

**11. Reference to BIFR and winding-up petition filed by any party / creditors:**

- 11.1. reasons for such a reference/petition;
- 11.2. impact of such reference/petition on listed entity.

**12. Issuance of notices, call letters, resolutions and circulars sent to shareholders, debenture holders or creditors or any class of them or advertised in the media by the listed entity and the following:**

- 12.1. date of notice/call letters/resolutions etc.;
- 12.2. brief details viz. agenda (if any proposed to be taken up, resolution to be passed, manner of approval proposed etc.

**13. Proceedings of annual and extraordinary general meetings of the listed entity and the following details in brief:**

- 13.1. date of the meeting;
- 13.2. brief details of items deliberated and results thereof;
- 13.3. manner of approval proposed for certain items (e-voting etc.).

**14. Amendments to memorandum and articles of association of listed entity, in brief.**

**15. Schedule of analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors.**

B. Details which a listed entity need to disclose for events on which the listed entity may apply materiality in terms of Para B of Part A of Schedule III of Listing Regulations of Listing Regulations

**1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division:**

The listed entity shall notify the stock exchange(s) regarding the commencement of commercial production or the commencement of commercial operations of any unit/division. In cases where the listed entity has made prior intimation of date of commencement of commercial production or operations, the listed entity shall be required



to disclose details in case of postponement of the date of commencement.

## 2. Change in the general character or nature of business brought about by:

### 2.1. Arrangements for strategic, technical, manufacturing, or marketing tie-up:

- a) Agreement /joint venture (JV) with companies:
  - i. name of the entity(ies) with whom agreement/ JV is signed;
  - ii. area of agreement/JV;
  - iii. domestic/international;
  - iv. share exchange ratio / JV ratio;
  - v. scope of business operation of agreement / JV;
  - vi. details of consideration paid / received in agreement / JV;
  - vii. significant terms and conditions of agreement / JV in brief;
  - viii. whether the acquisition would fall within related party transactions and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arms length";
  - ix. size of the entity(ies);
  - x. rationale and benefit expected.
- b) In the event that any such arrangement is called off for any reason, the same shall be disclosed along with the reasons for calling off the proposal.

### 2.2. Adoption of new line(s) of business:

- a) industry or area to which the new line of business belongs to;
- b) expected benefits;
- c) estimated amount to be invested.

### 2.3. Closure of operations of any unit/division - (entirety or piecemeal):

- a) date of such binding agreement, if any, entered for sale of such unit/division, if any;
- b) amount & percentage of turnover or revenue or income and net worth of the listed entity contributed by such unit or division during the last financial year;
- c) date of closure or estimated time of closure;
- d) reasons for closure.

## 3. Capacity addition or product launch

### 3.1. Capacity addition:

- a) existing capacity;

- b) existing capacity utilization;
- c) proposed capacity addition;
- d) period within which the proposed capacity is to be added;
- e) investment required;
- f) mode of financing;
- g) rationale.

### 3.2. Product launch:

- a) name of the product;
- b) date of launch;
- c) category of the product;
- d) whether caters to domestic/ international market;
- e) name of the countries in which the product is launched (in case of international).

## 4. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts, not in the normal course of business:

### 4.1. Awarding of order(s)/contract(s): Only important terms and conditions which may be as under needs to be disclosed:

- a) name of the entity to which order(s)/contract(s) is awarded;
- b) whether order(s) / contract(s) is awarded to domestic/ international entity
- c) significant terms and conditions of order(s)/ contract(s) awarded, in brief;
- d) time period, if any, associated with the order(s)/ contract(s);
- e) broad commercial consideration or size of the order(s)/contract(s);
- f) whether the promoter/ promoter group group companies have any interest in that entity to whom the order(s)/contract(s) is awarded? If Yes, nature of interest and details thereof;
- g) whether the same would fall within related party transactions? If yes, whether the same is done at "arms length".

### 4.2. Bagging/Receiving of orders/contracts: Only important terms and conditions which may be as under needs to be disclosed:

- a) name of the entity awarding the order(s)/ contract(s);
- b) significant terms and conditions of order(s)/ contract(s) awarded in brief;
- c) whether order(s) / contract(s) have been awarded by domestic/ international entity;
- d) nature of order(s) / contract(s);
- e) whether domestic or international;
- f) time period by which the order(s)/contract(s) is to be executed;





# From the Government

- g) broad consideration or size of the order(s)/contract(s);
- h) whether the promoter/ promoter group / group companies have any interest in the entity that awarded the order(s)/contract(s)? If yes, nature of interest and details thereof;
- i) whether the order(s)/contract(s) would fall within related party transactions? If yes, whether the same is done at "arms length".

#### **4.3. Amendment or termination of orders/contracts:**

- a) name of parties to the order(s)/contract(s);
- b) nature of the order(s)/contract(s);
- c) date of execution of the order(s)/contract(s)
- d) details of amendment or reasons for terminations and impact thereof (to the extent possible);

#### **5. Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof: Only important terms and conditions which may be as under needs to be disclosed:**

- a) name(s) of parties with whom the agreement is entered;
- b) purpose of entering into the agreement;
- c) size of agreement;
- d) shareholding, if any, in the entity with whom the agreement is executed;
- e) significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.;
- f) whether, the said parties are related to promoter/ promoter group/ group companies in any manner. If yes, nature of relationship;
- g) whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length";
- h) in case of issuance of shares to the parties, details of issue price, class of shares issued;
- i) in case of loan agreements, details of lender, nature of the loan, total amount of loan granted, total amount outstanding, date of execution of the loan agreement/ sanction letter, details of the security provided to the lenders for such loan;

- j) any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc;
- k) in case of termination or amendment of agreement, listed entity shall disclose additional details to the stock exchange(s):
  - i. name of parties to the agreement;
  - ii. nature of the agreement;
  - iii. date of execution of the agreement;
  - iv. details of amendment and impact thereof or reasons of termination and impact thereof.

#### **6. Disruption of operations of any one or more units or division of the listed entity due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.:**

##### **6.1. At the time of occurrence:**

- a) expected quantum of loss/damage caused;
- b) whether loss/damage covered by insurance or not including amount;
- c) estimated impact on the production/operations in case of strikes/lock outs;
- d) factory/unit where the strike/lock out takes place including reasons for such strike.

##### **6.2. Regularly, till complete normalcy is restored:**

- a) insurance amount claimed and realized by the listed entity for the loss/damage;
- b) the actual amount of damage caused due to the natural calamity or other force majeure events;
- c) details of steps taken to restore normalcy and the impact of the natural calamity/other force majeure events on production or service, financials of the entity.

#### **7. Effect(s) arising out of change in the regulatory framework applicable to the listed entity.**

#### **8. Litigation(s) / dispute(s) / regulatory action(s) with impact:** The listed entity shall notify the stock exchange(s) upon it or its key management personnel or its promoter or ultimate person in control becoming party to any litigation, assessment, adjudication, arbitration or dispute in conciliation proceedings or upon institution of any litigation, assessment, adjudication, arbitration or dispute including any ad-interim or interim orders passed against



or in favour of the listed entity, the outcome of which can reasonably be expected to have an impact.

**8.1. At the time of becoming the party:**

- a) brief details of litigation viz. name(s) of the opposing party, court/tribunal/agency where litigation is filed, brief details of dispute/litigation;
- b) expected financial implications, if any, due to compensation, penalty etc;
- c) quantum of claims, if any;

**8.2. Regularly till the litigation is concluded or dispute is resolved:**

- a) the details of any change in the status and / or any development in relation to such proceedings;
- b) in the case of litigation against key management personnel or its promoter or ultimate person in control, regularly provide details of any change in the status and / or any development in relation to such proceedings;
- c) in the event of settlement of the proceedings, details of such settlement including - terms of the settlement, compensation/penalty paid (if any) and impact of such settlement on the financial position of the listed entity.

**9. Frauds/ defaults by directors (other than key managerial personnel) or employees of the listed entity:**

**9.1. At the time of unearthing of fraud or occurrence of the default/arrest:**

- a) nature of fraud/default/arrest;
- b) estimated impact on the listed entity;
- c) time of occurrence;
- d) person(s) involved;
- e) estimated amount involved (if any);
- f) whether such fraud has been reported to appropriate authorities.

**9.2. Subsequently intimate the stock exchange(s) further details regarding the fraud/default including:**

- a) actual amount involved in the fraud /default (if any);
- b) actual impact of such fraud /default on the listed entity and its financials;
- c) corrective measures taken by the listed entity on account of such fraud/default.

**10. Options to purchase securities (including any Share Based Employee Benefit (SBEB) Scheme) at the time of instituting the scheme and vesting or exercise of options:**

- a) brief details of options granted;
- b) whether the scheme is in terms of SEBI (SBEB) Regulations, 2014 (if applicable);
- c) total number of shares covered by these options;
- d) pricing formula;
- e) options vested;
- f) time within which option may be exercised;
- g) options exercised;
- h) money realized by exercise of options;
- i) the total number of shares arising as a result of exercise of option;
- j) options lapsed;
- k) variation of terms of options;
- l) brief details of significant terms;
- m) subsequent changes or cancellation or exercise of such options;
- n) diluted earnings per share pursuant to issue of equity shares on exercise of options.

**11. Giving of guarantees or indemnity or becoming a surety for any third party:**

- a) name of party for which such guarantees or indemnity or surety was given;
- b) whether the promoter/ promoter group group companies have any interest in this transaction? If yes, nature of interest and details thereof and whether the same is done at "arms length";
- c) brief details of such guarantee or indemnity or becoming a surety viz. brief details of agreement entered (if any) including significant terms and conditions, including amount of guarantee;
- d) impact of such guarantees or indemnity or surety on listed entity.

**12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals:**

- a) name of the regulatory or licensing authority;
- b) brief details of the approval/license obtained/ withdrawn/ surrendered;
- c) impact/relevance of such approval/license to the listed entity;
- d) withdrawal/cancellation or suspension of licence/ approval by the regulatory or licensing authority, with reasons for such action, estimated impact (monetary or otherwise) on the listed entity and penalty, if any;
- e) period for which such approval/license is/was valid;
- f) Subsequently, the listed entity shall inform the stock exchange(s), the actual impact (monetary or otherwise) along with corrective actions taken by the listed entity pursuant to the withdrawal, cancellation



or suspension of the key license/ approval.

## C. Details which a listed entity need to disclose in terms of Para C of Part A of Schedule III of Listing Regulations.

### Annexure II Guidance on when an event/information has occurred

1. The listed entity may be confronted with the question as to when an event/information can be said to have occurred.
2. In certain instances, the answer to above question would depend upon the stage of discussion, negotiation or approval and in other instances where there is no such discussion, negotiation or approval required viz. in case of natural calamities, disruptions etc, the answer to the above question would depend upon the timing when the listed entity became aware of the event/information.

2.1. In the former, the events/information can be said to have occurred upon receipt of approval of Board of Directors e.g. further issue of capital by rights issuance and in certain events/information after receipt of approval of both i.e. Board of Directors and Shareholders.

However, considering the price sensitivity involved, for certain events e.g. decision on declaration of dividends etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending Shareholder's approval.

2.2. In the latter, the events/information can be said to have occurred when a listed entity becomes aware of the events/information, or as soon as, an officer of the entity has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

Here, the term 'officer' shall have the same meaning as defined under the Companies Act, 2013 and shall also include promoter of the listed entity.

## 16 Securities and Exchange Board of India (Regulatory Fee on Stock Exchanges) (Amendment) Regulations, 2015

[Issued by the Securities and Exchange Board of India vide No. SEBI/LAD-NRO/GN/2015-16/015, dated 08.09.2015. Published in The Gazette of India Extraordinary Part - III - Section 4, dated 08.09.2015.]

In exercise of the powers conferred by section 30 read with clause (k) of sub-section (2) of section 11 of the Securities and Exchange Board of India Act, 1992, the Securities and Exchange Board of India hereby makes the following regulations to further amend the

Securities and Exchange Board of India (Regulatory Fee on Stock Exchanges) Regulations, 2006, namely:—

These regulations may be called the Securities and Exchange Board of India (Regulatory Fee on Stock Exchanges) (Amendment) Regulations, 2015.

They shall come into force on the 28th day of September, 2015.

In the Securities and Exchange Board of India (Regulatory Fee on Stock Exchanges) Regulations, 2006, in regulation 4, in sub-regulation(I), -

(i) in the Explanation, for the symbol ".", the symbol ":" shall be substituted;

(ii) after the Explanation, the following shall be inserted, namely:-

"Provided that for a period of two years from the date of commencement of Securities and Exchange Board of India (Regulatory Fee on Stock Exchanges) (Amendment) Regulations, 2015, a regional commodity derivatives exchange shall pay to the Board, an annual regulatory fee of fifty thousand rupees, within thirty days of conclusion of the relevant financial year."

U. K. Sinha  
Chairman

## 17 Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) (Amendment) Regulations, 2015

[Issued by the Securities and Exchange Board of India vide No. SEBI/LAD-NRO/GN/2015-16/017, dated 08.09.2015. Published in The Gazette of India Extraordinary Part - III - Section 4, dated 08.09.2015.]

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 (Stock Brokers and Sub-Brokers) Regulations, 1992, namely,-

1. These regulations may be called the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) (Amendment) Regulations, 2015.

They shall come into force on the 28th day of September, 2015.

In the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992,-

(I) in regulation 2, in sub-regulation (1), -

(i) for clause (ae) the following shall be substituted, namely:-



"(ae) "clearing member" means a person having clearing and settlement rights in any recognised clearing corporation and shall include any person having clearing and settlement rights on a commodity derivatives exchange:

Provided that such a clearing member in commodity derivatives exchange shall be required to become a member of a recognised clearing corporation from such date as may be specified by the Board." ;

- (ii) for clause (fa) the following shall be substituted, namely:

"(fa) "self-clearing member" means a member of a clearing corporation who is also a stock broker and clears and settles trades on its own account or on account of its clients only and includes any person having clearing and settlement rights on a commodity derivatives exchange:

Provided that such person who clears and settles trades in commodity derivatives, shall be required to become a member of a recognised clearing corporation, from such date as may be specified by the Board."

- (II) in Chapter II-A, after Regulation 10D, the following regulations shall be inserted, namely: -

**"Clearing Corporation for commodity derivatives.**

10E. For the purpose of this Chapter and in respect of clearing and settlement of trades in commodity derivatives, the word "clearing corporation" wherever appearing, shall refer to a commodity derivatives exchange till such time a separate clearing corporation is established to undertake the activity of clearing and settlement of trades in commodity derivatives.

**Application of Chapters IV, V & VI**

10F. The provisions of Chapters IV, V and VI of these regulations shall mutatis mutandis apply to a clearing member and self-clearing member."

- (III) in Chapter IV, after regulation 18B and before regulation 19, the following regulation shall be inserted, namely:-

**"Restriction on activities.**

18C. (1) A stock broker carrying on the activity of buying, selling or dealing in securities, other than commodity derivatives, shall not undertake the activity of buying, selling or dealing in commodity derivatives, unless permitted by the Board.

- (2) A stock broker carrying on the activity of buying, selling

or dealing in commodity derivatives, shall not undertake the activity of buying, selling or dealing in securities other than commodity derivatives, unless permitted by the Board."

- (IV) in Schedule V, in Part A, after clause 1 and before clause 2, the following clause shall be inserted, namely: -

"1A. This Schedule shall apply to every stock broker who deals in commodity derivatives and every clearing member/ self-clearing member who clears and settles trades in commodity derivatives, from the date of grant of registration:

Provided that for a person dealing in commodity derivatives as a commodity derivatives broker, clearing and settling trades as a commodity derivatives clearing member or self-clearing member, immediately before the transfer and vesting of rights and assets of the Forward Markets Commission with the Securities and Exchange Board of India, this Schedule shall apply, upon grant of registration by the Board, the computation of fee being with effect from the date of notification of transfer and vesting of rights and assets of the Forward Markets Commission with the Securities and Exchange Board of India."

- (V) in Schedule V, in Part B, in clause 3, in sub-clause (1), -

- (i) before the existing table, the following heading shall be inserted, namely-

"TABLE 1  
FEES FOR MEMBERS DEALING IN SECURITIES,  
OTHER THAN COMMODITY DERIVATIVES";

- (ii) after the existing table, the following shall be inserted, namely: -

"TABLE 2  
FEES FOR MEMBERS DEALING IN COMMODITY  
DERIVATIVES"

Rate/ Amount (in ₹)			Remarks
Stock Broker	Clearing member	Self-clearing member	
0.0002 per cent of his turnover (₹ 20 per crore)	50,000/-	50,000/-	Explanation— The expression 'turnover' shall include the value of the trades executed by the stock broker on the concerned recognized stock exchange and of the trades settled on the expiration of the contracts.

- (VI) in Schedule V, in Part B, for clause 4A the following shall





be substituted, namely:-

4A. The non-refundable fee payable along with an application for registration under sub- regulation (4) of regulation 3 or sub-regulation (4) of regulation 10A shall be a sum of fifty thousand rupees:

Provided that the non-refundable fee payable along with an application for registration, by a person dealing, clearing and settling trades, on a national commodity derivatives exchange or regional commodity derivatives exchange, immediately before the transfer and vesting of rights and assets of the Forward Markets Commission with the Securities and Exchange Board of India, shall be a sum of twenty-five thousand rupees or five thousand rupees, respectively.

(VII) in Schedule V, in Part C, in clause 5, -

- (i) after sub-clause (2) and before sub-clause (3), the following clause shall be inserted, namely: -

"(2a) Every commodity derivatives exchange shall collect from every stock broker/clearing member/self-clearing member, dealing/clearing and settling trades in commodity derivatives, the fee payable under sub-clause (1) of clause 3 in accordance with the provisions of its bye-laws." ;

- (ii) in sub-clause (3), for the words, symbols and numbers "sub-clause(1) or (2)", the words, symbols and numbers "sub-clauses (1), (2) or (2a)" shall be substituted;

(VIII) in Schedule VI, -

- (i) for clause 3, the following shall be substituted, namely:-

"3. The quantum of networth and deposit to be maintained by-

(a) the stock broker/ clearing member, dealing / clearing and settling trades in securities, other than commodity derivatives, shall be as specified in Table 1 of this Schedule;

(b) the stock broker/ clearing member, dealing/ clearing and settling trades in commodity derivatives, shall be as specified in Table 2 of this Schedule:

Provided that a person dealing in commodity derivatives as a commodity derivatives broker, clearing and settling trades as a commodity derivatives clearing member or self-clearing member, immediately before the transfer and vesting of rights and assets of the Forward Markets Commission with the Securities and Exchange Board of India, shall

maintain the networth and deposit as specified by the commodity derivatives exchange, of which it holds membership: Provided further that within a period of one year from the date of transfer and vesting of rights and assets of the Forward Markets Commission with the Securities and Exchange Board of India, such persons shall satisfy the networth and deposit as specified in Table 2 of this Schedule." ;

- (ii) before the existing table, for the heading, the following shall be substituted, namely:-

"TABLE 1

NETWORTH AND DEPOSIT FOR MEMBERS DEALING IN SECURITIES, OTHER THAN COMMODITY DERIVATIVES" ;

- (iii) after TABLE 1 and before the Explanation, the following table shall be inserted, namely:-

TABLE 2

NETWORTH AND DEPOSIT FOR MEMBERS DEALING IN COMMODITY DERIVATIVES

Type of member	Networth (Amount in Rs.)		Deposit (Amount in Rs.)	
	For the members of		For the members of	
	National Commodity Derivatives Exchanges	Regional Commodity Derivatives Exchanges	National Commodity Derivatives Exchanges	Regional Commodity Derivatives Exchanges
Stock broker/ Trading member	Nil	Nil	Nil	Nil
Self-clearing member	1 crore	*	50 lakhs	*
Clearing member	3 crore	*	50 lakhs	*

"As may be specified by the Board from time to time".

U. K. Sinha  
Chairman

## 18 Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) (Amendment) Regulations, 2015

[Issued by the Securities and Exchange Board of India vide No. SEBI/ LAD-NRO/GN/2015-16/016, dated 08.09.2015. Published in The



Gazette of India Extraordinary Part - III - Section 4, dated 08.09.2015]

In exercise of the powers conferred by section 31 of the Securities Contracts (Regulation) Act, 1956 read with sections 11 and 30 of the Securities and Exchange Board of India Act, 1992, the Securities and Exchange Board of India hereby makes the following regulations to further amend the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, namely:—

These regulations may be called the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) (Amendment) Regulations, 2015.

They shall come into force on the 28th day of September, 2015.

In the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012—

i. in Regulation 2, in sub-regulation (1), -

(a) for clause (e), the following shall be substituted, namely:-

"(e) "clearing member" shall mean a clearing member as defined in clause (ae) of sub-regulation (1) of Regulation 2 of the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992;"

(b) after clause (f) and before clause (g), the following shall be inserted, namely,-

"(fa) "commodity derivatives exchange" means a recognized stock exchange which assists, regulates or controls the business of buying, selling or dealing only in commodity derivatives."

(c) after clause (i) and before clause (j), the following shall be inserted, namely,-

" (ia) "national commodity derivatives exchange" means a commodity derivatives exchange that is demutualized, has an electronic trading platform and is permitted to assist, regulate or control the business of buying, selling or dealing in derivatives on all commodities as notified by the Central Government from time to time."

(d) after clause (o) and before clause (p) the following shall be inserted, namely,-

"(oa) "regional commodity derivatives exchange" means a commodity derivatives exchange which is not a national commodity derivatives exchange."

ii. after Regulation 44B and before Regulation 45, the following shall be inserted, namely-

"44C. A recognized stock exchange, including a commodity derivatives exchange, shall not introduce any new segment

without the prior approval of the Board.

#### 44D. Provisions applicable to commodity derivatives exchanges.

- (1) Every commodity derivatives exchange shall comply with the provisions for recognized stock exchanges in these regulations in the manner and within the timelines as specified by the Board:

Provided that-

- (a) a commodity derivatives exchange may continue with the existing arrangement for clearing and settlement of trades for a period not exceeding three years from the date of commencement of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) (Amendment) Regulations, 2015, and till the functions of clearing and settlement are transferred to a separate clearing corporation, the provisions of sub-regulation (4) of Regulation 7 and Regulations 31, 39 and 44B shall continue to apply to a commodity derivatives exchange, as they apply to a recognized clearing corporation, to the extent that they are applicable;

clause (b) of sub-regulation (1) of Regulation 29 shall not be applicable to a commodity derivatives exchange;

no commodity derivatives exchange shall engage in any activity other than that of assisting, regulating or controlling the business of buying, selling or dealing in commodity derivatives, except with the prior permission of the Board;

every national commodity derivatives exchange shall credit the settlement related penalties to its Settlement Guarantee Fund and other penalties to its Investor Protection Fund and every regional commodity derivatives exchange shall credit all penalties to its Settlement Guarantee Fund till such time as may be specified by the Board.

- (2) Every commodity derivatives exchange shall ensure guarantee for settlement of trades including good delivery."

U. K. Sinha  
Chairman

## 19 Disclosures to be made by NBFCs in the Offer Documents for public issue of Debt Securities under the SEBI (Issue and Listing of Debt Securities) Regulations, 2008.

[Issued by the Securities and Exchange Board of India vide CIRCULAR CIR/IMD/DF/6/2015, dated 15.09.2015.]



# From the Government

1. SEBI, vide circular no. CIR/IMD DF/12/2014 dated June 17, 2014, inter- alia, prescribed additional disclosures to be provided for public issue of debt securities by NBFCs.
  2. Based on the feedback from market participants on disclosures in offer document by NBFCs, after due deliberations, it has been decided to align the disclosures made in the offer documents to be in line with the stipulations as required by the Reserve Bank of India (RBI).
  3. In line with the above, the following modifications are being made to the additional disclosures to be provided for public issue of debt securities by NBFCs, as mentioned in SEBI circular CIR/IMD/DF/12/2014 dated June 17,2014
    - a) Point 4 (l)(d) (iv) of the Circular shall be modified as follows: Aggregated exposure to the top 20 borrowers with respect to the concentration of advances, exposures to be disclosed in the manner as prescribed by RBI in its guidelines on Corporate Governance for NBFCs, from time to time.
    - b) Point 4 (l)(d) (v) of the Circular shall be modified as follows: Details of loans, overdue and classified as non-performing in accordance with RBI guidelines.
  4. NBFCs are frequent issuers of debt securities and amongst other things, generally also utilize the issue proceeds for onward lending. Thus, there may be a possibility that such onward lending may be made to such persons, which are connected to the NBFCs or are a part of its "Group".
- Given this, it is imperative that adequate disclosures are provided for, to keep the investors informed with regards to such onward lending to "Group" entities.
- Therefore, it has been decided that in case any of the borrower(s) of the NBFCs form part of the "Group" as defined by RBI, then appropriate disclosures shall be made in the following format:

S. No.	Name of the Borrower (A)	Amount of Advances /exposures to such borrower (Group) (Rs. Crore) (B)	Percentage of Exposure of Exposure (C)= B/Total AUM
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5. Further, in order to allow investors to better assess the NBFC issue, it has been decided that the following additional disclosures shall be made by NBFCs in their offer documents: -
  - i. A portfolio summary with regards to industries/ sectors to which borrowings have been made by NBFCs.
  - ii. Quantum and percentage of secured vis-a-vis unsecured borrowings made by NBFCs.

- iii. Any change in promoter's holdings in NBFCs during the last financial year beyond a particular threshold. At present, RBI has prescribed such a threshold level at 26%. The same threshold shall be applicable or as may be prescribed by RBI from time to time.
6. NBFCs may provide disclosures on the basis of the draft template, as far as possible, as provided in Annexure I of this Circular.
7. The provisions of this circular shall be applicable for the draft offer document for issuance of debt securities, issued by NBFCs, filed with the designated stock exchange on or after November 01, 2015.
8. 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 markets.
9. This circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in).

Barnali Mukherjee  
Chief General Manager

## Annexure I - Draft Template that may be published by NBFCs

It is recommended that the below disclosures shall pertain to the most recent financial year

1. **Classification of loans/advances given to according to:**
  - a. Type of loans

S. No.	Type of loans	Rs. crore
1	Secured	
2	Unsecured	
	Total assets under management (AUM) *	

- b. Sectoral Exposure

S. No.	Segment-wise break-up of AUM	Percentage of AUM
<b>1</b>	<b>Retail</b>	
a	- Mortgages (home loans and loans against property)	
b	- Gold loans	
c	- Vehicle finance	
d	-MFI	
e	-M&SME	
f	- Capital market funding (loans against shares, margin funding)	
g	- Others	
<b>2</b>	<b>Wholesale</b>	
a	- Infrastructure	



b	- Real estate (including builder loans)	
c	- Promoter funding	
d	- Any other sector (as applicable)	
e	- Others	
	<b>Total</b>	

c. Denomination of loans outstanding by ticket size\*:

S. No.	Ticket size **	Percentage of AUM
1	Upto Rs. 2 lakh	
2	Rs. 2-5 lakh	
3	Rs. 5-10 lakh	
4	Rs. 10-25 lakh	
5	Rs. 25-50 lakh	
6	Rs. 50 lakh-1 crore	
7	Rs. 1-5 crore	
8	Rs. 5-25 crore	
9	Rs. 25-100 crore	
10	>Rs. 100 crore	
	<b>Total</b>	

\*Information required at the borrower level (and not by loan account as a customer may have multiple loan accounts)

\*\*Ticket size at the time of origination

d. Denomination of loans outstanding by LTV\*:

S. No.	LTV	Percentage of AUM
1	Upto 40%	
2	40-50%	
3	50-60%	
4	60-70%	
5	70-80%	
6	80-90%	
7	>90%	
	<b>Total</b>	

\*LTV at the time of origination

e. Geographical classification of borrowers

S. No	Top 5 states	Percentage of AUM
1		
2		
3		
4		
5		
	<b>Total</b>	

f. Details of loans overdue and classified as non-performing in accordance with the RBI's guidelines

Movement of gross NPA*	Rs. Crore
Opening gross NPA	
- Additions during the year	
- Reductions during the year	
Closing balance of gross NPA	

\*Please indicate the gross NPA recognition policy (DPD)

Movement of provisions for NPA	Rs. Crore
Opening balance	
- Provisions made during the year	
- Write-off / write-back of excess provisions	
Closing balance	

g. Segment-wise gross NPA

S. No.	Segment-wise gross NPA	Gross NPA (%)
<b>1</b>	<b>Retail</b>	
a	- Mortgages (home loans and loans against property)	
b	- Gold loans	
c	- Vehicle finance	
d	-MFI	
e	-M&SME	
f	- Capital market funding (loans against shares, margin funding)	
g	- Others	
<b>2</b>	<b>Wholesale</b>	
a	- Infrastructure	
b	- Real estate (including builder loans)	
c	- Promoter funding	
d	- Any other sector (as applicable)	
e	- Others	
	<b>Total</b>	

2. Residual maturity profile of assets and liabilities (in line with the RBI format):

	Up to 30/31 days	>1 month- 2 months	>2 months- 3 months	>3 Months - 6 months	>6 months - 1 year	>1 year - 3 years	>3 years - 5 years	>5 years	Total
Deposit									
Advances									
Investments									
Borrowings									
Foreign Currency assets									
Foreign Currency liabilities									

3. Others

- Lending policy: Should contain overview of origination, risk management, monitoring and collections
- Classification of loans/advances given to associates, entities/person relating to the board, senior management, promoters, others, etc.: As is being disclosed currently.





## 20 Revised Disclosure Formats under SEBI (Prohibition of Insider Trading) Regulations, 2015

[Issued by the Securities and Exchange Board of India vide CIRCULAR CIR/ISD/02/2015, dated 15.09.2015.]

1. This has reference to Paragraph 1(i) of the SEBI Circular numbered CIR/ISD/01/2015 dated May 11, 2015 whereby the formats for disclosure under Regulation 7 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("the Regulations") were provided for.
2. Based on various representations received and in view of SEBI Guidance Note dated August 24th, 2015, revised formats (Form A to Form D) are issued as annexed with this circular. The other conditions of the Circular dated May 11, 2015 shall remain unchanged.
3. All stock exchanges are advised to:
  - a. Put in place 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 immediate implementation of the above decision.
  - c. Bring the provisions of this circular to the notice of the listed companies/issuers and disseminate the same on their respective websites.
  4. This circular is being issued in exercise of the powers conferred under Section 11 (1) of the SEBI 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.

Sunil Kadam  
Chief General Manager

### FORM A

#### **SEBI (Prohibition of Insider Trading) Regulations, 2015 [Regulation 7 (1) (a) read with Regulation 6 (2) – Initial disclosure to the company]**

Name of the company: \_\_\_\_\_

ISIN of the company: \_\_\_\_\_

#### **Details of Securities held by Promoter, Key Managerial Personnel (KMP), Director and other such persons as mentioned in Regulation 6(2)**

Name, PAN, CIN/DIN & address with contact nos.	Category of Person (Promoters/ KMP / Directors/immediate relative to/others etc)	Securities held as on the date of regulation coming into force		% of Shareholding
		Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	
1	2	3	4	5

*Note: "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.*

#### **Details of Open Interest (OI) in derivatives of the company held by Promoter, Key Managerial Personnel (KMP), Director and other such persons as mentioned in Regulation 6(2)**

Open Interest of the Future contracts held as on the date of regulation coming into force			Open Interest of the Option Contracts held as on the date of regulation coming into force		
Contract Specifications	Number of units (contracts * lot size)	Notional value in Rupee terms	Contract Specifications	Number of units (contracts * lot size)	Notional value in Rupee terms
6	7	8	9	10	11

*Note: In case of Options, notional value shall be calculated based on premium plus strike price of options*

Name & Signature:  
Designation:  
Date:  
Place:

**FORM B**

**SEBI (Prohibition of Insider Trading) Regulations, 2015**  
**[Regulation 7 (1) (b) read with Regulation 6(2) – Disclosure on becoming a**  
**director/KMP/Promoter]**

Name of the company: \_\_\_\_\_

ISIN of the company: \_\_\_\_\_

**Details of Securities held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter of a listed company and other such persons as mentioned in Regulation 6(2).**

Name, PAN, CIN/DIN & Address with contact nos.	Category of Person (Promoters/ KMP / Directors/ immediate relative to/others etc.)	Date of appointment of Director /KMP OR Date of becoming Promoter	Securities held at the time of becoming Promoter/appointment of Director/KMP		% of Shareholding
			Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	
1	2	3	4	5	6

*Note: "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.*

**Details of Open Interest (OI) in derivatives of the company held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter of a listed company and other such persons as mentioned in Regulation 6(2).**

Open Interest of the Future contracts held at the time of becoming Promoter/appointment of Director/KMP			Open Interest of the Option Contracts held at the time of becoming Promoter/appointment of Director/KMP		
Contract specifications	Number of units (contracts * lot size)	Notional value in Rupee terms	Contract specifications	Number of units (contracts * lot size)	Notional value in Rupee terms
7	8	9	10	11	12

*Note: In case of Options, notional value shall be calculated based on premium plus strike price of options*

Name &amp; Signature: \_\_\_\_\_

Designation: \_\_\_\_\_

Date: \_\_\_\_\_

Place: \_\_\_\_\_

\*\*\*\*\*



## FORM C

### SEBI (Prohibition of Insider Trading) Regulations, 2015 [Regulation 7 (2) read with Regulation 6(2) – Continual disclosure]

Name of the company: \_\_\_\_\_

ISIN of the company: \_\_\_\_\_

#### Details of change in holding of Securities of Promoter, Employee or Director of a listed company and other such persons as mentioned in Regulation 6(2).

Name, PAN, CIN/DIN, & address with contact nos.	Category of Person (Promoters/ KMP / Director's/immediate relative to/others etc.)	Securities held prior to acquisition/disposal		Securities acquired/Disposed				Securities held post acquisition/disposal		Date of allotment advice/ acquisition of shares/ sale of shares specify		Date of intimation to company	Mode of acquisition / disposal (on market/public/ rights/ preferential offer / off market/ Inter-se transfer, ESOPs etc.)
		Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	Value	Transaction Type (Buy/ Sale/ Pledge / Revoke/ Invoke)	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	From	To		
1	2	3	4	5	6	7	8	9	10	11	12	13	14

*Note: "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.*

#### Details of trading in derivatives of the company by Promoter, Employee or Director of a listed company and other such persons as mentioned in Regulation 6(2).

Trading in derivatives (Specify type of contract, Futures or Options etc)						Exchange on which the trade was executed
Type of contract	Contract specifications	Buy		Sell		
		Notional Value	Number of units (contracts * lot size)	Notional Value	Number of units (contracts * lot size)	
15	16	17	18	19	20	21

*Note: In case of Options, notional value shall be calculated based on Premium plus strike price of options.*

Name & Signature: \_\_\_\_\_

Designation: \_\_\_\_\_

Date: \_\_\_\_\_

Place: \_\_\_\_\_



## **FORM D (Indicative format)**

### **SEBI (Prohibition of Insider Trading) Regulations, 2015 Regulation 7(3) – Transactions by Other connected persons as identified by the company**

#### **Details of trading in securities by other connected persons as identified by the company**

Name, PAN, CIN/DIN, & address with contact nos. of other connected persons as identified by the company	Connection with company	Securities held prior to acquisition/disposal		Securities acquired/Disposed				Securities held post acquisition/disposal		Date of allotment advice/ acquisition of shares/ sale of shares specify		Date of intimation to company	Mode of acquisition/disposal (on market/public/ rights/ Preferential offer / off market/Inter-se transfer, ESOPs etc. )
		Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	Value	Transaction Type (Buy/ Sale/ Pledge / Revoke /Invoke )	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	From	To		
1	2	3	4	5	6	7	8	9	10	11	12	13	14

*Note: "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.*

#### **Details of trading in derivatives by other connected persons as identified by the company**

Trading in derivatives (Specify type of contract, Futures or Options etc)						Exchange on which the trade was executed
Type of Contract	Contract specifications	Buy		Sell		
		Notional Value	Number of units (contracts * lot size)	Notional Value	Number of units (contracts * lot size)	
15	16	17	18	19	20	21

*Note: In case of Options, notional value shall be calculated based on premium plus strike price of options.*

Name:

Signature:

Place:





# News From the Institute



## Institute News

### Members Admitted

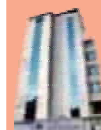
S. No.	Name	Membership No.	Region
<b>FELLOWS*</b>			
1	MS. NEETA REVANKAR	FCS - 8212	SIRC
2	SH. DRIGESH PRAMOD MITTAL	FCS - 8213	WIRC
3	SH. PREMAL MAHESHKUMAR SHAH	FCS - 8214	WIRC
4	MS. MEGHAVI SINGHI	FCS - 8215	NIRC
5	SH. NITESH JAIN	FCS - 8216	WIRC
6	MRS. GEETIKA PANDYA	FCS - 8217	WIRC
7	SH. FAGESHKUMAR RAMESHBHAI SONI	FCS - 8218	WIRC
8	MRS. JASNEET KAUR SAHDEV	FCS - 8219	NIRC
9	SH. DARSHAN BHARAMANNA TALIKOT	FCS - 8220	WIRC
10	SH. PUNEET KUMAR GUPTA	FCS - 8221	NIRC
11	MR. PAWAN GARG	FCS - 8222	NIRC
12	MR. MANISH DEV GUPTA	FCS - 8223	NIRC
13	MR. SACHIN ARORA	FCS - 8224	NIRC
14	SH. ARUN KUMAR SINHA	FCS - 8225	EIRC
15	SH. AJAY RAWAT	FCS - 8226	NIRC
16	MRS. RACHANA SHANBHAG	FCS - 8227	WIRC
17	MS. HARNEET KAUR	FCS - 8228	NIRC
18	SH. JAGDISH RATHI	FCS - 8229	NIRC
19	MR. CHANDEEP KUMAR	FCS - 8230	NIRC
20	MS. MALAVIKA BANSAL	FCS - 8231	NIRC
21	MS. ANKIT AGGARWAL	FCS - 8232	NIRC
22	SH. MITESH KASLIWAL	FCS - 8233	NIRC
23	MRS. KAVITA SANJAY MALANI	FCS - 8234	WIRC
24	SH. NAGABHUSHANAM TIDA	FCS - 8235	SIRC
25	SH. KENISH MEHTA	FCS - 8236	WIRC
26	MS. GURPREET KAUR	FCS - 8237	NIRC
27	SH. RAJENDRA KUMAR KAR	FCS - 8238	EIRC
28	MS. RUCHI AGARWAL	FCS - 8239	NIRC
29	SH. RISHI RAJ TANDON	FCS - 8240	NIRC
30	SH. MANOHAR LAL SHARMA	FCS - 8241	NIRC
31	MRS. MAITHILI AMOL NANDEDKAR	FCS - 8242	WIRC
32	SH. PANKAJ KUMAR	FCS - 8243	WIRC
33	MS. GAZAL SAXENA	FCS - 8244	NIRC
34	SH. GAURAV KUMAR	FCS - 8245	EIRC
35	SH. ARANI GUHA	FCS - 8246	EIRC
36	SH. RAVIKUMAR SULUVA	FCS - 8247	SIRC
37	SH. V. V. NARESH	FCS - 8248	SIRC
38	SH. AMIT DIGAMBAR KUMBHARE	FCS - 8249	WIRC
39	MR. SUMANT KUMAR BHARGAVA	FCS - 8250	NIRC
40	SH. THALIYIL VEETIL RANJIT KUMAR	FCS - 8251	SIRC

\*Admitted during the period from 20.08.2015 to 15.09.2015.

41	SH. SATYPAL SINGH BHATI	FCS - 8252	NIRC
42	SH. SUNIL KUMAR SHARMA	FCS - 8253	SIRC
43	MS. MONISHA GUPTA	FCS - 8254	SIRC
44	MS. MANISHA CHHATAR KHATER	FCS - 8255	WIRC
45	MS. TARUNA KANTILAL PRAJAPATI	FCS - 8256	WIRC
46	MS. DIVYA KHARE	FCS - 8257	NIRC
47	SH. A BALA MURUGAN	FCS - 8258	SIRC
48	MS. SONIA AGGARWAL	FCS - 8259	NIRC
49	MS. SARUMATHY L	FCS - 8260	SIRC
50	MRS. SHILPA VERMA	FCS - 8261	NIRC
51	MS. MEGHA AGARWAL	FCS - 8262	NIRC
52	SH. MOHIT SETH	FCS - 8263	NIRC
53	SH. ANOOP SINGH	FCS - 8264	NIRC
54	MS. RICHA GOYAL	FCS - 8265	WIRC
55	SH. RAJESH KUMAR PANDEY	FCS - 8266	NIRC
56	SH. A. FEROS KHAN	FCS - 8267	SIRC
57	SH. DINESH GUPTA	FCS - 8268	NIRC
58	MS. NEHA GUPTA	FCS - 8269	NIRC
59	SH. NEERAJ JINDAL	FCS - 8270	NIRC
60	MS. BINDI NIRAJ CHHAYA VAISHNAV	FCS - 8271	WIRC
61	SH VIKASH CHANDRA SHARMA	FCS - 8272	NIRC
62	MS. SHIRIN BHATT	FCS - 8273	NIRC
63	SH. HARNATHARAM CHOUDHARY	FCS - 8274	WIRC
64	ANNA MATHEW	FCS - 8275	SIRC
65	SH. RAMESH C. BAGDI	FCS - 8276	WIRC
66	SH. MUNEET SABHARWAL	FCS - 8277	NIRC
67	MR. KAMAL JEET SINGH KALRA	FCS - 8278	NIRC
68	SH. SACHINKUMAR BHANUBHAI MANSETA	FCS - 8279	WIRC
69	MS. NEELU GOYAL	FCS - 8280	NIRC
70	MS. MEENAL GUPTA	FCS - 8281	WIRC
71	SH. RABINDRA KUMAR SATAPATHY	FCS - 8282	NIRC
72	SH. V K KAPOOR	FCS - 8283	NIRC
73	SH. AMEY VIJAY LOTLIKAR	FCS - 8284	WIRC
74	SH MANJUNATHA REDDY M.	FCS - 8285	SIRC
75	SH. SV SUBRAMANYA SASTRY KARRA	FCS - 8286	SIRC
76	SH. ROBIN VIJAN	FCS - 8287	NIRC
77	MS. DEEPIKA GARG	FCS - 8288	NIRC
78	SH. SURESH SINGHAL	FCS - 8289	WIRC
79	SH. H LAXMINARAYANA JOISA	FCS - 8290	SIRC
80	SH. AMITKUMAR KANUBHAI PATEL	FCS - 8291	WIRC
81	SH MOHIT KUMAR ARORA	FCS - 8292	NIRC
82	SH. S CHOCKALINGAM	FCS - 8293	SIRC
83	MS. NEHA GOYAL	FCS - 8294	NIRC
84	MS. PRATHIBA RANGANATHAN	FCS - 8295	SIRC
85	SH. NARESH GARG	FCS - 8296	NIRC
86	SH. BIPIN BIHARI	FCS - 8297	NIRC
87	MS. ARITA BHATTACHARYA	FCS - 8298	NIRC
88	SH. PRADEEP KHURANA	FCS - 8299	NIRC
89	SH. V B RAJU	FCS - 8300	WIRC

#### ASSOCIATES\*

1	MS. NEHA KHEMANI	ACS - 40820	EIRC
2	MS. ANUSHREE BISWAS	ACS - 40821	EIRC
3	MR. VIVEK AGARWAL	ACS - 40822	EIRC
4	MR. SASHI SINGHANIA	ACS - 40823	EIRC
5	MS. NAMRATA CHOUDHARY	ACS - 40824	EIRC
6	MS. RAJNI MODI	ACS - 40825	EIRC



7	MR. JASPREET SINGH DHIR	ACS - 40826	EIRC	59	MS. NIDHI AGARWAL	ACS - 40878	NIRC
8	MS. ANUPRIYA MINI	ACS - 40827	EIRC	60	MS. VINITA DANDWANI	ACS - 40879	NIRC
9	MS. NIDHI TRIVEDI	ACS - 40828	EIRC	61	MS. DIVYA GOEL	ACS - 40880	NIRC
10	MR. RAHUL GOEL	ACS - 40829	EIRC	62	MS. SANDHYA JINDAL	ACS - 40881	NIRC
11	MS. SABA NAZ	ACS - 40830	EIRC	63	MR. ADITYA JAIN	ACS - 40882	NIRC
12	MR. SOUVIK MANNA	ACS - 40831	EIRC	64	MS. URVASHI JAIN	ACS - 40883	NIRC
13	MR. SUMIT KUMAR SHAW	ACS - 40832	EIRC	65	MR. NAKKA VENKATESHWAR RAO	ACS - 40884	SIRC
14	MR. PANKAJ KUMAR	ACS - 40833	EIRC	66	MR. BHARATH KUMAR R S	ACS - 40885	SIRC
15	MS. LALITA BOHRA	ACS - 40834	EIRC	67	MR. PONMANIKANDAN	ACS - 40886	SIRC
16	MS. NEHA JAIN	ACS - 40835	EIRC	68	MR. SURYA J RAMANI	ACS - 40887	SIRC
17	MS. ANKITA AGARWAL	ACS - 40836	EIRC	69	MS. PRIYANKA BADOLA	ACS - 40888	NIRC
18	MR. RAJKAMAL SARRAF	ACS - 40837	NIRC	70	MS. ANURADHA SHASHI RUNGTA	ACS - 40889	WIRC
19	MS. KANCHAN BHATIA	ACS - 40838	NIRC	71	MS. M S GAYATRI	ACS - 40890	WIRC
20	MS. APOORVA BHANDARI	ACS - 40839	NIRC	72	MR. ABHISHEK DINKAR WAKCHAURE	ACS - 40891	WIRC
21	MS. PRERNA PANWAR	ACS - 40840	NIRC	73	MR. PINESH POKARNE	ACS - 40892	WIRC
22	MR. MOHIT JAIN	ACS - 40841	NIRC	74	MR. NAYAN KUMAR BABUBHAI GAMDHA	ACS - 40893	WIRC
23	MR. ANUBHAV POPLI	ACS - 40842	NIRC	75	MS. SONAL PAWAN THAKUR	ACS - 40894	WIRC
24	MS. SAKSHI JULKA	ACS - 40843	NIRC	76	MS. ARCHANA GUWALANI	ACS - 40895	WIRC
25	MS. JASMINE MUNJAL	ACS - 40844	NIRC	77	MS. LAVEENA GUWALANI	ACS - 40896	WIRC
26	MS. NEETA SHARMA	ACS - 40845	NIRC	78	MS. KAVITA RAMLAKHAN JAISWAL	ACS - 40897	WIRC
27	MS. MONICA BHATI	ACS - 40846	SIRC	79	MS. DEEPALI SHIVKUMAR SHARMA	ACS - 40898	WIRC
28	MS. SALILA RAMANAND SANGAI	ACS - 40847	WIRC	80	MR. UMESH JAI PRAKASH NAVANI	ACS - 40899	WIRC
29	MS. PRIYANKA BASANT JAIN	ACS - 40848	WIRC	81	MR. NISHANT AGRAWAL	ACS - 40900	WIRC
30	MR. ABHINAV MATHUR	ACS - 40849	NIRC	82	MS. NEHA RAJENDRA HAROLIKAR	ACS - 40901	WIRC
31	MS. AMRITA SHARMA	ACS - 40850	SIRC	83	MR. NITESH JAYANTI LAL SONI	ACS - 40902	WIRC
32	MR. VENKATA SIVAPRASAD TUMULURI	ACS - 40851	SIRC	84	MR. MAYANK MURARKA	ACS - 40903	EIRC
33	MS. RITIKA SHARMA	ACS - 40852	SIRC	85	MR. PRAVEEN PRAHLADKA	ACS - 40904	EIRC
34	MS. KHUSHBOO VIVEK JALAN	ACS - 40853	WIRC	86	MR. PULKIT	ACS - 40905	NIRC
35	MS. JAYATI GUPTA	ACS - 40854	NIRC	87	MR. SOHAL YADAV	ACS - 40906	NIRC
36	MR. NIKUNJ PRAKASH	ACS - 40855	NIRC	88	MS. KANCHAN KUMARI SAH	ACS - 40907	NIRC
37	MS. SAYED SUBUHI HUSSAIN	ACS - 40856	NIRC	89	MR. SANTOSH PANDEY	ACS - 40908	NIRC
38	MS. RICHA KOTWAL	ACS - 40857	NIRC	90	MS. SHRUTI AGGARWAL	ACS - 40909	NIRC
39	MS. URVASHI BHATIA	ACS - 40858	NIRC	91	MS. KASHMIRA KAILAS OSWAL	ACS - 40910	WIRC
40	MS. AARUSHI PURI	ACS - 40859	NIRC	92	MR. DIGVIJOY PRATAP SINGH	ACS - 40911	WIRC
41	MS. SHIVANI KHURANA	ACS - 40860	NIRC	93	MR. SAHIL VIJAY S	ACS - 40912	NIRC
42	MR. NADEEM KHAN	ACS - 40861	NIRC	94	MS. PARUL GUPTA	ACS - 40913	NIRC
43	MS. MANSI MEHTA	ACS - 40862	NIRC	95	MS. EKTA MALOO	ACS - 40914	EIRC
44	MS. DEEPSHIKHA TOMAR	ACS - 40863	NIRC	96	MS. PRIYANKA AGARWAL	ACS - 40915	EIRC
45	MS. UPINDER KAUR	ACS - 40864	NIRC	97	MS. RICHA JAIN	ACS - 40916	EIRC
46	MS. SHEFALI GOEL	ACS - 40865	NIRC	98	MS. SHILPI AGARWAL	ACS - 40917	EIRC
47	MR. SANJAY DADHICHI	ACS - 40866	WIRC	99	MR. PIYUSH SUREKA	ACS - 40918	EIRC
48	MS. MITALI GUPTA	ACS - 40867	NIRC	100	MS. NAMRATA MAHESWARI	ACS - 40919	EIRC
49	MS. SNEHA CHAUDHARI	ACS - 40868	NIRC	101	MR. GAUTAM KUMAR SINGH	ACS - 40920	EIRC
50	MS. RENUKA TRIKHA	ACS - 40869	NIRC	102	MS. POOJA GAUR	ACS - 40921	WIRC
51	MR. NIRBHAY GOEL	ACS - 40870	NIRC	103	MR. AMIT MISHRA	ACS - 40922	NIRC
52	MS. SUNAINA	ACS - 40871	NIRC	104	MS. SAVITA BHALLA	ACS - 40923	NIRC
53	MS. ANJALI BAJAJ	ACS - 40872	NIRC	105	MR. DEEPAK BEHL	ACS - 40924	NIRC
54	MS. SHIKHA JAIN	ACS - 40873	NIRC	106	MS. SANU PASTORE	ACS - 40925	NIRC
55	MR. DEVESH BHATI	ACS - 40874	NIRC	107	MS. RAKHI MANCHANDA	ACS - 40926	NIRC
56	MS. MEGHA ARUN JALAN	ACS - 40875	NIRC	108	MS. ADITI JAIN	ACS - 40927	NIRC
57	MS. REETA	ACS - 40876	NIRC	109	MS. JAYA PAREEK	ACS - 40928	NIRC
58	MS. PANKILA BHARDWAJ	ACS - 40877	NIRC	110	MR. KAPIL KUMAR	ACS - 40929	NIRC



# News From the Institute

111	MR. NITESH KUMAR SINGH	ACS - 40930	NIRC	162	MS. NIKITA DAGA	ACS - 40981	NIRC
112	MR. PAWAN KUMAR	ACS - 40931	NIRC	163	MS. KAJOL TAK	ACS - 40982	NIRC
113	MS. MONIKA SHARMA	ACS - 40932	NIRC	164	MS. SURABHI RASTOGI	ACS - 40983	NIRC
114	MS. PRIYA KHANDELWAL	ACS - 40933	NIRC	165	MS. PRATIBHA GUPTA	ACS - 40984	NIRC
115	MR. SYAMMOHAN K	ACS - 40934	SIRC	166	MS. MANISHA GOLA	ACS - 40985	NIRC
116	MS. D DHANALAKSHMI	ACS - 40935	SIRC	167	MR. HIMANSHU NAGPAL	ACS - 40986	NIRC
117	MR. VIKESH MUNDHRA	ACS - 40936	WIRC	168	MS. KOMAL GARG	ACS - 40987	NIRC
118	MR. PAWANSUT SWAMI	ACS - 40937	WIRC	169	MS. PREETI SHARMA	ACS - 40988	NIRC
119	MS. AMRITA ATUL DESAI	ACS - 40938	WIRC	170	MS. ANCHAL GOYAL	ACS - 40989	NIRC
120	MS. RASHMI RAJESH KHOSLA	ACS - 40939	WIRC	171	MS. NIKITA CHHABRIA	ACS - 40990	NIRC
121	MR. DALWADI HIREN VIJAYBHAI	ACS - 40940	WIRC	172	MR. HIMESH PANDYA	ACS - 40991	NIRC
122	MR. UPPU BALASUNDARA RAO	ACS - 40941	WIRC	173	MS. ANIBHA JAIN	ACS - 40992	NIRC
123	MS. CHATURVEDI SHIVANI BALDEV	ACS - 40942	SIRC	174	MR. PRATAP KUMAR SAMANTARAY	ACS - 40993	SIRC
124	MR. VIKAS VIJAY GUPTA	ACS - 40943	WIRC	175	MR. NITESH BHATI	ACS - 40994	WIRC
125	MS. RANJU RAMCHANDRAN NAIR	ACS - 40944	WIRC	176	MR. AMIT KUMAR CHANDRASHEKHAR SHARMA	ACS - 40995	WIRC
126	MR. GUJALE KISHOR NITIN	ACS - 40945	WIRC	177	MS. SAYALI KARANJKAR	ACS - 40996	WIRC
127	MS. VEENA VIJAY BHATIA	ACS - 40946	WIRC	178	MS. POOJA RAMRICHHPAL AGARWAL	ACS - 40997	WIRC
128	MS. NEHA HARCHANDANI	ACS - 40947	WIRC	179	MS. DIXITA KISHORE PATEL	ACS - 40998	WIRC
129	MS. PALLAVI MALIK	ACS - 40948	NIRC	180	MR. RAHUL PARASRAMPURIA	ACS - 40999	EIRC
130	MR. MILIND BALARAM BUTKAR	ACS - 40949	WIRC	181	MR. AMIT KUMAR	ACS - 41000	NIRC
131	MR. RAMAN CHOUDHARY	ACS - 40950	EIRC	182	MR. NIMIT SHARMA	ACS - 41001	NIRC
132	MR. SOURAV KEDIA	ACS - 40951	EIRC	183	MR. KUMAR ADITYA SHRIWASTAV	ACS - 41002	NIRC
133	MS. JYOTSNA	ACS - 40952	NIRC	184	MS. KOMAL BHATIJA	ACS - 41003	NIRC
134	MR. ROHIT PRAKASH	ACS - 40953	EIRC	185	MS. ARTI TIWARI	ACS - 41004	NIRC
135	MR. LILADHAR SINGH	ACS - 40954	EIRC	186	MS. DEEPIKA SINGHVI	ACS - 41005	NIRC
136	MR. SAMEER MAHESH UDESHI	ACS - 40955	EIRC	187	MS. NIKITA MOR	ACS - 41006	NIRC
137	MS. SWETA BOTHRA	ACS - 40956	EIRC	188	MS. GAZAL MITTAL	ACS - 41007	NIRC
138	MR. AASHISH NANGALIA	ACS - 40957	EIRC	189	MR. UMASHANKAR U	ACS - 41008	SIRC
139	MR. INDRESH RATHI	ACS - 40958	EIRC	190	MS. P SATHIYABAMA	ACS - 41009	SIRC
140	MR. BHAGWAT NAYAK	ACS - 40959	EIRC	191	MS. YASHIKA NARULA	ACS - 41010	NIRC
141	MR. GOVIND GUPTA	ACS - 40960	EIRC	192	MS. SWETHA V	ACS - 41011	SIRC
142	MS. RITA MAITY	ACS - 40961	EIRC	193	MR. K S V RAJAGOPAL	ACS - 41012	SIRC
143	MR. ASHOK KUMAR	ACS - 40962	EIRC	194	MS. KORAT KRUTIKA VALLABH	ACS - 41013	WIRC
144	MS. SAPTASIKHA JHAMPATI	ACS - 40963	EIRC	195	MS. PRAFULLA ANIL DEVALIYA	ACS - 41014	WIRC
145	MR. PRASUN TIBREWAL	ACS - 40964	EIRC	196	MS. NUPOOR KIRAN KALYANKAR	ACS - 41015	WIRC
146	MS. KIRTI JAIN	ACS - 40965	EIRC	197	MS. HARSHA VIJAY SHARMA	ACS - 41016	WIRC
147	MS. RITI MODAK	ACS - 40966	EIRC	198	MR. RAHUL GOPAL SHARMA	ACS - 41017	WIRC
148	MR. PRATEEK KOHLI	ACS - 40967	EIRC	199	MS. SHRADDHA MAHENDRAKUMAR BORA	ACS - 41018	WIRC
149	MS. MANASI JOSHI	ACS - 40968	EIRC	200	MR. ADITYA MAHESH PANDYA	ACS - 41019	WIRC
150	MR. VARUN VINOD KUMAR GUPTA	ACS - 40969	WIRC	201	MR. MONIL SHAILESH KOTHARI	ACS - 41020	WIRC
151	MS. RICHA KAPOOR	ACS - 40970	NIRC	202	MR. AMBARISH SATISH PETHKAR	ACS - 41021	WIRC
152	MS. SHAKSHI MISHRA	ACS - 40971	NIRC	203	MS. TRUSHA DEEPAK SHAH	ACS - 41022	WIRC
153	MR. ABHISHEK DEORA	ACS - 40972	NIRC	204	MS. KRUPA JAGDISH JOISAR	ACS - 41023	WIRC
154	MS. TRIPTI GUPTA	ACS - 40973	WIRC	205	MS. DIPYANTI DASHRATH KANOJIA	ACS - 41024	WIRC
155	MS. ASMITA BHUSHAN ARORA	ACS - 40974	NIRC	206	MR. SHASHANK DNYANESHWAR KALAMBE	ACS - 41025	WIRC
156	MS. JAYA BOHARA	ACS - 40975	NIRC	207	MS. POOJA BHARAT DALVI	ACS - 41026	WIRC
157	MS. RITA BISHT	ACS - 40976	NIRC	208	MS. AKSHIKA AMIT THAKKAR	ACS - 41027	WIRC
158	MR. INDERPREET SINGH DUA	ACS - 40977	NIRC	209	MS. MINAL RAVINDRA DABHOLKAR	ACS - 41028	WIRC
159	MS. PRIYA SHARMA	ACS - 40978	NIRC	210	MR. TUSHAR ASHOK VIRKAR	ACS - 41029	WIRC
160	MS. MEENAKSHI SAINI	ACS - 40979	NIRC	211	MR. SUPRABHAT CHAKRABORTY	ACS - 41030	WIRC
161	MS. MEGHNA PAREEK	ACS - 40980	NIRC	212	MR. BRAJENDRA KUMAR SHUKLA	ACS - 41031	NIRC



213	MR. MUKESH SUBHASH THAKARE	ACS - 41032	WIRC	264	MR. SAIBAL CHOWDHURY	ACS - 41083	EIRC
214	MS. K LOGANATHAN MEKALA	ACS - 41033	SIRC	265	MS. MEENA CHOWDHARY	ACS - 41084	EIRC
215	MR. JAI LACHMANDAS BHAGAT	ACS - 41034	WIRC	266	MS. AKANSHA YADAV	ACS - 41085	NIRC
216	MR. JAMSHED FRAMJI SOONAWALLA	ACS - 41035	WIRC	267	MR. MANOJ KUMAR JHA	ACS - 41086	NIRC
217	MR. DIBYA KANT SARAF	ACS - 41036	EIRC	268	MS. SHRUTI JAIN	ACS - 41087	NIRC
218	MR. ANKIT JAIN	ACS - 41037	WIRC	269	MR. SURAJ SINGH CHAUHAN	ACS - 41088	NIRC
219	MS. PREETY AGARWAL	ACS - 41038	EIRC	270	MS. SWATI SRIVASTAVA	ACS - 41089	WIRC
220	MS. MEENA AGARWAL	ACS - 41039	EIRC	271	MR. PANKAJ KUMAR	ACS - 41090	NIRC
221	MR. PANKAJ KUMAR MOHATA	ACS - 41040	EIRC	272	MR. HITESH JHAMB	ACS - 41091	NIRC
222	MS. SHREYA KAR	ACS - 41041	EIRC	273	MS. SHEETAL KATTA	ACS - 41092	NIRC
223	MR. DEEPAK CHATURMUTHA	ACS - 41042	EIRC	274	MS. PARIDHI SINGHAL	ACS - 41093	NIRC
224	MS. SMITA CHAKRABORTY	ACS - 41043	EIRC	275	MR. PRINCE KUMAR	ACS - 41094	NIRC
225	MS. POOJA MISHRA	ACS - 41044	EIRC	276	MR. SUMEET SOMANI	ACS - 41095	WIRC
226	MS. IPSHITA CHATTERJEE	ACS - 41045	EIRC	277	MR. PRADEEP GANSHYAM RATNANI	ACS - 41096	WIRC
227	MR. PREM PRAKASH KHANDELWAL	ACS - 41046	NIRC	278	MS. RAMA HARSHAD RANADE	ACS - 41097	WIRC
228	MS. KHUSHBU GARG	ACS - 41047	NIRC	279	MS. SHIMU RAMDHEERAJ SINGH	ACS - 41098	WIRC
229	MR. NIKHIL GUPTA	ACS - 41048	NIRC	280	MR. NIKHIL SURESH BAFNA	ACS - 41099	WIRC
230	MR. SHAH NAWAZ	ACS - 41049	NIRC	281	MS. NAMRATA CHAMPABHAI LAD	ACS - 41100	WIRC
231	MS. MEGHA JAIN	ACS - 41050	NIRC	282	MS. RUCHITA ANIL GANDHI	ACS - 41101	WIRC
232	MR. HARSHIT ATTAR	ACS - 41051	NIRC	283	MS. RAWAT PRIYANKA BRIJMOHAN SINGH	ACS - 41102	WIRC
233	MR. HARPREET SINGH MUCHHAL	ACS - 41052	NIRC	284	MS. VAIBHAVI VIJAYKUMAR SHAH	ACS - 41103	WIRC
234	MR. PUNEET MANGAL	ACS - 41053	NIRC	285	MS. NEHA JOHN D SOUZA	ACS - 41104	WIRC
235	MR. ANKISH GOEL	ACS - 41054	NIRC	286	MR. ADITYA B AMBASTHA	ACS - 41105	WIRC
236	MS. MAITREYEE SATYAWRAT KULKARNI	ACS - 41055	NIRC	287	MR. SWAPNEEL VINOD PATEL	ACS - 41106	WIRC
237	MS. ASHU SHARMA	ACS - 41056	NIRC	288	MR. PRASANNA KUMAR K	ACS - 41107	SIRC
238	MS. ARCHI MISHRA	ACS - 41057	NIRC	289	MR. VASUDEO RAJDEO VISHWAKARMA	ACS - 41108	WIRC
239	MS. KHUSHBOO	ACS - 41058	NIRC				
240	MS. RUCHIKA SHARMA	ACS - 41059	NIRC				
241	MS. PAYAL KHANDELWAL	ACS - 41060	NIRC				
242	MR. ANKUR BISARIYA	ACS - 41061	NIRC				
243	MS. SHRADDHA SUDHAKAR KULKARNI	ACS - 41062	SIRC				
244	MR. HAMZA ABBAS CHECHATWALA	ACS - 41063	WIRC				
245	MS. RESHMA KASHINATH SANGLE	ACS - 41064	WIRC				
246	MS. BHUMIKA VASANT GANGAR	ACS - 41065	WIRC				
247	MR. MANISH PREMNATH MISHRA	ACS - 41066	WIRC				
248	MR. SHIVANG JAGDISHKUMAR DESAI	ACS - 41067	WIRC				
249	MS. NEHA PRADEEP TALIKOTI	ACS - 41068	WIRC				
250	MR. MAHESH MADHUKAR PATIL	ACS - 41069	WIRC				
251	MS. AGRAWAL VINITA	ACS - 41070	WIRC				
252	MR. VIKAS RAJU VARMA	ACS - 41071	WIRC				
253	MS. KRISHMA JAYESH SHAH	ACS - 41072	WIRC				
254	MS. SHETH KHUSHBU NITINKUMAR	ACS - 41073	WIRC				
255	MS. CHUNNI SANJAY SINGH	ACS - 41074	WIRC				
256	MS. AMUDHA S.	ACS - 41075	SIRC				
257	MS. MANJIRI RAHUL CHIPLUNKAR	ACS - 41076	WIRC				
258	MR. BASKAR SANKAR	ACS - 41077	WIRC				
259	MS. ANITA SANKHLA	ACS - 41078	NIRC				
260	MS. POOJA GOPAL KANDOI	ACS - 41079	WIRC				
261	MS. AKSHAYA ROHAN GHOLAP	ACS - 41080	WIRC				
262	MS. SHRADHA SOMANI	ACS - 41081	EIRC				
263	MS. RASHMI SAINI	ACS - 41082	EIRC				

## MEMBERS RESTORED\*

Sl.No.	Name	ACS/FCS No.	Region
1	SH. LAXMI NARAYAN SHARMA	FCS 2078	NIRC
2	SH. RAMAN KUMAR SOOD	FCS 3722	NIRC
3	SH. BIBEKANANDA BISWAL	FCS 3836	NIRC
4	SH. ANIL KUMAR SHARMA	FCS 3948	F/NIRC
5	SH. ASHISH PANDEY	FCS 6078	WIRC
6	SH. RAMACHANDRA RAO KARANDIKAR	ACS 97	WIRC
7	SH. B N VISHWANATH	ACS 409	SIRC
8	SH. S JAIN	ACS 6329	NIRC
9	MS. LALITHA RAMACHANDRAN	ACS 8390	WIRC
10	SH. V SATHISH	ACS 11710	SIRC
11	SH. K V SUBRAMANYAM	ACS 11828	SIRC
12	SH. MANMADKAR JAYANT BHALCHANDRA	ACS 12444	WIRC
13	SH. MANDAR MEENANATH VELANKAR	ACS 14469	WIRC
14	SH. SUNIL KUMAR BANSAL	ACS 14915	EIRC
15	SH. PUNEET NANDA	ACS 15083	NIRC
16	MS. SUDHA NATHAN	ACS 17044	SIRC
17	SH. T PRAVEEN KUMAR	ACS 17421	SIRC
18	MS. JASLEEN VIRDI	ACS 19008	NIRC
19	MS. SHWETA SHARMA	ACS 19793	NIRC
20	MS KALPANA MANHARLAL PATEL	ACS 20264	NIRC
21	Sh MITIL KUMAR BIRLA	ACS 20841	WIRC
22	MS. REKHA NOLAKHA	ACS 22752	NIRC

\*Restored during the month of August, 2015.







# News From the Institute

23	MS. SANGEETA POKHRIYAL	ACS 26048	NIRC	42	MS. SHIPRA CHUGH	ACS - 33195	15100	NIRC
24	MS. HIMANI OJHA	ACS 26285	WIRC	43	MS. ANITA KUMARI SINGH	ACS - 26413	15101	EIRC
25	MS. NUTAN SINGH	ACS 27436	WIRC	44	MR. ASHIRWAD B S	ACS - 34060	15102	SIRC
26	MR. DEEPAK WALIA	ACS 29655	NIRC	45	MR. K CHAKRAVARTHI CHALLAGALI	ACS - 38026	15103	SIRC
27	MS. KANCHAN JHAWAR	ACS 33633	EIRC	46	SH. S. SALAI KUMARAN	ACS - 12892	15104	SIRC

## Certificate of Practice\*\*

SL. No.	NAME	MEMB NO	COP NO.	REGION
1	MS. VIBHA PATNI	ACS - 36101	15058	WIRC
2	MS. NISHA KHATER	ACS - 30486	15060	NIRC
3	MR. BHARAT	ACS - 35437	15061	NIRC
4	MS. SWAPNA LATHA KATTA S	ACS - 21341	15062	SIRC
5	MS. MINAKSHI BHARTIYA	ACS - 38040	15063	EIRC
6	MS. USHA RAJBHAR	ACS - 33777	15064	EIRC
7	MS. AAFRIN MUSHTAQUE SHEIKH	ACS - 40159	15065	WIRC
8	MS. RAKSHITA SATHYA NARAYANA TATA	ACS - 40372	15066	SIRC
9	MS. KHUSHBOO MALPANI	ACS - 40512	15067	WIRC
10	SH. AMITKUMAR KANUBHAI PATEL	FCS - 8291	15068	WIRC
11	SH. G MANOHARAN	FCS - 4325	15069	SIRC
12	SH. R KUPPU RAO	ACS - 1883	15070	SIRC
13	SH. RAJESH CHHAPARIA	FCS - 2708	15071	EIRC
14	MS. PRAGYA	ACS - 33177	15072	NIRC
15	MS. MANISHA RAWAT	FCS - 7228	15073	NIRC
16	MS. RAJANI RAWAT	ACS - 40601	15074	NIRC
17	MS. RADHIKA SRINIVAS KABRA	ACS - 40477	15075	SIRC
18	SH MD SHAHNAWAZ	ACS - 21427	15076	EIRC
19	MR. SUDARSHAN VASANT SHINTRE	ACS - 33334	15077	WIRC
20	MRS. ROHINI SATISH KADU	ACS - 34525	15078	WIRC
21	MS. SHRADHA GUPTA	ACS - 39517	15079	NIRC
22	MS. RICHA SHUKLA	ACS - 40547	15080	EIRC
23	MS. DIANA POONAWALA	ACS - 40554	15081	WIRC
24	MS. MINAL TARUN GOSAR	ACS - 40617	15082	WIRC
25	MS. RAMAA ADITYA DIXIT	ACS - 40618	15083	WIRC
26	MS. PRIYA KHANDELWAL	ACS - 40672	15084	NIRC
27	MRS. POOJA PRASANNA SAWARKAR	ACS - 25741	15085	WIRC
28	MR. PRADIP KANTIBHAI DAVE	ACS - 34645	15086	WIRC
29	MRS. NISHA SARAFF	ACS - 40449	15087	EIRC
30	MS. VISHAKHA AGRAWAL	ACS - 39298	15088	WIRC
31	MR. RAJEEV VINAY VARMA	ACS - 40439	15089	SIRC
32	SH. HARI BABU THOTA	ACS - 17645	15090	SIRC
33	MS. KANCHANA C N	ACS - 40639	15091	SIRC
34	MS. PALAK NITIN RAMI	ACS - 28966	15092	WIRC
35	MS. KANAK SHARMA	ACS - 40448	15093	EIRC
36	MS. SMITHA VARMA	ACS - 27039	15094	SIRC
37	MS. NISHA SETHI	ACS - 40465	15095	NIRC
38	MS. AKANKSHA NILAY MOTA	ACS - 24626	15096	WIRC
39	MR. AJAY GOYAL	ACS - 38401	15097	NIRC
40	MS. KHUSHBU AGARWAL	ACS - 34120	15098	NIRC
41	MS. KEERTI SEETARAM HEGDE	ACS - 33560	15099	SIRC
42	MS. SHIPRA CHUGH	ACS - 33195	15100	NIRC
43	MS. ANITA KUMARI SINGH	ACS - 26413	15101	EIRC
44	MR. ASHIRWAD B S	ACS - 34060	15102	SIRC
45	MR. K CHAKRAVARTHI CHALLAGALI	ACS - 38026	15103	SIRC
46	SH. S. SALAI KUMARAN	ACS - 12892	15104	SIRC
47	SH. MAHESH MAHESHWARI	ACS - 26313	15105	NIRC
48	MR. HIMANSHU MANCHANDA	ACS - 36956	15106	NIRC
49	MR. MOHD SAJID MALIK	ACS - 28203	15107	NIRC
50	MRS. SONALI GARG	ACS - 28406	15108	NIRC
51	MS. NEHA AGARWAL	ACS - 26090	15109	NIRC
52	MS. GOGRI DHVANI ARVIND	ACS - 31756	15110	WIRC
53	MS. SHUBHI SRIVASTAVA	ACS - 35988	15111	NIRC
54	SH. ATUL PUKHRAJ FALGUNIA	FCS - 3741	15112	WIRC
55	MS. NITU PODDAR	ACS - 37398	15113	EIRC
56	SH. V S SRINIVASAN	FCS - 3252	15114	SIRC
57	MS. SUMATHI R	ACS - 40704	15115	SIRC
58	MS. TAPASYA GUPTA	ACS - 29266	15116	NIRC
59	MR. VIKAS KUMAR	ACS - 28967	15117	NIRC
60	MR. GOPIMOHAN MURISHETTY	ACS - 40509	15118	SIRC
61	SH. YASHAWANT KUMAR GUPTA	ACS - 15154	15119	NIRC
62	SH. MUKESH KUMAR KARNA	FCS - 8153	15120	NIRC
63	SH. J R PARIKH	ACS - 6022	15121	WIRC
64	MS. DEEPIKA CHANDAK	ACS - 27799	15122	EIRC
65	MR. SHASHI SHEKHAR	ACS - 30145	15123	NIRC
66	MS. SWATI GUPTA	ACS - 35378	15124	EIRC
67	MS. SHEFALI JAIN	ACS - 35921	15125	NIRC
68	MR. SANJIB CHAKRABORTY	ACS - 36123	15126	EIRC
69	MRS. VIJAYA KIRANMAYI DWADASI	ACS - 39534	15127	SIRC
70	MR. SANTOSH BHATT	ACS - 39878	15128	NIRC
71	MS. BAVNEET KAUR OBEROI	ACS - 40062	15129	NIRC
72	MR. SANTOSH KUMAR	ACS - 40221	15130	EIRC
73	MR. ABHISHEK PRAKASHCHAND CHHAJED	ACS - 40329	15131	WIRC
74	MS. VIDYA MAHADEV SULADALI	ACS - 40476	15132	SIRC
75	MR. CHIRAG GARG	ACS - 40560	15133	NIRC
76	MR. SANTOSH KUMAR	ACS - 40741	15134	EIRC
77	MS. V VIDYARANI	ACS - 10897	15135	SIRC
78	MR. VINOD CHANDRA MAMGAI	ACS - 30118	15136	NIRC
79	MR. YOGESH KUMAR	ACS - 40555	15137	NIRC
80	MRS. MEGHA SABOO	ACS - 32155	15138	NIRC
81	MR. ANKIT GARG	ACS - 31630	15139	NIRC
82	SH. SAKKURA DURGA PRASADRAO	FCS - 2772	15140	WIRC
83	SH. SRINIVASA NAIDU KOTTURI	ACS - 26516	15141	SIRC
84	MS. SUPRIYA AVINASH TATKAR	ACS - 29465	15142	WIRC
85	MR. RAKESH KUMAR GUPTA	ACS - 32018	15143	EIRC
86	MR. GAURAV SINGH JADON	ACS - 39216	15144	NIRC
87	MR. RAHUL BILOTIA	ACS - 39667	15145	EIRC
88	MS. RUCHI BANSAL	ACS - 40595	15146	NIRC
89	MR. ASHISH GUPTA	ACS - 40785	15147	NIRC
90	SH. ANUJ KUMAR TIWARI	FCS - 7285	15148	NIRC
91	SH. SIVARAMAKRISHNAN VASUDEVAN	ACS - 7803	15149	SIRC
92	SH. GAURAV KAPOOR	ACS - 17160	15150	NIRC

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93	MS KALPANA MANHARLAL PATEL	ACS - 20264	15151	NIRC	14	MR. AJAY TIPU KHOLKAR	ACS 32983	12185	WIRC
94	SH. PIYUSH RAJENDRA BUBNA	ACS - 21925	15152	WIRC	15	MR. SANDEEP CHHAJER	ACS 34569	13574	EIRC
95	SH. UNNIKRISHNAN C	ACS - 24695	15153	SIRC	16	MS. RADHIKA PAWAN DAMMANI	ACS 30491	11039	WIRC
96	MS. JYOTSNA CHATURVEDI	ACS - 25172	15154	NIRC	17	MR. RAKESH BISHT	ACS 31834	12236	NIRC
97	MS. SURBHI KABRA	ACS - 31291	15155	NIRC	18	MR. SUSHIL LADDA	ACS 35636	13860	WIRC
98	MR. SATISH PATEL	ACS - 32519	15156	WIRC	19	MR. R S BAPAT	FCS 1792	184	WIRC
99	MRS. NANCY RAVI KADIWAR	ACS - 36191	15157	WIRC	20	MS. SHALINI AGRAWAL	ACS 39068	14504	NIRC
100	MS. HIMANI SOOD	ACS - 36218	15158	NIRC	21	MS. KIRTI AGARWAL	ACS 27117	13755	SIRC
101	MR. KULDEEP BOTHRA	ACS - 37452	15159	EIRC	22	MR. SANJAY KISHOR DINGARE	ACS 28541	14412	WIRC
102	MS. AARTI MAHAJAN	ACS - 38396	15160	NIRC	23	MS. SHRUTI JAYANT DESHMUKH	ACS 36707	14221	WIRC
103	MR. BUNNY SEHGAL	ACS - 39598	15161	NIRC	24	MS. SANGEETA SAJJAN JHUNJHUNWALA	ACS 20746	7570	WIRC
104	MS. KOMAL SULANIYA	ACS - 39819	15162	NIRC	25	MR. ANKITKUMAR BHARATBHAI PATEL	ACS 33232	12898	WIRC
105	MR. PRATIK SUBHASHCHANDRA SHAH	ACS - 40273	15163	WIRC	26	MS. PRIYANKA MAHESHWARI	ACS 27243	10105	NIRC
106	MR. SOURABH AGRAWAL	ACS - 40538	15164	WIRC	27	MR. AJMAL ANSARI	ACS 27213	10783	NIRC
107	MS. RIA MAINGI	ACS - 40552	15165	NIRC	28	MR. RAJESH BAHETI	ACS 24943	9224	NIRC
108	MR. SAKET KUMAR	ACS - 40686	15166	EIRC	29	MS. GIRIJA RAMPALLI	ACS 32086	12776	SIRC
109	MR. ASHISH SHARMA	ACS - 40695	15167	NIRC	30	MR. RAKESH KUMAR JAIN	FCS 3786	13293	NIRC
110	MR. HIMANSHU BASANTLAL GAJRA	ACS - 40729	15168	WIRC	31	MR. UTTAM KUMAR MOHALLIK	FCS 7754	8656	EIRC
111	MS. SWEETY HISSARIA	ACS - 40750	15169	EIRC	32	MR. ASIT KUJUR	ACS 36031	1334	WIRC
112	SH. MANOJIT DASH	ACS - 21948	15170	EIRC	33	MS. RASHI JOSHI	ACS 31569	11949	WIRC
113	MR. KAPIL KABRA	ACS - 34167	15171	WIRC	34	MR. HARISH D	ACS 28840	10400	SIRC
114	MR. AKHIL MAHENDRA LODHA	ACS - 40507	15172	WIRC	35	MS. NAYANA BHAVIN THAKKAR	ACS 31380	11605	WIRC
115	SH. BALASUBRAMANIAN V NATH	FCS - 6772	15173	SIRC	36	MR. HOSHI DHUNJISHA BHAGWAGAR	FCS 2945	14945	WIRC
116	MS. K ROOPAH	ACS - 20530	15174	SIRC	37	MRS. SHWETA JAIN	ACS 35360	13386	NIRC
117	SH. VIPIN GAURISHANKER JANI	ACS - 21944	15175	WIRC	38	MR. VIKAS KUMAR SHARMA	ACS 26139	9543	NIRC
118	MS. SUKHMEET KAUR	ACS - 30107	15176	NIRC	39	MR. PRATIK MODI	ACS 37126	14561	EIRC
119	MS. KHUSHBOO BHARAT PATWA	ACS - 35761	15177	WIRC	40	MS. PERNEEKA VIRMANI	ACS 32314	14338	NIRC
120	MR. DHRUV GUPTA	ACS - 34989	15178	NIRC	41	MS. RITU JAYPRAKASH RATHI	ACS 23700	11380	WIRC
121	MR. VIJESH KUMAR	ACS - 37240	15179	NIRC	42	MS. A ANURADHA	ACS 20063	9193	NIRC
122	MR. ABHILASH M K	ACS - 37281	15180	SIRC	43	MR. AJAY RAWAT	ACS 23067	9280	NIRC
123	MS. NEHA GUPTA	ACS - 38139	15181	NIRC	44	MRS. LATIKA BANSAL	ACS 20900	8061	NIRC
124	MR. AMBUJ GUPTA	ACS - 39108	15182	NIRC	45	MR. VALLLABH MOHAN JOSHI	ACS 30132	11474	WIRC
125	MS. AMARDEEP KAUR	ACS - 40389	15183	NIRC	46	MS. JYOTI SURIRA	ACS 26903	10113	NIRC
126	MR. KARTHICK J	ACS - 40757	15184	SIRC	47	MS. PORNIMA CHANDRAKANT VIDYA SAGAR	ACS 30506	11094	WIRC
127	MR. SANJAY DADHICHI	ACS - 40866	15185	WIRC	48	MR. AVTAAR SINGH	FCS 5905	6069	NIRC
					49	MS. USHMA MULCHAND DUDANI	ACS 21452	11381	WIRC
					50	MS. DIPTI MADHUKAR MAJUMDAR	ACS 26918	10208	WIRC
					51	MS. ANJU	ACS 38225	14463	NIRC
					52	MS. RASMITA MOHANTY	ACS 31766	11675	EIRC
					53	MRS. KRUTIKA KUMERIA	ACS 31279	12686	WIRC
					54	MS. MANISHA PRAKASH CHITGOPEKAR	ACS 27816	12128	WIRC

## CANCELLED\*

SL. No.	NAME	MEMB NO	COP NO.	REGION
1	MR. MAHESH MADHUKAR THAKAR	ACS 23137	13771	WIRC
2	DR. SANTANU MITRA	FCS 7591	8935	EIRC
3	MS. NEELAM SURESHKUMAR JAIN	ACS 39277	14917	WIRC
4	MS. VENKATALAKSHMI KONDRI	ACS 21091	11126	SIRC
5	MR M V SUNDAR	FCS 5451	12781	SIRC
6	MR. JAYESH GOPAL DAMLE	ACS 24869	14891	WIRC
7	MS. SHWETA SINGH	ACS 37858	14306	NIRC
8	MS. RATIKA RAVI GANDHI	ACS 29732	13184	WIRC
9	MRS. PRIYANKA PADALE	ACS 28799	10638	WIRC
10	MS. JIVIKA SHRAVAN UTHADA	ACS 30902	11364	WIRC
11	MS. ANAMIKA RASTOGI	ACS 37802	14205	NIRC
12	MR. ANKIT DIPAKBHAI PAREKH	ACS 29063	11167	WIRC
13	MR. TRILOK CHAND GARG	ACS 30019	10939	NIRC

## LICENTIATE ICSI\*\*

Sl. No.	L.No.	NAME	Region
1	6772	MS. VANSHIKA NAYYAR	NIRC
2	6773	MR. NISHANT AGARWAL	SIRC
3	6774	MR. M. MUTHUKUMAR	SIRC
4	6775	MR. KARTHIK MANIKONDA	SIRC
5	6776	MR MAHIR NACHIKET BHATT	WIRC
6	6777	MR AJIT V GHATIKAR	SIRC
7	6778	MR MAYANK PHUTELA	NIRC
8	6779	MS. RANJITA JHABAK	EIRC
9	6780	MR R. VINOTH KRISHNA	SIRC

\*Cancelled during the Month of August, 2015.

\*\*Admitted during the month of August, 2015.





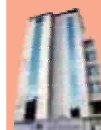
# Company Secretaries Benevolent Fund



## MEMBERS ENROLLED REGIONWISE AS LIFE MEMBERS OF THE COMPANY SECRETARIES BENEVOLENT FUND\*

Region	LM No.	Name	Membership No.	City
<b>NIRC</b>				
	1	10978 MR. SANDEEP ASRANI	ACS - 38049	JAIPUR
	2	10979 MR. ADITYA JAIN	ACS - 40882	DELHI
	3	10982 MR. NITIN JAISWAL	ACS - 29364	DELHI
	4	10983 SH. VIJAY KUMAR KATHURIA	FCS - 3358	DELHI
	5	10984 SH. RAJEEV GOSWAMI	ACS - 15080	NEW DELHI
	6	10986 MR. HEERA LAL	ACS - 29783	NEW DELHI
	7	10988 MS. KHUSHBU GARG	ACS - 41047	MODINAGAR
	8	10991 MR. DIVESH GOYAL	ACS - 35817	NEW DELHI
<b>SIRC</b>				
	9	10987 SH. MOHAMMAD OSMAN AKTHAR	ACS - 19405	HYDERABAD
	10	10989 MR. PRASANNA KUMAR K	ACS - 41107	CHENNAI
	11	10992 MR. ROSHAN RAMESH RAIKAR	ACS - 32941	BELGAUM
Region	LM No.	Name	Membership No.	City
<b>WIRC</b>				
	12	10973 MRS. PURVI JATIN JAJAL	FCS - 7700	RAJKOT
	13	10974 MS. PRIYANKA PRADEEP SHETYE	ACS - 22246	PUNE
	14	10975 MR. ANILKUMAR AMBADAS DUSSA	ACS - 40612	SOLAPUR
	15	10976 MR. NEERAJ ANJANE	ACS - 37072	INDORE
	16	10977 MR. SAURABH MAHESHWARI	ACS - 40195	MAIHAR
	17	10980 MR. DIGVIJOY PRATAP SINGH	ACS - 40911	MUMBAI
	18	10981 MR. PRATHAMESH SUHAS JOGLEKAR	ACS - 33316	DOMBIVLI (E)
	19	10985 MRS. DEEPTI JOSHI	ACS - 23848	NAGPUR
	20	10990 MS. PURVI SHASHIKANT SHAH	ACS - 39849	AHMEDABAD

\*Enrolled during the period from 21/08/2015 to 20/09/2015.



FORM – D APPLICATION FOR THE ISSUE/RENEWAL/RESTORATION OF CERTIFICATE OF PRACTICE See Reg. 10, 13 & 14			
To The Secretary to the Council of The Institute of Company Secretaries of India 'ICSI HOUSE', 22, Institutional Area, Lodi Road, New Delhi -110 003 Sir,			
I furnish below my particulars :			
(i) Membership Number FCS/ACS:			
(ii) Name in full			
(in block letters) Surname Middle Name Name			
(iii) Date of Birth:			
iv) Professional Address:			
(v) Phone Nos. (Resi.)		(Off.)	
(vi) Mobile No		Email id	
(vii) Website of the member, if any			
(viii) Additions to or change in qualifications, if any			
Submitted for (tick whichever is applicable): (a) Issue _____ (b) Renewal _____ (c) Restoration _____			
(a) Particulars of Certificate of Practice issued / surrendered/ Cancelled earlier			
Sl. No.	Certificate of Practice No.	Date of issue of CP	Date of surrender / Cancellation of CP
(b) Unique Code Number (i) Individual/Proprietorship concern (ii) Partnership firm			
3. Area of Practice			
Sl. No.	Area of Practice	Please tick (If Applicable)	
1	Corporate Law		
2	Financial Service and Consultancy		
3	Securities/Commodities Exchange Market		

4	Finance including Project/Working Capital/Loan Syndication(Specify the areas handling)		
5	Corporate Restructuring (Handling Merger, acquisitions, demerger issues etc). Specify the areas handling as drafting of scheme, appearing before various regulatory bodies for approval of scheme, getting the scheme implemented, legal compliances with various regulatory bodies etc)		
6	Excise/CUSTOMS (Filling of returns, Handling assessment, appearing before the appellate authority)		
7	Sales Tax/VAT Practice (Filling of returns, Handling assessment, appearing before the appellate authority)		
8	Income Tax Practice (Filling of returns, Handling assessment, appearing before the appellate authority)		
9	Service Tax Practice (Filling of returns, Handling assessment, appearing before the appellate authority)		
10	Foreign Exchange Management (Specify the areas being handled i.e. filling of various forms/returns, appearing before RBI etc)		
11	Foreign Collaborations & Joint Ventures		
12	Intellectual Property Rights (Specify the areas being handled)		
13	Depositories		
14	Monopolies/Restrictive Trade Practices/Competition Law		
15	Consumer Protection Laws		
16	Arbitration and Conciliation		
17	Import and Export Policy & Procedure		
18	Environment Laws(Specify the areas)		





# News From the Institute

19	Environment Laws(Specify the areas)		
20	Societies/Trusts/Co-operative Societies & NCTs (Non Co-operative Trust Societies)		
21	Financial Consultancy		
22	Other Economic Laws		
23	SEBI / Securities Appellate Tribunal		
24	Banking and Insurance		
25	Any Other Service (Please specify)		

4. i. I state that I am/shall be engaged in the profession of Company Secretary only on whole-time basis and not in any other profession, business, occupation or employment. I am not enrolled as an Advocate on the rolls of any Bar Council and do not hold certificate of practice from any professional body including ICAI and the ICWAI.
- ii. I state that as and when I cease to be in practice, I shall duly inform the Council and shall surrender forthwith the certificate of practice as required by the Company Secretaries Act, 1980, and the regulations made thereunder, as amended from time to time.
- iii. I hereby undertake that, I shall adhere to the mandatory ceiling as regards issuing of Secretarial Audit Report (pursuant to Section 204 of the Companies Act, 2013) and certification/ signing of Annual Return (pursuant to Section 92 of the Companies Act, 2013) in terms of the GUIDELINES FOR ISSUING SECRETARIAL AUDIT REPORT, SIGNING AND CERTIFICATION OF ANNUAL RETURN respectively issued by the Institute from time to time.
- iv. I state that I have issued / did not issue \_\_\_\_\_ advertisements during the year 20\_\_ in accordance with the **Guidelines for Advertisement by Company Secretary in Practice** issued by the Institute\*.
- v. I state that I issued \_\_\_\_\_ Corporate Governance compliance certificates under Clause 49 of the Listing agreement during the year 20\_\_ ... \*
- vi. I state that I have / have not undertaken \_\_\_\_\_ Audits under Section 55A of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 during the year 20... - ... \*
- vii. I state that I have / have not maintained a register of attestation/certification services rendered by me/my firm in accordance with the **Guidelines for Requirement of Maintenance of a Register of Attestation/Certification**

## Services Rendered by Practising Company Secretary/ Firm of Practising Company Secretaries issued by the Institute\*.

- viii. I hereby declare that I have complied with KYC norms issued by the Council of the ICSI.
- ix. I undertake to subject myself to peer review as and when directed by the Peer Review Board.
5. I send herewith Bank draft drawn on \_\_\_\_\_ Bank \_\_\_\_\_ Branch bearing No. \_\_\_\_\_ dated \_\_\_\_\_/ online payment vide acknowledgement No. \_\_\_\_\_ dated \_\_\_\_\_/ Cash payment at ROs/Chapters vide Acknowledgement No. \_\_\_\_\_ dated \_\_\_\_\_ for Rs. \_\_\_\_\_ towards annual certificate of practice fee for the year ending 31st March \_\_\_\_\_.
6. I hereby declare that I attended the following professional development programmes held during the financial year \_\_\_\_\_:

Sr. No.	Name of Programme	Organised by	Place	Date	Duration*	No. of Program Credit Hours Secured**	Details of Certificate for Program Credit Hours ***

\* Please specify whether full day/half day/number of hour

\*\* Extra sheet can be attached...

\*\*\* The extracts from ICSI portal about the Credit hours with self certification

7. I further declare that the particulars furnished above are true and correct.

Yours faithfully,

(Signature)

Place:

Date :

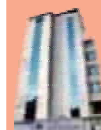
\*\*\*Encl.

\* Applicable in case renewal or restoration of Certificate of Practice

\*\* Rs. 1000/- Annual Certificate of Practice Fee (Rs. 500/- if applied during October-March)

\*\*\*

- Copy of the relieving letter in case earlier in employment.
- Copy of Form DIR 12 regarding cessation of employment in case working earlier as Company Secretary.
- Copy of letter of cancellation of Certificate of Practice of other professional bodies if applicable.



## List of Practising Members Registered For The Purpose of Imparting Training During The Month of August, 2015

PCS Name	Address	City
ABHILASHA POKHRA	30TH FIRST FLOOR, NEW CLOTH MARKET, PUR ROAD Pincode:311001	BHILWARA
ABHISHEK JAIN	OFFICE NO. 19, 2ND FLOOR, SAMVET SIKHAR, OPP. EKATM PARISAR Pincode:492001	RAIPUR
AJAY KUMAR AGARWAL	16 MANGO LANE, 2ND FLOOR, Pincode:700001	KOLKATA
ALPANA KUMARI AGARWAL	10, SETH PARSHURAM BAJAJ ROAD, GANGES AGRASAIN, BLOCK -B206 LILUAH Pincode:711204	HOWRAH
AMAN AGGARWAL	2735, LALA BAS DEV BUILDING, TIMBER MARKET, Pincode:133001	AMBALA CANTT
ANUPAMA SHARMA	A-443, MALVIYA NAGAR, HARI MARG Pincode:302017	JAIPUR
ARCHANA RAVINDRA SHAH	180, VIDHYA NAGAR, 302 S P ROGENCY, Pincode:452001	INDORE
ASHOK KUMAR	ROOM NO.203, 2ND FLOOR, D - 248/10, ABHISHEK BUSINESS, CENTRE, LAXMI NAGAR, Pincode:110092	DELHI
CHANDRASHEKHAR HEGDE	NO.7,6TH, CROSS SWIMMING POOL EXTENSION, MALLESWARAM Pincode:560003	BANGALORE
DEEPIKA CHANDAK	30 C R AVEMIE, 2ND FLOOR, C/O RIDHI ENTERPRISES, Pincode:700012	KOLKATA
DEEPIKA JAIN	232/3, NEW KOT COLONY, Pincode:201001	GHAZIABAD
DEVESH AGARWAL	205, RG COMPLEX, SECTOR 8, ROHINI Pincode:110085	NEW DELHI
DOLLER LALIT BUDHBHATTI	G-203, REGAL COMPLEX, SECTOR VI, VASANT NAGARI, VASAI (E) Pincode:401205	THANE
GAURAV BAGGA	81-C , POCKET -I, DILSHAD GARDEN, Pincode:110095	NEW DELHI
GAYATHRI CHANDRASEKAR	NEW NO.8, SRINIVASA ST., T NAGAR, Pincode:600017	CHENNAI
HIMANSHU KHANDELWAL	49, PATEL COLONY, OPP. GOVERNMENT, PRESS, SARDAR PATEL MARG, C-SCHEME Pincode:302001	JAIPUR
JANMEJAY SINGH RAJPUT	130, UGF, SANT NAGAR, EAST OF KAILASH, Pincode:110065	NEW DELHI
JYOTI PRIYA	' PRAKASH NIWAS', K-15, P C COLONY, HANUMAN NAGAR, KANKARBAGH Pincode:800020	PATNA
MANPREET SINGH	E-208, VIVEK VIHAR, SECTOR 82, Pincode:201305	NOIDA
MUNI SHEKHAR	SHEKHAR SHOP, LALA MOHAMMADPUR KANKER KERA, MEERUT CANTT Pincode:250001	MEERUT
NEELAM AGARWAL	HOUSE NO. 140P, 2ND FLOOR, SECTOR-47, Pincode:122001	GURGAON



## News From the Institute

NEHA KUMAR SUNIT	WZ-25-C, SECOND FLOOR, STREET NO. 9, KRISHNA PARK Pincode:110018	NEW DELHI
PATEL DIP GIRISHBHAI	2ND FLOOR, OPP BANK OF BARODA, LOKHAND BAZAR, Pincode:364001	BHAVNAGAR
POOJA BORANA	BORANA POL, SUBHASH CHOWK, RATANADA, Pincode:342001	JODHPUR
PRITI LAKHOTIA	24, N S ROAD, 4TH FLOOR, ROOM NO.33, Pincode:700001	KOLKATA
RACHIT MALHOTRA	2280, GALI ANAR, DARIBA KALAN, CHANDNI CHOWK Pincode:110006	NEW DELHI
RAGHAV AGARWAL	KG-115, KAVI NAGAR, Pincode:201001	GHAZIABAD
RAHUL SITARAM BHILARE	A-101, KUKREJA CENTRE, PLOT NO. 13, SECTOR-11, CBD BELAPUR Pincode:400614	NAVI MUMBAI
RAJESH KUMAR AGRAWAL	SK-7, NO.12, CHURCH ROAD, 3RD CROSS, MURGESH PALAYA, Pincode:560017	BANGALORE
RANJEETKUMAR PARMANAND SHARMA	B-26/27, VENUS CHS LTD., MAITRY PARK, 100FT ROAD, VASAI (WEST) Pincode:401202	THANE
RENU SANTOSH AGRAWAL	F 6, SEJ PLAZA, MARVE ROAD, OFF S V ROAD, OPP SHIV SAGAR HOTEL, MALAD (WEST) Pincode:400064	MUMBAI
RUCHITA LATH	49, PATEL COLONY, OPP. GOVERNMENT, PRESS, SARDAR PATEL MARG, C-SCHEME Pincode:302016	JAIPUR
RUPESH RAGHUNATH MAHADESHWAR	B-3, 301, MAHENDRA PARK, PALGHAR ROAD, BOISAR (W), Pincode:401501	PALGHAR DISTT
SHREYASH MAHENDRABHAI DOSHI	EVEREST 606, SUBHASH ROAD, OPP SHASHTRI MEDAN Pincode:360001	RAJKOT
SHRUTI GUPTA	88-B GANGOTRI NAGAR, 88-B GANGOTRI NAGAR, OVER BRIDGE Pincode:302018	JAIPUR
SNEHA SUZANNAH KURUVILA	60B, 1ST FLOOR, BALAJEE COMPLEX, ARCOT ROAD, TAICO BANK BUILDING, Pincode:632004	VELLORE
SNEHAL MAHAVIR PAHADE	OFFICE NO: 7, 2ND FLOOR, PRIDE EINGMA, PHASE I, SUTGIRNI CHOWK Pincode:431003	AURANGABAD
SWEETY SHARMA	22, KENDERDINE LANE, 2ND MEZZANINE FLOOR, ROOM NO. 10, Pincode:700012	KOLKATA
URJA VIJAYKUMAR SHAH	OFFICE NO. 001/A, KEVAL TOWER, OPP. VODAFONE STORE, NEAR SNOT, COLLEGE, B J PATEL RD,MALAD (WEST) Pincode:400097	MUMBAI
V KANTA RAO	FLAT NO.203, MANHAR APARTMENT, DRNO. 1-1-694/3, GANDHI NAGAR Pincode:500080	HYDERABAD
VIMAL KUMAR GUPTA	S.N 14, PALIKA BAZAR, SECTOR 9, MALVIYA NAGAR Pincode:302017	JAIPUR
VINEETA GULGULIA	7A, BENTINCK STREET, 4TH FLOOR, ROOM NO. 401, Pincode:700001	KOLKATA



## List of Companies Registered for Imparting Training during the month of August, 2015

4A FINANCIALS SECURITIES LIMITED  
614 & 615, 6TH FLOOR S.L.TOWER, ALFA-I, GREATER NOIDA, NOIDA

A P SECURITAS PRIVATE LIMITED  
PLOT NO. 2, FIRST FLOOR PHASE LV, UDYOG VIHAR GURGAON

ALD AUTOMOTIVE PVT. LTD.  
UNIT NO.1802, TOWER A PENINSULA BUSINESS PARK, GANPATRAO KADAM  
MARG, OFF SENAPATI BAPAT MARG, LOWER PAREL, MUMBAI-RO

ALFA VITRIFIED PRIVATE LIMITED  
SR.NO.943/P1, NR. LEXUS GREINITO, LAKHDIRPUR ROAD, MORBI

ALP OVERSEAS PRIVATE LIMITED  
PLOT NO.32, SECTOR-18, HUDA, GURGAON

BIKANER MOTORS PVT LTD  
6KM STONE NH 11 JAIPUR ROAD, BIKANER

BUSSAN AUTO FINANCE INDIA PVT. LTD.  
(GROUP CO. OF MITSUI & CO., LTD. JAPAN), 10TH FLOOR, ASHOKA ESTATE  
24 BARAKHAMBA ROAD, DELHI-RO

BYGGING INDIA LIMITED  
69 RNA ARCADE, 1ST FLOOR, LOKHANDWALA COMPLEX, ANDHERI (WEST)  
MUMBAI

CAPITAL INFRAPROJECTS PVT. LTD.  
313-315,VIKAS DEEP BUILDING, DISTRICT CENTRE, LAXMI NAGAR, DELHI-110092

CONSTELLATION BLU MANAGEMENT SERVICES LLP  
412, NAVIJIVAN BUILDING NO.3, LAMINGTON ROAD, NAVIJIVAN COMMERCIAL  
PREMISES CO-OP SOCIETY, MUMBAI 400008

F7 BROADCAST PRIVATE LIMITED  
FC-5, LAXMI STUDIO, SECTOR 16A, FILMCITY, NOIDA

FAIR & JUST LEGAL SOLUTIONS LLP  
121, NITI KHAND - 3, INDIRAPURAM, GHAZIABAD - 201014, UTTAR PRADESH  
GHAZIABAD

HARMAN SECURITIES PRIVATE LIMITED  
UPPER GROUND FLOOR, H.NO.39, PUNJABI MOHALLA, VILLAGE ZAMRUPUR  
DELHI

IL&FS TOWNSHIP & URBAN ASSETS LIMITED  
THE IL&FS FINANCIAL CENTRE, PLOT C-22, G BLOCK, BANDRA KURLA COMPLEX,  
BANDRA (EAST), MUMBAI - 400 051

JAJODIA EXPORTS PRIVATE LIMITED  
4, DR. RAJENDRA PRASAD SARANI, MUKTI CHAMBERS, 4TH FLOOR, ROOM NO -  
404, KOLKATA

JATALIA GLOBAL VENTURES LIMITED  
308, LUSA TOWER, AZADPUR, DELHI

KG MANAGEMENT ADVISORS LLP  
B-1223, MAIN MARKET, SHASTRI NAGAR, DELHI

KORES (INDIA) LIMITED  
301/302 ASHFORD CHAMBERS, LADY, JAMSHEDJI ROAD MAHIM WEST  
MUMBAI

LEGALOGIC CONSULTING  
LEVEL 3, SARGAM, NEELKAMAL SOCIETY, NEAR RAJARAM BRIDGE  
KARVENAGAR, PUNE

LIMTEX INVESTMENTS LIMITED  
16 GANESH CHANDRA AVENUE, 7TH FLOOR, KOLKATA-700 013

LUCKNOW METRO RAIL CORPORATION  
ADMINISTRATIVE BUILDING VIPIN KHAND, GOMTI NAGAR, NEAR DR AMDEHKAR  
SAMAJIK ,PARIVARTAN STHAL, LUCKNOW

MP MADHYA KSHETRA VIDYUT VITARAN COMPANY LIMITED  
MD OFFICE NISHTHA PARISAR, GOVINDPURA, BHOPAL

MSEB HOLDING COMPANY LIMITED  
HONG KONG BANK BLDG., MAHATMA GANDHI ROAD, FORT, MUMBAI

MY HOME CONSTRUCTIONS PRIVATE LIMITED  
H.NO. 1-123, 8TH FLOOR, 3RD BLOCK, MY HOME HUB, HI-TECH CITY, MADHAPUR  
HYDERABAD

NEC INDIA PVT LTD  
2ND FLOOR, PLOT NO. 7, TDI CENTRE, JASOLA DISTRICT CENTRE, NEW DELHI-  
1100 025

PALLISHREE LIMITED  
UNIT NO. 1205, 12TH FLOOR, "MERLIN INFINITE", PLOT NO. DN - 51, SECTOR - 5,  
SALT LAKE CITY, KOLKATA - 700 091.

PARIJAT INDUSTRIES (INDIA) PVT. LTD.  
M-77, 1ST & 2ND FLOOR, M- BLOCK MARKET, GREATER KAILASH, PART - 2, PIN -  
110048, DELHI

PRAKASH ASPHALTINGS AND TOLL HIGHWAYS (INDIA) LIMITED  
76 MALL ROAD, MHOW, INDORE

PREM MOTORS PVT LTD  
PLOT NO-3, IDCO, PPOSITE SECTOR-14, GURGAON

RAMPRASTHA SARE REALTY PRIVATE LIMITED  
DUJET HOUSE, PLOT NO 46, UDYOG VIHAR, PHASE IV, GURGAON

SANSERA ENGINEERING PRIVATE LIMITED  
NO.261/C, BOMMASANDRA INDL. AREA, BANGALORE-560 099

SATYAM AUTO COMPONENTS PVT. LTD.  
302, 3RD FLOOR, SALCON RASVILAS, DISTRICT CENTRE-SAKET  
NEW DELHI

SHAMLAL COMPANY (INDIA) PRIVATE LIMITED  
NO 40/106, PERAMANUR MAIN ROAD, SALEM





# News From the Institute

SHREE BALAJI ETHNICITY RETAIL LIMITED  
6TH FLOOR/F WING/ UNIT NO. 601, MUMBAI- - 400063.

SSN LOGISTICS PVT LTD  
PLOT 84 , SEC 44, GURGAON, 122002

TAJ KERALA HOTELS AND RESORTS LIMITED  
MARINE DRIVE, KOCHIKERALA, KOCHI

TASTY DAIRY SPECIALITIES LIMITED  
D-3, UPSIDC INDUSTRIAL AREA JAINPUR, KANPUR DEHAT (UTTAR PRADESH)

TDS FINCAP PRIVATE LIMITED  
316, 2ND FLOOR, TRANSPORT NAGAR, SCHEME NO. 44, INDORE (M.P.)

TRUSTUS INSURANCE BROKING AND ADVISORY SERVICES LIMITED  
802, ANTRIKSH BHAWAN, 22, K.G. MARG, CONNAUGHT PLACE, DELHI-110001

UNITED FOODS PRIVATE LIMITED  
D-16, 3RD FLOOR, PRASHANT VIHAR, ROHINI DELHI-110085

UNIWORLD SUGARS PRIVATE LIMITED  
PLOT NO. 112, BLOCK- A, SECTOR-63, NOIDA

UPPAL CHADHA HI-TECH DEVELOPERS PVT. LTD.  
C-1, SECTOR-3, NOIDA-201301

VULCAN EXPRESS PRIVATE LIMITED  
BUILDING NO.15, OKHLA PHASE III, MODI MILL COMPOUND, NEW DELHI- 110020

WAANEPP SOLAR PRIVATE LIMITED  
602 WESTERN EDGE - I, OFF WESTERN EXPRESS HIGHWAY, BORIVALI (EAST),  
MUMBAI

WEST BENGAL HIGHWAY DEVELOPMENT CORPORATION LTD  
WBHDCL, HRBC BHAWAN, 4TH & 5TH FLOOR, MUNSHI PREMCHAND SARANI.  
KOLKATA

ADCC INFOCAD LIMITED  
10/5, I.T. PARK, OPPOSITE VNIT, NAGPUR

DEEPAK SPINNERS LIMITED  
SCO 16, SECOND FLOOR, SECTOR 26, CHANDIGARH

ESS KAY AUTO FINANCE PRIVATE LIMITED  
G 1-2, NEW MARKET, KHASA KOTHIJAI PUR

GANESH FOUNDRY & CASTINGS LTD  
VILL.- SIPAHPUR, P.O.- BHIKHANPUR KOTHI, PATNA

GREENLAM INDUSTRIES LIMITED  
1501-1505, NARAIN MANZIL, 23 BARAKHAMBHA ROAD, NEW DELHI - 110001

HEG LIMITED  
BHILWARA TOWERS A-12, SECTOR-1, NOIDA-201301

KELLTON TECH SOLUTIONS LIMITED  
PLOT NO. 1367, ROAD NO. 45, JUBILEE HILLS, HYDERABAD

PRIME CAPITAL MARKET LIMITED  
P-27 PRINCEP STREET, KOLKATA-700072

RAM RATNA WIRES LIMITED  
RAM RATNA HOUSE, OASIS COMPLEX, P.B.MARG, WORLI, MUMBAI

STONE INDIA LIMITED  
16, TARATALA ROAD, KOLKATA-700088

TATA BLUESCOPE STEEL LIMITED  
METROPOLITAN, FINAL PLOT NO. 27, SURVEY NO.21, WAKDEWADI,  
SHIVAJINAGAR, PUNE

ZEE ENTERTAINMENT ENTERPRISES LIMITED  
CONTINENTAL BUILDING, 135, DR. ANNIE BESANT ROAD, WORLI, MUMBAI-400018

ZEE MEDIA CORPORATION LIMITED  
CONTINENTAL BUILDING, 135, DR. ANNIE BESANT ROAD, WORLI, MUMBAI -  
400018

## CIRCULAR

No. Misc/Shifting RD(NR)/2015  
Dated 23.09.2015

This is to bring to the kind notice that in pursuance to instructions of Ministry vide D.O.No.I-11012/03/2011-Infra (Pt.) dated 14.08.2015 and email dated 25.08.2015. Office of the Regional Director (Northern Region) Ministry of Corporate Affairs which was working from Ground Floor, A-14, PDIL Bhawan, Sector -1, NOIDA has been shifted to B-2 Wing, 2<sup>nd</sup> Floor, Paryavaran Bhawan, CGO Complex, New Delhi-110003 w.e.f. 15.09.2015 and has started functioning as camp office since formal notice is yet to be published by the Ministry. Following are telephone lines and email id at new location.

### Phone Nos.

24366038	RD through PA
24366039	Fax
24368260	Other office number
24368261	Other office number
24366440	Other office number
24367750	Other office number

Email ID [rd.north@mca.gov.in](mailto:rd.north@mca.gov.in)

It is requested that tele communications may kindly be made at the above said lines and daks for the office of Regional Director (NR), Ministry of Corporate Affairs may kindly be sent at B-2 Wing, 2nd Floor, Paryavaran Bhawan, CGO Complex, New Delhi 110003.

(Mohd. Shakeel)  
Deputy Director  
For Regional Director



## News From the Regions

### ➤ EASTERN INDIA REGIONAL COUNCIL

#### National Seminar on Secretarial Standards

The Eastern India Regional Council of the Institute of Company Secretaries of India (EIRC of ICSI) organised National Seminar on Secretarial Standards - A Panacea for good corporate governance on 22.8.2015 at Kolkata. The seminar was inaugurated by Chief Guest Dhanraj, Member, (Technical) Company Law Board, Kolkata, CS Atul H Mehta, President ICSI, CS Mamta Binani, Vice-President, ICSI, Shri Vijay Kr Jhalani, Council Member, ICSI (Government Nominee), CS Pavan Kumar Vijay, Past President ICSI and Chairman SSB, CS S K Agarwala, Council Member, ICSI and Programme Director, CA Manas Thakur, Vice-President of the Institute of Cost Accountants of India, CS Sunita Mohanty, Chairperson, EIRC of ICSI and programme coordinator, CS Sandip Kejriwal, Vice Chairman, EIRC of ICSI, CS Rupanjana De, Secretary EIRC of ICSI, CS Ashok Purohit, Treasurer, EIRC of ICSI with past chairmen of EIRC and other dignitaries of the chapters of EIRC.

Dhanraj, Member, (Technical) Company Law Board, Kolkata and Chief Guest of the inaugural session said that The Secretarial Standards guides the corporates in the best practices with regard to Board Meetings and General Meetings thereby strengthening the Board processes. The standards assure the directors about the flow of information to the Board and ensures that due process with regard to general meetings are followed thereby boosting investor confidence and It also enhances the governance practices which is a pre-requisite for the growth agenda.

CS Atul H Mehta, President ICSI, informed that 'Small and Private' companies will not have any difficulty in implementing the Secretarial Standards as it has enabling clauses in many cases viz. with respect to calling Meeting at shorter notice, transacting any other business not in the agenda. A weak Board process is a sure foundation for management and shareholders' dispute. Secretarial Standards seeks to address all such issues. Many litigation arises on account of improper maintenance/manipulation and tampering of Minutes, agenda papers, etc. The Standards address these issues, he added. He further expressed private and small companies should be the "swachh" corporates; today's private company may be tomorrow's listed company. Whatever a private company is doing in preparation of minutes, notice etc. are the same; only

time schedule and disciplined approach laid down. What is being practised is put into paper for uniformity. In between CA Manas Thakur, Vice-President of the Institute of Cost Accountants of India was honoured by the President of ICSI CS Atul H Mehta.

CS Mamta Binani, Vice-President, ICSI emphasizing the need of secretarial standards in companies, pointed out that large public interest is involved in private and small companies also. Compliance with Secretarial Standards would enhance the confidence of the Financial Institutions and Creditors who lend to these companies and reduce litigations in these companies, thereby boosting their business. She also explained that accordingly some of the standards of SS relating to quorum, voting rights, notice, appointment of proxies, provisions relating to chairman shall be applicable to private companies unless the articles of the company provide otherwise. It means if the article of a private company provide otherwise than what is prescribed under the Act/Secretarial Standards, then it has to follow the Articles.

Vijay Kr Jhalani, Council Member, ICSI informed that Secretarial Standards has received wide acceptance in the corporate world and said that like accounting standards, the secretarial standards will be a game changer. Jhalani further expressed his feeling and said that whatever standards come it is to felicitate we as members to convince our client that now because of these compulsions you will have to comply with the provision of the act as it is beneficial to company law as well as professional.

CS Pavan Kumar Vijay Past President ICSI and Chairman SSB also spoke on the occasion and said that these Standards aim to facilitate the compliance with principles by giving clarity where there is ambiguity or standardisation of diverse practices. There is no question of additional compliance burden nor any additional compliance cost. The apprehension that the standards increase the compliances is unfounded. The standards in fact clarify the process to be followed so that the laws are followed in intent and good governance practices are adopted. The laws are subject to multifarious interpretation and standards clarify these.

CS Sunita Mohanty, Chairperson, EIRC of ICSI and programme coordinator in her welcome address said that the concept of Secretarial standards was unionized by the Council of ICSI with the intent to integrating, consolidating, harmonizing and standardizing the relevant diverse secretarial practices. CS Mohanty further said that the Ministry of Corporate Affairs approved only two secretarial standards i.e. SS-1 and SS-2 out of ten, in this regard she urged and said that there is long way to go to get all. She stressed that it's all about the good corporate governance and transparency which makes ease of doing business better and Secretarial Standards are a repository of knowledge and these enhance better control and regulation on corporates.

CS S K Agarwala, Council Member ICSI and Programme Director, said that we have achieved two standards from institute's side and now it is our responsibility to produce quality professionals to fulfil



# News From the Institute & Regions

the expectations of the corporate sectors and Government. He further informed the august gathering that the Secretarial Standards are not inconsistent with the Companies Act and do not attempt to overstep the law. Rather the best practices followed by the corporates have been assimilated so as to integrate, harmonize and standardize the divergent secretarial practices followed by corporates. At certain places, provisions stricter than the law have been introduced for transparency and better governance.

CS Subhasis Mitra, Executive Director & Group Company Secretary, CESC Limited, Kolkata addressed on Secretarial Standards II and said that a Resolution shall be valid only if it is passed in respect of an item of business contained in the Notice convening the Meeting or it is specifically permitted under the Act if the proposed regulation for which notice has been given by Members, Resolutions requiring special notice and received with the intention to move.

CS Mahesh Shah, Past President, The ICSI, Chaired the technical Session and said that minutes of all General Meetings shall be open for inspection by any member during business hours of the company, without charge, subject to such reasonable restrictions as the company may, by its Articles or in General Meeting provide. While providing inspection of Minutes Book the inspection shall take all precautions to ensure that the Minutes Book is not mutilated or in any way tampered with by the person inspecting.

CS Anil Murarka, Past President, The ICSI, in his address said that Annual General Meeting relates to the consideration of financial statements, consolidated financial statements, if any, and the reports of the Board of Directors and Auditors. He further said that the declaration of any dividend and the appointment of Directors in the place of those retiring also the appointment or ratification thereof and fixing of remuneration of the Auditors.

CS Sandeep Lakhota, Group Head & Company Secretary, SREI Infrastructure Finance Limited, joined during panel discussion and said that a critical concern arises as to whether non-compliance with SS-1 will nullify board decisions taken in such meetings. He further said that it is too early to come to a conclusive stance on that - a conservative approach may view resolutions passed at such meeting as invalidated while a liberal approach may vest the company with the power to ratify decisions taken in such a meeting.

## 16th All India Students' Conference on Today Tomorrow and Beyond

Eastern India Regional Council of The Institute of Company Secretaries of India (ICSI-EIRC), organised its 16th All India Student's Conference on Today Tomorrow and Beyond at Centenary Hall, University of Calcutta, Kolkata, on 6.9.2015.

CS B. L. Mittal, Chairman & Managing Director, Microsec Financial Services Ltd., the Chief Guest, congratulated the ICSI-EIRC for organizing this conference and emphasized on the importance and fortune of having the young generation forming 70% of the population today in India which is very favourable for blooming of

the profession. He inspired the students to do what makes them happy and to dream big as that is the key to success. He also touched upon the fact that dreaming is the source of 'Innovation' and innovation is nothing but just the demand of time and market. The Chief Guest also appreciated and awarded Sadhvi Jaiswal for attaining the All India 8th Rank and topping the Eastern Region in the Professional Examination 2015 of ICSI.

CS Atul H Mehta, President, The ICSI, in his presidential address, 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." He matched up the company secretaries today as corporate lawyers which distinguishes them from the plethora of other professionals in the market today. A company Secretary is the only professional who has made an entry into the Board Room and has the ability to guide and advise the Board on various strategic, governance and compliance issues due to their vast knowledge of a number of subjects they study. He asked the students to be fearless. He also spoke about a number of new initiatives and upcoming developments of ICSI such as building of modules which will be accessible online as well as on the IPads and other devices so that they are more tech friendly, the need of the day. He also highlighted that the Institute is planning to open its first overseas Branch in Dubai which will be a very commendable step on part of the Institute and shall cater to the needs of a number of overseas students and members.

CS Mamta Binani, Vice President, ICSI in her immensely encouraging speech highlighted that the students and members are the destiny designers and the hard work that they put in each day and each month designs and defines the beautiful years. She pointed out that it is just focus and focus on our Goal that will help us pull through the journey to success.

CS Santosh K Agarwala, Council Member and Programme Director, in his address took the students and members through the journey of the institute from its inception till today where CS has been recognized as the KMP and stands today among the top officials of the Company. He also welcomed and appreciated the opportunities provided by the Companies Act, 2013 to this profession.

CS Sunita Mohanty, Chairperson, EIRC of ICSI welcomed the dignitaries on the dais and the full house of the students present and introduced the theme of the conference i.e. "Today Tomorrow and Beyond". In her welcome address, she highlighted the profession in the best possible manner. She urged students to use their experience in their experiments to achieve their expectations.

CS Sandip Kejriwal, Vice Chairman ICSI- EIRC, CS Rupanjana De, Secretary ICSI-EIRC and Programme Director, CS Ashok Purohit, Treasurer, ICSI-EIRC and CS Siddharth Murarka, Council Member, ICSI-EIRC also addressed the house and enlightened them with their valuable speech.



Mr. Surya Narayan Mishra, Deputy Director, Students Services, The ICSI, had an interactive session with participants on different aspects of Course Curriculum and updates on Academic Facilities provided by the ICSI to its students, Lion A.P. Singh Past International Director Lions Club International and CA Naresh Agarwal, mind trainer and corporate motivator provided motivational speech to students.

In Second half after lunch final events were performed by the students, where the event block & Tackle was moderated by Parnab Mukherjee, Media Analyst. So many students as in different team participated for this event and was appreciated by all. Prof. Dilip Shah, Dean, The Bhawanipore Education Society, moderated Paper presentation and Saurav Bangani with his partner Vivek Jaiswal, Dance India Dance fame, were judged the event 2 minutes to fame. The Conference ended with colorful cultural programme performed by students of the Institute.

## Half Day Workshop

The Eastern India Regional Council of the Institute of Company Secretaries of India (EIRC of ICSI) organised a Half Day Workshop on 12.9.2015 at ICSI-EIRC House, Kolkata.

CS Vinod Kothari (Practising Company Secretary), Past Chairman, EIRC of ICSI, deliberated on Listing Obligations and Disclosure Requirements Regulations 2015. As it has recently notified on 2nd September, 2015 CS Kothari provided brief exposure of the changes and amendments covered. He said that for periodic disclosures by listed entities and also have incorporated the principles for corporate governance as these principles underline specific requirements prescribed in different chapters of the Regulations. The related provisions have been aligned and provided at a common place for ease of reference. All disclosures required to be made on the website of the listed entity have been enumerated at a single place for ease of reference and all requirements pertaining to disclosures in annual report have been combined.

CS Chandrani Datta, Executive – Listing, The Calcutta Stock Exchange Limited deliberated on Listing Compliances & Role of Exchange. She shared the information of CSE activity and said that Companies shall be required to make disclosures in compliance with the Accounting Standard on "Related Party Disclosures" in the annual reports. She further stressed on implement the compliance of the provision and said that the company shall submit auditor's certificate to the exchange. The new name along with the old name shall be disclosed through the websites of the respective stock exchange/s where the company is listed for a continuous period of one year, from the date of the last name change. The programme was attended by a large number of members both in employment and practice, corporate executives, company directors, and other professionals.

## Career Awareness Programmes

Career Awareness Programmes (CAP) was conducted at KV Salt

Lake No. 1, Shakhawat Memorial Girls H.S., St Thomas Boys School, Naba Ballygunge Mahavidyalaya, Bangabasi College, Oxford English School, Deshpran Birendranath Institution, Kasba Jagadish Vidyapith for Girls, by S.Sreejesh, Section Officer, ICSI EIRO. Career Awareness Programmes (CAP) was conducted at Shree Jain Vidyalaya, Kolkata, by S.Sreejesh, Section Officer and CS Gautam Dugar, Member, EIRC of ICSI. The CAP was also conducted at Agrasain Balika Shiksha Sadan, Howrah by CS Gautam Dugar, Member, EIRC of ICSI and Dr Tapas Kr Roy, Assistant Director, ICSI EIRO. A CAP was conducted at DAV Durgapur by Sudipto Pal, Regional Director, ICSI EIRO. The EIRC of ICSI also participated in Career Fair and Career Counselling at Heritage School which was conducted by CS Gautam Dugar, Member, EIRC of ICSI, Shri Sudipto Pal, Regional Director, ICSI EIRO, S.Sreejesh, Section Officer, ICSI EIRO and Uma Banik Joarder, ICSI EIRO. The speakers informed the students of Class XI and XII on "Career as a Company Secretary" and also explained them 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 be in India. Detailed information about the career options as a Company Secretary was provided to the students. The response from students and teachers were very good.

## BHUBANESWAR CHAPTER ICSI National Seminar on Secretarial Standards & Annual Return

On 18.09.2015, Bhubaneswar Chapter of EIRC of ICSI hosted the ICSI National Seminar on Secretarial Standards & Annual Return at Bhubaneswar. Chief Guest T.K. Chand, Chairman-cum-Managing Director, NALCO, Bhubaneswar while addressing a gathering of about 200 participants said that the Company Secretaries being one of the Key Managerial Personnel (KMP) in the Corporate Structure play a vital role in adhering to the Secretarial Standards and hoped that the corporate professionals would understand these standards and implement these in letter and spirit. He said that Secretarial Standards will not only ensure uniformity of diverse practices but also cover softer aspects of governance which would lead to strengthening the Board process, protecting the interest of individual directors including independent directors, higher standards of governance, improving the compliance levels, protecting the interest of all stakeholders and creating confidence in the minds of investors, improving the credibility in decision making process and also reducing meeting related litigations and disputes amongst the various stakeholders.

CS Atul H Mehta, President, ICSI in his presidential address said that it was a historical moment for the Institute as The Institute of Company Secretaries of India was the first institution to issue Secretarial Standards anywhere in the world and that the same was made effective from July 1, 2015 and around 9 lakh companies in India will have to comply with these Secretarial Standards to be





# News From the Institute & Regions

fully compliant under Companies Act 2013. He also highlighted various initiatives of the ICSI in this regard.

CS Mamta Binani, Vice President, the ICSI in her address informed that with sound and reliable corporate procedures in the area of decision making, Secretarial Standards will boost the confidence of Investors and will help the corporate world in achieving the Prime Minister's initiative – "Make in India" and "Ease of doing business" in India by providing a benchmark on good governance.

CS Pavan Kumar Vijay, Chairman, SSB, the ICSI said that Secretarial Standards issued by ICSI will strengthen good governance and would benefit the industry and the regulators and would help repose more confidence in the institutional investors.

The Programme was divided into two technical sessions. CS A. Acharya, Company Secretary & Head (Legal), IDC of Odisha Limited was the Chairman of the 1st Technical Session. CS Anil Murarka, Past President ICSI and Member SSB, ICSI addressed on "Road Map for effective Implementation of SS 1 for Board and Professionals" and CS Pavan Kumar Vijay, Past President ICSI and Chairman SSB, ICSI addressed on "Heralding democratic changes in the decision making processes".

In the 2nd Technical Session CS K.N. Ravindra, Executive Director-cum-CS, Nalco, Bhubaneswar was the Chairman of the Session. CS Mamta Binani, Vice President, the ICSI addressed on "Annual Return: Overview of Form No. MGT 7". The Seminar also had a panel discussion wherein CS Mamta Binani, Vice President, CS Pavan Kumar Vijay, Past President & Chairman SSB and CS Anil Murarka, Past President & Member SSB interacted and replied the queries of the participant delegates. The seminar was attended by professionals along with Directors, CFOs, KMPs, Company Secretaries, other professionals and Senior Management Executives & students. The proceedings of the programme were widely covered in the Regional Newspapers and telecast in TV Channels.

## Press Conference

On 18.09.2015, a press conference was organized which was addressed by CS Atul H Mehta, President & CS Mamta Binani, Vice President, CS Pavan Kumar Vijay, Past President & Chairman SSB and CS Sunita Mohanty, Chairperson, EIRC of the ICSI. Press release along with press kits were distributed amongst the media personnel. The proceedings of the press conference was published in the local newspapers and also telecast in TV Channels.

## National Symposium on Goods & Services Tax

Chief Guest Gokul Chandra Pati, Chief Secretary & Chief Development Commissioner, Govt. of Odisha while addressing the symposium appreciated the efforts of the ICSI for organising such a programme in Odisha on GST. He spoke about the benefits that are likely to accrue to the stakeholders as a result of such

tax reforms. The Finance Ministry is working very strategically for rolling out GST. Centre & States need to agree for rolling out reforms in Indirect Taxes. He said that there will be improvement in tax revenue after rolling out of GST. Full benefit of indirect taxes can be accrued by GST. The advantages of GST will strengthen the federal mechanism in the Country and substantially reduce the cost of compliance and Tax evasion will go down.

Biswajit Das, Advocate, Supreme Court of India elaborated the benefits after implementation of GST.

CS Mamta Binani, Vice President, the ICSI in her address said that one of the biggest taxation reform in India the GST is all set to integrate State economies and boost overall growth. The introduction of GST at the Central level will not only include comprehensively more indirect Central taxes and integrate goods and service taxes for the purpose of set-off relief, but may also lead to revenue gain for the Central through widening of the dealer base by capturing value addition in the distributive trade and increased compliance.

The symposium was divided into three technical sessions. Niten Chandra, IAS, Commissioner of Commercial Taxes, Odisha, T B Chatterjee, Chairperson, Indirect Taxes Committee, The Bengal Chamber of Commerce and Industry & Chief Corporate Officer, Legal and Corporate Affairs, DIC India Ltd, A. K. Patnaik, IRS, Deputy Commissioner (Retd.), Central Excise, Customs and Service Tax, Bhubaneswar, Pawan Dubey, Partner, Lex Bolster Global LLP, New Delhi, CS J. B. Das, Practicing Company Secretary, Bhubaneswar addressed on the subject "GST Framework, Implementation Challenges - Transactions under GST, Challenges In GST With Regard To Inter-State Movement Of Goods And Services. During the technical session CS D Saha, CFO & Company Secretary, OTPCL, CS L.D. Sahoo, Advocate and CS P. Nayak, Secretary of the Bhubaneswar Chapter introduced the dignitaries and the speakers of the technical sessions. CS Mamta Binani Vice President, the ICSI & CS Sunita Mohanty, Chairperson, EIRC of the ICSI gave TV interview and informed the media personnel about organising such programmes of ICSI and the benefit of GST. A large number of professionals attended the National Symposium. The proceedings of the programme were published in the Newspapers and were telecast in the TV channels.

## DHANBAD CHAPTER Half - Day Workshop on Secretarial Standards

On 27.9.2015 Dhanbad Chapter of EIRC of the ICSI organised a half day work shop on secretarial standards. Guest speaker CS Ravi Varma, Kolkata addressed the gathering of around fourteen delegates, invitees and students. CS Ritu Ritolia, Chapter Secretary was the programme co-ordinator. B. K. Parui, Chapter Chairman presented his views on the relevance of the topic. The Technical Session started with the deliberations on Secretarial Standards



which was followed by Question and Answer session. Speaker Ravi Varma, explained the topic in a very lucid manner which rejuvenated the audience on the relevance of the subject matter. The delegates/students interacted with the speaker for their queries. The speaker also discussed the misconceptions of students while writing examinations.

## HOOGHLY CHAPTER Study Circle Meetings

On 2.8.2015 the Chapter organised its First Study Circle Meeting of 2015 at Chapter Conference Hall, Rishra. CS Deepak Kumar Khaitan (Past Chairman, EIRC), Practising Company Secretary, as discussion leader addressed the participants on “Secretarial Standard – I”. There was a question-answer session and the queries raised by the participants were suitably replied by Deepak Khaitan. More than 31 members including students, office bearers and members of the Managing Committee attended the Study Circle.

Again on 2.8.2015 the Chapter organised a study circle meeting on “Board Reports & Annual Return”. CS Ravi Varma, Company Secretary and discussion leader, addressed the participants and also replied the queries raised by the participants during the question – answer session. More than 31 members including students, office bearers/members of the Managing Committee attended the study circle.

Yet again on 9.8.2015 a study circle meeting was held at the same venue on Recent Changes in SEBI Delisting Regulations. CS Anup Sharma, Vice-President, VC Corporate Advisors Pvt. Ltd., addressed the participants as Discussion Leader and also replied the queries raised during the question-answer session.

On the same day another study circle meeting was held at the same venue on Insider Trading Regulations, 2015. CS Anup Sharma, Vice-President, VC Corporate Advisors Pvt. Ltd., addressed the participants as Discussion Leader and also replied the queries raised during the question answer session. More than 15 members including students, office bearers and members of the Managing Committee were present in both the study circles.

On 30.8.2015 the Chapter organised another study circle meeting on Important Provisions of Listing Agreement wherein CS Suhita Mukhopadhyay, Practising Company Secretary, as Discussion Leader, addressed and also replied the queries raised during the question-answer session. More than 13 members including students, office bearers and members of the Managing Committee attended the programme.

On the same day the sixth study circle of the year 2015 was held on Strengthening Corporate Governance through Revised Clause 49 of the Listing Agreement. CS Suhita Mukhopadhyay, Practising Company Secretary, as Discussion Leader, addressed the participants and also replied the queries raised. More than 13 members including students, office bearers and members of the

Managing Committee attended these two programmes.

## Career Awareness Programmes

During the month of August, 2015, Chapter organised ten Career Awareness Programmes (CAPs) in different schools at Hooghly & Howrah districts. Details of the CAPs are as under: On 5.8.15 at Konnagar Sri Arabinda Vidyapith, Konnagar (Hooghly); on 7.8.2015 at St. Paul's Educational Institution, Howrah on 10.8.2015 at Napaty High School, Belur ( Howrah); on 11.8.2015 at Mahesh High School, Srirampur (Hooghly) and at Bhadrakali High School, Hindmotor (Hooghly); on 18.8.2015 at Srirampur Girl's High School, Srirampur (Hooghly); on 21.8.2015 at Khamarpara Jagriti Hindi Vidyamandir, Bally (Howrah); on 31.8.2015 at Champdani Arya Vidyapith Baidyabati (Hooghly) and at Sarda Palli Kanya VidyapithBhadreshwar(Hooghly). The Career Awareness Programmes were conducted for the Class XI & XII students of the respective schools. Brochures explaining CS Course were distributed among the students. During the CAPs, eligibility criteria for admission into Foundation, Executive and Professional Programmes; Course fees; Course fees for reserved categories; online admission procedure; cut-off dates of registration; subjects of each stage of Foundation, Executive & Professional Programmes; training procedure; distance learning; examination schedule; medium of examinations, career prospects; employment and practising opportunities etc. were explained elaborately. There were open interactions between the Speakers and the students. The Speakers of the above CAPs jointly and severally were CS Rajan Singh; CS Arvind Bajpai, CS Suresh Chandra Pal, all Practising Company Secretaries; Neha Pansari, Professional Programme student and Tamal Kar, Executive Officer of the Chapter office.

## NORTH EASTERN (GUWAHATI) CHAPTER Career Awareness Programmes

The Chapter conducted career awareness programmes as under: On 24.8.2015 at Department of Commerce, Assam University, Silchar and at Ramanuj Gupta Junior College, Silchar. On 25.8.2015 at Kendriya Vidyalaya, Tarapur; at Lalit Jain Commerce College, Silchar and at Women's College, Silchar; on 26.8.2015 at West Silchar College, Silchar at Sirajul Ali HS School, Silchar. On 31.8.2015 at Geetanjali Junior College, Nagaon, at Ramanujan Junior College, Nagaon and at Anandaram Dhekiyal Phookan College, Nagaon. The programmes were addressed by Chiranjeet Sarma Roy assisted by Hemanta Das Chapter Officials.

## RANCHI CHAPTER Career Awareness Programmes

Career Awareness Programmes (CAP) were conducted at Kendriya Vidyalaya, Dipatoli; Army Public School, Dipatoli Cantt; Kendriya Vidyalaya, HEC Dhurwa where thirty five, thirty four and sixty



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four students participated in the career awareness programmes respectively. Sh. Sumanta Dutta and Sh. S.B.Prasad, ICSI officials gave a presentation to the students of Class XI & XII on “Career as a Company Secretary” and informed the students about registration procedure, several online services like e-learning, online English learning etc. for students, course curriculum, fee structure. The ICSI officials also answered the queries of the students about the course, subjects, job prospects of the course and profession and also informed about the flexibility of the course in terms of opportunity in studying and appearing exams from all over in India. The Principal and other teachers of the schools appreciated the efforts of the ICSI for creating awareness on CS course and profession.

## 69th Independence Day Celebration

Ranchi Chapter of EIRC of ICSI celebrated 69th Independence Day at its premises on 15.8.2015. On the occasion Managing Committee members, ICSI officials and students were present to commemorate the importance of the day for our country. They together discussed the role of CS profession and took pledge to devote themselves to achieve the national vision of united India followed by attending the flag hoisting ceremony on the terrace of the apartment. The national anthem was collectively rendered by all to conclude the occasion.

## Press Conference

Ranchi Chapter of The ICSI organised a Press Conference on 25.07.2015 at Ranchi addressed by CS Mamta Binani, Vice-President, ICSI along with CS Rajeev Ranjan, Chairman, Ranchi Chapter of ICSI. CS Mamta Binani informed that ICSI is the pioneer and the only institution in the world so far to have issued Secretarial Standards. The Ministry of Corporate Affairs, Govt. of India 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. It is a historical moment for the Institute as the ICSI is first institution to issue Secretarial Standards anywhere in the world and that has become effective from 1.7.2015 and around 9lakh companies in India will have to comply with these Secretarial Standards to be fully compliant under Companies Act, 2013, she added. Mamta Binani said that in the Secretarial Standards, standard practices are articulated and comprehensively available at one place, adherence to same by the corporates is greatly eased, the stakeholders are clear of what they should expect and what their rights are. According to her the 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. CS Mamta Binani also mentioned that Secretarial Standards will create enormous confidence in 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, she quoted. She said that Secretarial Standards would act as one of the benchmarks in stakeholders’ assessment of

companies as it will help in meeting the stakeholders’ expectations on the governance issues such as transparency disclosure, timely dissemination of information, uniformity in practices, etc. Vice-President, ICSI also informed the media people about different services and facilities provided by the Institute to the students and its members like various online services through ICSI’s portal, newly introduced training structure, scholarships, etc. She also informed about the recent initiatives taken by the ICSI to establish a permanent chapter office here at Ranchi with the help of Govt. of Jharkhand.

## Interactive Meet With Vice-President, ICSI

Ranchi Chapter of The ICSIorganised an Interactive Meet of members and students with Vice-President, ICSI on 25.07.2015 at Ranchi. CS Rajeev Ranjan, Chairman, Ranchi Chapter of ICSI welcomed CS Mamta Binani, Vice-President, ICSI and students & members present. CS Rajeev Ranjan in his introductory address asked the students to update themselves with the new Companies Act 2013 and not to be hesitant in contacting the Chapter for queries regarding academics, examination etc.

CS Mamta Binani spoke on matters that help a student to become a successful professional where she stressed that a student needs to be self-disciplined, consider profound knowledge as an investment to proceed in the right direction. She also emphasized on the opportunities of the professionals both in employment and in practice provided by the introduction of Companies Act, 2013 and Secretarial Standards which came into effect from 1.7.2015. Vice-President, ICSI also informed the students about new training structure introduced by the ICSI and motivated the students towards the CS profession and development of the Institute. She also opined that CS should pay an active role in promoting the culture of good corporate governance. The programme was followed by a question answer session where the members and students exchanged their views on the academics and profession with the Vice-President, ICSI. Around 70 participants were present in the Interactive Meet.

## Investor Awareness Programme on Fraudulent activities prevailing in the Market in the context of Chit Funds & Ponzi Schemes

The Ranchi Chapter of EIRC of the ICSI organised an Investor Awareness Programme under the aegis of Investor Education and Protection Fund, Ministry of Corporate Affairs, Govt. of India at Rockford International School, Piska Nagri, Ranchi on 12.9.2015.

CS Vinay Kumar Jalan in his address stressed on the fact that every investor should invest in regular basis to increase their savings and decrease risks. He also informed about the safe areas of investment like government bonds, FD in nationalized banks, mutual funds etc. after having proper and correct knowledge of investment in the concerned field. He made them aware of different information



given on the website of Ministry of Corporate Affairs, Govt. of India.

CS Subhash Bharti apprised the fraudulent aspects of various Chit funds and Ponzi schemes prevailing in the market from which the investors should keep away to save their investment not go in vain.

More than hundred villagers, farmers and businessmen from the nearby locality were present at the programme. The participants appreciated the effort by the Institute and urged for more programmes in broad spectrum in future.

## Seminar on Behavioural Competence for Excellence in Corporate Professionals

The Ranchi Chapter of EIRC of the ICSI organised a seminar on the above topic at Ranchi on 04.09.2015.

The guest speakers on the occasion were Arun Roy and Swadha Roy who explained Behavioral Competence like 'competence' consists of, and in fact is also the result of, a set of intrinsic properties----our values, attitude, genetic inheritance, social environment, motivation, capacity of working hard.....and a lot more. Like the base of an iceberg, these are mostly hidden from the agencies of external perception. Ones "Behaviour", like the top of the iceberg is what is observable from outside. And there is a continuous flow from inside out, and outside to inwards. In fact the two are in a continuous state of "Dynamic Equilibrium". That is why the competence of a professional reflects in his day to day behavior also. This is behaviour reflecting competence. The reverse is also true: those who are NOT naturally gifted with competence can surely acquire a large part of it by "Behaving" like competent persons; thinking like them, following their attitudes, or even copying their traits. The speakers then went on to underline three simple, and easily implementable methods of enhancing competence by making some changes in ones behaviour.

1. Consciously, keep asking the right questions. Remember, no questions are foolish, it's only the answers that may be foolish. Never underestimate the power of your "So called" foolish questions. It is the set of so called foolish questions that have changed our lives.
2. Try to observe your own mind space; and the mind-space of your teacher, again by asking the questions... Why is he saying what he is saying; why is he doing what he is doing...
3. Learn by "Doing" more than just following, reading, listening or observing. The best of work, is the work itself. Simple.

The highly interactive question-answer session was interesting and was found to be extremely educating. A good number of members and students attended the seminar.

## Workshop on Challenging & Critical aspects of Companies Act 2013

The Ranchi Chapter of EIRC of the ICSI organised a full day workshop on Challenging & Critical aspects of Companies Act 2013 at Ranchi on 20.09.2015.

The workshop was addressed by CS Manoj Banthia, Practising Company Secretary in which he put focus on recent amendments of Companies Act 2013. He eventually elaborated the role and scope of Company Secretaries in their profession which has widened since this new Act came into effect and it has more emphasis on compliance of the set rules, he added. He said that the new Companies Act provides good amount of opportunity to both CS in employment and practice and said that companies today under the new law are more receptive to good corporate governance and fair business policies. Banthia also discussed the importance of constitution of board and committees and appointment of independent directors implemented by this Act. He enumerated extracts of Annual Return, Deposit, Board's report and related party transactions with a view to the dimensions of wide spectrum of company secretaryship incorporated by the Companies Act 2013. The speaker of the programme analysed the responsibilities of CS in appearance before quasi-judicial bodies like RD, CLB, Tribunal, CIT etc. A good number of students attended the full day workshop. The workshop was attended by local electronic & print media like News-11, Khabar Mantra, Sanmarg. .



## NORTHERN INDIA REGIONAL COUNCIL

### Inauguration of 1st Residential MSOP

On 1.9.2015 NIRC-ICSI inaugurated its 1st Residential MSOP at Gateway Institute of Hotel & Tourism Management, Sector 11, Sonapat, Haryana. CS Sunil Grover, Senior Member was chief guest on the occasion. CS NPS Chawla & CS S K Parashar were also present on the occasion.

On 15.9.2015 at the valedictory session Ramesh Kaushik, Member of Parliament, Sonapat was the Chief Guest. CS Dhananjay Shukla, CS Manish Gupta, CS Nitesh Sinha, CS S K Parashar, CS Alka Arora were also present at the occasion. The speakers gave various tips on achieving professional heights to students.

### Inauguration of 216th Batch of MSOP

On 4.9.2015 NIRC-ICSI inaugurated its 216th MSOP at ICSI-NIRC Building, New Delhi. CS Dhananjay Shukla, CS Pradeep Debnath and CS Nitesh Sinha were also present on the occasion.

### Inauguration of 217th Batch of MSOP

On 16.9.2015 NIRC-ICSI inaugurated its 217th MSOP at ICSI-NIRC Building, New Delhi. CS Inder Mohan Singh was Chief Guest on the occasion. CS NPS Chawla, CS Manish Gupta, CS Dhananjay Shukla, CS Pradeep Debnath and CS Nitesh Sinha were also present on the occasion.

### Study Session

NIRC-ICSI organized Study Sessions on Board Report under Companies Act, 2013 on 19.9.2015 at CMC Ltd., Janak Puri, New





# News From the Institute & Regions

Delhi. CS Manoj Bisht, Company Secretary, Reckitt Benckiser (India) Pvt. Ltd., Gurgaon was the speaker. A large gathering was present for the Session and participants were able to update their knowledge from the sessions conducted.

## HP State Conference on CS: Navigating the Future

NIRC-ICSI organized HP State Conference (Host: Shimla Chapter) on CS: Navigating the Future on 19.9.2015 at Kasauli Resort, Kasauli. CS Ranjeet Pandey, CS S Koley, CS Siddharth Srivastava and CS Manish Khanna were the speakers for the Conference. CS Manish Aggarwal, CS Rajeev Bhambri, CS Anil Aggarwal, CS M G Jindal and CS Vishawjeet Gupta were also present on the occasion. The speakers shared their rich knowledge on the topic. A large gathering was present for the Conference and participants were able to update their knowledge from the sessions conducted.

## BIKANER CHAPTER

### New Address of the Chapter Office of Bikaner

Bikaner Chapter of NIRC of ICSI is shifted to a bigger and better place the address of which is as under: Bikaner Chapter of NIRC of ICSI Infront of CMHO Office, Tyagi Vatika Biscuit Gali, Station Road Bikaner.

## JAIPUR CHAPTER

### National Seminar on NCLT & NCLAT – Convergence of Corporate Jurisdiction

The Jaipur Chapter of NIRC of The ICSI organized a National Seminar on NCLT & NCLAT – Convergence of Corporate Jurisdiction on 12.09.2015 at Jaipur. The Programme was inaugurated by the Chief Guest Rajpal Singh Shekhawat, Hon'ble Minister of Urban Development & Housing, Government of Rajasthan and Guest of Honour was R. K. Meena, ROC & OL Jaipur, Ministry of Corporate Affairs, Govt. of India and Vijay Kumar Jhalani, Govt. Nominee to the Central Council of the Institute. CS Tara Chand Sharma, Chairman, Jaipur Chapter of NIRC of ICSI and Program Coordinator in his welcome address said that NCLT & NCLAT will bring tremendous opportunities for Company Secretaries. CS Shyam Agrawal, Council Member ICSI and Programme Director explained about the importance of NCLT & NCLAT in current scenario and how it came into existence. He also explained the role of Company Secretaries after the NCLT and NCLAT.

Chief Guest, Rajpal Singh Shekhawat, Hon'ble Minister of Urban Development & Housing, Government of Rajasthan in his inaugural address said that Corporate Litigation will come at one platform after NCLT comes into existence. It will also decrease the pendency of the corporate matters in various courts. He admired the work of

Company Secretaries and linked Corporate Social Responsibility with the culture of Rajasthan. He also released the Book on NCLT & NCLAT.

CS U. K. Chaudhary, Past President of The ICSI and Sr. Advocate explained about the Art of appearance before NCLT & NCLAT and Professional Opportunities for a Company Secretary. P. K. Mittal, Past Central Council member stated the key aspects of drafting and filing before NCLT and NCLAT.

Justice D. R. Deshmukh, Retd. Judge Chhattisgarh High Court & Former Chairman of Company Law Board explained about Derivative Action – Oppression and mismanagement, class action and fruits of mediation and conciliation. Before conclusion Sajeev Deora, Deepak Kukreja and P Nagesh informed the members and students about Revival of Sick Companies, Compounding of offences and Amalgamations. The Programme was attended by a large number of members, students and other professionals.

## KANPUR CHAPTER

### Independence Day celebration

On 15.8.2015, on the occasion of 69<sup>th</sup> Independence Day, Flag hosting Ceremony was organised by the Chapter. CS Ankur Srivastava, Chapter Chairman jointly with CS Kaushal Saxena, Chapter Secretary & CS Manish Kumar Pandey hoisted the National Flag. Members present on the occasion shared their views. The celebration boosted the spirit of patriotism with the song by the students.

### Career Awareness Programme

On 18.08.2015 the Chapter organized a Career Awareness Programme at St. Francis Xaviers Inter College, Ashok Nagar, Kanpur. CS Ankur Srivastava, Chapter Chairman explained the recognition as well as role/position of Company Secretaries in a Company. CS Kaushal Saxena explained employment opportunities, avenues in practice, fee structure, etc. Pamphlets explaining CS course were distributed amongst the students present.

### Seminar on Corporate Social Responsibility (CSR)

On 23.08.2015, Kanpur Chapter of NIRC of the ICSI in association with Merchant Chamber of Commerce UP organized a half day Seminar on Corporate Social Responsibility. The Key Note Speaker was CS Nesar Ahmed, Company Secretary in Practice & Past President of the ICSI. With the implementation of the Companies Act, 2013 with effect from 1.4.2014 the expenditure under the head CSR was made mandatory under Section 135 of the Companies Act, 2013. Thus 2014-15 was the first year where the Corporates had to consolidate their CSR Activities and report it into its Director Reports. There were several practical problems associated with the implementation of the CSR faced by the Corporates. With the purpose to create awareness and remove the doubts and promote



the CSR implementation in the Region, the Chapter organized the programme. The programme was inaugurated by CS Ankur Srivastava, Chapter Chairman, Dr. Indra Mohan Rohtagi, President, Merchant Chambers, UP, CS Nesar Ahmed, Key Note Speaker and Past President, ICSI, Padam Kumar Jain, Vice President Merchant Chambers, UP and CS Kaushal Saxena, Chapter Secretary. Thereafter, CS Ankur Srivastava, in his welcome address informed the delegates about CSR related provisions and practical problems associated with the implementation of the CSR.

CS Nesar Ahmad made a presentation on CSR. He in his address laid emphasis on the aspect that Corporates should spend their CSR outlay at the nearby areas on specific activities mentioned in Schedule VII of the Companies Act, 2013 so that the real intention of the law is fulfilled. The programme was attended by large Corporate houses of the region and a good number of Company Secretaries. The media coverage was given by almost all the local dailies which in turn created a good branding and awareness in the region.

## SOUTHERN INDIA REGIONAL COUNCIL

### Study Circle Meeting on Risk Management – Board Perspective

The ICSI-SIRC organized a Study Circle Meeting on Risk Management – Board Perspective on 7.8.2015 at ICSI-SIRC House, Chennai. Thangaraj J, Finance Career Academy, Chennai was the Speaker. Thangaraj defined Risk Management as function of Risk identification, measurement monitoring and reporting to ensure that the returns are appropriate to the risks undertaken and the risks undertaken are commensurate with the Risk appetite and Risk tolerance set by the company which will ensure solvency and stability of capital employed. While discussing why risk management, he quoted Section 134 Financial statement, Section 134(3), (n) – a Report by Board of Directors of Companies Act States that Board of Directors report laid in the general meeting shall include 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. He also elaborated elements of risk, Principles of Risk Management, Development and implementation of a Risk Management Architecture and Board Overview.

There was an active participation by the Members and the clarifications sought were ably given by the speakers.

### Independence Day Celebrations

The ICSI – SIRC celebrated the 69<sup>th</sup> Independence Day of the Nation on 15.8.2015. Sqn. Ldr. Dr. P Ramani, Chennai hoisted the National Flag at the ICSI-SIRC House, Chennai. With great regret SIRC recorded the demise of Late K S Anantharaman,

Senior Faculty on Corporate Laws on 14.8.2015 at Chennai. The Members observed two minutes silence as a mark of respect to the departed soul. CS Shastry P.S., Vice-Chairman, ICSI – SIRC presided over the deliberations. The good number of members and students attended the Independence Day Celebrations. CS Shastry drew the attention of budding company secretaries and reminded them of performing one's duty with an eye on accountability and responsibility with Dharma.

Sqn. Ldr. Dr. P Ramani said that the celebration of independence is a time for introspection to see how well the fruits of freedom have been utilized for the wellbeing of the society. It is a kind of stock taking to check whether we are proceeding in the right direction and assumed the necessary mid-course corrections accordingly. He indicated that everyone should develop a sense of responsibility with an eye on excellent moral and ethical standards while discharging ones duties. He reminded that we have to emulate the great freedom fighters such as Madhanlal Dhingra, Rajguru, Bhagath Singh, Chandrasekar Azad, Vanchinathan, Subramanian Siva, Bharathi and V.O.C Pillai and a host of others. He also emphasized that it is the duty of all the citizens to contribute towards the growth of the Nation.

### Video Discussion on IMplode

The ICSI-SIRC in association with Madras Management Association organized Video discussion on IMplode on 18.8.2015 at ICSI-SIRC House, Chennai.

The Session facilitator Trainer was Muthiah Ramanathan, Corporate Trainer. This video talks about "Implode" - Building Trust, Teamwork and Communication. The Video took us behind the scenes to one of the world's most dangerous jobs, imploding a steel framed building. Their goal is to effectively bring the building down into a nice "tidy pile" and the team at Controlled Demolition, Inc. accomplishes this with an extraordinary level of communication and trust. Whether you are building new products or improving services, you'll be motivated by these colourful, and dynamic team members.

### Study Circle Meeting on GST & Tamilnadu VAT- What a Company Secretary needs to know

The ICSI-SIRC organized a Study Circle Meeting on GST & Tamilnadu VAT- What a Company Secretary needs to know on 28.8.2015 at ICSI-SIRC House, Chennai. CS G Ramachandran, Practicing Company Secretary, Chennai was the Speaker. CS Ramachandran dealt at length with the following topics and quoted various case studies. Goods and Service Tax (GST); Report of the Select Committee on the Constitution (122<sup>nd</sup> Amendment) Bill, 2014; Structure of GST; Rationale in moving towards GST; What is VAT; Important Definitions; What is Right to Use of Goods? Input Tax Credit (ITC); Advance Ruling Facility is available under VAT. What is a Zero Rated Sale? Rates of VAT; Central Sales Tax (CST), etc. There was an active participation by the Members and the clarifications sought were ably given by the speaker.



# News From the Institute & Regions

## Career Awareness Programmes

The following career awareness programmes were conducted by the Regional Council.

Sr. No.	Name of School/ College	Resource person	Date
1	Anna Adarsh College for Women Annanagar	Sreekumar TS CS Shyam Sundar L V Director, Ascend Management Consultant & Advisors Ltd., Chennai	05.08.2015
2	Bethel Matriculation Higher Secondary School Velachery, Chennai	Chitra Anantharaman Dy.Director	12.08.2015
3	Gurunanak College, Velachery, Chennai [Shift-I]	Chitra Anantharaman Dy.Director CS Shyam Sundar L V Director, Ascend Management Consultant & Advisors Ltd. Chennai	13.08.2015
4	Karpaga Vigneswara Vidyalaya Mat. Higher Sec. School Ullagaram, Chennai	Chitra Anantharaman Dy.Director	14.08.2015
5	Modern Higher Secondary School	Chitra Anantharaman Dy.Director CS Mohan kumar, (Member, ICSI-SIRC), DGM, Legal & Company Secretary, Allsec Technologies Ltd, Chennai	19.08.2015
6	Apollo college of Arts & Science, Chennai	Sarah Arokiaswamy Regional Director, Chennai  CS Lakshmmi Subramanian Practising Company Secretary, Chennai	19.08.2015
7	Rajkumar Sulochana Matriculation School, Madipakkam, Chennai	Chitra Anantharaman CS Mohan Kumar A, (Member, ICSI-SIRC), DGM, Legal & Company Secretary, Allsec Technologies Ltd, Chennai	20.08.2015

8	Anna Gem Science Park MHSS Chennai	Chitra Anantharaman Dy.Director	20.08.2015
9	Shri Krishnaswamy College for Women, Anna Nagar Chennai	Chitra Anantharaman Dy.Director CS Prakash R, DGM (Legal) & Company Secretary, HC Kothari Group of Companies, Chennai	21.08.2015
10	D G Vaishnav College, Arumbakkam, Chennai	Chitra Anantharaman Dy.Director CS Vasumathy V, Practising Company Secretary, Chennai CS Sukumar B, Company Secretary Chennai	21.08.2015
11	Shri Venkateswara Matriculation Higher Secondary School Madipakkam	Chitra Anantharaman Dy.Director CS Mohan Kumar A, (Member, ICSI-SIRC), DGM, Legal & Company Secretary, Allsec Technologies Limited, Chennai	22.08.2015
12	D.B. Jain College Thoraipakkam, Chennai	Chitra Anantharaman Dy.Director Sq.ldr.Dr. P.Ramani Senior Educational Consultant Formerly Dean, School of Education SASTRA University. Chairman, Board of Studies, English, University of Madras. NITTTTR, Chennai-113.	25.08.2015
13	Prince Matriculation Higher Secondary school, Madipakkam	Chitra Anantharaman Dy.Director CS Mohan Kumar A, (Member, ICSI-SIRC), DGM, Legal & Company Secretary, Allsec Technologies Limited, Chennai	29.08.2015



## Through ICSI-Counsellors

14	Corporation Higher Secondary School, New Washermen pet, Chennai	CS Sukumar B	05.08.2015
15	SBOA School and Junior college, Annanagar, Chennai	CS Sukumar B	10.08.2015
16	Corporation boys higher secondary school, Chennai	CS Sukumar B	07.08.2015
17	SBOA Matriculation higher secondary school.	CS Sukumar B	14.08.2015
18	Arcot Sri Mahalakshmi college for women, Vellore	Jayabalan	31.08.2015
19	Islamiah College for men, Vellore	Jayabalan	20.08.2015
20	C.A.Abdul Hakeem College of arts and science, Melvisharam.	Jayabalan	13.08.2015

## BANGALORE CHAPTER One Day Joint Seminar/Career Awareness Programme on Emerging trends in Company Law

First time ever, The Bangalore Chapter of the ICSI, in association with BUTCCM –Bangalore University Teachers Council of Commerce and Management conducted a Career Awareness Cum a full day Joint Seminar first of its kind, on “Emerging Trends in Company Law for the Faculty under Bangalore University” at Seshadripuram College, Bangalore. The 250 delegates who participated in the event were the faculty of Commerce Department from around 51 colleges affiliated to Bangalore University and Students. The objective of the event was to provide delegates an overview on the important changes in the Companies Act; To help them in understanding the change in the regulatory regime under the new Companies Act; to brief on important new concept introduced in the new law, challenges and opportunities arising out of the new regime etc. which would be of immense help for the faculty in their function of guiding commerce students. They were also apprised on the mega opportunity that has emerged out of the new regime for the Company Secretaries in the country and the course modalities. Below are the details of the Speakers/ Guests for the Inauguration; Technical Session; Panel Discussion & Valedictory:

Event	Guests/Speaker
<b>Inaugural Session</b>	<p><b>Chief Guests:</b>  <b>Dr. K.N. Ninge Gowda</b>                      Registrar (Evaluation), Bangalore University,  <b>CS Gopalakrishna Hegde</b>                      Central Council Member, The ICSI</p> <p><b>Guests of Honour:</b>  <b>Dr. M. Ramachandre Gowda</b>                      Professor and Former Chairman, Department of Commerce, Bangalore University  <b>Dr. M. Muniraju</b>                      Professor and Dean, Department of Commerce, Bangalore University &amp; President, All India Accounting Association</p> <p><b>Preside Over:</b>  <b>Dr. Wooday P. Krishna</b>                      Hon. General Secretary, Seshadripuram Educational Trust  <b>CS Dattatri H.M</b>                      Chairman, The ICSI – Bangalore Chapter</p>
<b>1<sup>st</sup> Technical Session</b> Major Changes in Company Law & implications	<b>CA &amp; CS Madhu N Rao</b> Associate, Lakshmikumaran & Sridharan Attorney Law firm, Bangalore
<b>2<sup>nd</sup> Technical Session</b> Company Secretary – A Key Managerial Personnel	<b>CS Karthick V</b> Practising Company Secretary, Bangalore
<b>3<sup>rd</sup> Technical Session</b> Directors & Shareholders under New Companies Act	<b>CS Jyotika Kamath</b> Practising Company Secretary, Bangalore
<b>Panel Discussion:</b> Implication of Major Changes, Professional Opportunities, Challenges & Compliance	<p><b>Moderator: CS S. Kannan</b>                      (Past Chairman, ICSI – Bangalore Chapter), Consultant Company Secretary, Bangalore</p> <p><b>Panellists:</b>  <b>CS G.M. Ganapathi</b>                      (Ex-officio, ICSI – Bangalore Chapter) Partner, Ganapathi &amp; Mohan Company Secretaries, Bangalore  <b>CS Prof. R.V Tyagarajan</b>                      Practising Company Secretary, Bangalore  <b>Dr. CS Padma Srinivasan</b>                      Faculty, Christ University, Bangalore</p>
<b>Valedictory Session</b>	<p><b>Chief Guest</b>  <b>CS Nagendra D Rao</b>                      Chairman, SIRC – ICSI</p> <p><b>Presided Over</b>  <b>CS D.K. Prahlada Rao</b>                      Past President, The ICSI</p>





# News From the Institute & Regions

The programme was very well appreciated and attended by 250 delegates from various colleges. Certificates were issued to all the participants. As an outcome of the event, many Faculty & representatives from various colleges approached the Chapter to conduct similar events at their colleges too and the Chapter also received many requests for conducting Career Awareness programmes for the students. The programme was very well received and it was a grand success.

## Half Day Seminar on What a CS Should Know before Signing Financials

Bangalore Chapter of ICSI organized a Half Day Seminar on What a CS Should Know before Signing Financials on 8.8.2015 at the Chapter premises. The Programme was presided over by Speaker CA V Madhavan, Partner, GRSM & Associates, Chartered Accountants, Bangalore, CS Dattatri H M, Chairman, Bangalore Chapter, CS Vivek Hegde, Member, Managing Committee, Bangalore Chapter, CS Rekha Kamath, Treasurer, Bangalore Chapter of ICSI.

**1st Technical Session:** The 1st Technical Session was addressed by CA V Madhavan, Partner, GRSM & Associates, Chartered Accountants, Bangalore, on "Understanding Schedule III" during which the speaker informed as per Section 2 (40) "financial statement" in relation to a company, includes - a balance sheet as at the end of the financial year; a profit and loss account, or in the case of a company carrying on any activity not for profit, an income and expenditure account for the financial year; cash flow statement for the financial year; a statement of changes in equity, if applicable; and any explanatory note annexed to, or forming part of, any document referred to in sub-clause (i) to sub-clause (iv): Provided that the financial statement, with respect to One Person Company, small company and dormant company, may not include the cash flow statement. The Speaker explaining Section 128 informed every company shall prepare and keep at its registered office books of account and other relevant books and papers and financial statement for every financial year which gives a true and fair view of the state of the affairs of the company, such books shall be kept on accrual basis and according to the double entry system of accounting. Explaining Section 129 the speaker informed as per 129(1) The financial statements shall give a true and fair view of the state of affairs of the company or companies, comply with the accounting standards notified under section 133 and shall be in the form or forms as may be provided for different class or classes of companies in Schedule III, Provided that the items contained in such financial statements shall be in accordance with the accounting standards. The Speaker while explaining Applicable Standards informed As per the Companies (Accounts) Rules, 2014, the standards of accounting as specified under the Companies Act, 1956 (1 of 1956) shall be deemed to be the accounting standards until accounting standards are specified by the Central Government under section 133, New IFRS based standards called

Indian Accounting Standards (Ind AS) for certain companies to be implemented from 1.4.2016. He informed that Non Conformity with the Applicable Standards 129(5) where the financial statements of a company do not comply with the accounting standards referred to in sub-section (1), the company shall disclose in its financial statements, the deviation from the accounting standards, the reasons for such deviation and the financial effects, if any, arising out of such deviation. The Speaker while explaining Schedule III informed Schedule III was also notified along with the initial set of Sections and other Schedules on 26.3.2014 and came into force w.e.f. 1.4.2014. The Speaker also informed on General Instructions For Preparation Of Balance Sheet and Statement of Profit and Loss of a Company Part I — Balance Sheet, Part II – Statement Of Profit And Loss, General Instructions For The Preparation of Consolidated Financial Statements. The Speaker also explained the gathering on Disclosure, Current Assets/Liabilities/ trade receivables/payables, Shareholders funds, Non Current Assets and Investments, Long term loans and Advances, etc. before concluding his session.

**Second Technical Session:** The 2<sup>nd</sup> Technical Session was addressed by CS Radha R, CFO & Head Commercial -Max Hypermarkets P Ltd on Analyzing the health of Company through Financials. The Speaker started her session by informing the core responsibilities of Company Secretary is to ensure Compliance to Financial & Legal practices and Corporate Governance. The Speaker informed a Company Secretary authenticates the documents on behalf of the board of directors though not responsible for the accuracy of the document or responsible for the financials, he creates trust that what is stated is accurate. The Speaker informed Strong investors ensure company has good financial health; Niche products can make the company run successful, good leaders can make the company successful, and good financials will lead to better performance. Explaining Financial Statement Analysis the speaker informed financial statements analysis is the process of looking beyond the face of the financial statements to gain additional insight into a company's financial health and informed ratio analysis is the best way to analyze financial statements. The Speaker also explained the gathering on Profitability ratios, understanding and analyzing balance sheet, liquidity ratio, solvency ratios, limitations of ratio analysis before concluding her session.

## Independence Day Celebration

Bangalore Chapter of ICSI for the first time in the history since its inception celebrated Independence Day on 15<sup>th</sup> August 2015, at its premises. The Celebration was presided over by CS Dattatri H M, Chairman, Bangalore Chapter, CS Gopalakrishna Hegde, Council Member, The ICSI, CS G M Ganapathi, Member, SIRC of the ICSI and Managing Committee Members of Bangalore Chapter.

CS Gopalakrishna Hegde, Council Member, The ICSI hoisted the National Flag and all the members, Staff of Bangalore Chapter then saluted the national flag by singing the National Anthem. CS Gopalakrishna Hegde during his address informed that this Independence Day is special as it is celebrated in the new Premises



of the Chapter and wished everyone a successful career, health and happiness in future.

CS Dattatri H M, Chairman, Bangalore Chapter informed the gathering about the future programmes and informed that today being the Independence Day Bangalore Chapter is launching face book page for Members and Students which is [www.facebook.com/csbangalore](http://www.facebook.com/csbangalore) and requested everyone to visit for all the latest updates and information.

## Indoor Games

Bangalore Chapter of ICSI to commemorate Annual Day Celebrations organized various Indoor Games viz. Shuttle, Table Tennis, Caroms, Chess for members and students of ICSI Bangalore Chapter on 16.8.2015. Shuttle and Table Tennis were organized at Seshadripuram College of Arts and Commerce in which as many as 30 members and students participated enthusiastically. Caroms and Chess were organized at the Chapter premises which was also participated by 45 Members and Students of the ICSI Bangalore Chapter.

## Live Phone-In Programme “Hello Geleyare” with Doordarshan

Bangalore Chapter of ICSI participated in Doordarshans Live Phone-In Program Hello Geleyare on 17.8.2015 at Doordarshan Studio. The Programme was presided over by CS Dattatri H M, Chairman, Bangalore Chapter & CS Pradeep B Kulkarni, Member, Managing Committee of Bangalore Chapter.

Shivaram, Programme Executive of Doordarshan anchored the programme. CS Dattatri H M, and CS Pradeep Kulkarni, provided information about Company Secretaryship Course, About the Institute, enrolment process, employment prospects, and also replied various queries raised by the callers. The Live Programme was telecast in DD Chandana and DD 1 National.

## Study Circle Meeting on Understanding and Working with XBRL

Bangalore Chapter of ICSI organized a Study Circle Meeting on Understanding and Working with XBRL on 20.8.2015 at the Chapter premises. The Study Circle Meeting was presided over by CS K Chandrasekhar, Company Secretary, Ace Designers, Bangalore. Speaking on the occasion the speaker informed the gathering about the introduction to XBRL, and informed that XBRL provides the standard method of reporting business financial information over traditional reporting. He stated that earlier different terminologies were used by different organizations while reporting financials which often resulted in error, lack of transparency and difficulty in analysis. The speaker informed XBRL provides legibility, transparency and correlates each and every line items in the financials with greater accuracy and provides complete information on each and every financial data

in depth. XBRL is secured and encrypted way of presenting financial information, XBRL data is more robust, accurate, and transparent than data in financial statements that appears in legacy electronic and paper reports, eliminates the time, labour, and errors, tags both numbers and textual information, frees data from paper-based reports and automates financial analysis, meet the requirements of regulators, lenders and other consumers of financial information. The speaker informed the objectives of XBRL are to Create awareness about XBRL in India, to Develop and maintain Indian Taxonomies, to help companies to Adopt and implement XBRL. The speaker also informed the gathering on business rules, concepts used in XBRL, system requirements, validation and rectification of errors, pre certification by PCA, uploading of form AOC-4, XBRL filing for the financial year 2014-15 etc. before concluding his session.

## Karnataka State Level Cricket Tournament

To commemorate the Annual Day Celebrations, Bangalore Chapter of ICSI for the first time in its history organized Karnataka State level Cricket Tournament for CS members and Students on 23.8.2015. The tournament was organized in Railway Grounds, Bangalore. Teams from across Karnataka region viz. Mysore, Mangalore, Belgaum participated in the tournament along with 6 teams from Bangalore. The programme was presided over by CS Dattatri H M, Chairman, Bangalore Chapter and CS Gopalakrishna Hegde, Council Member, The ICSI, who wished very best to all the teams. The Tournament was won by Bangalore team.

## Interaction on Practical Issues pertaining to Board Report and Related Documents

Bangalore Chapter of ICSI organized a half-day interaction on Practical Issues pertaining to Board report and related Documents on 29.8.2015 at the Chapter premises. The Programme was presided over by Speakers CS V Karthick and CS Thirupal Gorige, both Practicing Company Secretaries and Members Research Committee of CCGRT, The ICSI.

1<sup>st</sup> technical Session: CS V Karthick, speaker took session on “Notice & Board’s Report” and started his session by informing about Notice to general meetings, applicable provisions, Section 101- Notice of Meeting, Section 102- Statement to be annexed with notice, section 108- Rule 20 voting by electronic means, Secretarial Standards-2. The Speaker informed Notice under section 101 of Companies Act, 2013 states that Notice needs to be given, 21 days clear notice in writing or electronic mode, Place, date & time hour of the meeting should be specified, Shorter notice is OK if consent is given in writing or by e-mode by not less than 95% of the members entitled to vote. He Informed In terms of Section 101(3), notice of every meeting of the company must be given to: every member of the Company, legal representative of any deceased member or the assignee of an insolvent member;



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the auditor or auditors of the Company including Secretarial auditor (SS-2) every director of the Company, Debenture Trustee (SS-2) etc. Explaining the MCA Notification of 05/06/2015, the speaker informed Section 102 shall apply in case of PTC, unless otherwise specified in respective sections or the AOA of the Company provide otherwise. If the AOA states that Explanatory Statement under section 102 shall be required for all Special Business, the Company has to furnish such statement for all items of Special Business, if the AOA states that Explanatory Statement shall "NOT" be required under section 102, please check the respective section. The Speaker informed the mode of dispatch of notice can be by hand, post, speed post, courier, email, facsimile, or by any other electronic means etc. Explaining voting through electronic means the speaker informed a company having more than 1000 members shall provide its members right to vote at general meetings by electronic form. The notices shall be sent to all members, auditors etc. either by Regd. Post, Speed Post, or e-mail or Courier Service. 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 The notice shall clearly indicate the process and the manner of voting, cut-off date, time/date, scrutineer, results, etc. Advertisement of e-voting process in newspapers after despatch and 21 days before the general meeting along with the contents to be published in Voting Through Electronic Means under section 108. The Speaker then explained the gathering on boards report under section 134, Boards report – rule 8, additional reporting under schedule V, disclosures in Board Report, Form MGT 9, Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, FEMA Reg. 14(6)(ii)(e) – wherein he informed downstream investment means investing in other Indian downstream company by an Indian company already having foreign investment subject to conditions of ownership and control, the speaker also explained the gathering on delisting regulations before concluding his session.

2nd technical Session: The Second Technical Session was taken by Speaker CS Thirupal Gorige, on "Annual return" explaining the applicability the speaker informed Section 92 of Companies Act, 2013 (Sections under old Act: 159, 160, 161, 162 and Sch. V), Rule No. 11 of The Companies (Management & Administration) Rules, 2013, foreign Companies - Section 383(2) in form FC-4, and informed that the applicability is for all companies including One Person Company, Unlimited Company, Small Company, Section 8 Company, Government Company and Guarantee Company. The Speaker then informed the gathering on content of MGT-7, Digital Signing of MGT 7, etc. before concluding his session.

## Annual Day Celebrations

Bangalore Chapter of ICSI celebrated Annual Day on 30.8.2015 at the Chapter Premises. The Celebration was presided over by CS Dattatri H M, Chairman, Bangalore Chapter, CS Gopalakrishna Hegde, Council Member, The ICSI, CS Nagendra D Rao, Chairman, SIRC of the ICSI, CS G M Ganapathi, Member, SIRC of The ICSI along with Managing Committee Members

of the Chapter. The Chief Guest on the occasion was Dr. M.K. Sridhar, Member-Secretary & Executive Director, Karnataka Knowledge Commission, Govt. of Karnataka, Bangalore. CS Dattatri H M, Chairman, Bangalore Chapter, speaking on the occasion welcomed all the Members, Students, and their family members for the celebration and informed that this annual day is special to the entire CS fraternity of Bangalore as it is being celebrated for the first time since the Chapter has moved to the new premises. He then informed that for the first time in the history of Bangalore Chapter a State Level Cricket Tournament was organized, where teams from across Karnataka participated. CS Dattatri H M, Chairman, then informed the gathering on the Gist of Programmes conducted in the year 2014 and requested the Chief Guest to honour CS S.C. Sharada, Immediate past chairman, Bangalore Chapter for the services rendered to the Chapter and for the development of Profession during her Chairmanship. The Programme was followed by distribution of prize awards to the meritorious students by Dr. M.K. Sridhar and CS Gopalakrishna Hegde, Council Member, The ICSI, prize distribution for winners and runners up of various Indoor and Outdoor games by Chief Guest Dr. M.K. Sridhar and CS Nagendra D Rao, Chairman, SIRC of The ICSI,

felicitation of Winners of National Level Elocution and Moot Court Competitions of The ICSI for the year 2015 by Dr. M.K. Sridhar, and CS G.M. Ganapathi, Member, SIRC of The ICSI. CS Nagendra D Rao, Chairman, speaking on the occasion congratulated Bangalore Chapter for organizing the programme and congratulated all the winners of various competitions.

CS Gopalakrishna Hegde, Council Member, The ICSI, speaking on the occasion thanked all the members, students and their family members for their participation and informed that this event will remain in the memory of every member of Bangalore Chapter as it is being celebrated in the new premises. The Program was then followed with video recording of all the past chairmen of Bangalore Chapter since its inception, wherein the glimpses of their footprints were captured, thoughts and experiences and their contribution to the Chapter and development of Company Secretaryship Profession were shared.

Dr. M.K. Sridhar, Chief Guest, in his address congratulated Chairman and Managing committee of Bangalore Chapter for organizing the annual day celebration in such a grand scale and motivated the gathering with his brilliant speech wherein he shared his experiences in life, his thoughts of taking the country forward which inspired every member and student who participated in the celebration.

## Career Awareness Programmes

The Bangalore Chapter of the ICSI conducted 6 Nos. of Career Awareness Programme at various institutions. The details of the same are as under:



S.N	Date	College/Institution	Audience	No of Students	Speakers
1	07-Aug-2015	Bangalore University	Faculties and Students of Commerce	250	CS Dattatri H M, Chairman, Bangalore Chapter, Maitreya Juluri, EO & Noor Sumayya, AEO
2	12-08-2015	MS Ramaiah College	B.Com	85	Maitreya Juluri, EO & Noor Sumayya, AEO
3	17-08-2015	Acharya Institute of graduate Studies	BBM 1 <sup>st</sup> year	100	Maitreya Juluri, EO & Noor Sumayya, AEO
4	17-08-2015	Acharya Institute of graduate Studies	B.Com 1 <sup>st</sup> year	120	Maitreya Juluri, EO & Noor Sumayya, AEO
5	19-08-2015	GT T Educational Institutions	B.Com & BBM 1 <sup>st</sup> year	180	Maitreya Juluri, EO & Noor Sumayya, AEO
6	26-08-2015	CB Bhandari Jain College	B.Com 1 <sup>st</sup> Year	200	CS Pradeep B Kulkarni, Member, Managing Committee, Bangalore Chapter, Maitreya Juluri, EO & Noor Sumayya, AEO

The Speakers explained in detail the course offered by the Institute and the criteria for eligibility for the course, examination, requirements of training, etc., the role of a Company Secretary and importance of the profession of Company Secretary in the changing economic scenario. They also highlighted the opportunities available to those who have completed the Company Secretaryship course. They further enumerated the emerging areas of practice and the changing role of a Company Secretary in relevance to the New Companies Act 2013. The speakers also focused on what would be the mind set and preparation required from a student who wanted to pursue the Company Secretaryship Course. Brochures explaining brief details of the Company Secretaryship Course were distributed to the students.

## COIMBATORE CHAPTER Career Awareness Programmes

From 31.08.2015 to 18.09.2015 the Chapter conducted Career Awareness Programmes as per the details given hereunder: Apart of the Career Awareness Programmes, Chapter had also organized a separate Career Awareness Week from 21.09.2015 to 25.09.2015 at Coimbatore & Erode districts. During the career awareness programmes the speakers explained about the CS profession and its wide opportunities in various sectors. The compulsory appointment of company secretary and Key managerial personnel as per new Companies Act 2013 were also explained. The CS coursesyllabus were also explained in detail and the speaker also elaborated the mode of registration, structure of the course and the opportunities available after completion of the Company Secretaryship Course both in employment and in practice. The speakers highlighted the online and OMR mode of examination pattern in Foundation & Executive programme and also covered Career prospects of the profession, placement services, course contents, fee structure and oral coaching facilities being provided to the students. The sessions concluded after Question-Answer sessions and the speakers had aptly replied the queries raised by the students. Around 3500 students participated in Career Awareness Programmes conducted in Coimbatore & Erode districts.

SL No.	Date	Name of the College	Speaker/s	Department & No. of Students attended
1	31.08.2015	Shri Nehru Maha Vidhyalaya (SNMV) College of Arts & Science, Coimbatore-641050	CS.R.Venkateswaran, Chairman, Coimbatore chapter of SIRC of ICSI	400 B. Com. 1st, 2nd & 3rd Year students
2	02.09.2015	Kovai Kalaimagal College of Arts & Science, Coimbatore - 641109	CS.R.Venkateswaran, Chairman, Coimbatore chapter of SIRC of ICSI	300 students from Dept. of Commerce all streams
3	03.09.2015	Karpagam University Eachanari (PO), Pollachi Main Road, Coimbatore - 641021	CS P.Eswaramoorthy Management Committee Member, Coimbatore Chapter of SIRC of ICSI.	400 students from Dept. of Commerce [all streams]
4	10.09.2015	Michael Job College of Arts and science For Women, Ravathur.P.O., Near Sulur Boat Lake, Sulur, Coimbatore-641402	CS R Hariram, Company Secretary, Suguna Holdings Pvt Ltd.	250 B. Com. 1st, 2nd & 3rd Year students





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5	10.09.2015	R.V.S. College of Arts and Science, 242-B, Trichy Road, Sulur, Coimbatore - 641402	CS.R.Venkateswaran, Chairman, Coimbatore chapter of SIRC of ICSI	300 Students from Dept. of Commerce
6	16.09.2015	CMS College of Science and Commerce Chinnavedampatty, Coimbatore - 641049	CS.R.Venkateswaran, Chairman, Coimbatore chapter of SIRC of ICSI	350 B. Com. 1st, 2nd & 3rd Year students
7	18.09.2015	Maharaja College of Arts and Science, Neelambur, Arasur(PO), Coimbatore - 641014	CS N. Singaravel, Management Committee Member, Coimbatore Chapter of SIRC of ICSI.	250 B. Com 1st & 2nd Year students

## Career Awareness Week from 21.09.2015 to 25.09.2015 at Coimbatore & Erode districts

SL No.	Date	Name of the College	Speaker/s	Department & No. of Students attended
8	22.09.2015	Saratha College of Arts and Science, Modachur, Gobichettipalayam, Erode - 638453	CS.R.Venkateswaran, Chairman, Coimbatore chapter of SIRC of ICSI	120 Students from Dept. of Commerce
9	22.09.2015	Gobi Arts and Science College, Karattadipalayam (PO), Gobichettipalayam, Erode - 638453	CS.R.Venkateswaran, Chairman, Coimbatore chapter of SIRC of ICSI	250 Students from Dept. of Commerce
10	22.09.2015	PKR Arts College for Women, 127, Pariyur Road, Gobichettipalayam, Erode - 638476	CS.R.Venkateswaran, Chairman, Coimbatore chapter of SIRC of ICSI	250 Students from Dept. of Commerce
11	25.09.2015	Erode Arts and Science College, Chennimalai Road, Rangampalayam, Erode - 638009.	CS.R.Venkateswaran, Chairman, Coimbatore chapter of SIRC of ICSI	300 Students from all Commerce streams
12	25.09.2015	Kongu Arts and Science College, Nanajanapuram, Erode - 638107	CS.R.Venkateswaran, Chairman, Coimbatore chapter of SIRC of ICSI	170 Students from Dept. of Commerce
13	25.09.2015	Nandha Arts & Science College, Koorapalayam, Pitchandampalayam (PO), Erode - 638052	CS.R.Venkateswaran, Chairman, Coimbatore chapter of SIRC of ICSI	250 Students from Dept. of Commerce
14	25.09.2015	Vellalar College for Women, Tindal, Erode -638012.	CS.R.Venkateswaran, Chairman, Coimbatore chapter of SIRC of ICSI	250 Students from 1st & 2nd year B. Com.

## Professional Development Programme on Equity Market

The Coimbatore Chapter of SIRC of the ICSI organised a Professional Development programme on Equity Market on 23.9.2015 at ICSI-Coimbatore Chapter Premises. CS P.S.Shastry, Vice-Chairman, SIRC of ICSI in his address informed that Equity markets are the meeting point for buyers and sellers of stocks and the market can be split into two main sectors - the primary and secondary markets. The primary market is where new issues are offered first, and stocks and bonds are issued directly from the company. All subsequent trading takes place in the secondary market, in which the proceeds from the stock go to the investors and not the company directly. Stock exchanges, such as NYSE or NASDAQ, are examples of secondary markets. He also explained the functions of Stock Exchange. He further advised that people must be familiar with the basic principles of Technical Analysis and be more decisive in making the best market moves. They must be able to clear their doubts themselves and must get over the fear of stock market, then only they can be succeeded in Equity Market. He further explained the risk involved in equity market, the risk arises when a company is not doing well, and its stock value falls. Stocks can be bought and sold easily and quickly, and the activity surrounding a certain stock impacts its value. So, the persons who involve in equity markets have to protect themselves from sudden market volatility and also have to connect to a network of like-minded people. In the open session, the speaker aptly clarified all the doubts raised by the delegates. The Chapter received an enthusiastic appreciation and a complimentary note from participants of the programme. The programme was attended by a total of 40 participants including 25 members and 15 students.



## KOCHI CHAPTER

### Career Guidance Programme

ICSI Kochi Chapter jointly with Sanatana Dharma College, Alappuzha conducted 2 days UGC Sponsored National Seminar on 'Recent Trends in Corporate Governance' on 10 and 11.9.2015. CS. Jayan K. led one session on Corporate Governance. The Session was followed by Career Awareness Programme about Company Secretaryship course. CS Premjith addressed the session. The presentation aimed at familiarising students about pursuing CS as a better career option. The session remained interactive and the programme concluded with in-depth sight into the profession of company secretaries. The programme was well attended by both students & participants from various parts of Kerala.

## MADURAI CHAPTER

### Investor Awareness Programme

The programme was organized by ICSI, Madurai Chapter along with Rotary Club, Madurai at Chamber of Commerce building on 01.08.2015. The Chairman CSV. Vijayaraghavan of Madurai Chapter welcomed the gathering and spoke in detail about investment in various modes emphasizing the risk and no risk qualities involved in different types of investments and the investors awareness in choosing such schemes to safeguard their interest of safe return and regular income to meet their commitments. He also spoke about the share market portfolio and risk involved and high return from such investments. He said that the investors have to balance their investments in order to give better returns and safeguard their monies invested. He further suggested that the investors should also study about the investments they prefer and analyze pros and cons of such investment before making their decision.

Rotary Thenral President E. Saravanan, Engineer spoke about the environment and investment in various commodities and the importance of regional factors to be taken into consideration for such investments.

Rotary district president Selvam, Chartered Accountant also spoke about his experience in the investment area and how generally an investor should take a decision while investing in various schemes to get the best advantage of such investment.

AR Arunachalam, Vee Yaar & Co, Karaikudi spoke in detail about investment in equity shares and debt instruments in the share market and the risk involved in such investments. He also explained that people should choose equity investment even though it involves risk but at the same time it gives higher return compared to other investments. He suggested a mix of equity and other investments in order to balance the returns which would be ideal. He also spoke at length about the stock exchanges and how the equities are indexed and dealt in the exchanges.

Rajeesh, MCX Business Development Manager spoke about

commodities market and how to choose the commodities which will give good return with less risk and also a regular income for the investors. He also compared the international commodities market as to how such dealings are taking place.

### Seminar on Companies Act, 2013 Amendments and Trade Marks Act

A seminar was organized on the above topics by Madurai Chapter on 05.09.2015 at Madurai for the members and students of the institute. The Chairman CSV. Vijayaraghavan welcomed the gathering and informed about the importance of Amendments to the Companies Act and the efforts taken by the Madurai Chapter for quite some time to organize this seminar as both the committee as well as the faculties were quite busy with their schedule of work. He expressed his happiness in organizing the programme now for the benefit of the members and students. He also thanked CSL. Jayaraman and CS Omprakash for accepting the assignment to be here to explain about their topics to us. He also thanked all the members and students for their active attendance for the seminar. During his speech the Chairman highlighted the career awareness programme undertaken by the Chapter and the successful signing of MOUs with a number of colleges in and around Madurai and also student admission and pass out ratio which is quite satisfactory and also quite encouraging. He particularly mentioned about the increase in the number of students joining at all 3 levels of CS course and the interest evinced by many colleges in and around Madurai for undertaking CS course by their students. He inaugurated the seminar and invited the secretary to introduce the faculties. After that CSL. Jayaraman spoke elaborately the amendments to private Companies brought out by MCA and the intricacies involved in such amendments enabling private limited Companies to have certain relief from the stringent provisions of the 2013 Act.

In the afternoon session CS Omprakash explained about Trade Marks Act and how to obtain license for trade marks from the registry and the various procedures to be followed in making an application with the concerned office for the purpose of trade marks. He also detailed about various types of trademarks depending upon the products and the Companies requirement for such trade mark.

### Career Awareness Programmes

Madurai Chapter organised the Career Awareness Programmes at Various colleges in the southern Districts of Tamilnadu from 26.6.2015 to 23.9.2015. In Madurai – Vivekanandha college, Lady Dock college, Senthamarai college of Arts & Science, Mannar Thirumalainaiicker College,, Sourashtra College, Madura College, Yadhava College, American College, Fatima College, Virdunagar District – VVV College for Women, Rajapalyam Raju's College, Sivakasi Sri Kaliswari College, Kalasalingam University and Theni District – C P A College of Arts & Science, Theni Arts College, and Sivaganga District- Pioneer Meenakshi College and Kanyakumari District – WCC College for Women, Nagercoil. T. Raja Chapter office in charge, CSV. Vijayaraghavan, Chapter Chairman, T. Nagasundaram, Chapter Treasurer and CS Jeyarajasing, CSK.



SankarMahesh practicing company secretaries also participated in the programmes.

## SALEM CHAPTER

### Career Awareness Programme

On 26.8.2015, Career Awareness Programme on CS Course was conducted by the Salem Chapter of the ICSI for the Students of Commerce Department at Mahendra Arts and Science College, Kalippatti, Namakkal District. Dr. R.K. Vaithyanathan, Principal of the College presided over the programme. CS N. Santhanam, Chapter Secretary explained about the opportunities available and salary package offered by employers and also about choosing employment or practice after the completion of CS course. He also deliberated about the Campus Interviews conducted by the Regional Offices and Head Quarters for the Members and Students.

S. Sundar Swamy, Chapter In-charge highlighted all the details about stages, duration, eligibility, fee details, dates for registration, subjects, mode of registration, etc. Also the details of oral coaching classes and library facilities available in Chapter was explained to the students. Availability of exam centres was also explained. Queries raised by the students were ably clarified.

### Study Circle Meet on Exemptions to the Private Company under the Companies Act, 2013

On 29.8.2015, the Chapter conducted a Study Circle Meeting on Exemptions to Private Companies under the Companies Act 2013. Members and Students participated and discussed the exemptions available to the private companies under the Companies Act, 1956 and that the Companies Act, 2013 did not provide the same. A number of representations were made to the Ministry of Corporate Affairs and the Government of India to give relief to small companies and unlisted private companies. Considering the requirements of the private companies and to enable them to function effectively, certain provisions of the Act were exempted under notifications dated 5.6.2015. The members and students also noted that certain provisions were already exempt earlier to this notification also. There was good interaction on the topic and doubts raised by the participants were clarified.

## THIRUVANANTHAPURAM CHAPTER

### CS Family get together and Onam Celebration 2015

The Chapter conducted CS Family get together and Onam Celebration 2015 at Kovalam. The total strength of participants was around 65 in the event and it was fun filled with events like Paatukachery (songs), vadamvali (tug of war), Kalamadi (pot

breaking), spoon and lemon. Foreigners in the resort also joined the Kerala traditional games to add spice to the function. The initiative was spearheaded by Chairperson Jayashree, Secretary, Jeevan Varghese and Member - Rakesh Rajan and management committee members.

## VISAKHAPATNAM CHAPTER

### Career Awareness Programmes

The Chapter conducted career awareness programmes as under: On 2.7.2015 at Sri Boddu Krishna Degree College, Vizianagaram Dist., on 07.07.2015 at Govt. Junior College, Chodavaram, Visakhapatnam Dist., on 13.7.2015 at Vidyarthi Degree College, Chodavram, Visakhapatnam Dist., on 14.7.2015 at Department of Commerce & Management Studies, Andhra University, Visakhapatnam Dist., on 15.07.2015 at Ushodaya Degree College, Chodavram, Visakhapatnam Dist., on 17.07.2015 at SSSS Junior & Degree College Chodavram, Visakhapatnam Dist. and at Govt. Degree College Sabbavaram, Visakhapatnam Dist. On 30.7.2015 at Vidwan Degree College, Bobbili, Vizianagaram Dist., on 30.7.2015 at Rajah RSRK Rangarao College, Bobbili, Vizianagaram Dist. AP, on 1.8.2015 at Sri GCSR Junior College, Rajam, Srikakulam Dist. AP, on 1.8. and 2.8.2015 at Sri GCSR Degree College, Rajam Srikakulam Dist. AP, on 2.8.2015 at GMR Varalakshmi Foundation Prathiba Library and Counselling Centre Rajam, Srikakulam Dist. AP, on 17.8.2015 at Dr VS Krishna Govt. Degree College [A], Visakhapatnam, on 18.8.2015 at VG Jr. College Girls Visakhapatnam, on 19.8.2015 at BVK Degree College, Visakhapatnam, and in all these institutions PRV Sivaramakrishna, Chapter In charge was the speaker.

On 22.07.2015 the career awareness programme was held at Dr BR Ambedkar College of Law Andhra University, Visakhapatnam. PRV Sivaramakrishna, Chapter In Charge & Prof [Dr.] D.S. Prakasa Rao, and ICSI exam evaluator were the speakers.

On 10.8.2015 the programme was held at Shree Veera Venkata Satyadev Degree College, Annavaram East Godavari Dist. AP, CS CA Subrahmanyam K, Counsellor – East Godavari Dist. and PRV Sivaramakrishna Chapter in Charge were the speakers. On 19.8.2015 the career awareness programme was held at Pydah Degree College Visakhapatnam. CS Ananda Rao R, Chapter Chairman and PRV Sivaramakrishna Chapter In charge were the speakers.

### Half Day Seminar on Companies Act 2013 an overview

A Half Day Seminar on Companies Act 2013 an overview conducted by the Chapter was held on 25.7.2015 at the Chapter Premises. CS PN Rao, Practicing Company Secretary, Visakhapatnam was the speaker who started his presentation with the recent changes and amendments in the Companies Act, 2013 along with Secretarial Standards. The session was lively, interactive and well received by the Members present and their doubts were cleared.



## Half Day Seminar on Board's Report

A Half Day Seminar on Boards Report conducted by the Chapter was held on 22.8.2015 at its premises. CS Venkata Ramana R, Chapter Secretary & Practising Company Secretary, Hyderabad was the speaker who in his address elaborated the compliance & consequences of Board's Report and caution to be exercised in preparation and certification of Annual Return. The session was lively, interactive and well received by the Members present and their doubts were cleared.

## WESTERN INDIA REGIONAL COUNCIL

### BHAYANDER CHAPTER Full Day Seminar on Secretarial Standards & Drafting of Articles in Exempted Era

On 13.9.2015 Bhayander Chapter of WIRC of ICSI organized a Full Day Seminar on Secretarial Standards & Drafting of Articles in Exempted Era at Bhayander (W). The Technical Sessions conducted during the seminar were as under:

Session 1: addressed by CS K Venkataraman, on "Critical Aspect of Directors Report".

Session 2: addressed by CS Keyoor Bakshi, Past President, The ICSI on "Analysis of Secretarial Standards". Session 3: addressed by CS Bhagwanchand Rajput, on "Compliance under various Laws". Session 4: addressed by CA Sunil Sharma on "Something beyond Professional Knowledge". The Seminar was concluded by CS Manoj Mimani, Vice Chairman and CS Sunil Agarwal, Treasurer, Bhayander Chapter. At the end PDP Certificates were given by the Managing Committee Members of the Chapter.

### 69th Independence Day Celebration

On 15.8.2015 Bhayander Chapter of WIRC of ICSI celebrated 69th Independence Day at its premises by hoisting the National Flag by the Chief Guest of the programme CS Rishikesh G Vyas, Chairman, WIRC of ICSI. This was followed by rendition of National Anthem. Around 40 participants including a good number of Managing Committee members were present on the occasion. CS Rishikesh G Vyas in his address shared future plans of the ICSI with the Members and Students and explained how ICSI is taking part in the process of making a developed and skilled India.

### Full Day Seminar on Compliance under Companies Act, 2013 and bail under Criminal Law

On 23.8.2015, Bhayander Chapter of WIRC of ICSI organized a

Full Day Seminar on Compliance under Companies Act 2013 and Bail under Criminal Law at Bhayander (W).

The following were the Technical Sessions conducted during the seminar: Session 1: This session was addressed by CS Makarand Joshi, on "Critical Aspect of Annual Returns and Directors Report". Session 2: This Session was addressed by Adv. Madhukar Dalvi on "Bail- Provisions, Process and Loopholes". Session 3: This session was taken by Hiten Bhuta, on "Enhancing Service Practice by optimum use of Technology". Session 4: This session was addressed by CS Anshul Jain on "Permissible Related Party Transactions".

### Career Awareness Programme

On 27.8.2015 the Chapter conducted a Career Awareness Programme at Abhinav College, Bhayander(E). Around 100 third year B. Com students attended the programme. CS Manish Baldeva and CS Priyanka Bajaj (Chapter Committee Members) were the Faculty of the Programme.

### INDORE CHAPTER Half Day Seminar on Role of Company Secretary

On 22.8.2015 the Indore Chapter of WIRC of the ICSI organised a Half Day Seminar on 'Role of Company Secretary - Responsibility or Liability' at Indore. The programme was inaugurated by Senior Members along with S R Sharma, Assistant General Manager, UCO Bank, R.L. Regar, Assistant General Manager, ICICI Bank, Indore and Rakesh Srivastava, Assistant General Manager, Central Bank of India, Indore. On the occasion ICSI Indore Chapter Members' Directory was also launched.

CS Vijayesh Atre, Practising Advocate, High-Court of MP was the speaker of the seminar & spoke on the Role of Company Secretary. He stressed on the need of a Company Secretary in an organization and also addressed the gathering on New Area & opportunities available for Company Secretaries.

After the half Day Seminar, 05th Annual Cultural Event of Indore Chapter was also organised along with CSBF Cultural Evening, where Members of Indore Chapter and Students participated at large. Around 600+ Members & Students participated in the evening. CSBF Pamphlets and Brochures were also distributed in the seminar.

### 4th Management Skills Orientation Programme

On 07.9.2015, Indore Chapter of ICSI organised its 04th Batch of Management Skills Orientation Programme at Indore Chapter premises. The programme was inaugurated by CS Ashish Garg, Central Council Member, CS Ashish Karodia, Regional Council Member, CS Anurag Gangrade, Treasurer, Indore Chapter and





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CS Manoj Bhandari, Secretary, Indore Chapter. CS Pravin Gupta, Executive Officer of the Chapter Office in his welcome address advised the participants to improve their quality and upgrade to the changing era of corporate world.

CS Ashish Garg asked the members to make the best use of the opportunities recognized by the statute. He further added that the motto must mainly be for service to stakeholders and industry and not merely for revenue generation.

On 02nd Day, CS D.K. Sharma, Chapter Chairman also addressed the students and gave tips to be a successful professional in the era of globalization. He stressed on the need for updation of Knowledge for becoming a successful professional. He then congratulated the MSOP participants for selecting the right profession. During the 15 days programme, the schedule was that senior faculties from different fields would address the participants and guide them on different topics. Faculty members from various professions like Dr. Himanshu Pandey, from School of Law, Guwahati would address on IPR technical & practical issues, Dr. Nidhi Kumar Tiwari, Faculty School of Law on Cyber Law, High Court Advocate Bhakti Vyas & Advocate Atul Gupta on various Laws & Interpretation, Arbitration, Conciliation etc. , CA Apurv Kansal on Live Trading, Ira Bafna on Communication Skill & Networking Behaviour, CS D.K. Jain on Mock Board Meeting, Cs Manish Jain on Meeting & Power of Board under new Companies Act, 2013, CA Pratik Uppal on Stress Management, Mridul Dadhich on Science of Karma, CS Amit Jain on Listing Compliances, CS Ashish Garg on Emerging areas of Practice, CS Pravin Gupta on Code of Conduct, CS Rajendra Kewalia on Yoga & Meditation power in Profession, Dr. Vishal Geete on Management thought, CS Vijayesh Atre on Role of Company Secretary. During the program there was a plan for Industrial visit at Rajratan Global Wire Limited, Pithampur, and a visit to SEBI Regional office located at Indore was also scheduled for the participants. At the end of Programme Group & individual Presentation would also be organized for the students.

## **PUNE CHAPTER** **Seventeenth Management Skills Orientation Programme**

From 3 to 21.9.2015 the Chapter organised its 17th Management Skills Orientation Programme (MSOP) at its premises. Fifty-two participants registered for the programme. Programme completion certificates were distributed to the participants on the last day of the programme. Akshada Naphade was adjudged as the best participant of the MSOP.

## **Study Circle Meeting On Deposit & Borrowing Under Companies Act, 2013**

Pune Chapter organized a Study Circle Meeting on Deposit & Borrowing under Companies Act 2013 held on 29.08.2015 at Pune.

The programme was attended by around 50 delegates. Adv Madan Godse was the faculty for the programme. The session was very informative and well appreciated by the gathering. One (1) PCH was awarded to members attending the same & students were awarded two (2) PDP for the same.

## **Half Day Seminar on Structuring of Articles of Association & Related Party Transactions**

Pune Chapter organized a Half Day Seminar on Structuring of Articles of Association & Related Party Transactions which was held on 5.09.2015 at Pune. The programme was attended by around 100 delegates. CS Makarand Lele, Central Council Member, ICSI and Amogh Diwan were the eminent faculties for the programme. The session was very informative and well appreciated by the gathering. Two (2) PCH was awarded to members attending the same & students were awarded four (4) PDP for the same.

## **Study Circle Meeting on Managerial Remuneration under Companies Act, 2013**

Pune Chapter organized a Study Circle Meeting on Managerial Remuneration under Companies Act 2013 which was held on 5.09.2015 at Alpabachat Bhavan, Pune. The programme was attended by around 80 delegates. CS Kamaljeet Kaur was the eminent faculty for the programme. The session was very informative and well appreciated by the gathering. One (1) PCH was awarded to members attending the same & students were awarded two (2) PDP for the same.

## **Joint Seminar With WIRC on Knowledge Skills Visibility**

Pune Chapter organized a Seminar on Knowledge Skills Visibility jointly with WIRC which was held on 12.09.2015 at Pune. The programme was attended by 163 delegates. Dr K R Chandratre, Past President, ICSI, Dr S D Israni, CS S Sudhakar and CS Satwinder Singh, Central Council Member were the faculties for the programme. The session was very informative and well appreciated by the gathering. Four (4) PCH was awarded to members attending the same & students were awarded eight (8) PDP for the same.

## **Study Circle Meeting on Introduction of National Company Law Tribunal and Court Craft Procedures**

Pune Chapter organized a Study Circle Meeting on Introduction of NCLT & Court Craft Procedures which was held on 19.09.2015 at Yashwantrao Chavan Law Building, Pune. The programme was attended by 60 delegates. CS Ajay Antarkar was the faculty for the programme. The session was very informative and well appreciated by the gathering. One (1) PCH was awarded to members attending the same & students were awarded two (2) PDP for the same.



# ICSI - CCGRT

PCH- 4

## ANNOUNCES

Unique

## All India Opinion Writing Competition



ICSI-CCGRT is pleased to announce unique “Opinion Writing Competition” for the Members with a view to explore their opinion writing skills.

### Competition Rules

- The competition is open for all the Member of ICSI
- No participation fee
- Case for opinion is enclosed
- Participants are expected to give opinion keeping in mind provisions of Companies Act, 2013 & Rules made there under and Listing Agreement.
- Length of opinion should not exceed 20 A4 sized typed pages with font size Arial 11 in double space and should cover the proper reference of Facts, Sections, Case Laws and Judgements.
- Entries in hard copies won't be accepted. Electronic entries should reach ICSI-CCGRT on or before 31<sup>st</sup> October, 2015 at [ccgrt@icsi.edu](mailto:ccgrt@icsi.edu) in PDF form. Entries received after the given date will not be considered.
- Members should provide their full name, address, email id and membership no, in the covering mail; there should be no indication of identity in the opinion.
- Only one entry per member will be accepted.

- Opinions will be screened by a Screening Committee of ICSI CCGRT under the guidance of Dr. K R Chandratre, Past President ICSI & Ms. Savithri Parekh, Chief-Legal & Secretarial, Pidilite Industries Limited.
- Decision of the Screening Committee will be final and binding on all
- ICSI-CCGRT will suitably reward, first three best opinions and the names of the winners will be published and announced through ICSI Publication.
- The prize distribution ceremony will be held at ICSI-CCGRT. Date will be intimated separately to the winner.
- ICSI reserves the Copyright to suitably publish the opinions in its publications or journals or on website and due credit will be given to opinion writers
- Decision of Research Committee of ICSI-CCGRT in all administrative matters will be final and binding.

***On successful submission & acceptance of opinion, participant will be entitled for 4 Credit Hours as per the guidelines of the Institute.***

**CS Makarand Lele**  
Competition Chairman  
Council Member, ICSI

**CS Ahalada Rao**  
Chairman, Research Committee  
Council Member, ICSI

**CS Ashish Doshi**  
Chairman, ICSI-CCGRT  
Council Member, ICSI

**CS Kaushik Jhaveri**  
Competition Co-ordinator

### **ICSI-CCGRT – All India Opinion Writing Competition**

#### **Case for Opinion**

1. A Ltd is a listed company. B Ltd is A's wholly-owned subsidiary. It is proposed to transfer a manufacturing unit of A Ltd to B Ltd. A Ltd proposes to pass a special resolution under section 180 of the Companies Act 2013 ('the Act') for this purpose. The transfer of the unit will take place on a slump sale basis at a value fixed by the Board of directors of A Ltd and agreed to by B Ltd, on the basis of the valuation done by two chartered accountants.
2. Two of the directors of A Ltd are on the Board of B Ltd and, besides, two employees of A Ltd are on the B's Board. None of directors of B Ltd holds any shares in B Ltd.
3. A Ltd has asked you to advise with regard to the following queries:
  - a. Is B Ltd a related party vis-a-vis A Ltd under the Companies Act and Clause 49 of the listing agreement?
  - b. Does the abovementioned transaction of transfer of a unit amount to a Related Party Transaction (RPT) under section 188 of the Act and Clause 49 of the Listing agreement?
  - c. Does it require approval of the Board of A Ltd and its shareholders?
  - d. Can the transaction be exempted under the third proviso to section 188(1) being in the ordinary course of business and at arm's length?
  - e. Will this transaction require any disclosure under the listing agreement?
  - f. Will the directors of A Ltd who are also directors of B Ltd be entitled to participate in the Board meeting of A Ltd and vote on the resolution?
  - g. Will this transaction require to be entered in the register maintained under section 189 of the Act?
  - h. What other requirements under the Act and the listing agreement will be required to be complied with?

All the Best



**Announces**

**PDP- 8**

**Unique Programme for Students**

**Grooming for Companies Act, 2013 – Journey to become a smart CS**

<b>Background</b>	Must attend for all students pursuing Company Secretaryship Course and would be Members of ICSI. <ul style="list-style-type: none"> <li>• Opportunity to meet &amp; listen to the thoughts of “Top Company Law Gurus”.</li> <li>• It will help in improving exam paper writing abilities.</li> <li>• It will help in improving practical understanding of company law.</li> <li>• It will help in improving performance at Apprenticeship training or first job as CS.</li> </ul>
<b>Day, Date &amp; Time</b>	Saturday, October 10, 2015 09.30 a.m. to 05.30 p.m. with lunch and material
<b>Venue</b>	ICSI-CCGRT Auditorium, Plot No. 101, Sector 15, Institutional Area, CBD Belapur, Navi Mumbai – 400 614
<b>Proposed Coverage includes</b>	<ul style="list-style-type: none"> <li>❖ Companies Act 2013 – Emphasis &amp; Fundamentals</li> <li>❖ Type of Companies &amp; Share Capital</li> <li>❖ Drafting of Memorandum/ Articles/ Issue of shares Documentations</li> <li>❖ Directors, Company Secretaries &amp; Auditors– Functions/Duties/ Liabilities/ Role/ Appointment</li> <li>❖ Board, General Meetings and Secretarial Standards – Invocation process/ conduct/ JV meetings/ do’s and don’ts</li> <li>❖ Record keeping, making various disclosures, preparing Notices &amp; Directors report – maintaining minutes of the meeting/ Delivery of document on/by the Company</li> <li>❖ How to read financial statements – Role of CS in preparation/ presentation/ signing/ usage</li> <li>❖ Annual Return Preparation, Annual filing, Certification, XBRL and e-filing</li> </ul>
<b>Speakers include</b>	CS Ashish Doshi, Chairman, ICSI-CCGRT Management Committee CS Ahalada Rao V , Chairman, Research Committee of ICSI CS Shri Makarand Lele, Council Member and Member ICSI-CCGRT Management Committee CS Anshul Jain, Associate Partner, Mehta & Mehta Advisory Services Private Ltd
<b>Participant Mix</b>	All students pursuing Company Secretaryship course and would be Members of ICSI.
<b>Fees</b>	₹ 600/- per participant

**For Registration**

Fees may be paid through local / Par cheque payable at Mumbai in favour of “**ICSI-CCGRT A/c**” and sent to: Dr. Rajesh Agarwal, Director, ICSI-Centre for Corporate Governance, Research & Training (ICSI-CCGRT), Plot No. 101, Sector-15, Institutional Area, CBD Belapur, Navi Mumbai- 400 614

☎ 022-41021515 / 04, Fax: 022-27574384; email: [ccgrt@icsi.edu](mailto:ccgrt@icsi.edu)

For NEFT: Bank Name: ICICI Bank

Branch Name: CBD Belapur, Sector 11, Balaji Bhavan, Belapur, Navi Mumbai – 400 614.

RTGS/NEFT IFSC Code: ICIC0000873; ICICI Bank SB A/c.No.087301000314 Type: Savings

Beneficiary Name: ICSI CCGRT

Note: After remittance, please email the transaction details to give credit to your A/c.

**(CS Ashish Doshi)**  
**Central Council Member**  
**Chairman ICSI CCGRT**





# Our Members

## Congratulations

**Dr. Naresh Maheshwari**, FCS, Chairman Farsight Group on being appointed as Member of National Risk Assessment Team, Government of India, Ministry of Finance, Department of Revenue to take care of risk in various sectors of the economy like Banking, Insurance, Capital Markets, Designated Non-Financial Business and Professional Sector.

**Sivakumar P**, FCS, Secretary, SIRC of the ICSI on being elected to the Executive Committee of the Cochin Chamber of Commerce & Industry for the year 2015 -16.

**S. P. Kamath**, FCS, Chairman, Kochi Chapter of SIRC of the ICSI on being co-opted into the Executive Committee of Cochin Chamber of Commerce and Industry.

## OBITUARIES

“Chartered Secretary” deeply regrets to record the sad demise of the following Members:

**CS N M PATEL**(31.03.1956-21.08.2015), a Fellow Member of the Institute from Gandhinagar.

**CS A RAMAMOHANA RAO** (28.07.1933-29.01.2015), an Associate Member of the Institute from Gudivada.

**CS MADAN LAL SHARMA** (06.10.1934 -09.07.2006), a Fellow Member of the Institute from Panchkula.

**CS VITHALDAS DAHYALAL TALATI** (12.02.1929 -02.09.2015), a Fellow Member of the Institute from Vadodara.

May the almighty give sufficient fortitude to the bereaved family members to withstand the irreparable loss.

May the departed souls rest in peace.



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# CS EXAMINATIONS - DECEMBER, 2015

## TIME-TABLE AND PROGRAMME

### COMPUTER-BASED EXAMINATION FOR FOUNDATION PROGRAMME

Day and Date of Examination	Subjects		Batch No.	Examination Timings	
				From	To
Saturday, 26th December, 2015	Paper-1	Business Environment and Entrepreneurship AND	I	9.30 A.M.	11.00 A.M.
			II	12.00 Noon	1.30 P.M.
	Paper-2	Business Management, Ethics and Communication	III	2.30 P.M.	4.00 P.M.
			IV	5.00 P.M.	6.30 P.M.
Sunday 27th December, 2015	Paper-3	Business Economics AND	I	9.30 A.M.	11.00 A.M.
			II	12.00 Noon	1.30 P.M.
	Paper-4	Fundamentals of Accounting and Auditing	III	2.30 P.M.	4.00 P.M.
			IV	5.00 P.M.	6.30 P.M.

### COMPANY SECRETARIES EXAMINATIONS, DECEMBER, 2015

#### EXAMINATION TIMING : 2.00 P.M. TO 5.00 P.M.

Date and Day	Executive Programme	Professional Programme
21.12.2015 Monday	Cost and Management Accounting (Module-I)*	Advanced Company Law and Practice (Module – I)
22.12.2015 Tuesday	Tax Laws and Practice (Module-I)*	Secretarial Audit, Compliance Management and Due Diligence (Module – I)
23.12.2015 Wednesday	Industrial, Labour and General Laws (Module-II)*	Corporate Restructuring, Valuation and Insolvency (Module – I)
24.12.2015 Thursday	NO EXAMINATION (Holiday)	
25.12.2015 Friday	NO EXAMINATION (Holiday)	
26.12.2015 Saturday	Company Law (Module-I)	Information Technology and Systems Audit (Module – II)
27.12.2015 Sunday	Economic and Commercial Laws (Module-I)	Financial, Treasury and Forex Management (Module – II)
28.12.2015 Monday	NO EXAMINATION	Ethics, Governance and Sustainability (Module – II)
29.12.2015 Tuesday	Company Accounts and Auditing Practices (Module-II)	Advanced Tax Laws and Practice (Module – III)
30.12.2015 Wednesday	Capital Markets and Securities Laws (Module-II)	Drafting, Appearances and Pleadings (Module – III)
31.12.2015 Thursday		Elective 1 out of below 5 subjects (Module – III)
		(i) Banking Law and Practice
		(ii) Capital, Commodity and Money Market
		(iii) Insurance Law and Practice
		(iv) Intellectual Property Rights – Law and Practice
		(v) International Business – Laws and Practices

\*(The three papers, i.e., (i) Cost and Management Accounting; (ii) Tax Laws and Practice; and (iii) Industrial, Labour and General Laws to be held in OMR Mode on 21st, 22nd and 23rd December, 2015 respectively)

Regn. No. 21778/71  
Posting Date : 10/11-10-2015  
Date of Publication : 01-10-2015

Delhi Postal Regn. No. DL(S)-17/3197/2015-2017  
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